

Registration number: 02527386

De La Rue Investments Limited
Annual Report and Financial Statements
for the Period from 29 March 2015 to 26 March 2016

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De La Rue Investments Limited

Strategic Report for the year ended 26 March 2016

The Directors present their strategic report on De La Rue Investment Limited for the year ended 26 March 2016.

Fair review of the business

De La Rue Investment Limited (or the "Company") is a holding company. The main objective of the Company is to ensure that the investments maximise the Company's shareholder return. In addition the Company provided a loan to its immediate parent company, De La Rue Holdings Limited. The Company will continue to monitor its investments and recoverability of the loan.

The Company received no dividends from subsidiary undertakings during the period (2015: £nil).

The profit for the period after taxation was £1,438,003 (2015: £15,000). The Directors do not recommend the payment of an interim and/or a final dividend in the year to 26 March 2016. In 2015 the Company paid an interim dividend of £3,400,000 and did not recommend the payment of a final dividend.

Key performance indicators

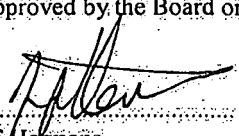
The Directors monitor and manage the performance of each investment against its published financial statements and against the key performance indicators (KPIs) of De La Rue plc (or the "Group"). The Directors believe that analysis using KPIs specifically for the Company is not appropriate for an understanding of the development, performance or position of the business. Details of the Group's KPIs, which include the Company, are set out in the Strategic Report section on page 10 to 13 of the 2016 Annual Report of De La Rue plc, which does not form part of this report.

Principal risks and uncertainties

The principal risk to the Company is the failure of, or impairment of, its investment in its directly owned subsidiaries. The Company has also provided a loan to its immediate parent company, De La Rue Holdings Limited. The principal risk to the Company's loan is the risk of default on this loan.

The key risks facing De La Rue plc, the ultimate parent company are disclosed in the Risk and risk management section on pages 14 to 17 of the 2016 Annual Report of De La Rue plc, which does not form part of this report.

Approved by the Board on 14 December 2016 and signed on its behalf by:



J F Hermans
Company secretary

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

De La Rue Investments Limited

Directors' Report for the year ended 26 March 2016

The Directors present their report and the audited financial statements for the year ended 26 March 2016.

Directors of the Company

The Directors who held office during the period were as follows:

J H Sodha (appointed 10 August 2015)

E H D Peppiatt

C C Child (resigned 10 August 2015)

Employee involvement

The Company has no employees (2015: none). The remuneration of directors is borne by other Group companies. The Company follows the employment policies of the De La Rue plc, the ultimate parent company, details of which are set out in the Responsible business section on pages 28 to 33 of the 2016 Annual Report of De La Rue plc which does not form part of this report.

Going concern

The Directors continue to adopt the going concern basis, as described in Note 2 to the financial statements.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make them aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of any of which they know the auditor is unaware.

Reappointment of auditor

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

Approved by the Board on 14 December 2016 and signed on its behalf by:



J F Hermans
Company secretary

Registered Office:
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Hampshire
RG22 4BS

The Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the financial statements for the year ended 26 March 2016

The Directors are responsible for preparing the strategic report and the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and applicable law (United Kingdom 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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.

Independent Auditor's Report for the member of De La Rue Investments Limited

We have audited the financial statements of De La Rue Investments Limited for the period from 29 March 2015 to 26 March 2016, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the Company's member, 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 member 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 3), 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 Ethical Standards for Auditors to the financial statements.

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 26 March 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK 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 Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and Director's Report:

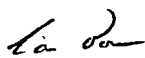
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

**Independent Auditor's Report for the member of De La Rue Investments 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.



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Ian Bone (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 19 December 2016

De La Rue Investments Limited

Profit and Loss Account for the period from 29 March 2015 to 26 March 2016

		29 March 2015 to 26 March 2016 £ 000	30 March 2014 to 28 March 2015 £ 000
	Note		
Income from Investments		-	-
Operating profit/ (loss)		-	-
Other interest receivable	3	1,534	123
Interest payable and similar charges	4	(96)	(108)
Profit on ordinary activities before and after taxation		1,438	15
Profit for the financial period		1,438	15

The notes on pages 10 to 15 form an integral part of these financial statements.

De La Rue Investments Limited

Statement of Comprehensive Income for the period

from 29 March 2015 to 26 March 2016

	29 March 2015 to 26 March 2016 £ 000	30 March 2014 to 28 March 2015 £ 000
Profit for the period	1,438	15
Total comprehensive income for the period	1,438	15

The notes on pages 10 to 15 form an integral part of these financial statements.

De La Rue Investments Limited
Balance Sheet as at 26 March 2016

	Note	26 March 2016 £ 000	28 March 2015 £ 000
Fixed assets:			
Investments	7	33,383	33,383
Current assets			
Debtors	8	66,692	65,914
Cash at bank and in hand		900	247
		<u>67,592</u>	<u>66,161</u>
Creditors: Amounts falling due within one year	10	<u>(48)</u>	<u>(55)</u>
Net current assets		<u>67,544</u>	<u>66,106</u>
Total assets less current liabilities		<u>100,927</u>	<u>99,489</u>
Creditors: Amounts falling due after more than one year	10	<u>(4,350)</u>	<u>(4,350)</u>
Net assets		<u>96,577</u>	<u>95,139</u>
Capital and reserves			
Called up share capital	11	95,000	95,000
Profit and loss account		<u>1,577</u>	<u>139</u>
Shareholder's funds		<u>96,577</u>	<u>95,139</u>

The notes on pages 10 to 15 form an integral part of these financial statements

Approved and authorised by the Board on 14 December 2016 and signed on its behalf by:



J H Sodha

Director

De La Rue Investments Limited

Statement of Changes in Equity for the period from 29 March 2015 to 26 March 2016

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
Balance at 30 March 2014	95,000	3,524	98,524
Profit for the period	-	15	15
Other Comprehensive income	-	-	-
Total comprehensive income	-	15	15
Dividends	-	(3,400)	(3,400)
Balance at 28 March 2015	95,000	139	95,139
Balance at 29 March 2015	95,000	139	95,139
Profit for the period	-	1,438	1,438
Other comprehensive income	-	-	-
Total comprehensive income	-	1,438	1,438
Balance at 26 March 2016	95,000	1,577	96,577

The notes on pages 10 to 15 form an integral part of these financial statements.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2015 to 26 March 2016

1 General information

The company is a private company limited by share capital incorporated in United Kingdom.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared under the historical cost accounting rules in accordance with applicable accounting standards. The accounts have been prepared as at 26 March 2016, being the last Saturday in March. The comparatives for the 2015 financial period are for the period ended 28 March 2015.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement or recognition adjustments.

The Company's ultimate parent undertaking, De La Rue plc includes the Company in its consolidated financial statements. The consolidated financial statements of De La Rue plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Company Secretary, De La Rue plc at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has taken advantage of the exemptions available under paragraph 1.12 of FRS 102 in respect of the following disclosures:

- reconciliation of the number of shares outstanding from the beginning to end of the period;
- the requirement to prepare a statement of cash flows;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the non-disclosure of key management personnel compensation; and
- Certain financial instrument disclosures as included in the consolidated financial statements of the Group in which the Company is consolidated.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2015 to 26 March 2016

2 Accounting policies (continued)

Exemption from preparing group accounts

The Company is a wholly owned subsidiary of De La Rue plc, a company registered in England and Wales. As such the Company is included in the consolidated financial statements of De La Rue plc which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

Going concern

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reason; the Company has considerable net assets and the credit risk of Company's intercompany loan to its immediate parent company is low. The Group, to which the Company is part of, has sufficient funds available at its disposal to manage the intercompany credit risk as its fall due for payment. As such the Directors consider that this should enable the Company to continue in existence for the foreseeable future by meeting its liabilities as they fall due for payment. Hence the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Investments

Investments in subsidiaries and associates are held at cost less accumulated impairment losses.

Taxation

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

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2015 to 26 March 2016

3 Other interest receivable

	29 March 2015 to 26 March 2016 £ 000	30 March 2014 to 28 March 2015 £ 000
Interest income on bank deposits	20	63
Interest income on loans to group undertakings	1,514	60
	<u>1,534</u>	<u>123</u>

4 Interest payable

	29 March 2015 to 26 March 2016 £ 000	30 March 2014 to 28 March 2015 £ 000
Interest payable on loans from group undertakings	96	108

5 Directors' emoluments and auditor's remuneration

The Directors and all other staff engaged on the Company's operations received no fees or other remuneration from the Company (2015: £nil). During the period under review Messrs J H Sodha (appointed 10th August 2015), E H D Peppiatt and C C Child (resigned 10th August 2015) were employed by De La Rue plc. All Directors were remunerated in respect of their services to the Group as a whole by their employing companies. Their emoluments are dealt within their respective companies' financial statements. There are no persons employed by the company (2015: none).

The auditor's remuneration was borne by another Group company.

6 Taxation

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015: 21%).

The differences are reconciled below:

	29 March 2015 to 26 March 2016 £ 000	30 March 2014 to 28 March 2015 £ 000
Profit before tax	1,438	15
Corporation tax at standard rate of 20% (2015: 21%)	288	3
Expense not deductible for tax purposes	(12)	(12)
Permanent differences	(276)	9
Total tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax rates

The main rate of corporation tax was 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 18% from April 2020. These amendments were substantively enacted on 26 October 2015.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2015 to 26 March 2016

7 Investments in subsidiaries, joint ventures and associates

	26 March 2016 £ 000	28 March 2015 £ 000
Investment – Opening balance	33,383	267,914
Less: Accumulated Impairment	-	(234,531)
Investment – Closing balance	<u>33,383</u>	<u>33,383</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
De La Rue Scandinavia Limited	United Kingdom	Ordinary	100%	100%
Harrison & Sons Limited	United Kingdom	Ordinary and 6% cumulative preference	100%	100%
Portals Holdings Limited	United Kingdom	Ordinary	100%	100%
Harrison & Sons Sp. Zo. o	Poland	Ordinary	100%	100%
De La Rue (Sverige) AB	Sweden	Ordinary	100%	100%
Portals Group Limited	UK	Ordinary	100%	100%

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2015 to 26 March 2016

8 Debtors

	Note	26 March 2016 £ 000	28 March 2015 £ 000
Amounts owed by Group undertakings		66,692	65,914

The amounts owed by group undertakings are unsecured, interest bearing and have no fixed date for repayment.

9 Cash and cash equivalents

	26 March 2016 £ 000	28 March 2015 £ 000
Cash at bank	900	247

10 Creditors

	Note	26 March 2016 £ 000	28 March 2015 £ 000
Due within one year			
Amounts due to Group undertakings		48	55
Due after one year			
Amounts owed to Group Undertakings		4,350	4,350

Amounts owed to group undertakings are unsecured and have no fixed repayment date.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2015 to 26 March 2016

11 Share capital

Allotted, called up and fully paid shares

	26 March 2016		28 March 2015	
	No. 000	£ 000	No. 000	£ 000
95,000,000 Ordinary shares of £1 each	95,000	95,000	95,000	95,000

12 Contingent liabilities

The company has jointly guaranteed the revolving credit facility of the Group of £250m, which matures in December 2019. In the event that the guarantee is called, provision may be required subject to the particular circumstances, including an assessment of its recoverability.

13 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.