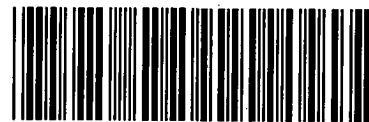


De La Rue Investments Limited
(Registered Number: 02527386)

Annual Report and Financial Statements

For the period ended 29 March 2014

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Strategic Report

Strategy and objectives

The Company is a holding Company that has provided a loan to its immediate parent company, De La Rue Holdings plc. The Company will continue to monitor its investments and recoverability of the loan.

Key performance indicators

The Directors monitor and manage the performance of each investment against its published financial statements and against the key performance indicators (KPI's) of the De La Rue Group because the Company's Directors believe that analysis using KPI's specifically for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. Details of the Group's KPI's, which includes the Company are set out in the Strategic Report section on pages 10 - 11 of the annual report of De La Rue plc, which does not form part of this report.

Principal risks and uncertainties

The Company has provided a loan to its immediate parent company, De La Rue Holdings plc. The risks to the Company are; the risk of default on this loan and impairment of the Company's investments.

The key risks facing De La Rue Holdings plc, its subsidiaries and associate investments are disclosed in the Strategic Report section, pages 10 – 11, of the annual report of De La Rue plc, which does not form part of this report.

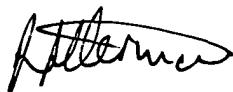
Review of business and future developments

The Company received dividends of £2,600,000 from subsidiary undertakings during the period (2013: £7,047,000).

Results and dividends

The profit for the period after taxation was £3,177,000 (2013: £4,898,000). The Directors made interim dividend payments of £5,000,000 (2013: £12,500,000), however the Directors do not recommend the payment of a final dividend (2013: £nil). The retained deficit for the financial period of £1,823,000 (2013: £7,602,000) has been transferred to reserves.

By Order of the Board



J F Hermans
Secretary

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

11 September 2014

Directors' Report

The Directors submit their report together with the audited financial statements of the Company for the period 31 March 2013 to 29 March 2014.

Directors

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

C C Child
E H D Peppiatt

Employees

The Company has no employees (2013: nil). The Directors' remuneration is borne by another Group company. The Company would follow the employment policies of the De La Rue Group, details of which are set out on pages 25 to 28 of the Annual Report of De La Rue plc which does not form part of this report.

Political donations

There were no political donations during the period (2013: £nil).

Going Concern

The Directors continue to adopt the going concern basis, as described in Note 1 to the financial statements.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG Audit Plc resigned as auditor on 11 October 2013 pursuant to section 516 of the Companies Act 2006. On 21 October 2013 the Shareholder appointed KPMG LLP as auditor of the Company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. KPMG LLP has indicated its willingness to continue in office.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 judgments and estimates that are reasonable and prudent
- state whether applicable UK 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By Order of the Board



J F Hermans
Secretary

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

11 September 2014

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

We have audited the financial statements of De La Rue Investments Limited for the period ended 29 March 2014 set out on pages 7 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).

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 the member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 March 2014 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 Directors' Report and Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to 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
- the financial statements are not in agreement with the accounting records and returns
- certain disclosures of directors' remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit



Ian Bone
Senior Statutory Auditor
for and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants
15 Canada Square,
London
E14 5GL

11 September 2014

Profit and Loss Account
For the period ended 29 March 2014

	Note	2014 £'000	2013 £'000
Administration expenses		629	(2,078)
Income from fixed asset investments		2,600	7,047
Operating profit		3,229	4,969
Interest receivable and similar income	4	67	70
Interest payable and similar charges	5	(119)	(141)
Profit on ordinary activities before taxation		3,177	4,898
Taxation on profit on ordinary activities	3	-	-
Profit for the financial period		3,177	4,898

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

There are no recognised gains or losses other than the retained profit for the financial years shown in the above profit and loss account.

The notes on pages 9 to 15 form part of these financial statements.

Balance Sheet at 29 March 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments	6	33,383	33,383
Current assets			
Debtors (including £68,894,000 (2013: £76,290,000) due after one year)	7	69,254	76,664
Cash at bank and in hand		293	239
		<u>69,547</u>	<u>76,903</u>
Current Liabilities			
Creditors – amounts falling due within one year	8	(106)	(164)
		<u>69,441</u>	<u>76,739</u>
Net current assets			
		<u>102,824</u>	<u>110,122</u>
Total assets less current liabilities			
Creditors – amounts falling due after more than one year	9	(4,300)	(9,775)
		<u>98,524</u>	<u>100,347</u>
Net Assets			
Capital and reserves			
Called up share capital	10	95,000	95,000
Profit and loss account	11	3,524	5,347
		<u>98,524</u>	<u>100,347</u>
Shareholders' funds	12		
		<u>98,524</u>	<u>100,347</u>

Approved by the Board on 11 September 2014

C C Child
Director



The notes on pages 9 to 15 form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(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 29 March 2014, being the last Saturday in March. The comparatives for the 2013 financial period are for the period ended 30 March 2013.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. De La Rue Investments Limited 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.

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of De La Rue Holdings plc, the Company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures', and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the Group. References to "Group" mean De La Rue plc and its subsidiaries.

(b) Going concern

The Company has considerable net assets. As a consequence, after consideration of the credit risk of the loan made to its immediate parent company, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Foreign Currencies

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.

(d) Interest

Interest is recognised in the profit and loss on an accruals basis.

Notes to the Financial Statements (continued)

(e) Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

(f) Investments

Investments are stated at cost or valuation in the balance sheet, less provision for any impairment in the value of the investment.

(g) Dividends

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Directors' emoluments and auditors' remuneration

The Directors and all other staff engaged on the Company's operations received no fees or other remuneration from the Company (2013: £nil). During the period under review Messrs C C Child and E H D Peppiatt were employed by De La Rue plc, and both were remunerated in respect of their services to the Group as a whole by their employing company. Their emoluments are dealt with in that company's financial statements. There are no persons employed by the Company (2013: nil). The auditors' remuneration was borne by another Group company.

3 Taxation on profit on ordinary activities

Analysis of tax charge for the period	2014	2013
	£'000	£'000
UK corporation tax		
Current tax on income for the period	-	-
	_____	_____
Tax on profit on ordinary activities	-	-
	=====	=====

Notes to the Financial Statements (continued)

3 Taxation on profit on ordinary activities (continued)

Factors affecting the tax credit for the current period

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK 23% (2013: 24%). The differences are explained below.

	2014 £'000	2013 £'000
Current tax reconciliation		
Profit on ordinary activities before taxation	<u>3,177</u>	<u>4,898</u>
Expected tax charge at 23% (2013: 24%)	731	1,176
Effects of:		
Dividend income not taxable	(612)	(1,706)
Permanent differences	25	31
Group relief	<u>(144)</u>	<u>499</u>
Total current tax charge	<u>-</u>	<u>-</u>

The main rate of UK corporation tax will be reduced to 21% from April 2014 and 20% from April 2015. These amendments were substantively enacted on 2 July 2013.

4 Interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable from Group undertakings	60	60
External interest receivable	7	10
	<u>67</u>	<u>70</u>

Notes to the Financial Statements (continued)

5 Interest payable and similar charges

	2014 £'000	2013 £'000
Interest payable to Group undertakings	(119)	(141)

6 Investments

Investments in subsidiaries	£'000
Cost	
At 30 March 2013 and 29 March 2014	267,914
Provision for impairment	
At 30 March 2013 and 29 March 2014	(234,531)
Net book value	
At 30 March 2013 and 29 March 2014	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 and preference 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.

Notes to the Financial Statements (continued)

7 Debtors

	2014 £'000	2013 £'000
Amounts due within one year		
Amounts owed by Group undertakings	360	374
Amounts due after one year		
Amounts owed by Group undertakings due after one year	68,894	76,290
	<u>69,254</u>	<u>76,664</u>

Amounts due from Group undertakings are unsecured and have no fixed date for repayment.

8 Creditors – amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to Group undertakings	<u>(106)</u>	<u>(164)</u>

9 Creditors – amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts owed to Group undertakings	<u>(4,300)</u>	<u>(9,775)</u>

Amounts due to Group undertakings are unsecured and have no fixed date for repayment. Interest is charged on an arm's length commercial basis. The above amounts represent long term group loans and are not due within less than one year.

Notes to the Financial Statements (continued)

10 Called up share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid:		
95,000,000 Ordinary shares of £1 each	95,000	95,000

11 Reserves

	Profit and loss account £'000
At 30 March 2013	5,347
Profit for the financial period	3,177
Dividends paid	(5,000)
At 29 March 2014	3,524

12 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial period	3,177	4,898
Dividends paid	(5,000)	(12,500)
Opening shareholders' funds	100,347	107,949
Closing shareholders' funds	98,524	100,347

13 Contingent liabilities

The Company has jointly guaranteed the bank borrowings of Group companies under the Group £200 million four and a half year revolving credit facility.

Notes to the Financial Statements (continued)

14 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, which are both registered in England and Wales. The De La Rue Group is the only group of which the Company is a member 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, Hampshire, RG22 4BS.