

Registration number: 02527386

De La Rue Investments Limited
Annual Report and Financial Statements
for the Period from 29 March 2020 to 27 March 2021



De La Rue Investments Limited

Corporate Information

Directors	D R Harding J C Hyde
Registered office	De La Rue House Jays Close Viables Basingstoke Hampshire RG22 4BS United Kingdom
Auditors	Ernst & Young LLP APEX Plaza Forbury Road Reading RG1 1YE United Kingdom

De La Rue Investments Limited

Directors' Report for the period from 29 March 2020 to 27 March 2021

Registered number: 02527386

The Directors present their report and the financial statements for the period from 29 March 2020 to 27 March 2021.

Directors of the Company

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

L S Roche (resigned 9 July 2020)

D R Harding (appointed 6 May 2020)

J C Hyde

Employee involvement

The Company has no employees (2020: none). The remuneration of Directors is borne by other Group companies and none of the Directors received any additional remuneration for their role as Directors of De La Rue Investments Limited. If it had employees, the Company would follow 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 31 to 42 of the 2021 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.

Result and Dividend

The profit for the period after taxation was £1,849,000 (2020: £1,661,000). The Directors do not recommend the payment of a final dividend in the period to 27 March 2021 (2020: £nil). The retained profit for the financial period has been transferred to reserves.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2020: £nil).

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves 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 and of which they know the auditor is unaware.

Reappointment of auditors

The auditor Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies' exemption

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006. The Directors have also taken advantage of the small companies' exemption from preparing the Strategic Report.

De La Rue Investments Limited

Directors' Report for the period from 29 March 2020 to 27 March 2021

Post balance sheet events

On 28 September 2021 the Directors and the Company's shareholder approved a capital reduction which reduces the Company's issued share capital from £95,000,000 to £1 by cancelling and extinguishing 94,999,999 ordinary shares of £1 each and crediting the sum of £94,999,999 to the profit and loss reserves of the Company, pursuant to section 641(1)(a) of the Companies Act 2006, with effect from 1 October 2021. Following the capital reduction, the issued share capital of the Company is £1 consisting of 1 ordinary share of £1, held by De La Rue Holdings Limited. The capital reduction created distributable reserves to enable the payment of an intercompany dividend to facilitate the settlement of an intercompany balance due from the parent company. The Directors have concluded that it does not impact the going concern assessment of the business. An interim intercompany dividend of £69,000,000 was approved by the Directors on 6 December 2021.

The Group and Company has implemented actions to mitigate the impact of COVID-19, including steps to protect its employees in line with guidance from Governments, and while there remains considerable uncertainty in relation to the COVID-19 pandemic (including its duration, extent and ultimate impact), the Directors believe that the Group's operations will continue to experience only limited disruption due to the COVID-19 pandemic. Since July 2021, the Group has begun to re-align the handling of the COVID-19 pandemic response from an incident management, to a recovery outlook. We are now focussing on the effective mitigation of COVID-19 as a business-as-usual task, rather than an ongoing incident, to ensure a longevity of compliance. This has included adapting Group recovery planning from the goal of returning to a pre-COVID-19 pandemic situation, to living with control measures to effectively control infections and safeguard business continuity. The Group continues to use scientifically proven, effective mitigation measures such as face coverings, increased ventilation, sanitation and social distancing. The Directors believe that the Group's operations will continue to experience only limited disruption due to the impact of the COVID-19 pandemic.

Approved by the Board on 16 December 2021 and signed on its behalf by:



.....
J C Hyde
Director

De La Rue Investments Limited

The Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements for the period from 29 March 2020 to 27 March 2021

The Directors are responsible for preparing 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

Opinion

We have audited the financial statements of De La Rue Investment Limited (the 'Company') for the year ended 27 March 2021 which comprise of Statement of Comprehensive Income, the Balance Sheet and Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 27 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in the Directors Report within the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period through to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the members of De La Rue Investments Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the members of De La Rue Investments Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, the Companies Act 2006 and Corporation Tax Act 2010) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including General Data Protection regulation (GDPR).
- We understood how De La Rue Investment Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We corroborated our enquiries through our review of board minutes, as well as consideration of the results of our other audit procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through internal team discussions and enquiry of management and those charge with governance. Through this procedure, we have not identified any significant risks related to the Company. As De La Rue Investment Limited is a non-trading entity, with transactions mainly with its related parties, we have performed procedures over the intercompany balances presented in the financial statements and considered of the appropriateness of the disclosures made and the recoverability of balances held.

Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. We also read the financial statement disclosures, corroborating to supporting documentation to assess compliance with applicable laws and regulations and evaluated the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, 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 members 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.

Ernst & Young UK

Kevin Harkin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
16 December 2021

De La Rue Investments Limited

Statement of Comprehensive Income for the period from 29 March 2020 to 27 March 2021

		29 March 2020 to 27 March 2021 £ 000	31 March 2019 to 28 March 2020 £ 000
	Note		
Income from Investments		-	-
Operating profit/ (loss)		-	-
Other interest receivable	3	1,849	1,661
Interest payable and similar charges	4	-	-
Profit before taxation		1,849	1,661
Taxation	6	-	-
Total comprehensive income for the financial period		1,849	1,661

The notes on pages 11 to 17 form an integral part of these financial statements.

De La Rue Investments Limited
Balance Sheet as at 27 March 2021

	Note	27 March 2021 £ 000	28 March 2020 £ 000
Non current assets			
Investments	7	33,383	33,383
Current assets			
Debtors:	8		
amounts falling due within one year		1,540	1,484
amounts falling due after one year		68,468	66,887
		<u>70,008</u>	<u>68,371</u>
Cash at bank and in hand	9	<u>1,294</u>	<u>1,082</u>
		<u>71,302</u>	<u>69,453</u>
Net assets		<u>104,685</u>	<u>102,836</u>
Capital and reserves			
Called up share capital	10	95,000	95,000
Profit and loss account		<u>9,685</u>	<u>7,836</u>
Total equity		<u>104,685</u>	<u>102,836</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

The notes on pages 11 to 17 form an integral part of these financial statements.

Approved and authorised by the Board on 16 December 2021 and signed on its behalf by:



.....
D R Harding
Director

De La Rue Investments Limited

Statement of Changes in Equity for the period from 29 March 2020 to 27 March 2021

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
Balance at 31 March 2019	95,000	6,175	101,175
Profit for the period	-	1,661	1,661
Other comprehensive income	-	-	-
Total comprehensive income	-	1,661	1,661
Balance at 28 March 2020	95,000	7,836	102,836
Balance at 29 March 2020	95,000	7,836	102,836
Profit for the period	-	1,849	1,849
Other comprehensive income	-	-	-
Total comprehensive income	-	1,849	1,849
Balance at 27 March 2021	95,000	9,685	104,685

The notes on pages 11 to 17 form an integral part of these financial statements.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2020 to 27 March 2021

1 General information

The Company is a private company limited by shares 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 27 March 2021, being the last Saturday in March. The comparatives for the 2019 financial period are for the period ended 28 March 2020.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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:

- 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; and
- certain share based payment 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 2020 to 27 March 2021 (continued)

2 Accounting policies (continued)

Exemption from preparing group accounts

The Company is an indirect 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 Directors have prepared these financial statements on a going concern basis.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 1 to 15 of the Strategic report in the 2021 Annual Report and in the Group's 2021/22 Half year results. In addition, pages 135 to 144 of the 2021 Annual Report include the Group's objectives, policies and processes for financial risk management, details of its financial instruments and hedging activities and its exposure to credit risk, liquidity risk and commodity pricing risk.

The Group has prepared and reviewed profit and cashflow forecasts which cover a period up to 31 December 2022. This base case forecast assumes continued delivery of the Turnaround Plan, specifically protecting market share in Currency, growing Authentication revenue, and the benefit of the cost out initiatives already completed. These forecasts show significant headroom and support that the Group will be able to operate within its available banking facilities and covenants throughout this period. A cumulative decline of 47% in EBITDA compared with the base case would need to occur in the going concern period for the net debt/EBITDA covenant to be breached. This level of reduction is considered to be very unlikely by the Directors. The Directors are satisfied that the Group is well placed to manage its business risks and to continue in operational existence for the foreseeable future.

In assessing whether the going concern basis is appropriate, the Directors take into account all available information about the future, which is at least, but is not limited to the period up to 31 December 2022. The Directors have considered the impact of COVID 19 and have concluded that it does not impact the going concern assessment of the business.

In making this conclusion, the Directors have considered the letter of support of the company received from De La Rue plc confirming that it will provide financial support as needed until 31 December 2022. As a consequence, the Directors have a reasonable expectation that the Company is well placed to manage their business risks and to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements

A copy of the 2021 Annual Report and the Group's 2021/22 Half year results is available at www.delarue.com or on request from the Company's registered office at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2020 to 27 March 2021 (continued)

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.

Interest

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

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.

Critical accounting estimates and areas of judgement

The Company makes estimates and assumptions concerning the future, and the outcome may differ from that calculated. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3 Other interest receivable

	29 March 2020 to 27 March 2021 £ 000	31 March 2019 to 28 March 2020 £ 000
Interest income on bank deposits	22	13
Interest income on loans to group undertakings	1,827	1,648
	<u>1,849</u>	<u>1,661</u>

4 Interest payable

	29 March 2020 to 27 March 2021 £ 000	31 March 2019 to 28 March 2020 £ 000
Interest payable on loans from group undertakings	-	-

5 Directors' emoluments and auditor's remuneration

All Directors who served during the period did not receive remuneration directly in respect of their services as Directors of the Company (2020: £nil).

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

De La Rue Investments Limited
Notes to the Financial Statements for the period from 29 March 2020 to 27 March 2021
(continued)

6 Taxation

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are reconciled below:

	29 March 2020 to 27 March 2020 £ 000	31 March 2019 to 28 March 2020 £ 000
Profit before tax	1,849	1,661
Corporation tax at standard rate of 19% (2020: 19%)	351	315
Expense not deductible for tax purposes	(11)	(11)
Group relief to/(from) other UK group companies	(340)	(304)
Total tax charge	-	-

Factors that may affect future tax rates

The standard rate of tax in the UK is due to increase from 19% to 25% from April 2023, following the enactment of the Finance Act 2021 during June 2021.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2020 to 27 March 2021 (continued)

7 Investments in subsidiaries

	27 March 2021 £ 000	28 March 2020 £ 000
Cost and Carrying Amount at 28 March 2020 and 27 March 2021	<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. Unless otherwise stated all Group owned shares are ordinary:

Name of undertaking	Country of incorporation	Nature of business	Proportion of voting rights and shares held	
			2021	2020
De La Rue Scandinavia Limited	UK	Holding	100%	100%
Harrison & Sons Limited ^(a)	UK	Non-trading	100%	100%
Portals Holdings Limited*	UK	Dormant	100%	100%
Portals Group Limited ^(a)	UK	Holding	100%	100%
<i>De La Rue House, Jays Close, Viabes, Basingstoke, Hampshire, RG22 4BS</i>				
Harrison & Sons Sp. Zo.o*	Poland	Dormant	100%	100%
<i>02-013 Warsaw, ul.Lindlaya 16 Poland</i>				
De La Rue (Sverige) AB*	Sweden	Non-trading	100%	100%
<i>Box 14055, 104 40, Stockholm, Sweden</i>				

* indicates the subsidiary is indirectly held.

^(a) Ordinary shares, cumulative preference shares and deferred shares

8 Debtors

	27 March 2021 £ 000	28 March 2020 £ 000
Amounts owed by Group undertakings	<u>70,008</u>	<u>68,371</u>

Debtors includes £68,468,000 (2020: £66,887,000) receivable after more than one year, being amounts owed by group undertakings.

The amounts owed by group undertakings are interest bearing, unsecured and can be repaid early at the request of the lender. Interest rate charges on group loans with subsidiaries are based on the appropriate currency LIBOR rate and an interest margin determined by the creditworthiness of the borrower.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2020 to 27 March 2021 (continued)

9 Cash and cash equivalents

	27 March 2021	28 March 2020
	£ 000	£ 000
Cash at bank	1,294	1,082

10 Share capital and reserves

Allotted, called up and fully paid shares

	27 March 2021		28 March 2020	
	No. 000	£ 000	No. 000	£ 000
95,000,000 Ordinary shares of £1 each	95,000	95,000	95,000	95,000

Ordinary shares have full rights in the Company with respect to voting, dividends and distributions.

Reserves

Profit and loss account

Cumulative profit and loss, net of distributions to owners.

11 Contingent liabilities

Following the shareholder approval and capital raising effective 7 July 2020, the De La Rue group amended the terms of its banking facilities of £275.0m. These include an RCF cash drawdown component of up to £175.0m and bond and guarantee facilities of a minimum of £100.0m, which currently are due to mature in December 2023. There can be conversion (in blocks of £25.0m) of up to £50.0m of the undrawn RCF cash component to the bond and guarantee component if required and an election to convert this back (again in blocks of £25.0m) can be made in order to draw more in cash if the bond and guarantee component has not been sufficiently utilised. The Company is a joint guarantor to the RCF. In the event that the guarantee is called, provision may be required subject to the particular circumstances, including an assessment of its recoverability.

12 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.

De La Rue Investments Limited

Notes to the Financial Statements for the period from 29 March 2020 to 27 March 2021 (continued)

13 Subsequent events

On 28 September 2021 the Directors and the Company's shareholder approved a capital reduction which reduces the Company's issued share capital from £95,000,000 to £1 by cancelling and extinguishing 94,999,999 ordinary shares of £1 each and crediting the sum of £94,999,999 to the profit and loss reserves of the Company, pursuant to section 641(1)(a) of the Companies Act 2006, with effect from 1 October 2021. Following the capital reduction, the issued share capital of the Company is £1 consisting of 1 ordinary share of £1, held by De La Rue Holdings Limited. The capital reduction created distributable reserves to enable the payment of an intercompany dividend to facilitate the settlement of an intercompany balance due from the parent company. The Directors have concluded that it does not impact the going concern assessment of the business. An interim intercompany dividend of £69,000,000 was approved by the Directors on 6 December 2021.

The Group and Company has implemented actions to mitigate the impact of COVID-19, including steps to protect its employees in line with guidance from Governments, and while there remains considerable uncertainty in relation to the COVID-19 pandemic (including its duration, extent and ultimate impact), the Directors believe that the Group's operations will continue to experience only limited disruption due to the COVID-19 pandemic. Since July 2021, the Group has begun to re-align the handling of the COVID-19 pandemic response from an incident management, to a recovery outlook. We are now focussing on the effective mitigation of COVID-19 as a business-as-usual task, rather than an ongoing incident, to ensure a longevity of compliance. This has included adapting Group recovery planning from the goal of returning to a pre-COVID-19 pandemic situation, to living with control measures to effectively control infections and safeguard business continuity. The Group continues to use scientifically proven, effective mitigation measures such as face coverings, increased ventilation, sanitation and social distancing. The Directors believe that the Group's operations will continue to experience only limited disruption due to the impact of the COVID-19 pandemic.