Registration number: 00058025

De La Rue Holdings Limited

Annual Report and Financial Statements

For the Period from 31 March 2019 to 28 March 2020

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De La Rue Holdings Limited

Corporate Information

Directors	D R Harding J C Hyde
Company Secretary	D R B Hickman R C Bellhouse
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 Holdings Limited

Strategic Report for the period from 31 March 2019 to 28 March 2020

The Directors present their strategic report for the period from 31 March 2019 to 28 March 2020.

Fair review of the business

As a holding company, the main objective of the Company is to ensure that the investments maximise the Company's shareholder returns.

During the period, the Company booked an impairment in its subsidiary of £40.6m, based on an equity valuation of £123.7m. The impairment was calculated based on an equity value calculated by management with support from external experts. For further details see note 3.

During the year, charges in respect of exceptional items of £3,611,000 were recorded (2019: £2,130,000). These comprised site relocation and restructuring charges £1,168,000 (2019: £2,299,000), charges in relation to the disposal of the International Identity Solutions business of £1,419,000 (2019: credit associated with the disposal of the paper business £169,000).

Dividend income from investments of £81,000 (2019: £4,000,000) was received in the year. The subsidiaries and associated undertakings are disclosed in note 16 to these financial statements.

The strategies and objectives of the companies in which De La Rue Holdings Limited holds an investment are set out in the published financial statements of its ultimate parent company De La Rue plc a copy of which can be obtained from the Company Secretary of De La Rue plc at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS or on the company's website at www.delarue.com

The Company will continue to operate in accordance with its principal activities.

Key performance indicators

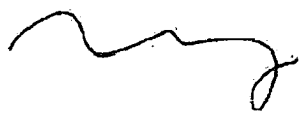
The Directors monitor and manage the performance of each investment against its published financial statements and against the key performance indicators (KPIs) of De La Rue plc Group because the Company's Directors believe that analysis using KPIs specifically for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. Details of the Group's KPIs, which includes the Company, are set out in the Strategic Report section on page 22 of the 2020 annual report of De La Rue plc, which does not form part of this report.

Principal risks and uncertainties

The Company operates in a changing economic and competitive environment that presents risks, many of which are driven by factors that cannot easily be controlled or predicted.

The key risks facing the Company, its subsidiaries and associate investments are disclosed in the Risk and Risk Management section, pages 23 to 31 of the 2020 annual report of De La Rue plc. These do not form part of this report.

Approved by the Board on 18 December 2020 and signed on its behalf by:



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D R Harding
Director

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De La Rue Holdings Limited

Director's Report for the Period from 31 March 2019 to 28 March 2020

Registered number: 00058025

The Directors present their report and the financial statements for the period from 31 March 2019 to 28 March 2020.

Directors of the Company

The Directors who held office during the period and at the date of signing this report were as follows:

E H D Peppiatt (resigned 27 January 2020)

J F Hermans (alternate director for E H D Peppiatt, resigned 19 December 2019)

H M Willis (resigned 24 January 2020)

L S Roche (resigned 27 July 2020)

J C Hyde (appointed 24 January 2020)

D R Harding (appointed 6 May 2020)

Employee involvement

Details of employee related costs can be found in note 9 to the financial statements. The company follows the employment policies of the De La Rue Group, details of which are set out on pages 32 to 40 of the 2020 Annual Report of De La Rue plc which does not form part of this report. This may be summarised as follows: The Company aims to employ people of high quality and encourages creativity and innovation. It recognises individual and team contributions and will give all employees the chance to develop their potential. The Company promotes employee involvement through a policy of communication and consultation. The Company's intranet communication channels, and more traditional house notices, are further strengthened through regular briefings; a two-way communications programme designed to maximise dialogue.

The Company offers equal opportunities in recruitment, training and promotion and in terms and conditions of employment, irrespective of gender, transgender status, sexual orientation, religion or belief, marital status, age, colour, nationality, national origin, disability or trade union affiliation. All managers are required to ensure that all employees understand their responsibility for the active implementation of Company policy.

The Company sustains strategic management development initiatives to enhance the commercial awareness of its managers and to improve shareholder value.

Employment of disabled persons

If an employee becomes disabled during when in the Company's employment, full support is given through the provision of special training, equipment or other resources to facilitate continued employment wherever possible. All managers are required to ensure that all employees understand their responsibility for the active implementation of Company policy.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

Going concern

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

The Directors note that in the Group's (De La Rue plc) Annual Report for 2020, the Directors of the Group concluded there was a material uncertainty that could cast significant doubt on the Group's ability to continue as a going concern. This uncertainty related to a shareholder vote to approve a £100m equity capital raise, a vote which had not yet taken place at the time the Annual Report was issued. At a General Meeting of the Group on 6 July 2020, the shareholders voted overwhelmingly in support of the capital raise, hence removing the material uncertainty. Following the shareholder approval, effective 7 July 2020, the Group amended the terms of its banking facilities of £275m.The relevant amendments among other things, extend the maturity of the RCF to December 2023 and give the Group access to an RCF cash drawdown component of £175m and bond and guarantee facilities of a minimum of £100m.The continued access to these borrowing facilities is subject to quarterly covenant testing. In the DLR Group condensed consolidated financial statements for the half year period ended 26 September 2020 it was noted that the group had drawn down £43m of the £175m cash element of the RCF leaving £132m of undrawn committed borrowing facilities available to the Group. Since 26 September 2020 the Group has also reallocated £25m of the cash component to the bond and guarantee component.

Taking into account the result of the shareholder vote on 6 July 2020, the trading result for the 6-month period to 26 September 2020 and ability of the Group to deliver on its current orderbook, the Directors have made their Going Concern assessment for these financial statements. The Group's updated forecasts and projections, which cover a period up to 31 December 2021, take into account the base case forecast as well as plausible downside scenarios. In performing this assessment, the Directors have considered the potential impact of COVID-19, taking into account its impact on the company in the period to date as well as actions taken by the Group to mitigate its impact. These forecasts and projections show that the Group will be able to operate within its available banking facilities and financial covenants throughout this period.

As a consequence, the Directors have a reasonable expectation that the Company and the Group are 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

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 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

Post balance sheet event

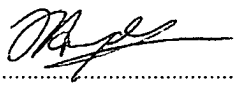
The Group completed a £100m gross (pre-costs) and £92.9m (post-costs) equity capital raising on 7 July 2020, strengthening the Group's balance sheet and enabling the Company to deliver the Turnaround Plan and create value for its employees, customers, suppliers and shareholders.

Effective 7 July 2020, the Group also amended the terms of its Bank facilities of £275m. The relevant amendments, among other things, extend the maturity date of the Revolving Cash Facility ("RCF") to December 2023, reset the interest cover ratio and provide available committed bond and guarantee facilities that do not need to be cash collateralised in most cases. These include an RCF cash drawdown component of up to £175m and bond and guarantee facilities of a minimum of £100m. The Company is a joint guarantor to the RCF.

Subsequent to the year end, the Company sold one of its investment properties for an amount of £2.7m net of fees. As the investment property was revalued in the 28 March 2020 balance sheet based on the known sales value, no gain or loss will be recorded on disposal in subsequent year end financial statements.

The Company has assessed, and continues to assess, the potential for disruption caused by the COVID-19 pandemic and has put in place plans and measures in order to enable the business to maintain normal operations, to the extent possible, against the backdrop of an evolving situation. The Company has implemented actions to mitigate the impact of COVID-19, and whilst there remains considerable uncertainty in relation to the COVID-19 pandemic (including in relation to its duration, extent and ultimate impact), 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 18 December 2020 and signed on its behalf by:



J C Hyde
Director

De La Rue Holdings Limited

The Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the financial statements for the period from 31 March 2019 to 28 March 2020

The Directors are responsible for preparing the Strategic report, 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 elected to prepare the financial statements in accordance with 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

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Independent Auditor's Report to the member of De La Rue Holdings Limited

Opinion

We have audited the financial statements of De La Rue Holdings Limited for the year ended 28 March 2020 which comprise the Statement of Comprehensive Loss, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 29, 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" (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 28 March 2020 and of its loss 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 below. 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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.

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

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 LLP

Kevin Harkin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
18 December 2020

De La Rue Holdings Limited

Profit and Loss Account for the period from 31 March 2019 to 28 March 2020

	Note	31 March 2019 to 28 March 2020 Total £ 000	1 April 2018 to 30 March 2019 Total £ 000
Turnover		-	-
Administrative expenses		(14,356)	(11,926)
Exceptional items	6	(2,587)	(2,130)
Profit on sale of subsidiary	29	269	-
Other operating income	4	1,442	1,825
Operating loss	5	(15,232)	(12,231)
Dividend income received from group undertaking	16	81	4,000
Amounts written off investments	16	(40,610)	(171,525)
Other interest receivable and similar expenses	7	16,806	16,702
Interest payable and similar charges	8	(29,962)	(29,335)
Loss before taxation		(68,917)	(192,389)
Taxation	12	2,637	2,256
Loss for the financial period		(66,280)	(190,133)

The notes on pages 13 to 37 form an integral part of these financial statements.

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De La Rue Holdings Limited

Statement of Comprehensive Loss from 31 March 2019 to 28 March 2020

	Note	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Loss for the period		(66,280)	(190,133)
Total comprehensive loss for the period		(66,280)	(190,133)

The notes on pages 13 to 37 form an integral part of these financial statements.

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De La Rue Holdings Limited

Balance Sheet as at 28 March 2020

	Note	28 March 2020 £ 000	30 March 2019 £ 000
Non current assets			
Intangible assets	13	1,152	1,536
Tangible assets	14	-	-
Investment property	15	13,188	14,536
Investments	16	521,382	562,126
Derivative financial instruments	17	2,165	230
		537,887	578,428
Current assets			
Stock		7	-
Debtors:	18		
amounts falling due within one year		36,621	35,242
amounts falling due after one year		692,899	684,412
		729,520	719,654
Derivative financial instruments	17	23,600	8,642
Cash at bank and in hand	19	62,148	74,256
		815,275	802,552
Creditors: Amounts falling due within one year	20	(1,183,206)	(1,146,546)
Net current liabilities		(367,931)	(343,994)
Total assets less current liabilities		169,956	234,434
Creditors: Amounts falling due after more than one year	20	(2,165)	(230)
Net assets		167,791	234,204
Capital and reserves	22		
Called up share capital		-	-
Capital redemption reserve		200	333
Profit and loss account		167,591	233,871
Total equity		167,791	234,204

Approved and authorised by the Board on 18 December 2020 and signed on its behalf by:

D R Harding
Director

The notes on pages 13 to 37 form an integral part of these financial statements.

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De La Rue Holdings Limited

Statement of Changes in Equity for the period from 31 March 2019 to 28 March 2020

	Share capital £ 000	Capital Redemption reserve £000	Profit and loss account £ 000	Total £ 000
Balance at 1 April 2018	-	217	424,004	424,221
Loss for the period	-	-	(190,133)	(190,133)
Total comprehensive loss for the period	-	-	(190,133)	(190,133)
Transactions with owners in their capacity as owners:				
Share based payments	-	116	-	116
Balance at 30 March 2019	-	333	233,871	234,204

	Share capital £ 000	Capital Redemption reserve £000	Profit and loss account £ 000	Total £ 000
Balance at 31 March 2019	-	333	233,871	234,204
Loss for the period	-	-	(66,280)	(66,280)
Total comprehensive loss for the period	-	-	-	-
Transactions with owners in their capacity as owners:				
Share based payments	-	(133)	-	(133)
Balance at 28 March 2020	-	200	167,591	167,791

The notes on pages 13 to 37 form an integral part of these financial statements.

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Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020

1 General information

The Company is a private company limited by shares incorporated in England and Wales.

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 the revised Financial Reporting Standard 102 for the triennial review 2017. This did not result in any impact to the Company's accounting policies.

Basis of preparation

These financial statements have been prepared under the historical cost accounting rules in accordance with applicable accounting standards modified to include certain financial instruments at fair value. The accounts have been prepared as at 28 March 2020, being the last Saturday in March. The comparatives for the 2019 financial period are for the period ended 30 March 2019.

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 applied the exemptions available under FRS 102 in respect of the following disclosures:

- Disclosures in respect of transactions with wholly owned subsidiaries;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of De La Rue plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.
- Share based payment – share based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash settles share based payments, explanation of modifications to arrangements.

The Company proposes to continue to adopt the above exemptions in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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2 Accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' report on pages 1 to 3.

The Director's have prepared these financial statements on a going concern basis.

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, 12 months from the date of approval of these financial statements. The Directors have performed this review at a company level including considering 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 for at least twelve months from the date of approval of these financial statements. The Directors have reasonable expectation that the Company has adequate resources to continue due to both the continued strong performance during the pandemic and ongoing financial results of the parent company which is publicly available. Thus, the Company continues to adopt the going concern basis in preparing these financial statements.

Please refer to the Directors Report for a more detailed assessment of going concern.

Exemption from preparing group accounts

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group accounts.

These financial statements present information about the Company as an individual undertaking and not about its group. De La Rue Holdings Limited 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.

2. Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the individual transactions or if hedged forward at the rate of exchange under the related forward contract. 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. Exchange differences are taken to the profit and loss account, except those arising on long term foreign currency borrowings used to finance or hedge foreign currency investments (to the extent that they match the exchange differences on the foreign currency investments) which are taken directly to shareholders equity.

Tax

The tax expense included in the profit and loss account comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, including adjustments in respect of prior periods, using tax rates enacted or substantively enacted by the balance sheet date. Tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax is provided on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using tax rates that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the asset is realized for the liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill not deductible for tax purposes, or result from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2 Accounting policies (continued)

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost includes directly attributable incremental costs incurred in their acquisition and installation.

Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value where a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised through the profit and loss account.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principles set out in FRS 102. The Directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
All other plant and equipment	Evenly over estimated remaining life at rates between 4% and 50%
Fixtures and fittings (within plant and equipment)	10% per annum
Assets in course of construction	No depreciation is provided
Other leasehold interests	Over the unexpired period of the lease

Intangible assets - software

Software assets are amortised over their useful economic lives as determined the period of time over which the Company expects to receive the economic benefits from them.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software	Ranging from 20% to 33%

2 Accounting policies (continued)

Investments
Fixed asset investments are stated at cost or valuation in the balance sheet, less provision for any impairment in the value of the investment. Dividends receivable from investments are recognised in the profit and loss account when paid, or when approved by the shareholders.

In accordance with FRS102, in the case of a dividend income from a subsidiary, which reduces the value of that subsidiary below its carrying amount in the books of the parent, dividend receipts will be credited against the carrying amount of the investment on the balance sheet.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions
Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

2 Accounting policies (continued)

Leases

Operating lease rentals are charged to the profit and loss account as incurred.

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Defined benefit pension obligation

The pension rights of the Company employees are dealt with through a self administered scheme, the assets of which are held independently of the Company's finances. The scheme is a defined benefit scheme and is closed to future accrual. The Group agrees deficit funding with the scheme Trustees and Pension Regulator. The Company is a participating employer. The Group has adopted a policy whereby the scheme funding and deficit are recorded in the main UK trading subsidiary of the Group, De La Rue International Limited, which pays all contributions to the scheme and hence these are not shown in these Company accounts.

Share based payments

De La Rue Holdings Limited participates in various share settled share option schemes in the shares of De La Rue plc. The services received from employees are measured by reference to the fair value of the share options. The fair value is calculated at grant date and recognised in the profit and loss account, together with a corresponding increase in shareholder's funds, on a straight line basis over the vesting period, based on an estimate of the number of shares that are actually expected to vest, taking into account non market vesting conditions (including service conditions). Vesting conditions, other than non market conditions, are not taken into account when estimating the fair value.

For cash settled share options, the services received from employees are measured at the fair value of the liability for options outstanding and recognised in the profit and loss account on a straight-line basis over the vesting period. The fair value of the liability is remeasured at each reporting date and at the date of settlement with changes in fair value recognised through the profit and loss account.

Where De La Rue plc grants share options over its shares to the employees of the Company, these awards are accounted for by De La Rue plc as an additional investment in its subsidiary. Any payment made by the subsidiary undertakings in respect of these arrangements are treated as a return of this investment. Share based payments were previously recharged to subsidiaries and recorded via the intercompany loan account.

Financial instruments

Classification

Where the Company enters into financial guarantee contracts, to guarantee the indebtedness of other companies within the group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Interest

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

3 Critical accounting estimates and areas of judgement

The Company makes estimates and assumptions concerning the future, and the outcome may differ from that calculated. The 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 are discussed below:

The Company assesses its subsidiaries for indicators of impairment at each reporting date. During the period, the Company booked an impairment in its subsidiary of £40.6m. The Company owns directly or indirectly the Group's subsidiaries which include its manufacturing locations in addition to the subsidiary which enters into the majority of customer contracts and thus records the income on these. The Directors' have calculated an equity valuation of £123.7m which represents the value of the entire DLR Group and is aligned to the valuation of subsidiaries used in the top company in the DLR Group structure being DLR plc. The Directors consider that its total value of investment in subsidiaries cannot exceed the £123.7m equity valuation for the entire DLR Group because as noted the subsidiaries it owns comprise those holding the Group's manufacturing capabilities in addition to its commercial contracts with customers. The Company calculated a total impairment of £40.6m which was allocated to individual subsidiaries on the following basis: Subsidiaries which are involved in the manufacturing of products for sale on an intercompany basis to the Group's main trading entity (for sale by that entity under the customer contract) were valued on a net assets basis. This was deemed appropriate as the value in the sites is considered to be most reliably measured by reference to net asset value. No assets at any of these subsidiaries were determined to have been impaired in their own right. The residual amount of total equity valuation of £123.7m after deduction of the net assets value assigned to these subsidiaries was allocated against the Group's main trading entity. The total equity valuation of £123.7m was calculated with support from external experts. Management calculated two equity values one assuming the capital raising referred to in the strategic report of the 2020 Annual Report and Accounts of De La Rue plc was successful (the funded scenario) and one that it was not (the unfunded scenario).

The judgements made in assessing
the impairment to record were:

- The probability weightings to be applied to the funded and unfunded scenarios;
- The discount rate used; and
- The terminal growth rate of 3% used in the funded scenario.

Management based its probability weightings for the likelihood of the funded and unfunded scenarios occurring based on the best information it had available to them. Management noted that increasing/decreasing the weighting to the unfunded scenario by 5% (and increasing/decreasing the weighting to the funded by the same amount) would have increased/decreased the impairment by £1.15m.

The post-tax discount rate of 12.5% (comparable rate on a pre-tax basis would be in the range of 14.2 to 15.4%) used in the impairment calculation was based on advice from external experts. Management ensured it was comfortable with the discount rate by reviewing the inputs used in the discount rate calculation and ensuring that they were within a reasonable range for comparable companies. Management noted that increasing the post-tax discount rate to 13% would have decreased the equity valuation to £96.7m. Decreasing the post-tax discount rate to 12% would have increased the equity valuation to £153.7m. A terminal growth rate of 3% was assumed in the funded scenario.

The Directors consider a 3% terminal growth rate reasonable, as currency circulation is expected to continue to grow at a modest rate in the long term with growth in the Currency division further enhanced by the Group's Polymer growth and Security Features on Polymer strategy. In addition, continued growth in Authentication is expected at a rate that supports a terminal growth rate of 3%. In addition the Directors consider that a 3% terminal growth rate can be supported by the ability to maintain operating margins in later years. The combination of these factors led the Directors to be comfortable with a 3% terminal growth rate.

3 Critical accounting estimates and areas of judgement (continued)

The directors noted that decreasing the terminal rate in funded scenario from 3% to 2% would have reduced the equity valuation to £85m.

The Directors note that the equity valuation of £ 123.7m is at a significant premium to the market capitalization as at the balance sheet date of 28 March 2020. However, the Directors considered that the market capitalization as at 28 March 2020 was low due to the impact of stock market performance following COVID-19 concerns. Subsequent, to year end the Group's market capitalization has risen substantially to a level as at 18 December 2020 to around £205m.

The Directors therefore concluded that the equity valuation of £123.7m based on management's calculation was in line with the market capitalization as at 18 December 2020.

Consequently, the Directors were satisfied that notwithstanding the premium of the equity valuation to market capitalisation as at 28 March 2020, recording an impairment based of an equity valuation of £123.7m was appropriate. Based on management's careful assessment of the assumptions and judgements made in the impairment calculation, it was concluded that the impairment recorded was appropriate.

The Directors consider items of income and expenditure which are both material by size and/or by nature and non-recurring should be disclosed separately in the financial statements so as to help provide an indication of the Company's underlying business performance. The Directors label these items collectively as 'exceptional items'. Determining which transactions are to be considered exceptional in nature is often a subjective matter.

Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Other operating income	1,442	1,825

5 Operating loss

Arrived at after charging/(crediting)

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Amortisation expense	384	387
Impairment of investment in group undertaking	40,610	171,525
Loss on disposal of investment property	-	8
Operating lease expense - plant and machinery	7	11
Revaluation of investment property	1,348	(910)
Profit on sale of subsidiary	(269)	-
Foreign exchange loss	3,193	812

6 Exceptional Items

	31 March 2019 to 28 March 2020	1 April 2018 to 30 March 2019
	£'000	£'000
Site relocation and restructuring	1,168	1,288
Costs associated with the CPS disposal	-	1,011
Credit associated with the Paper business disposal	-	(169)
Costs associated with the ID business disposal	1,419	-
	2,587	2,130

Site relocation and restructuring costs in FY 2019/20 included charges of £1.2m relating to the reorganisation during the period of the Group into our new divisional structure and other cost out programmes, primarily being redundancy costs and in addition to consultant and advisor fees.

In FY 2018/19 site relocation and restructuring costs of £1.3m were incurred relating to the final stages of the upgrade of our finance system and processes which included staff compensation payments, personnel costs for individuals solely employed to work on the project, and consultancy fees.

During FY 2018/19 costs of £1.0m have been incurred associated with the winding down of remaining activities relating to CPS.

In FY 2018/19 costs of £0.2m has been recorded in relation to the finalising of remaining activities relating to the Paper business disposal.

In FY 2019/20 costs associated with the disposal of the subsidiary International Identify Solutions business to HID Corporation were £1.4m.

7 Other interest receivable and similar income

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Interest income on bank deposits	883	1,026
Interest income on loans to group undertakings	15,923	15,676
	16,806	16,702

8 Interest payable and similar expenses

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Interest on bank overdrafts and borrowings	1,945	2,722
Interest payable on loans from group undertakings	28,017	26,613
	29,962	29,335

Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020

9 Staff costs

The average number of persons employed by the Company (including Directors) during the period, analysed by category was as follows:

	31 March 2019 to 28 March 2020 No.	1 April 2018 to 30 March 2019 No.
United Kingdom	44	48

The aggregate payroll costs (including directors' remuneration) were as follows:

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Wages and salaries	5,004	5,769
Social security costs	618	716
Pension costs, defined benefit scheme	281	304
Share-based payment (credit) / expenses	(232)	112
	5,670	6,901

10 Directors' remuneration

All Directors who served during the period did not receive remuneration directly in respect of their services as Directors of the Company (2019: £nil).

11 Auditor's remuneration

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Audit of the financial statements	15	15

12 Taxation

Tax credited in the income statement

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Current taxation		
Foreign tax	9	-
Adjustments in respect of prior periods	-	4
Total current income tax	9	4
Deferred taxation		
Arising from origination and reversal of timing differences	(2,326)	(2,526)
Arising from changes in tax rates and laws	(320)	266
Total deferred taxation	(2,646)	(2,260)
Tax charge/(credit) in the income statement	(2,637)	(2,256)

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are reconciled below:

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Loss before tax	(68,917)	(192,389)
Corporation tax credit at standard rate of 19% (2019: 19%)	(13,094)	(36,554)
Tax on apportioned controlled foreign company profits	56	52
Adjustment for prior periods	67	63
Non-taxable dividends received	(15)	(760)
Impairment of investments not deductible for tax purposes	7,716	32,590
Reduction in tax rate on deferred tax balances	(320)	266
Foreign tax	9	-
Group relief	2,078	1,200
Permanent differences	866	887
Total current tax credit	(2,637)	(2,256)

Factors which may affect future tax rate

The future UK standard rate of tax is expected to be 19% based on current legislation. Deferred tax has been recognised at a rate of 19% reflecting the rate that was substantively enacted at the balance sheet date.

13 Intangible assets

	Software £ 000	Total £ 000
Cost or valuation		
At 30 March 2019	3,193	3,193
Disposals	(117)	(117)
At 28 March 2020	3,076	3,076
Amortisation		
At 30 March 2019	1,657	1,657
Amortisation charge	384	384
Amortisation eliminated on disposals	(117)	(117)
At 28 March 2020	1,924	1,924
Carrying amount		
At 28 March 2020	1,152	1,152
At 30 March 2019	1,536	1,536

14 Tangible assets

Property, plant and equipment	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation		
At 30 March 2019	154	154
Disposals	(96)	(96)
At 28 March 2020	58	58
Depreciation		
At 30 March 2019	154	154
Disposals	(96)	(96)
At 28 March 2020	58	58
Carrying amount		
At 28 March 2020	-	-
At 30 March 2019	-	-

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15 Investment property

Fair value	£ 000
At 30 March 2019	14,536
Disposals	-
Revaluation	(1,348)
At 28 March 2020	13,188

Investment property comprises freehold and long leasehold land and buildings. The fair value of the Company's investment property at 28 March 2020 has been arrived at on the basis of a valuation carried out by Gerald Eve LLP, on an open market value basis at 28 March 2020. Gerald Eve LLP are not connected with the Company.

If investment properties were stated on an historical basis rather than a fair value basis, the amounts would have been included as follows:

	Freehold land and buildings £ 000	Long leasehold land and buildings £ 000	Total £ 000
Cost			
At 30 March 2019	25	20,643	20,668
Disposals	-	-	-
At 28 March 2020	25	20,643	20,668
Depreciation			
At 30 March 2019	-	11,387	11,387
Charge for the period	-	413	413
At 28 March 2020	-	11,800	11,800
Carrying amount			
At 28 March 2020	-	8,843	8,868
At 30 March 2019	25	9,256	9,281

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16 Investments in subsidiaries, joint ventures and associates

	28 March 2020 £ 000	30 March 2019 £ 000
Investments in subsidiaries	521,382	562,126

Subsidiaries	**£ 000**
Cost or valuation	
At 30 March 2019	1,106,802
Additions	20
Disposals	(154)
At 28 March 2020	1,106,668
Provision	
At 30 March 2019	544,676
Impairment charge	40,610
Eliminated on disposal	-
At 28 March 2020	585,286
Carrying amount	
At 28 March 2020	521,382
At 30 March 2019	562,126

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

During the period £20,000 has been invested in De La Rue Communication and Information Technology Limited (2019: investment of £253,000 in a subsidiary undertaking De La Rue Security Technology (Beijing) Co. Ltd).

During the period the Group completed the sale of the international Identity Solutions business to HID Corporation Limited. This resulted in the Company selling the following direct and indirect wholly owned subsidiaries – De La Rue Services Limited, De La Rue Angola Limitada, De La Rue Kenya Limited and De La Rue Caribbean Limited.

During the period £40,610,000 of impairment charges were recognised in relation to the impairment of investments in subsidiaries where their value was not fully recoverable (2019: £171,525,000) (see note 3 for further details).

During the period £81,000 of dividend income (2019: £4,000,000) was received from a subsidiary.

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16 Investments in subsidiaries, joint ventures and associates (continued)

Details of undertakings

Details of the investments in which the Company holds directly or indirectly 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
De La Rue International Limited	UK	Trading	100%
De La Rue Overseas Limited	UK	Holding	100%
De La Rue Finance Limited	UK	Internal financing	100%
De La Rue Investments Limited	UK	Holding	100%
Portals Group Limited	UK	Holding	100%
De La Rue Consulting Services Limited	UK	Trading	100%
De La Rue Healthcare Trustee Limited	UK	Dormant	100%
De La Rue Pension Trustee Limited	UK	Dormant	100%
De La Rue Scandinavia Limited	UK	Holding Company	100%
Harrison & Sons Limited [(a)]	UK	Non-trading	100%
Portals Holdings Limited	UK	Dormant	100%
Portals Property Limited	UK	Trading	100%
De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS			
The Burnhill Insurance Company Limited	Channel Islands	Insurance	100%
Level 5, Mill Court, La Charroterie, St Peter Port, GY1 1EJ, Guernsey			
De La Rue (Guernsey) Limited	Channel Islands	Non-trading	100%
PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT, Guernsey			
Thomas De La Rue and Company (Ireland) Limited	Ireland	Dormant	100%
Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Ireland			

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16 Investments (continued)

Name of undertaking	Country of incorporation	Nature of business	Proportion of voting rights and shares held
De La Rue Currency and Security Print Limited	Malta	Trading	100%
De La Rue Services Limited	Malta	Trading	100%
B40/43 Industrial Estate, Bulebel, Zejtun, Malta			
De La Rue BV	The Netherlands	Trading	100%
Hoogoorddreef 15, 1101 BA, Amsterdam, Netherlands			
Harrison & Sons Sp. Zo.o	Poland	Dormant	100%
Mokotowska 24, 00-561, Warsaw, Poland			
De La Rue (Sverige) AB	Sweden	Non-trading	100%
Box 14055, 104 40, Stockholm, Sweden			
Thomas De La Rue A.G	Switzerland	Holding	100%
Rue de Morat 11, 1700 Fribourg, Switzerland			
De La Rue North America Holdings Inc[(b)]	USA	Holding	100%
8333 N.W. 53rd Street, Suite 502, Doral, Florida 33166, United States			
De La Rue Authentication Solutions Inc [(b)]	USA	Trading	100%
1750 North 800 West, Logan, Utah 84321, USA			
De La Rue Canada One Limited	Canada	Trading	100%
1400-340 Albert Street, Ottawa, ON KIR 0AS, Canada			
De La Rue Cash Systems Industrias Limitada [(c)]	Brazil	Non-trading	100%
De La Rue Cash Systems Limitada [(c)]	Brazil	Trading	100%
Rua Boa Vista, 254, 13th Floor, Suite 41, Centro, Sao Paulo, 01014-90 Brazil			
De La Rue Currency and Security Print Limited	Kenya	Trading	100%
De La Rue Kenya EPZ Limited	Kenya	Trading	100%
ABC Towers, 6th Floor, ABC Place, Waiyaki Way, Nairobi, Kenya			

16 Investments (continued)

Name of undertaking	Country of incorporation	Nature of business	Proportion of voting rights and shares held
De La Rue Commercial Services Limited	Nigeria	Trading	100%
7th Floor, Marble House, 1 Kingsway Road, Ikoyi, Lagos, Nigeria			
De La Rue West Africa SARL	Senegal	Trading	100%
Ouakam, derrière l'hôpital, Lot No 43, Dakar, Senegal			
De La Rue Global Services (SA)(Pty) Limited	South Africa	Non-Trading	100%
3rd Floor, 54 Melrose Boulevard, Melrose Arch, Gauteng, 2196, South Africa			
De La Rue Security Technology (Beijing) Co.Ltd	China	Trading	100%
1011, 10F Office Building No.1 Guanghua Road Chaoyang District, Beijing, China			
Thomas De La Rue (Hong Kong) Limited	Hong Kong	Trading	100%
Suite 1106-8, 11/F Tai Yau Building, No 181 Johnson Road, Wanchai, Hong Kong			
De La Rue Lanka Currency and Security Print (Private) Limited	Sri Lanka	Trading	60%
No 9/5 Thambiah Avenue, Colombo 7, Sri Lanka			
De La Rue India Private Limited	India	Trading	100%
604, A09, GDITL North Ex Tower (A-09), Netaji Subhash Place, Pitampura, Delhi, 110034, India			
De La Rue Currency and Security Print Pte Ltd	Singapore	Non-Trading	100%
80 Raffles Place, #32-01, UOB Plaza, 048624, Singapore			
De La Rue Asia SDN. BHD.	Malaysia	Dormant	100%
No. 256B, Jalan Bandar 12,Taman Melawati,53100 Kuala Lampur, Wilayah Persekutuan, Malaysia			
De La Rue Australia Pty Limited	Australia	Trading	100%
Level 7, 151 Clarence Street, Sydney NSW 2000, Australia			
De La Rue FZCO	United Arab Emirates	Trading	100%
Dubai Airport Free Zone Authority, Building 6 West Wing A, Office #820, PO Box 371683, Dubai, UAE			
De La Rue Communication and information Technology Limited	Saudi Arabia	Trading	100%
Akaria Plaza, Gate "D", Level 6, Olaya Main St, Riyadh, Kingdom of Saudi Arabia			
Associates			
Fidink S.A	Switzerland	Trading	33%

[a] Ordinary shares, cumulative preference shares and deferred shares
[b] Common stock
[c] Quotas

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17 Other financial assets and liabilities (current and non-current)

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The fair value of forward exchange contracts has been determined using quoted forward exchange rates at the balance sheet date. Interest rate swaps are measured by reference to third party bank confirmations and discounted cash flows using the yield curves in effect at the balance sheet date.
The carrying amounts of financial assets and liabilities are all held at fair value through the profit or loss.

The amounts of financial assets held at fair value are as follow:

	28 March 2020 £ 000	28 March 2020 £ 000	30 March 2019 £ 000	30 March 2019 £ 000
	Current	Non Current	Current	Non current
Cash	62,148	-	74,256	-
Cash flow hedges	13,098	40	6,660	30
Short duration swaps	1,037	-	26	-
Other economic hedges	9,241	2,125	1,874	157
Interest rate swaps	224	-	82	43
	23,600	2,165	8,642	230

The amounts of financial liabilities held at fair value are as follow:

	28 March 2020 £ 000	28 March 2020 £ 000	30 March 2019 £ 000	30 March 2019 £ 000
	Current	Non Current	Current	Non current
Unsecured bank loans and overdrafts	9,728	-	16,600	-
Cash flow hedges	13,098	40	6,660	30
Short duration swaps	114	-	464	-
Other economic hedges	9,241	2,125	1,874	157
Interest rate swaps	224	-	82	43
	22,677	2,165	9,080	230

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18 Debtors

	Note	28 March 2020 £ 000	30 March 2019 £ 000
Trade debtors		-	388
Amounts owed by Group Undertakings		721,205	715,822
Other debtors		2,490	239
Prepayments		460	487
Deferred tax asset		5,365	2,718
		729,520	719,654

A further deferred tax asset of £0.2m (2019: £0.8m) has not been recognised in relation to capital losses as there is insufficient evidence that this asset will be recoverable.

Debtors includes £692,899,000 (2019: £684,412,000) receivable after more than one year. These represents amounts owed by group undertakings of £ 687,534,000 (2019: £681,694,000) and deferred tax asset of £5,365,000 (2019: £2,718,000).

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.

19 Cash and cash equivalents

	28 March 2020 £ 000	30 March 2019 £ 000
Cash at bank	62,148	74,256
	62,148	74,256

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20 Creditors

	Note	28 March 2020 £ 000	30 March 2019 £ 000
Due within one year			
Loans and borrowings	23	9,728	16,599
Trade creditors		785	562
Amounts due to Group Undertakings		1,148,383	1,118,232
Other payables		950	947
Accrued expenses		683	1,126
Derivative financial instruments	17	22,677	9,080
		1,183,206	1,146,546
Due after one year			
Derivative financial instruments	17	2,165	230
		1,187,371	1,148,776

Amounts owed to 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.

21 Pension and other schemes

Defined benefit pension schemes

The pension rights of the Company employees are dealt with through a self administered scheme, the assets of which are held independently of the Group's finances. The scheme is a defined benefit scheme and is closed to future accrual. The Group agrees deficit funding with the scheme Trustees and Pension Regulator. The Company is a participating employer but the Group has adopted a policy whereby the scheme funding and deficit are recorded in the main UK trading subsidiary of the Company, De La Rue International Limited, which pays all contributions to the scheme and hence these are not shown in the Company accounts. Full details of the scheme and its deficit (measured on an IAS 19R basis) can be found in note 26 to the De La Rue plc Annual Report.

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Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020

22 Share capital and reserves

Allotted, called up and fully paid shares

	28 March 2020 £ 000	30 March 2019 £ 000
4 (2019:4) Ordinary shares of 0.25p each	-	-

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.

Capital redemption reserve
With effect from the current financial period, this represents cumulative share based payment charge in relation to equity settled and cash settled option schemes granted in the ultimate parent undertaking De La Rue plc to employees of the Company. Share based payments were previously recharged to subsidiaries and recorded via the intercompany loan account.

23 Loans and borrowings

	30 March 2020 £ 000	30 March 2019 £ 000
Current loans and borrowings		
Bank overdrafts	9,728	16,599

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24 Share-based payments

At 30 March 2020, a number of the Company employees participated in three share settled share option schemes in the shares of De La Rue plc. The Company recognises and measures its share based payment expense on the basis of a reasonable allocation of the expense recognised for the Group.

The required disclosures are therefore included in the consolidated financial statements of De La Rue plc.

Annual Bonus Plan
Awards under the Annual Bonus Plan are made to Executive Directors of De La Rue plc and selected senior executives within the Group, on achievement of the annual bonus targets set at the beginning of the financial year, and comprise both a cash element and a share element.

Sixty per cent of the annual bonus is payable immediately in cash. The remaining forty per cent is payable in deferred shares. Fifty per cent of the share based awards under the Plan vest a minimum period of one year after the cash payout, and the remaining balance of shares two years after the cash payout, while the award holder remains an employee within the Group. Awards may vest early where employment ceases in specified good leaver circumstances and awards in these circumstances will vest in full in accordance with the rules of the Plan.

Additional awards may be made equivalent in value to the amount of dividends that would have been received since the award date in respect of the number of shares that the participant acquires under the Plan.

Performance Share Plan
Awards are made annually to Executive Directors of De La Rue plc and selected senior executives within the Group generally following the announcement of results.

Awards vest after three or four years if relevant post grant performance targets have been met. Awards may be allowed to vest early where employment ceases, in specified good leaver circumstances, and in these circumstances performance conditions and apportionment for the time that the award has been held shall be applied in accordance with the rules of the Plan.

Savings related share option scheme
The Scheme is open to all UK employees. Options are granted at the prevailing market price at the time of the grant (with a discretionary discount of a maximum of 20% to the market share price), to employees who agree to save between £5 and the maximum savings amount offered per month over a period of three years.

There are no performance conditions attached to the options. After the three year term has expired, employees normally have six months in which to decide whether or not to exercise their options. A pre-vesting forfeiture rate of 10 per cent has been assumed on new options granted in the year based on historic experience.

25 Contingent liabilities

At 28 March 2020 the Group had a revolving credit facility of £275m that was due to expire in December 2021. Subsequent to year end, the Group extended the term of its revolving credit facility of £275m which was due to expire in December 2021 by two years to a new expiry term of December 2023. The Company had jointly guaranteed the bank borrowings of Group companies under the Group £275m revolving credit facility. At 28 March 2020, the amount of loans drawn down on the £275m facility is £117.0m (30 March 2019: £119.1m).

Subsequent to the year end, the Group amended it's bank facilities and now has £275m including an RCF cash drawdown component of up to £175m and bond and guarantee facilities of a minimum of £100m, which currently are due to mature in December 2023. The Group can convert (in blocks of £25m) up to £50m of the undrawn RCF cash component to the bond and guarantee component if required and can elect to convert this back (again in blocks of £25m) in order to draw in cash if the bond and guarantee component has not been sufficiently utilised.

26 Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is DLR (No.1) 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 companies 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.

27 Events since the balance sheet date – Non-adjusting event

The Group completed a £100m gross (pre-costs) and £92.9m (post-costs) equity capital raising on 7 July 2020, strengthening the Group's balance sheet and enabling the Company to deliver the Turnaround Plan and create value for its employees, customers, suppliers and shareholders.

Effective 7 July 2020, the Group also amended the terms of its Bank facilities of £275m. The relevant amendments, among other things, extend the maturity date of the Revolving Cash Facility ("RCF") to December 2023, reset the interest cover ratio and provide available committed bond and guarantee facilities that do not need to be cash collateralised in most cases. These include an RCF cash drawdown component of up to £175m and bond and guarantee facilities of a minimum of £100m. The Company is a joint guarantor to the RCF.

Subsequent to the year end, the Company sold one of its investment properties for an amount of £2.7m net of fees. As the investment property was revalued in the 28 March 2020 balance sheet based on the known sales value, no gain or loss will be recorded on disposal in subsequent year end financial statements.

The Company has assessed, and continues to assess, the potential for disruption caused by the COVID-19 pandemic and has put in place plans and measures in order to enable the business to maintain normal operations, to the extent possible, against the backdrop of an evolving situation. The Company has implemented actions to mitigate the impact of COVID-19, and whilst there remains considerable uncertainty in relation to the COVID-19 pandemic (including in relation to its duration, extent and ultimate impact), the Directors believe that the Group's operations will continue to experience only limited disruption due to the impact of the COVID-19 pandemic.

28 Lease Commitments

Total commitments for Land and Buildings are as follows:

	28 March 2020 £ 000	30 March 2019 £ 000
Within 1 year	31	31
Within 2-5 years	123	123
Over 5 years	733	764
	887	918

29 Disposal of subsidiaries

During the period the Group completed the sale of the international Identity Solutions business to HID Corporation Limited, including the transfer of the entire share capital of De La Rue Angola Limitada, De La Rue Kenya Limited and De La Rue Caribbean Limited all wholly owned subsidiaries of the Company.

The profit on disposal is shown below:

Profit on disposal of investments:

	28 March 2020 £ 000	30 March 2019 £ 000
Amounts paid/payable by purchaser	423	-
Cost of investments disposed of	(154)	-
Gain on disposal	269	-

A total profit on disposal of £269,000 (2019: £nil) has been recognised.