

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**  
**(Company Number: 58025)**

**Directors' Report and Financial Statements**

**1 April 2000**



# **De La Rue Holdings plc**

## **(Formerly De La Rue plc)**

### **Directors' Report**

The Directors submit their report together with the audited financial statements for the year ended 1 April 2000.

#### **Principal activities**

The Company is a holding company with interests in the United Kingdom and overseas in currency and security printing, provision of branch cash automation and solutions to retail banks, manufacture of banking equipment, and other ancillary activities.

#### **Results and dividend**

Profit on ordinary activities after taxation amounted to £32,155,000 (1999: £38,464,000 loss). Interim dividends amounting to £32,041,000 were proposed during the period (1999: £27,035,000). The directors decided not to declare a final dividend. The retained profit for the year of £114,000 was transferred to reserves (1999: £65,499,000 loss withdrawn from reserves).

#### **Review of business**

The Company changed its name from De La Rue plc to De La Rue Holdings plc on 1 February 2000. Under a court sanctioned Scheme of Arrangement on 1 February 2000 the Company obtained a new parent company, New De La Rue plc which became the new ultimate parent company undertaking and immediately changed its name to De La Rue plc. The Company derives its income mainly through dividends from its subsidiaries and associated companies.

On the 31 March 1999 the Company entered into a Partnership with De La Rue Overseas Limited to jointly run the Cards Business transferred from De La Rue International Limited. The Company's interest in the Partnership was 44%. On the 2 October 2000 the Partnership disposed of the Cards business and was dissolved. On termination of the Partnership the residual balances remaining in the Partnership were transferred back to the partners, in proportion to their respective holdings.

On 1 April 1999, the business and net assets of De La Rue Holographics were transferred from De La Rue International Limited at net book value. On 2 October 1999, these were transferred back to that company.

#### **Future developments**

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

#### **Payments to suppliers**

The Company agrees terms and conditions of business with its suppliers. The policy is that suppliers be paid in accordance with these terms. Creditor days were 37 (1999: 43) for the year ended 1 April 2000.

#### **Year 2000**

Both 31 December 1999 and 29 February 2000 passed without any significant disruption. We remain alert to the possibility of delayed effects of the millennium date change.

# De La Rue Holdings plc (Formerly De La Rue plc)

## Directors' Report (Continued)

### Directors

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

R G Laing	(resigned 31 August 1999)
I F R Much	
C L Fluker	(appointed 31 March 2000)
P R Hollingworth	(appointed 1 August 1999)
S B Birkenhead	(resigned 31 March 2000)
N K Brookes	(resigned 31 March 2000)
C B Gough	(resigned 31 March 2000)
K Loosemore	(resigned 31 October 1999)
M J Pugh	(resigned 6 April 1999)
J J L G Sheffield	(resigned 21 July 1999)
Lord Wright of Richmond	(resigned 31 March 2000)

### Directors' interests

At 1 April 2000 no directors or members of their families, as defined by the Companies Act 1985, held any beneficial interests in shares of any member of the Group other than the ultimate parent undertaking, De La Rue plc. The holdings of Mr P R Hollingworth and Mr I F R Much in the ordinary shares of the ultimate parent undertaking are shown in that company's accounts. The holdings of Ms C L Fluker are as follows:

	De La Rue Holdings plc	De La Rue plc	De La Rue plc
	1 April 1999	1 February 2000	1 April 2000
Ordinary Shares	8,416	7,152	7,152
Share Price Improvement Plan	-	99,400	99,400
Executive Share Options	46,900	46,900	46,900
Savings Related Share Options	5,580	5,580	5,580

Under the Scheme of Arrangement, shareholders received, for every 20 ordinary shares held in De La Rue Holdings plc, 17 New De La Rue plc ordinary shares and 920p in cash. In addition, Ms Fluker's ordinary shareholding held in a PEP was reduced by 119 shares.

Ms Fluker was granted 99,400 options on 26 November 1999 under the Share Price Improvement Plan. Directors agreed to exchange existing options over shares in De La Rue Holdings plc for an identical number of replacement options over shares in De La Rue plc under the terms of the Scheme of Arrangement. No other options were granted during the year and none were exercised or lapsed.

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Directors' Report (Continued)**

Ms Fluker's options under the Savings Related Share Option Scheme are exercisable from March to September 2004 at a price of 150p. Those options held under the Executive Share Option Scheme are exercisable at various dates up to July 2007 at prices ranging between 365.67p and 934p and those options under the Share Price Improvement Plan are exercisable from November 2002 to November 2003 at a price of 215.3p.

The middle market price of the ordinary shares of De La Rue on 1 April 2000 was 226p and the price range during the period 1 February 2000 to 1 April 2000 was 230p to 315p.

**Statement of Directors' responsibilities**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board on 30 October 2000.

C L Fluker  
Secretary



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

## **Auditors' Report to the Members of De La Rue Holdings plc (Formerly De La Rue plc)**

We have audited the financial statements on pages 6 to 21 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 8, 9 and 10.

### **Respective responsibilities of directors and auditors**

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 1 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London

30 October 2000

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Profit and Loss Account**  
**For the Year Ended 1 April 2000**

	<i>Note</i>	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
<b>Turnover</b>	<b>3</b>	<b>7,609</b>	<b>-</b>
<b>Operating profit</b>	<b>4</b>	<b>20,981</b>	<b>3,600</b>
Income from shares in group undertakings		-	35,929
Income from shares in associated undertakings		4,400	6,667
Income from share in partnership		8,056	-
Write down of investment in group undertakings		-	(85,581)
Loss on disposal of fixed asset investments in subsidiaries		-	(6,708)
Profit on sale/write back of other investments		-	3,000
Profit on the part disposal of the shareholding in Camelot		-	3,987
Scheme of arrangement cost		(1,100)	-
<b>Non-operating items</b>		<b>(1,100)</b>	<b>(85,302)</b>
<b>Profit/(loss) on ordinary activities before interest and taxation</b>		<b>32,337</b>	<b>(39,106)</b>
Interest receivable and similar income	5	6,024	6,198
Interest payable and similar charges	6	(10,990)	(12,655)
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>7</b>	<b>27,371</b>	<b>(45,563)</b>
Tax on profit/ (loss) on ordinary activities	8	4,784	7,099
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>32,155</b>	<b>(38,464)</b>
Dividends paid (including non-equity)	9	(32,041)	(27,035)
<b>Profit/(loss) for the financial year transferred to/(withdrawn from) reserves</b>		<b>114</b>	<b>(65,499)</b>

**Statement of Total Recognised Gains and Losses**

	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
Profit /(loss) for the financial year	114	(65,499)
Currency translation differences on foreign currency net investments	(897)	985
<b>Total recognised gains and losses relating to the year</b>	<b>(783)</b>	<b>(64,514)</b>

The notes on pages 8 to 21 form part of these financial statements.

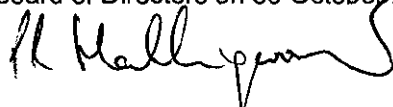
**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Balance Sheet at 1 April 2000**

	<b>Note</b>	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>(Restated)</b> <b>£'000</b>
<b>Fixed assets</b>			
Tangible fixed assets	10	22,054	22,752
Investments	11	422,234	423,214
		<b>444,288</b>	<b>445,966</b>
<b>Current assets</b>			
Debtors - due within one year	14	4,945	4,708
Debtors - due after one year	14	459,059	439,773
Cash at bank and in hand		35,939	51,005
		<b>499,943</b>	<b>495,486</b>
<b>Creditors – amounts falling due within one year</b>			
Short term borrowings	15	(111,928)	(147,540)
Other creditors	15	(27,686)	(40,619)
		<b>360,329</b>	<b>307,327</b>
<b>Total assets less current liabilities</b>		<b>804,617</b>	<b>753,293</b>
<b>Creditors – amounts due after one year</b>			
Long term borrowings	16	(3,328)	(64,226)
Other creditors	16	(491,873)	(384,222)
		<b>(12,547)</b>	<b>(7,046)</b>
<b>Provisions for liabilities and charges</b>	17	<b>(12,547)</b>	<b>(7,046)</b>
<b>Net assets</b>		<b>296,869</b>	<b>297,799</b>
<b>Capital and reserves</b>			
Called up share capital	18	56,366	56,826
Share premium account	19	11,958	11,645
Other reserves	19	149,670	149,670
Revaluation reserve	19	66	66
Profit and loss account	19	78,809	79,592
<b>Shareholders' funds (1999: including non-equity interests)</b>		<b>296,869</b>	<b>297,799</b>

Approved by the Board of Directors on 30 October 2000.

P R Hollingworth  
**Director**



The notes on pages 8 to 21 form part of these financial statements.

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**1 Accounting policies**

The principal accounting policies adopted by the Company are as follows:

**(a) Accounting convention**

The financial statements have been prepared under the historical cost convention, as amended for the valuation of the Company's fixed asset investments, and in accordance with applicable accounting standards. The consolidated accounts have been prepared as at 1 April 2000, being the nearest Saturday to 31 March. The comparatives for the 1999 financial year are for the year ended 31 March 1999.

**(b) Prior year adjustments**

The prior year comparatives have been amended to reflect transfer of 44% of the Cards UK businesses from De La Rue International Limited on 31 March 1999, and the increase in the intercompany funding account. This transfer had no effect on profit.

**(c) Consolidation of subsidiaries**

Subsidiaries prepare financial statements for the year ending the nearest Saturday to 31 March each year. Consolidated financial statements have not been prepared, as the Company is a wholly owned subsidiary of another body corporate incorporated in the United Kingdom.

**(d) Associated undertakings**

An associated undertaking is one in which the Company has a long-term investment and is in a position to exercise significant influence over the Company in which the investment is made. Equity accounting has not been adopted, as the Company is a wholly owned subsidiary of another body corporate incorporated in the United Kingdom.

**(e) Foreign currencies**

Amounts receivable from overseas subsidiaries which are denominated in foreign currencies are translated into sterling at the appropriate year end rates of exchange. Exchange gains and losses on translating foreign currency amounts are included in operating profit except for exchange gains and losses associated with hedging loans that are taken to reserves.



**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**1 Accounting policies (Continued)**

**(f) Tangible fixed assets and depreciation**

Fixed assets are stated at cost or at valuation, less depreciation. No depreciation is provided on freehold land. Freehold and long leasehold buildings are depreciated at a rate of two per cent per annum. Other leasehold interests are depreciated over the unexpired period of the lease. A long leasehold is defined as one in which the remaining term of the lease is more than 50 years.

The Company's policy is to write off the cost or valuation of all other plant and equipment evenly over their estimated remaining useful lives at rates which vary between 8 per cent and 50 per cent per annum. The principal annual rates of depreciation used are 10 per cent on plant and machinery, 10 per cent on fixtures and fittings and 33 1/3 per cent on tooling and computer equipment. No depreciation is provided for assets in the course of construction.

The directors have not adopted a policy of revaluing tangible fixed assets as permitted by FRS 15.

**(g) Leasing**

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

**(h) Taxation**

The charge for taxation is based on the profit for the year. Deferred taxation is accounted for in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that such differences are expected to reverse in the foreseeable future.

Where advance corporation tax cannot be offset with reasonable certainty against current, future or deferred UK taxation liabilities, taking into account expected results and dividends, it is written off in the profit and loss account.

**(i) Investments**

Investments are stated at cost or valuation in the balance sheet, less provision for any permanent diminution in the value of the investment. Revaluation gains and losses associated with hedging loans are taken to reserves.

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**1 Accounting policies** (Continued)

**(i) Pensions**

The costs of the Company's defined benefit pension schemes are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. The pension costs are assessed in accordance with the advice of qualified actuaries. Actuarial surpluses and deficits are spread forward over the average remaining service lives of employees. The Company's post retirement benefit schemes are accounted for in a similar manner to the pension schemes, as described above.

The costs of the Company's defined contribution schemes are charged to the profit and loss account as the contributions are made.

**2 Directors' emoluments**

Directors' emoluments are disclosed in the Group accounts of the ultimate parent, De La Rue plc, except for Ms C L Fluker who received no emoluments in her capacity as a director of the Company.

**3 Turnover**

Turnover by geographical market is analysed below:

	2000 £'000	1999 £'000
United Kingdom	1,749	-
Rest of Europe	767	-
Rest of World	5,093	-
	<hr/> 7,609	<hr/> -

The Company's business is based in the UK and the net assets of the Company are located in the UK.

The Company has taken advantage of the exemption for segmental reporting contained in SSAP 25 as segmental information is given in the consolidated financial statements of the ultimate parent undertaking, De La Rue plc.

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**4 Operating income/(costs)**

	2000 £'000	1999 £'000
Turnover (note 3)	7,609	-
Cost of sales	(3,408)	-
Distribution costs	(143)	-
Administrative expenses	(12,805)	(7,712)
Management fee income	30,748	15,250
Reorganisation and arbitration costs	(1,020)	(3,938)
	<u>20,981</u>	<u>3,600</u>

**5 Interest receivable and similar income**

	2000 £'000	1999 £'000
Interest receivable from group undertakings	(1,172)	(3,073)
External interest receivable	(4,852)	(3,125)
	<u>(6,024)</u>	<u>(6,198)</u>

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**6 Interest payable and similar charges**

	2000	1999
	£'000	£'000
Interest payable on bank loans and other borrowings repayable within 5 years	9,568	12,406
Interest payable to group undertakings	1,422	249
	<b>10,990</b>	<b>12,655</b>

**7 Profit on ordinary activities before taxation**

	2000	1999
	£'000	£'000
Profit/ loss on ordinary activities before taxation is stated after the following amounts have been charged/ (credited):		
Staff costs		
- Wages and salaries	6,392	2,990
- Social security costs	626	300
- Other pension costs	536	420
Depreciation of tangible fixed assets		
- purchased	1,087	897
Auditors' remuneration		
- audit fees	166	221
- non-audit related fees	482	98
Operating leases		
- hire of plant and machinery	8	-
- other	183	-
Research and development	292	-
Intercompany loans forgiven	1,947	-
(Profit)/loss on sale of fixed assets	(106)	29

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**8 Taxation on profit on ordinary activities**

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax at 30% (1999:31%)	8,700	3,700
Double taxation relief	(2,000)	(7,900)
ACT write back	(2,700)	(2,200)
	<u>4,000</u>	<u>(6,400)</u>
Adjustment in respect of prior years:-		
ACT write back	(6,834)	-
Other	(1,950)	(699)
	<u>8,784</u>	<u>(699)</u>
<b>Taxation on ordinary activities</b>	<b>(4,784)</b>	<b>(7,099)</b>

**9 Dividends**

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
Preference share dividend	15	12
Ordinary shares		
Interim proposed	9,026	9,023
Interim proposed	23,000	18,000
	<u>32,041</u>	<u>27,035</u>
	<b>Pence</b>	<b>Pence</b>
<b>Net dividend per ordinary share</b>		
Interim proposed	4.0	4.0
Interim proposed	10.2	8.0

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**10 Tangible assets**

	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>				
At 1 April 1999	25,646	-	2,010	27,656
Additions	14	147	988	1,149
Acquisitions	-	2,308	976	3,284
Disposals	(1,077)	(2,455)	(1,546)	(5,078)
<b>At 1 April 2000</b>	<b>24,583</b>	<b>-</b>	<b>2,428</b>	<b>27,011</b>
<b>Accumulated depreciation</b>				
At 1 April 1999	4,090	-	814	4,904
Provision for the year	487	217	383	1,087
Disposals	(740)	(217)	(77)	(1,034)
<b>At 1 April 2000</b>	<b>3,837</b>	<b>-</b>	<b>1,120</b>	<b>4,957</b>
<b>Net book value</b>				
At 1 April 1999	21,556	-	1,196	22,752
<b>At 1 April 2000</b>	<b>20,746</b>	<b>-</b>	<b>1,308</b>	<b>22,054</b>

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
<b>Land and buildings comprise</b>		
<b>Net book value</b>		
Freehold	3,645	3,826
Long leasehold	17,101	17,513
Short leasehold	-	217
	<b>20,746</b>	<b>21,556</b>

There is no material difference between the historical cost and the revalued amount of assets held. As stated in the accounting policies, it is not the Group policy to revalue assets, and as such, the transitional provisions of FRS 15 are being applied. There have been no subsequent valuations since 1988/9.

Included within the cost or valuation of land and buildings is an amount of £2.4m of capitalised interest (1999: £2.4m).

**De La Rue Holdings plc**  
(Formerly De La Rue plc)

**Notes to the Financial Statements - 1 April 2000**

**11 Investments**

	Investments in subsidiaries £'000	Investments in associated Companies £'000	Other Investments £'000	Total £'000
<b>Cost/Valuation</b>				
At 1 April 1999 (restated)	410,482	11,665	1,067	423,214
Acquisitions	-	-	87	87
Dissolution of partnership	-	-	(1,067)	(1,067)
At 1 April 2000	<b>410,482</b>	<b>11,665</b>	<b>87</b>	<b>422,234</b>

As discussed in the Directors' report on page 2, other investments include £1,067,000 representing a 44% percent holding in a Partnership formed on the 31 March 2000 between De La Rue Overseas and the Company, which was dissolved on the 2 October 2000. During the period the Company has recognised £8,056,000 of income, representing its share of profit from the Partnership. On termination, the residual balances of the Partnership were transferred back to the Partners, in proportion to their holding.

The intercompany loan with De La Rue International on establishing the Partnership has been forgiven and the credit taken to profit and loss account (£1,067,000).

Details of the Company's subsidiaries and associated undertakings are shown in notes 12 and 13 respectively.

**12 Subsidiary undertakings**

The following information deals only with those subsidiaries that, in the opinion of the Directors, principally affected the profit or the amount of assets of the De La Rue Holdings plc group.

Name of Subsidiary	Country of Registration or Incorporation	Class of shares	Proportion of nominal value of issued shares held by the Company
De La Rue Overseas Limited	England	Ordinary	100%
De La Rue International Limited	England	Ordinary	100%
De La Rue Investments Limited	England	Ordinary	100%
Bradbury Wilkinson Holdings Limited	England	Ordinary	100%
De La Rue Systems Imports Pty Ltd	Australia	Ordinary	100%
De La Rue Systems Limited	Hong Kong	Ordinary	100%
De La Rue Systems Asia Pacific Ltd	Hong Kong	Ordinary	100%
De La Rue Systems Asia Pacific Pte Ltd	Singapore	Ordinary	100%

**De La Rue Holdings plc**  
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**Notes to the Financial Statements - 1 April 2000**

**13 Associated undertakings**

The Company has the following investments in associated undertakings.

All of these associates have a 31 March year-end.

<b>Name of associated undertaking</b>	<b>Country of registration or incorporation</b>	<b>Class of shares</b>	<b>Interest of De La Rue Holdings plc</b>
Camelot plc	United Kingdom	Ordinary	26.7%
CISL Ltd	United Kingdom	Ordinary	26.7%

**14 Debtors**

	<b>2000</b>	<b>1999</b>
<b>Amounts due within one year</b>	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	259	292
Advance corporation tax recoverable	254	2,534
Other debtors	4,432	1,882
	<b>4,945</b>	<b>4,708</b>

**Amounts due after one year**

<b>Amounts owed by group undertakings</b>	<b>459,059</b>	<b>439,773</b>
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**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**15 Creditors - amounts due within one year**

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
Loan notes	2,639	3,211
Bank Loans	287	18,535
Overdrafts	109,002	125,794
<b>Short term borrowings</b>	<b>111,928</b>	<b>147,540</b>
Trade creditors	1,351	779
Amounts due to group undertakings	1,422	1,678
Taxation	9,514	6,361
Other short term creditors	4,167	3,996
Accruals and deferred income	2,215	782
Interim dividend proposed	9,017	27,023
<b>Other creditors</b>	<b>27,686</b>	<b>40,619</b>

The loan notes were issued to shareholders of Portals Group plc as part of the acquisition consideration. They are capable of being redeemed at the noteholders' option in September or March of each year, until the year 2000, when they are redeemed automatically. There are no significant borrowings which are secured against the assets of the Group.

**16 Creditors - amounts due after one year**

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
		<b>(restated)</b>
Bank Loans due:		
Between one and two years	3,328	3,893
Between two and five years	-	60,333
<b>Long term borrowings</b>	<b>3,328</b>	<b>64,226</b>
Amounts owed to group undertakings	490,793	381,672
Other long term creditors	1,080	2,550
<b>Other creditors</b>	<b>491,873</b>	<b>384,222</b>

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**17 Provisions for liabilities and charges**

	<b>Pensions &amp; similar Obligations £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
At 1 April 1999	634	6,412	7,046
Acquisitions	311	100	411
Transferred from partnership	-	10,023	10,023
Provided in year	449	4,327	4,776
Utilised in year	(978)	(8,731)	(9,709)
<b>At 1 April 2000</b>	<b>416</b>	<b>12,131</b>	<b>12,547</b>

Other provisions include £3.1m to cover the costs of Delarunarians (those employees and ex-employees who have achieved 37 years service and qualify for free medical cover plus a monthly allowance).

During the year provisions of £10,023,000 none of which were individually significant, were transferred from the partnership to other provisions (see note 11). During the year £4,990,000 of these provisions have been utilised.

**18 Called up share capital**

	<b>2000 £'000</b>	<b>1999 £'000</b>
<b>Authorised:</b>		
274,000,000 (1999 274,000,000) ordinary shares of 25p each	<b>68,500</b>	68,500
<b>Allotted, issued and fully paid:</b>		
500,000 2.45% cumulative preference stock of £1 each (non-equity)	-	500
225,466,910 (1999 225,305,149) Ordinary shares of 25p each	<b>56,366</b>	56,326
	<b>56,366</b>	56,826

**De La Rue Holdings plc**  
(Formerly De La Rue plc)

**Notes to the Financial Statements - 1 April 2000**

**19 Reserves**

	Share Premium Account £'000	Other reserves £'000	Revaluation Reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 1999	11,645	149,670	66	79,592	240,973
Retained profit for the year	-	-	-	114	114
Share capital issued	313	-	-	-	313
Currency translation	-	-	-	(897)	(897)
At 1 April 2000	<b>11,958</b>	<b>149,670</b>	<b>66</b>	<b>78,809</b>	<b>240,503</b>

**20 Reconciliation of movements in shareholders' funds**

	2000 £'000	1999 £'000
Profit/ (loss) for the financial year transferred to/(withdrawn from) reserves	114	(65,499)
Other recognised gains and losses relating to the year (net)	(897)	985
Redemption of preference shares	(500)	-
Share capital issued	353	-
Net reduction in shareholders' funds	(930)	(64,514)
Opening shareholders' funds	297,799	362,313
Closing shareholders' funds	<b>296,869</b>	<b>297,799</b>

**21 Particulars of employees**

	2000 Number	1999 Number
The average number of persons employed by the Company during the year was:		
United Kingdom	140	70
Rest of the World	1	-
	<b>141</b>	<b>70</b>

# De La Rue Holdings plc (Formerly De La Rue plc)

## Notes to the Financial Statements - 1 April 2000

### 22 Acquisitions and Disposals

On 1 April 1999, the business and net assets of De La Rue Holographics were transferred from De La Rue International Limited at net book value. On 2 October 1999, these were transferred back to that company. The net assets acquired and disposed and the consideration are summarised as follows:

	Acquisition Holographics £'000	Disposal Holographics £'000
Tangible fixed assets	3,284	3,707
Stocks	591	730
Debtors	10,733	11,902
Creditors	(1,732)	(2,966)
Cash	4,002	6,517
Provisions for liabilities and charges	(411)	(409)
Net assets disposed	16,467	19,481
Consideration:		
Intercompany debt	16,467	19,481

The net intercompany loan due from De La Rue International Limited has been forgiven and the debit taken to profit and loss account (£3,014,000).

### 23 Pension costs

The Company is a member of one of the De La Rue Group pension schemes. The principal schemes are of the defined benefit type with assets held in separate trustee administered funds. Total pension costs were £536,000 (1999: £420,000). An accrual of £416,000 (1999: £634,000) represents the difference between the contributions to the schemes and the amount charged in the financial statements. Details of the latest actuarial valuations and the assumptions underlying them are contained in the financial statements of De La Rue plc.

### 24 Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of De La Rue plc and is included in the consolidated financial statements of De La Rue plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities that are part of the De La Rue Group or investees of the De La Rue Group.

**De La Rue Holdings plc**  
**(Formerly De La Rue plc)**

**Notes to the Financial Statements - 1 April 2000**

**25 Immediate and ultimate parent undertaking**

The immediate and ultimate parent undertaking of the Company is De La Rue plc which is registered in England and Wales. The De La Rue plc Group is the only group of which the Company is a member and for which Group accounts are prepared. Copies of the Group accounts are available from the Secretary of De La Rue plc at De La Rue House, Jays Close, Viables, Basingstoke, Hants, RG22 4BS.

**26 Prior year adjustment**

The prior year comparatives for 1999 have been restated to reflect the transfer of the investment in the Cards businesses from De La Rue International Limited on 31 March 1999. The effect was to increase the cost of investments and intercompany funding loans by £1,067,000.

**27 Contingent Liabilities**

The Company has also guaranteed its share of certain borrowings of its associated company CISL Limited. As at the 1 April 2000, the amount guaranteed was £1.1m.