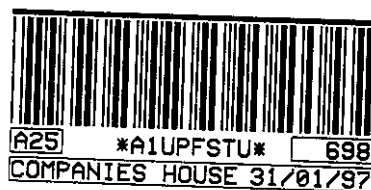


PORTALS (BATHFORD) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 1996

(Registered Number 120528)



## **PORTALS (BATHFORD) LIMITED**

### **DIRECTORS' REPORT**

The Directors submit their report and the audited accounts of the Company for the year ended 31 March 1996.

### **BUSINESS REVIEW**

The principal activity of the Company was the manufacture of high security paper. On 1 April 1995, the trade and assets of the company were transferred at book value to Thomas De La Rue Limited, a fellow subsidiary of De La Rue plc and the Company is now dormant.

### **DIVIDEND AND TRANSFERS TO RESERVES**

The Company did not trade during the year and subsequently made neither a profit or loss. The directors do not recommend the payment of a dividend (1995: £2,734,000).

### **DIRECTORS**

K N Brown	
G D F Wilson	(Resigned 13 April 1995)
S A Field	
J A Hussey	
L G Cullen	(Resigned 29 February 1996)
R E Allen	
R G Laing	(Appointed 29 February 1996)
R W Thomson	(Appointed 3 April 1995)

## PORTALS (BATHFORD) LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### DIRECTORS' INTERESTS

No director held any interest in the shares of the Company.

The interests of the directors in the shares of De La Rue plc are as follows:

	Ordinary shares		Executive share Option scheme		Savings Related share option scheme	
	31 March 1996	31 March 1995	31 March 1996	31 March 1995	31 March 1996	31 March 1995
K N Brown	1,778	1,778	3,200	-	3,415	-
G Markey	-	4	-	-	-	-
S A Field	2,602	2,561	11,400	-	2,715	7,142
J A Hussey	-	-	12,700	11,200	-	-
R E Allen	540	513	22,800	20,000	4,581	4,581

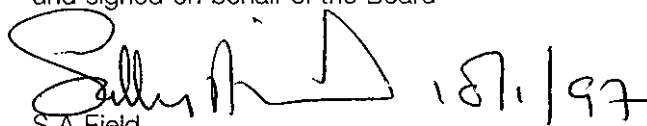
#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

Approved by the Board of Directors  
and signed on behalf of the Board

  
S A Field  
Secretary

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBERS OF  
PORTALS (BATHFORD) LIMITED**

We have audited the financial statements on pages 5 to 14 in accordance with Auditing Standards.

**Respective responsibilities of directors and auditors**

As described on page 2 of the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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 Company's affairs as at 31 March 1996 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors

*10 January* 1997 *7*

# PORTALS (BATHFORD) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
<b>TURNOVER</b> (Note 2)	-	13,364
Cost of sales	-	(10,808)
<b>GROSS PROFIT</b>	-	2,556
Distribution costs	-	(742)
Administrative expenses	-	(395)
<b>OPERATING PROFIT</b>	-	1,419
Interest receivable and similar income (Note 3)		9
Interest payable and similar changes (Note 4)	-	(239)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 5)	-	1,189
Taxation on profit on ordinary activities (Note 8)	-	(1,414)
<b>(LOSS)/RESULT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	-	(225)
Dividends paid	-	(2,734)
<b>TRANSFER FROM RESERVES</b> (Note 15)	-	(2,959)

There are no recognised gains and losses other than those shown in the profit and loss account above.

# PORTALS (BATHFORD) LIMITED

## BALANCE SHEET - YEAR ENDED 31 MARCH 1996

	31 March 1996 £000	31 March 1995 £000
<b>FIXED ASSETS</b>		
Tangible assets (Note 9)	-	4,811
<b>CURRENT ASSETS</b>		
Stocks (Note 10)	-	1,522
Debtors (Note 11)	145	2,454
Cash at bank and in hand	-	40
	145	4,016
<b>CREDITORS - Amounts falling due within one year (Note 12)</b>	-	(3,196)
<b>NET CURRENT ASSETS</b>	145	820
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	145	5,631
<b>LONG TERM LIABILITIES</b>	-	(4,300)
<b>PROVISION FOR LIABILITIES AND CHARGES (Note 13)</b>	-	(1,186)
<b>NET ASSETS</b>	145	145
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 14)	86	86
Profit and loss account (Note 15)	59	59
Equity Shareholders Funds	145	145

APPROVED BY THE BOARD ON *10 January 1997*



K N Brown  
DIRECTOR

## **PORTALS (BATHFORD) LIMITED**

### **NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996**

#### **1 ACCOUNTING POLICIES**

##### **(1) Accounting principle**

The accounts of the company have been prepared in accordance with applicable Accounting Standards.

##### **(2) Accounting convention**

The accounts are prepared under the historical cost accounting rules.

##### **(3) Turnover**

Turnover comprises the amounts derived from the provision of goods and services.

##### **(4) Stock and work in progress**

Stock and work in progress have been consistently valued at the lower of cost and estimated net realisable value. Cost includes the direct cost of materials and labour and an appropriate proportion of production overheads.

##### **(5) Depreciation**

Depreciation of fixed assets is provided on a straight line basis over the estimated economic lives of individual assets, based on their cost. The rates generally applied range from 4% per annum to 25% per annum.

##### **(6) Research and development**

Research and development expenditure is written off in the period in which it is incurred.

##### **(7) Pension costs**

The company operates a defined benefit scheme. Pension costs are charged to profit and loss account on a basis, which spreads the expected cost of providing pensions over the period of the employees' working lives with the company. The difference arising between the amount charged in the profit and loss account and the contributions paid to the pension scheme is carried in the balance sheet and released to profit and loss account over the period of the employees' working lives with the company.

##### **(8) Interest**

Interest payable is written off to profit and loss as it is incurred.

# PORTALS (BATHFORD) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (9) Deferred taxation

Deferred taxation has been calculated on the liability method on the excess of the cost less depreciation of those fixed assets qualifying for taxation allowances, over their written down value for taxation purposes in respect of those timing differences which are expected to crystallise in the foreseeable future.

No provision is made in respect of unrealised revaluation surpluses.

#### (10) Rate of exchange

Assets and liabilities in foreign currencies have been translated into sterling at rates of exchange ruling at 31 March 1996.

### 2 TURNOVER

In the opinion of the Directors the disclosure of the geographical analysis of turnover would seriously prejudice the interest of the company and has been omitted.

### 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
On bank and money market deposits	-	9
	<u>          </u>	<u>          </u>

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
On loans from group undertakings wholly repayable within five years	-	239
	<u>          </u>	<u>          </u>



# PORTALS (BATHFORD) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996 (CONTINUED)

### 5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Profit on ordinary activities before taxation is stated after charging		
Depreciation and diminution in value of tangible fixed assets	-	780
Auditors' remuneration:		
For audit fees and expenses	-	10
For other services	-	5
Research and development expenditure	-	9

### 6 EMPLOYEES

Number	Average number Year ended 31 March 1996	Average number 15 months ended 31 March 1995
Production	-	121
Distribution	-	10
Administration	-	3
	-	134

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
<b>Employee costs</b>		
Production	-	3,132
Distribution	-	305
Administration	-	159
	-	3,596

### Aggregate payroll costs

Aggregate payroll costs comprise:

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Wages and salaries	-	3,065
Social security costs	-	289
Contributions to pension scheme	-	242
	-	3,596

# PORTALS (BATHFORD) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996 (CONTINUED)

### 7 DIRECTORS' REMUNERATION

	Year ended 31 March 1996 £	15 months ended 31 March 1995 £
Emoluments:		
Contribution to pension scheme	-	21,641
Other emoluments	-	208,613
	-	230,254
Emoluments excluding pension contributions:		
Chairman	-	-
Highest paid director	-	96,620
Number of other directors within the following ranges of emoluments excluding pension scheme contributions:		
	<u>No</u>	<u>No</u>
Up to £5,000	8	8
£45,001 to £50,000	-	-
£50,001 to £55,000	-	1
£55,001 to £60,000	-	1
£75,001 to £80,000	-	-
£95,001 to £100,000	-	1

# PORTALS (BATHFORD) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996 (CONTINUED)

### 8 TAXATION OF PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Corporation Tax at 33% on profits	-	700
Deferred taxation account transfers	—	<u>733</u>
Total taxation for the year	-	1,433
Adjustments to prior years	—	<u>(19)</u>
		<u>1,414</u>

### 9 TANGIBLE ASSETS

Movements during the year

	Plant and <u>Machinery</u> £000	Motor <u>Vehicles</u> £000	Fixtures fittings & <u>Equipment</u> £000	Plant under <u>Construction</u> £000	<u>Total</u> £000
<u>Cost</u>					
At 31 March 1995	7,562	306	198	513	8,579
Transfers to Group Company	<u>(7,562)</u>	<u>(306)</u>	<u>(198)</u>	<u>(513)</u>	<u>(8,579)</u>
At 31 March 1996	—	—	—	—	—
<u>Aggregate depreciation</u>					
At 31 March 1995	3,495	143	130	-	3,768
Transfers to Group Company	<u>(3,495)</u>	<u>(143)</u>	<u>(130)</u>	—	<u>(3,768)</u>
At 31 March 1996	—	—	—	—	—
<u>Net book value</u>					
At 31 March 1996	—	—	—	—	—
At 31 March 1995	<u>4,067</u>	<u>163</u>	<u>68</u>	<u>513</u>	<u>4,811</u>

# PORTALS (BATHFORD) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996 (CONTINUED)

### 10 STOCKS

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Raw materials and consumables	-	685
Work in progress	-	168
Finished goods and goods for resale	-	669
	-	1,522

### 11 DEBTORS

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Trade debtors	-	1,333
Amounts owed by group undertakings	145	385
Taxation recoverable	-	662
Other debtors	-	10
Prepayments and accrued income	-	64
	145	2,454

1994 amounts include taxation of £94,036 which was recoverable after more than one year.

### 12 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Bank loans and overdrafts	-	153
Trade creditors	-	493
Amounts owed to group undertakings	-	1,011
Other creditors	-	29
Taxation	-	362
Other taxation and social security contributions	-	72
Accruals and deferred income	-	1,076
	-	3,196

# PORTALS (BATHFORD) LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996 (CONTINUED)

### 13 PROVISIONS FOR LIABILITIES AND CHARGES

	Pension costs £000	Deferred taxation £000	Other provisions £000	Total £'000
At 31 March 1995	340	733	113	1,186
Transferred to Group Company	<u>(340)</u>	<u>(733)</u>	<u>(113)</u>	<u>(1,186)</u>
At 31 March 1996	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 14 SHARE CAPITAL

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Authorised : 90,000 shares of £1 per share	90	90
Share capital allocated, issued and fully paid		
Ordinary shares of £1 per share	86	86

### 15 RESERVES

	Profit and loss account £000
At 31 March 1995 and at 31 March 1996	<u>59</u>

There was no movement in Shareholders' Funds during the year.

### 16 CAPITAL COMMITMENTS

Expenditure contracted for, and authorised but not contracted for, at 31 March 1995 for which no provision has been made in the accounts was:

	Year ended 31 March 1996 £000	15 months ended 31 March 1995 £000
Contracted		687
Authorised but not contracted for	<u>-</u>	<u>547</u>
		1,234

## **PORTALS (BATHFORD) LIMITED**

### **NOTES TO THE ACCOUNTS - YEAR ENDED 31 MARCH 1996 (CONTINUED)**

#### **17 CONTINGENT LIABILITIES**

Under Group banking arrangements, the company shares a Group facility under which credit balances may, in certain circumstances, be applied in or towards satisfaction of any indebtedness or liability to the bank of any other participating Group undertakings.

#### **18 CASH FLOW STATEMENT**

The company has not presented a cash flow statement. Financial Reporting Standard 1 has been adopted by De La Rue plc and a cash flow statement is presented in the consolidated financial statements of that company.

#### **19 PARENT COMPANY**

The ultimate parent undertaking of Portals (Bathford) Limited is De La Rue plc which is registered in England. Consolidated financial statements for the De La Rue Group are available from The Secretary of De La Rue plc at 6 Agar Street, London WC2N 4DE.