

**Portals Property Limited**  
**(Registered Number 656722)**

**Directors' Report and Financial Statements**

**29 March 2003**



# Portals Property Limited

## Directors' Report

The Directors submit their report and the audited accounts of the Company for the year ended 29 March 2003.

### Business review and future developments

The Company has continued to dispose of its industrial premises and plots of land that are not used for core activities within the Group and will continue to do so, as market conditions reasonably allow.

### Results and dividend

Profit on ordinary activities after taxation is £963,000 (2002: £9,000 loss). The Directors do not recommend the payment of a dividend (2002: £nil). An amount of £963,000 was transferred to reserves (2002: £9,000 transferred from reserves).

### Directors and their interests

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

C L Fluker	
P R Hollingworth	(resigned 30 June 2002)
D W Finnett	(appointed 30 June 2002 and resigned 1 March 2003)
S A King	(appointed 1 March 2003)
J F Hermans (alternate)	(appointed 26 September 2002)
R G McGowan (alternate)	(appointed 30 June 2002)

### Directors' interests

At 29 March 2003 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 and share options of Mr S A King in the ordinary shares of the ultimate parent undertaking are shown in that company's accounts. The holdings and share options of Miss C L Fluker are shown in the accounts of De La Rue Holdings plc, an intermediate parent company.

The share interests of the Mr J F Hermans and Mr R G McGowan in the ordinary shares of De La Rue plc are set out below:

Interests in Shares	29 March 2003	Date of appointment
J F Hermans	-	-
R G McGowan	21,912	11,663

# Portals Property Limited

## Directors' Report (Continued)

<u>Interests in Options</u>	Date of appointment	Exercised during period of service	Granted during period of service	Lapsed during period of service	29 March 2003	Exercise price range (pence)	Exercisable dates
<u>J F Hermans</u> Executive Share Options	19,700	-	-	-	19,700	275.25-520.30	Mar '03-Jul '11
Sharesave Options	1,384	-	1,453	-	2,837	221.10-244.50	Jun '03-Aug '06
<u>R G McGowan</u> Share Price Improvement Plan	137,300	-	-	88,200	49,100	340.90-506.42	Jul '03-Jun '05
Executive Share Options	16,000	-	17,000	-	33,000	319.17-934.00	Aug '96-Aug '12
Sharesave Options	8,791	1,074	803	-	8,520	150.00-244.50	Mar '04-Aug '06

The market price of the ordinary shares at 29 March 2003 was 185.00 pence and the price range during the year was 182.50 pence to 520.00 pence.

### Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit and loss for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 29 March 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 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.

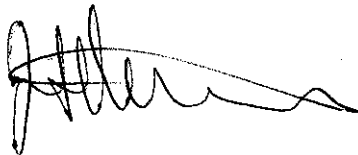
# Portals Property Limited

## Directors' Report (Continued)

### Auditors

The Company's auditors, PricewaterhouseCoopers, resigned on 27 February 2003, having converted to a Limited Liability Partnership (LLP) on 1 January 2003. The Directors appointed their successors, PricewaterhouseCoopers LLP, to fill the casual vacancy created by the resignation. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By Order of the Board



J F Hermans  
**Secretary**  
23 January 2004

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

# Portals Property Limited

## Independent Auditors' Report to the Members of Portals Property Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Companies Act 1985. 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. The other information comprises only the Directors' Report.

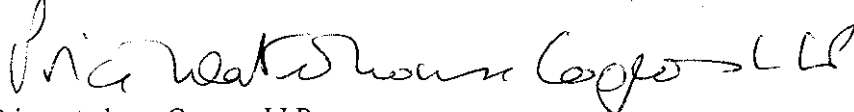
### Basis of audit opinion

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 29 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London, 23 January 2004

# Portals Property Limited

## Profit and Loss Account For the Year Ended 29 March 2003

	<i>Note</i>	2003 £'000	2002 £'000
Administrative expenses		(166)	(9)
Other operating income		1,129	-
<b>Operating profit/(loss) and profit/(loss) on ordinary activities before and after taxation</b>		<b>963</b>	<b>(9)</b>
<b>Retained profit/(loss) for the financial year</b>	<b>7</b>	<b>963</b>	<b>(9)</b>

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

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

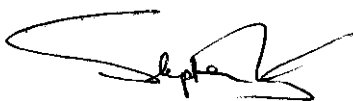
The notes on pages 7 to 10 form part of these financial statements.

# Portals Property Limited

## Balance Sheet at 29 March 2003

	Note	2003 £'000	2002 £'000
<b>Fixed assets</b>			
Tangible assets	3	12,248	12,441
<b>Current assets</b>			
Debtors	4	38,352	31,828
Cash at bank and in hand		49	5,655
		38,401	37,483
<b>Creditors - amounts falling due within one year</b>	5	(7)	(245)
<b>Net current assets</b>		38,394	37,238
<b>Net assets</b>		50,642	49,679
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Revaluation reserve	7	274	274
Profit and loss account	7	50,368	49,405
<b>Equity shareholders' funds</b>	8	50,642	49,679

Approved by the Board on 23 January 2004

  
 S A King  
 Director

The notes on pages 7 to 10 form part of these financial statements.

# **Portals Property Limited**

## **Notes to the Accounts - Year Ended 29 March 2003**

### **1 Accounting policies**

#### **(a) Basis of preparation**

The financial statements of the Company have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings in 1996, and in accordance with applicable accounting standards. The accounts have been prepared as at 29 March 2003, being the nearest Saturday to 31 March. The comparatives for the 2002 financial year are for the year ended 30 March 2002.

#### **(b) Depreciation**

Depreciation is charged on freehold and long leasehold commercial and industrial properties calculated at 2% p.a. on a straight-line basis on the value of the properties (exclusive of site values) and on subsequent additions at cost. No depreciation is charged on land.

#### **(c) Taxation**

Provision for UK corporation tax on profits of the Company arising after 1 April 1997 is made in the financial statements of the parent company, De La Rue Holdings plc.

The parent company also makes provision for deferred taxation in accordance with FRS 19 "Deferred Tax" which requires the recognition of deferred tax assets and liabilities on the balance sheet to the extent that they will more likely than not materialise.

### **2 Directors' remuneration and auditors' remuneration**

No Director received any emoluments in their capacity as a Director of the Company (2002: £Nil).

There are no persons employed by the Company (2002: Nil).

The auditors' remuneration was borne by the ultimate parent undertaking.



# Portals Property Limited

## Notes to the Accounts - Year Ended 29 March 2003

### 3 Tangible assets

	Freehold land and buildings 2003 £'000
<b>Cost or valuation</b>	
At 31 March 2002	12,441
Additions	-
<b>At 29 March 2003</b>	<b>12,441</b>
<b>Accumulated depreciation</b>	
At 31 March 2002	-
Provision for the year	(193)
<b>At 29 March 2003</b>	<b>(193)</b>
<b>Net book value</b>	
At 31 March 2002	12,441
<b>At 29 March 2003</b>	<b>12,248</b>

Commercial freehold properties were valued at 31 December 1996 by King Sturge & Co, independent chartered surveyors, at open market value on an existing use basis.

The agricultural and residential properties were valued at 31 December 1996 by Lane Fox and Partners Limited, independent surveyors, at open market value.

The historical cost of tangible fixed assets at 29 March 2003 was £12,271,100 (2002: £12,271,000).

### 4 Debtors

	2003 £'000	2002 £'000
Trade debtors	10	17
Amounts owed by Group undertakings	38,342	31,811
	<b>38,352</b>	<b>31,828</b>

# Portals Property Limited

## Notes to the Accounts - Year Ended 29 March 2003

### 5 Creditors : amounts falling due within one year

	2003 £'000	2002 £'000
Amounts owed to Group undertakings	-	243
Accruals and deferred income	7	2
	<b>7</b>	<b>245</b>

### 6 Called up share capital

	2003 £	2002 £
<b>Authorised:</b>		
100 Ordinary Shares of £1 per share	100	100
<b>Allotted, called up and fully paid:</b>		
100 Ordinary Shares of £1 per share	100	100

### 7 Reserves

	Revaluation Reserve £'000	Profit and loss account £'000
At 31 March 2002	274	49,405
Retained profit for the financial year	-	963
<b>At 29 March 2003</b>	<b>274</b>	<b>50,368</b>

### 8 Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Retained profit/(loss) for the financial year	963	(9)
Net increase/(decrease) in shareholders' funds	963	(9)
Opening shareholders' funds	49,679	49,688
<b>Closing shareholders' funds</b>	<b>50,642</b>	<b>49,679</b>

# **Portals Property Limited**

## **Notes to the Accounts - Year Ended 29 March 2003**

### **9 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. 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.

### **10 Immediate and ultimate parent undertakings**

The immediate parent undertaking of the Company is De La Rue Holdings plc and the ultimate parent undertaking is De La Rue plc, both of which are registered in England and Wales. The De La Rue 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.