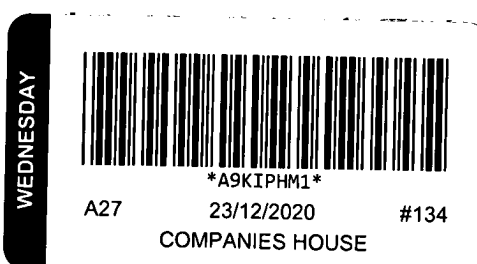


Registration number: 02527386

De La Rue Investments Limited
Annual Report and Financial Statements
for the Period from 31 March 2019 to 28 March 2020



PUBLIC

De La Rue Investments Limited

Corporate Information

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

De La Rue Investments Limited

Directors' Report for the period from 31 March 2019 to 28 March 2020

Registered number: 02527386

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 were as follows:

E H D Peppiatt (resigned 27 January 2020)

L S Roche (resigned 9 July 2020)

D R Harding (appointed 6 May 2020)

J C Hyde (appointed 24 January 2020)

Employee involvement

The Company has no employees (2019: none). The remuneration of Directors is borne by other Group companies and none of the Directors received any additional remuneration for their role as Directors of De La Rue Investments Limited. If it had employees, the Company would follow the employment policies of the De La Rue plc, the ultimate parent company, details of which are set out in the Responsible business section on pages 32 to 40 of the 2020 Annual Report of De La Rue plc which does not form part of this report.

Going concern

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

Result and Dividend

The profit for the period after taxation was £1,661,000 (2019: £1,664,000). The Directors do not recommend the payment of an interim and/or a final dividend in the period to 28 March 2020 (2019: £nil). The retained profit for the financial period has been transferred to reserves.

Political contributions

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

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

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

Small companies' exemption

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

De La Rue Investments Limited

Directors' Report for the period from 31 March 2019 to 28 March 2020

Post balance sheet events

The De La Rue 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 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 Investments Limited

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

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report for the member of De La Rue Investments Limited

We have audited the financial statements of De La Rue Investments Limited for the year ended 28 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK" (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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report 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.

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

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 3, 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 Investments 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
Date 18 December 2020

De La Rue Investments Limited

Statement of Comprehensive Income for the period from 31 March 2019 to 28 March 2020

		31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
	Note		
Income from Investments		-	-
Operating profit/ (loss)		-	-
Other interest receivable	3	1,661	1,664
Interest payable and similar charges	4	-	-
Profit before taxation		1,661	1,664
Taxation	6	-	-
Total comprehensive income for the financial period		1,661	1,664

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

De La Rue Investments Limited
Balance Sheet as at 28 March 2020

	Note	28 March 2020 £ 000	30 March 2019 £ 000
Non current assets			
Investments	7	33,383	33,383
Current assets			
Debtors:	8		
amounts falling due within one year		1,484	1,440
amounts falling due after one year		66,887	65,987
		68,371	67,427
Cash at bank and in hand	9	1,082	365
		69,453	67,792
Net assets		102,836	101,175
Capital and reserves			
Called up share capital	10	95,000	95,000
Profit and loss account		7,836	6,175
Total equity		102,836	101,175

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

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

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



.....
D R Harding
Director

De La Rue Investments Limited

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

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
Balance at 1 April 2018	95,000	4,511	99,511
Profit for the period	-	1,664	1,664
Other comprehensive income	-	-	-
Total comprehensive income	-	1,664	1,664
Balance at 30 March 2019	95,000	6,175	101,175
Balance at 31 March 2019	95,000	6,175	101,175
Profit for the period	-	1,661	1,661
Other comprehensive income	-	-	-
Total comprehensive income	-	1,661	1,661
Balance at 28 March 2020	95,000	7,836	102,836

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

De La Rue Investments Limited

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

1 General information

The Company is a private company limited by shares incorporated in United Kingdom.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared under the historical cost accounting rules in accordance with applicable accounting standards. The accounts have been prepared as at 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 taken advantage of the exemptions available under paragraph 1.12 of FRS 102 in respect of the following disclosures:

- the requirement to prepare a statement of cash flows;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the non-disclosure of key management personnel compensation; and
- certain financial instrument disclosures as included in the consolidated financial statements of the Group in which the Company is consolidated; and
- certain share based payment disclosures as included in the consolidated financial statements of the Group in which the Company is consolidated.

De La Rue Investments Limited

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

2 Accounting policies (continued)

Exemption from preparing group accounts

The Company is a wholly owned subsidiary of De La Rue plc, a company registered in England and Wales. As such the Company is included in the consolidated financial statements of De La Rue plc which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

Going concern

The Directors have prepared these financial statements on a going concern basis.

The Directors note that in the Group's 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.

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.

De La Rue Investments Limited

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

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Investments

Investments in subsidiaries and associates are held at cost less accumulated impairment losses.

Interest

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Critical accounting estimates and areas of judgement

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

3 Other interest receivable

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Interest income on bank deposits	13	68
Interest income on loans to group undertakings	1,648	1,596
	<u>1,661</u>	<u>1,664</u>

4 Interest payable

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Interest payable on loans from group undertakings	-	-

5 Directors' emoluments and auditor's remuneration

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

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

De La Rue Investments Limited
Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020
(continued)

6 Taxation

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

The differences are reconciled below:

	31 March 2019 to 28 March 2020 £ 000	1 April 2018 to 30 March 2019 £ 000
Profit before tax	1,661	1,664
Corporation tax at standard rate of 19% (2019: 19%)	315	316
Expense not deductible for tax purposes	(11)	(11)
Permanent differences	(304)	(305)
Total tax charge	-	-

Factors that may affect future tax rates

The future UK standard rate of tax is expected to be 19% based on current legislation.

De La Rue Investments Limited

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

7 Investments in subsidiaries

	28 March 2020 £ 000	30 March 2019 £ 000
Cost and Carrying Amount at 30 March 2019 and 28 March 2020	33,383	33,383

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows. Unless otherwise stated all Group owned shares are ordinary:

Name of undertaking	Country of incorporation	Nature of business	Proportion of voting rights and shares held	
			2020	2019
De La Rue Scandinavia Limited	UK	Holding	100%	100%
Harrison & Sons Limited ^(a)	UK	Non-trading	100%	100%
Portals Holdings Limited*	UK	Dormant	100%	100%
Portals Group Limited	UK	Holding	100%	100%
<i>De La Rue House, Jays Close, Viabes, Basingstoke, Hampshire, RG22 4BS</i>				
Harrison & Sons Sp. Zo.o*	Poland	Dormant	100%	100%
<i>Mokotowska 24, 00-561, Warsaw, Poland</i>				
De La Rue (Sverige) AB*	Sweden	Non-trading	100%	100%
<i>Box 14055, 104 40, Stockholm, Sweden</i>				

* indicates the subsidiary is indirectly held.

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

8 Debtors

	28 March 2020 £ 000	30 March 2019 £ 000
Amounts owed by Group undertakings	68,371	67,427

Debtors includes £66,887,000 (2019: £65,987,000) receivable after more than one year, being amounts owed by group undertakings.

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

De La Rue Investments Limited

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

9 Cash and cash equivalents

	28 March 2020	30 March 2019
	£ 000	£ 000
Cash at bank	1,082	365

10 Share capital and reserves

Allotted, called up and fully paid shares

	28 March 2020		30 March 2019	
	No. 000	£ 000	No. 000	£ 000
95,000,000 Ordinary shares of £1 each	95,000	95,000	95,000	95,000

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

Reserves

Profit and loss account

Cumulative profit and loss, net of distributions to owners.

11 Contingent liabilities

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).

12 Immediate and ultimate parent undertaking

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

De La Rue Investments Limited

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

13 Subsequent events

The De La Rue 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 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.