

De La Rue Quest Limited
(Registered Number 3804638)

Directors' Report and Financial Statements

25 March 2006

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COMPANIES HOUSE

Directors' Report

The Directors submit their report together with the financial statements for the period 27 March 2005 to 25 March 2006.

Principal activity and Business review

The Company acts as Trustee of the De La Rue Qualifying Employee Share Ownership Trust and is operated in conjunction with the De La Rue Sharesave Scheme ("Sharesave") for the benefit of employees and directors of De La Rue plc and its subsidiaries.

The Company did not trade during the year, resulting in neither a profit nor loss. The Directors do not recommend the payment of a dividend.

Directors and Directors' interests

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

C Chamberlain

C L Fluker

D Medforth (resigned 31 October 2005)

A V J Ross (appointed 31 October 2005)

At 25 March 2006 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. C Chamberlain and A V J Ross had no interest in the shares of De La Rue plc. The share interests and share options of Miss C L Fluker are set out below:

	25 March 2006	26 March 2005
C L Fluker	19,912*	19,829

* reduced to 17,845 on 1 August 2005 pursuant to share consolidation on 1 August 2005. Also includes 2,067 shares pursuant to the Matching element under the De La Rue Matching Shares Scheme (award date 14 August 2005)

<u>Interests in Share Options</u>	26 March 2005	Exercised during year	Granted during year	Lapsed during year	25 March 2006	Exercise price range (pence)	Exercisable dates
<u>C L Fluker</u>							
Deferred Bonus & Share Matching Scheme	-	-	25,897*	-	25,897	386.13	Jul '08
Executive Share Options	160,500	-	-	1,200		237.333-607.00	Jul '99 – Jul '14
Sharesave Options	3,123	-	-	-	3,123	303.31	Mar '08 – Sep '08
Matching Shares Scheme	3,883	3,883	-	-	0	257.5	-

* This grant comprises of 10,359 deferred shares and 15,538 matching shares subject to performance target.

Directors' Report (Continued)

The closing mid-market price of the ordinary shares at 25 March 2006 was 566 pence and the highest and lowest mid-market prices during the year were:

	Ordinary shares of 25p to 29 July 2005	Ordinary shares of 27 ⁷ / ₉ p to 25 March 2006
High	410.50p	571.00p
Low	360.07p	359.50p

Audit

For the year ended 25 March 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

The members of the Company have not required the company to obtain an audit of its accounts for the year ended 25 March 2006 in accordance with section 249B(2), Companies Act 1985.

Statement of Directors' responsibilities

The Companies Act 1985 requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

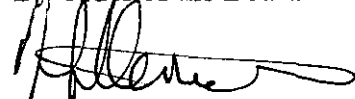
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless they consider it inappropriate to do so.

The Directors are also responsible for:

- keeping proper accounting records which 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;
- safeguarding the assets of the Company and for preventing and detecting fraud and other material irregularities.

The Directors consider that in preparing the financial statements on pages 3 and 4 the Company has consistently applied appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

By Order of the Board



J F Hermans
Secretary
26 January 2007

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

DE LA RUE QUEST LIMITED (Registered Number 3804638)

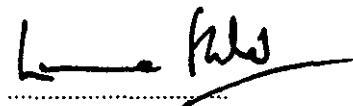
BALANCE SHEET AT 25 MARCH 2006

	2006 £	2005 £
Current Assets		
Debtors		
Amount due from parent undertaking	2	2
Capital and reserves		
Authorised:		
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: ordinary shares of £1	2	2

STATEMENTS

- (a) The directors acknowledge responsibility for:
- (i) ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of its profit and loss for the financial period, in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.
- (b) For the year ended 25 March 2006, the Company was entitled to the audit exemption under Section 249AA(1) of the Companies Act 1985 (in the case of a dormant company).

Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Companies Act 1985.


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C L Fluker
Director

Approved by the Board on 26 July..... 2007.

The notes to the accounts are on page 4.

NOTES

1 **Accounting Policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounts have been prepared as at 25 March 2006.

2 **Profit and Loss Account**

The Company did not trade during the year ended 25 March 2006 and has received no income and incurred no expenditure and consequently no profit and loss account has been prepared.

3 **Directors' emoluments**

The Directors have neither received nor waived any remuneration.

4 **Immediate and Ultimate parent undertaking**

The immediate and ultimate parent undertaking is De La Rue plc, a Company incorporated in Great Britain and 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 Company Secretary, De La Rue plc, De La Rue House, Jays Close, Viables, Hants, RG22 4BS.