

DE LA RUE QUEST LIMITED
REGISTERED NUMBER: 3804638

DIRECTORS' REPORT
AND ACCOUNTS

FROM INCORPORATION TO 1 APRIL 2000



DE LA RUE QUEST LIMITED

Directors' Report

The Directors submit their report together with the financial statements for the period from incorporation to 1 April 2000.

Principal activity and Business review

The Company was incorporated on 9 July 1999 in the name of Precis (1777) Limited and changed its name to De La Rue QUEST Limited on 2 December 1999.

The Company did not trade and therefore made neither profit nor loss during the period ended 1 April 2000.

Directors

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

C Chamberlain	(appointed 3 February 2000)
C L Fluker	(appointed 31 March 2000)
J Langford	(appointed 21 February 2000)
K Cosgrove	(appointed 9 July 1999, resigned 21 February 2000)
D W Finnett	(appointed 21 February 2000, resigned 31 March 2000)
C A Wilson	(appointed 9 July 1999, resigned 21 February 2000)

Directors' interests

K Cosgrove and C A Wilson were original subscribers to the Company and transferred one share each to De La Rue plc on 21 February 2000.

Under a Court sanctioned Scheme of Arrangement on 1 February 2000, New De La Rue plc became the new ultimate parent company undertaking for the De La Rue Group and immediately changed its name to De La Rue plc. The Group's ultimate parent company undertaking prior to the Scheme, De La Rue plc, changed its name to De La Rue Holdings plc on 1 February 2000.

Under the Scheme of Arrangement, Directors received, for every 20 ordinary shares held in De La Rue Holdings plc, 17 De La Rue plc ordinary shares and 920 pence in cash. 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 Ms C L Fluker and Mr J Langford are as follows:

	De La Rue Holdings plc	De La Rue plc	De La Rue plc
Ms C L Fluker	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
Mr J Langford			
Savings Related Share Options	1,136	1,136	1,136

During the year, that portion of Ms Fluker's ordinary shares held in a PEP was reduced by 119 shares.

Ms Fluker was granted 99,400 options on 26 November 1999 under the De La Rue Share Price Improvement Plan. No other options were granted during the year and none were exercised or lapsed. All the 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.

At 1 April 2000 Ms Fluker's options under the Savings Related Share Option Scheme are exercisable from March to September 2004 at a price of 150 pence. Those options under the Executive Share Option Scheme are exercisable at various dates up to July 2007 at prices ranging between 365.67 pence and 934 pence and those options under the Share Price Improvement Plan are exercisable from November 2002 to November 2003 at a price of 215.3 pence.

At 1 April 2000, Mr Langford's options under the Savings Related Share Option Scheme are exercisable from March to September 2002 at a price of 150p.

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

By order of the Board



J F Hermans

Secretary

8 January 2001

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

DE LA RUE QUEST LIMITED

Balance Sheet at 1 April 2000

£

Current Assets

Debtors

Amount due from parent undertaking 100

Capital and reserves

Authorised:

100 ordinary shares of £1.00 each 100

Allotted, called up and fully paid:
ordinary shares of £1

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The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the period from incorporation to 1 April 2000.

The accounts were approved by the Board of Directors on 8 January 2001.



C L Fluker
Director

The notes to the accounts are on page 4.

DE LA RUE QUEST LIMITED

Notes to the Financial Statements

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 1 April 2000, being the nearest Saturday to 31 March.

2 Profit and Loss Account

The Company did not trade during the period ended 1 April 2000, 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 Secretary, De La Rue plc, De La Rue House, Jays Close, Viables, Hants, RG22 4BS.