talaris™
A former De La Rue company

Talaris Topco Limited

Consolidated Financial Statements

31 March 2009

(Registered Number: 06569622)

We **expertly** manage the World's most **popular** payment instrument... **Cash**

Chief Executive's Report

The first full trading period of seven months as Talaris, has seen our new business established worldwide and consolidating its position. Despite significant change over that time, the management team, our partners and employees have delivered a robust set of financial results in a difficult world economic climate.

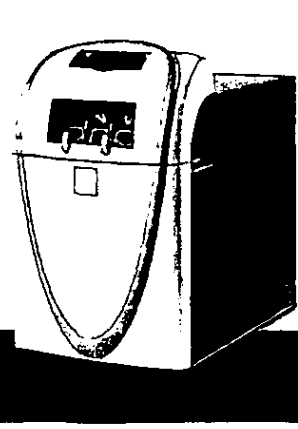
Across the 30 offices and more than 100 countries where we operate, some 2,100 employees and our valued Business Partners have risen to the challenge to establish our new identity and solutions at the forefront of expert cash management, worldwide.

When the management led buy-out took effect on 1st September 2008 we faced considerable challenges and opportunities. These included the complex De La Rue separation processes, administrative and manufacturing re-organisation and the need to maintain our own forward momentum. I am pleased to confirm we have now fully transitioned to our new structure and culture, successfully separating from De La Rue with all major infrastructure changes complete.

Talaris has achieved a year on year revenue increase of 12.2% and profit growth at the EBITDA level of 34.3%, whilst maintaining a strong cash-flow position and delivering improvement in both inventory and service levels. These achievements have been made possible with the continued support of our investment partner, The Carlyle Group and our management team's commitment to detailed scrutiny of our monthly performance as we shape Talaris into an agile, flexible and highly responsive enterprise.

Maintaining the impetus we now move into a new phase, involving further detailed control of our costs and expenditure whilst delivering increased momentum to our sales and service activities. The global financial environment remains unpredictable, resulting in continued margin pressure in competitive conditions. However, we know we are in the right market, with the right propositions, at exactly the right time. Talaris has been firmly established globally and we look forward to serving our customers and working with our partners across the world in the coming 12 months.

Tracey Graham, CEO, Talaris
30 June 2009



Talaris Vertera™ Teller Cash Recycler

there is more

in circulation than

at any other time in

TODAY, CASH REALLY IS KING

Today, cash is still the worlds' most popular and reliable payment instrument. Despite technological developments in payment systems, consumers and businesses have demonstrated a preference for cash, resulting in an estimated 5 billion users worldwide. Cash is in demand by businesses and consumers alike and its various forms are accepted in every country across the world.

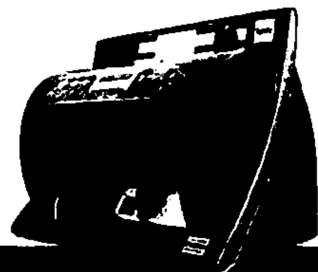
Globally, cash volumes continue to grow with more notes and coins in circulation today than at any time in history. In Europe alone the value of euro cash in circulation has more than trebled in the past seven years whilst some 79% of European retail payments (307 billion transactions) were cash based*. With its sustained popularity comes the need to ensure that cash is handled efficiently and securely as it plays its valuable role in the worlds' economies.

The expert management of cash is at the centre of the technology and services delivered by Talaris, providing specialist cash processing and handling solutions for banks, retailers and related sectors. It is Talaris technology that continues to reduce operating cost and provide security, whilst authenticating billions of banknotes and coins. Talaris solutions are the strategic enabler optimising staff and customer engagement whilst increasing face to face selling opportunities.

Talaris delivers cash handling expertise both directly and through business partners, providing innovative solutions, consulting professionals and an extensive service and support infrastructure. With the position of cash firmly established, Talaris continues to enhance its specialist advantage in managing this important commodity by investing in research and development of related technologies and processes.

> “The expert management of cash is at the centre of the technology and services delivered by Talaris.”

*Source: Banking Automation Bulletin, May 2009



Talaris EV86-Series Currency Counters

The brand is synonymous with cash worldwide

TALARIS ESTABLISHED ACROSS THE WORLD

Over the past seven months Talaris personnel have joined with over 130 Business Partners to establish the new Talaris as the global specialist in cash handling technology and service. Following the management led buy-out, Talaris capability has been demonstrated and communicated to customers, partners, investors and employees, across more than 100 countries, to make the brand synonymous with expert cash management worldwide.

Talaris expertise has been acknowledged with awards for technology and performance from industry events in both Asia and North America confirming again the Group's commitment to leadership and innovation. The successful brand delivery has resulted in sales growth alongside deeper strategic penetration into new geographies such as South America and the Middle East. Simultaneously extended plans to develop the business presence in Russia and associated regions are in progress whilst the OEM ('Original Equipment Manufacturer') business extends its reach across China with new volume agreements.

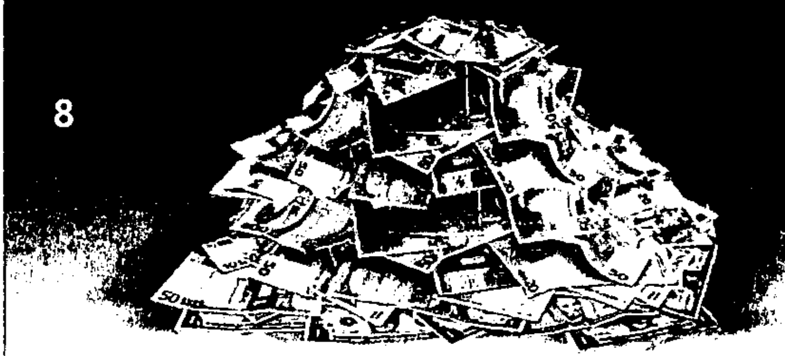
The Group continues to build on its strengths maintaining focus around the four key competencies of Talaris, namely - unique expertise in **authentication** technology which is delivered globally through strong and well established **distribution** channels. In turn these are underpinned by the proven excellence within the **service** business allied with the Group's ability to build strong **relationships** with customers, partners and suppliers.

> “The Group continues to build on its four key competencies - authentication, distribution, service and relationships.”

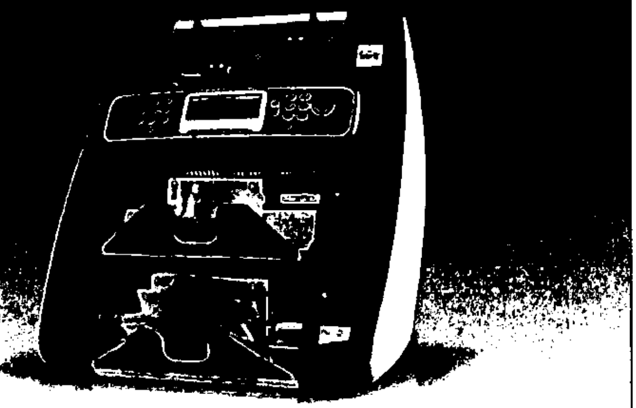
Talaris NMD 100 Media Dispenser

are recognised as
the management
specialists

8



Cash Problem



Problem Sorted

TALARIS – A MARKET LEADER GLOBALLY

Talaris is uniquely positioned as the global business operating exclusively in the field of cash management and optimisation. For banks, retailers and businesses the Group leads with dedicated consultancy, technology and services wherever money moves. Today, Talaris deals with many of the world's largest banks and financial institutions, authenticating notes and coins, holding cash securely, improving operational efficiencies and reducing operating cost.

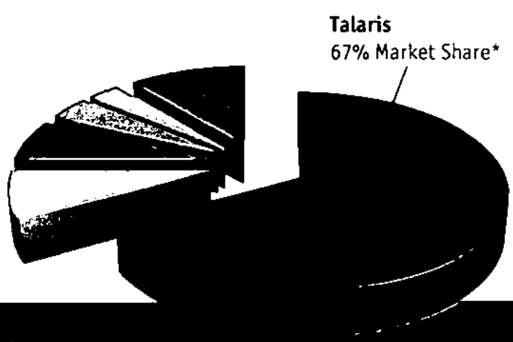
As a result of working solely in this specialist market Talaris has established high benchmarks, building on a portfolio of innovation and technology. The cash handling solutions range includes more than 40 highly reputable products which are in turn supported by a market leading service offering, incorporating complete installation project management, maintenance services, dedicated customer service centres and technical training.

Through specialisation and innovation, Talaris has accumulated a portfolio of over 250 technology and process patents granted across 26 countries. In turn these technologies are delivered to market through the strength of both the direct and indirect Talaris sales channels.

These unique capabilities have enabled Talaris to establish leading market positions across the bulk of its portfolio and become the world leader in the supply of Teller Assist Units. Recent industry research demonstrated that Talaris has by far the highest market share across some 25 key countries surveyed, with 67% of the installed base*.

Globally the majority of the installed base of teller automation units is spread across 25 key countries. In these countries the current level of around 735,000 bank branches is forecast to grow as it has since 2004, with the deployment of teller automation systems correspondingly set to increase from around 145,000 to around 240,000 by 2013. As banks deploy new formats and seek to optimise efficiencies, service and security Talaris will continue to be the partner of choice.*

“Recent independent research demonstrated that Talaris has by far the highest market share with 67% of the installed base*.”



*Source: Global Teller Assist Units 2009 report from Retail Banking Research Limited

MANAGEMENT OVERVIEW

In the the past 12 months we have witnessed an evolving trading environment globally, with the impact of the economic climate affecting some of the traditional Talaris customer base. However despite this, the period has seen the leadership team consolidate the Group's position and deliver a strong platform on which to grow.

At this time, the general economic outlook remains uncertain and whilst equity markets have rallied in recent months other indicators such as GDP, inflation and unemployment remain depressed. Against this background, the order book that Talaris carries into the new financial year is encouraging. Service order coverage runs well into the second half of 2009/10 and product order visibility well into the second quarter at the start of the financial year.

Talaris has continued to maintain an appropriate geographic and customer revenue spread ensuring that the business is not unduly dependent upon any one continent, country or customer group. This is further enhanced by the Group's portfolio of enabling solutions supported by the extensive service network – both of which are key factors contributing to the strength of the business. As a result, Talaris is well positioned to continue to outperform the market and deliver outstanding results.

The management team are committed to continuing to invest in the Group's greatest asset – its employees, where there is a vast pool of talent from which to continue to draw. Through a range of initiatives staff are encouraged to go through a process of continuous development and to provide management with direct feedback through actvities such as the globally recognised 'Great Place to Work Programme'.

Together the management team and employees have contributed to the establishment of Talaris – globally marking out the business footprint and putting in place the processes and disciplines that now form the framework of the new Group. Talaris is growing as a flexible, agile and responsive business with the capability to swiftly respond to market and customer demands and out-perform its competitors.

"Talaris is well positioned to continue to outperform the market and deliver outstanding results."

From left to right (top): Wilbert Bieleman, Adrian Trise

From left to right (bottom): Tracey Graham, Vincent Nakache, Chris Reagan, Mike Wilson, Mal McHutchison, Paul Adams

Directors' Report

The Directors present their report and financial statements for the period from incorporation on 17 April 2008 to 31 March 2009 which incorporates seven months of trading activity for Talaris Topco Limited and its subsidiaries ('The Group').

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The business operates in the worldwide cash handling market. It offers high end technology solutions to banks, financial institutions and other sectors (consumer, retail, gaming and leisure). Talaris provides technology together with associated software and maintenance services. In the period being reported, service represented 39% of Group revenues.

The Group is organised on a geographical basis within business lines. This enables the Group to drive product development and business strategy globally whilst retaining close links to customers locally. The business has a direct sales presence in over 20 countries. Elsewhere it operates via distribution partners, having a total of 130 partners worldwide increasing the coverage to more than 100 countries. The Directors believe that the end-to-end nature of the business supply chain is a key factor in Talaris' success. Main offerings are as follows:

Cash Dispensing and Recycling: The wide portfolio of Talaris dispensing and recycling solutions ensure banknotes are dispensed, authenticated and identified for recycling – optimising operational efficiencies, maximising staff time, enhancing security and reducing cost.

Cash Handling: Delivering efficient, accurate and fast banknote and coin counting and sorting through an innovative range of proven, compact solutions.

Self-Service Solutions: The Talaris range delivers speed, security and convenience from payment terminals, coin and banknote depositing, dispensing and recycling with cheque handling and coin sorting technologies.

Integrated Technology ('OEM'): Over 100 international relationships with Talaris' OEM partners allow the integration of core technologies for self-service coin and banknote applications along with specialist solutions for ticket and voucher dispensing.

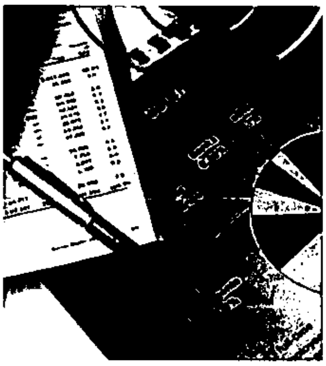
Connectivity and Optimisation Software: Embedded software, configurable application programmes, connectivity solutions for banking application integration and maintenance/monitoring options from Talaris provide the framework to deliver efficient core business processes and increasingly provide access to key performance data.

Full Support Services: Globally, over 1,000 field engineers and customer service specialists install, commission, maintain, upgrade and provide specialist support services and expertise to ensure the continuity and availability of critical customer operations.

Consulting and Project Management: Unique insight into business strategy development and process optimisation across the entire cash cycle incorporating needs assessment, pilot projects through to full scale deployment, bench-marking and return on investment analysis.

Over the past seven month trading period the business has maintained focus on its customer base whilst separating from its previous parent company, De La Rue plc. The separation is now complete with location, information systems and branding changes in place.

RESULTS AND DIVIDENDS



Results are presented for the seven month period of trading since Talaris Topco Limited acquired the business and assets of the majority of De La Rue plc's Cash Systems Division on 1 September 2008. Comparative results are not included within the financial statements.

Group turnover for the period to 31 March 2009 was £200.8 million. The gross profit achieved before exceptional items over this period was £87.5 million, giving an overall gross margin of 43.6%.

The Group administrative, selling and distribution costs excluding intangible amortisation and exceptional items were £52.8 million representing 26.3% of Group revenues.

Group operating profit excluding intangible amortisation and exceptional items was £34.7million which is equivalent to 17.3% of revenues.

Total finance charges for the period were £65.8 million, of which only £23.2 million represented interest expense. The charge includes the interest on Preference Shares which have been classified as debt under International Financial Reporting Standards ('IFRS'). The balance of the finance charge was fair value losses on interest rate swaps caused by the movement in interest rates since the swaps were taken out in October 2008 and the revaluation of the USD and EUR term loans. After financing costs, exceptional items and intangible amortisation the Group made a loss of £43.0 million. A retained deficit of £21.1 million has been taken to reserves.

No dividends have been paid during the period. At present, the Directors have no plans to pay dividends on 'A' or 'B' Ordinary Shares or Preference Shares.

The Group operates pension (or similar post retirement benefit) schemes across the bulk of its operations. The majority of these are either state sponsored or defined contribution in nature. Details of the schemes that are defined benefit are disclosed in Note 17 to the accounts.

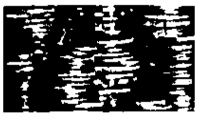
The initial funding for the Group at completion was denominated in sterling as follows:

Sources	£m	%
Senior Term Debt	186.0	49.2
Mezzanine	60.0	15.7
Preference Shares	128.9	34.0
Ordinary Shares	4.0	1.1
Total Sources	378.9	100.0
Undrawn RCF	26.0	
Total Committed Facilities	404.9	

The term debt was redenominated into USD and EUR on 4th September 2008 to reflect the broad mix of the Group's underlying trading currencies. Converted at year end rates, the Senior debt stands at £230.3m and the Mezzanine debt at £72.9m. The term debt is repayable on a range of terms up to 9 years from the date of completion. All loans have bullet repayments other than term loan 'A' which amortises over the life of the facility with the final repayment due in June 2015. Repayments of 4% of the principal of Term Loan 'A' fall due during the year ending 31st March 2010. The excellent cash generation of the business means that the RCF remained undrawn at 31st March 2009, other than £400,000 allocated to the issuance of bonds/ guarantees.

KEY PERFORMANCE INDICATORS

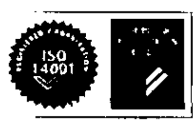
The business monitors a number of financial and operational Key Performance Indicators ('KPIs') as part of the ongoing management of its operations. These include:



Finance - The Group's key financial and other performance indicators (excluding intangible amortisation and exceptional items) during the year were as follows:

	2009 (7 months trading)
Turnover (£m)	200.8
Percentage of turnover:	
Gross profit	43.6%
Administrative and marketing expenses	26.3%
Operating profit	17.3%
EBITDA	19.0%

Service - With some 1,000 service and support personnel across the world, measuring the effectiveness and performance of the front line service business is of paramount importance. A wide range of measures are used which include i) The efficiency of fix rate and problem resolution by telephone, ii) the rate at which engineering calls are fixed on the first visit and iii) number of calls undertaken per engineer day.



Quality - Talaris operates a wide range of quality programmes across service and manufacturing. Key Performance Indicators include i) the percentage of completed product that is fully operational first time when leaving manufacturing and ii) the level of machine call out rates.

Supply chain - Talaris operates comprehensive integrated manufacturing processes and amongst others specific measures are i) the rate at which finished product is delivered on time in full, and ii) achievement of product delivery in line with customer lead times.

Marketing - Worldwide, marketing undertakes programmes and initiatives measuring success by i) the win/loss rates by the field salesforce and ii) the quantitative levels of new business/enquiry generation.

The Directors are satisfied that the Group has been tracking well against its KPIs during the first seven months of trading.

EMPLOYEE MATTERS

The Group is proud of its record as an equal opportunities employer, and encourages diverse and inclusive approaches to employment within its international business. With employees in over 20 countries, open communication and cultural understanding are vital for success. Employees are actively encouraged to develop their skills and capabilities through performance appraisal and individual development programmes.

Talaris encourages an open communication culture across the business in terms of one to one contact on a day to day basis. In turn this is supported by employee forums/work councils whereby elected employees represent broader employee interests through engagement with Management. The Group's 'Great Place To Work' scheme also actively encourages the expression of employee views and opinions, acting as a channel for feedback on the working environment and as a means for employee participation in effecting change.

Regular internal news communications are distributed to all employees whilst periodic updates from the CEO have been circulated in 5 different languages and as a Podcast via the intranet. Across the business, specific programmes keep employees actively informed and engaged on areas of particular importance for the Group. The Group has defined six key focus areas including 'Cash is King' and 'Drive Our Sales' and has launched a 'Six Key Focus Initiative' to ensure these are effectively communicated to all employees through presentations, posters and workshops.

ENVIRONMENTAL MATTERS

The Group has a solid foundation in environmental management and is committed to a process of continuous performance improvement in this area.

In respect of product design, the Group continues to retain the services of a world renowned eco consultancy and as a result major products are evaluated with a view to reducing carbon burden. This applies to both the manufacturing phase and also during the "in use" part of the life cycle - where for example projects are being launched to ensure machines enter standby mode when not in use. In terms of Waste Electrical and Electronic Equipment ('WEEE') Regulations, Talaris actively assists customers with compliance for products deemed to be end of life.

The Group continues to improve the performance at its major manufacturing sites by ensuring that they meet with ISO14001 standards. Initiatives are also being undertaken to reduce the levels of packaging used and to ensure that parts used in the manufacturing process are shipped more efficiently. Within the supply chain processes used by the Group, a selection of major tier one partners also hold ISO14001 registration, again contributing environmental benefits.

Other initiatives across various parts of the business address issues such as electrical and water consumption, recycling of materials, motion sensitive light switches and the centralising of facilities such as copiers and printers. The service operation has also been improved by the use of an electronic management process that ensures maintenance service tasks are carried out in the most efficient manner, including assessing the minimal travel distance of engineers, thus reducing the CO_2 emissions produced.

SOCIAL AND COMMUNITY ISSUES

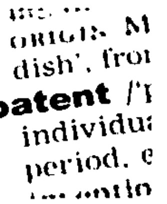
The Group strives to play an active role in social and community issues and encourages charitable giving among employees. A commitment from both management and staff in this regard is considered an important part of Talaris' role as a responsible corporate citizen.

Furthermore, the Group encourages employees to undertake individual or group fund raising activities using the framework of the business as a means to communicate and promote the activity and raise donations. This has proved a successful and popular initiative among staff.

The Group decided to use the new company launch event in January as a fundraising opportunity, which generated significant donations to both Breast Cancer Research and Kidney Research. In Spain the Company launch had an environmental focus where employee involvement led to the establishment of a Talaris wood of some 200 trees.

The total amount donated by the Group to charitable causes in the seven month period was £4,000.

RESEARCH AND DEVELOPMENT



Talaris has a heritage of innovation which continues to be developed through enhancements to existing products, enabling the business to maintain market leadership within an evolving industry. The Company is also dedicated to the development of new inventive solutions both internally and in conjunction with external partners.

Talaris now has over 250 patents granted across 26 countries and the Group remains committed to an extensive programme of Research and Development. This investment is undertaken in order to build key differentiators for the business and enlarge the Group's intellectual property portfolio. Example areas covered include improvements to detection capability for the Euro and other currencies, improved feed technology, faster note replenishment and joint initiatives with industry partners.

Working closely with currency producers such as De La Rue, prototyping and research continues in key detection capabilities. In terms of software development and connectivity, Talaris is engaged in a number of projects both internally and with external partners to continually enhance the ability to connect Talaris products into the evermore demanding customer IT environments.

OWNERSHIP

The Company was incorporated on 17 April 2008 as a shell company with the name Bungaywood Limited. On 6 June 2008 the Company changed its name to Darwin Topco Limited. On 5 August 2008 the Company changed its name to Talaris Topco Limited. On 1 September 2008, the Company acquired the trade and assets of the majority of the Cash Systems Division of De La Rue plc for £375.5m. The transaction was partly equity and partly debt financed with the debt portion (£246m) being injected at various levels in the Talaris Group structure.

The equity funding is split between Preference and Ordinary Share capital, with the ordinary capital being designated 'A' and 'B' simply for ownership identification. All shares are of £1 value fully paid.

Number of shares

	Management	Carlyle	Total
'A' Ordinary	402,500	97,500*	500,000
'B' Ordinary	-	3,500,000	3,500,000
Preference	402,500	128,497,277*	128,899,777

** 97,500 'A' Ordinary Shares and Preference Shares are held by Carlyle prior to allocating to management.*

The controlling interest is owned by CEP III Participations S.à r.l. SICAR, an investment vehicle for The Carlyle Group ('Carlyle'), a private partnership based in the USA. A total of 16 senior managers have equity stakes in the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are responsible for the identification of key business risks which are managed by the Risk and Audit Committee of the Board. A risk management policy has been approved by the Board. The key aspects of this policy can be summarised as follows:

Risk management is the systematic process to positively identify, assess, treat and manage risks – which either threaten the Group's resources or provide beneficial opportunities – in order to enable the Group's business objectives to be achieved.

Risks are owned and managed at Strategic Business Units and Group functions where the risk resides. A common Risk Management System and reporting procedures have been implemented to allow overall Group risk to be identified and managed.

The operation of the Risk Management System enables the Group to understand and communicate the risks which the Group faces and accepts in order to ensure that these are positively managed at every level.

The key risks facing the Group are analysed into four categories below:

MARKET RISKS

The business operates in competitive markets. It addresses the associated risks by actively promoting the Talaris brand, predominantly via marketing collateral and customer events, designing and developing market leading hardware and software solutions and close contact with the end customer to fully understand their requirements.

FINANCING RISKS

The Group carries a substantial amount of loan finance. Borrowings are taken out on a floating rate basis but then substantially hedged to a fixed rate by means of interest rate swaps. Under IFRS, hedge accounting has not been applied.

The Group trades in a wide range of foreign currencies predominantly USD, EUR, SEK and GBP. Debt is denominated in USD and EUR providing a natural hedge against the main underlying trading flows. Limited transaction cover is taken to provide margin certainty as long as the currency conversion supports the overall requirement to service the USD/EUR debt.

To ensure liquidity, the Group has access to a committed £26m revolving credit facility. As at 31 March 2009, this remains undrawn, other than £400,000 allocated to the issuance of bonds/guarantees.

OPERATIONAL RISKS

The Group faces a number of manufacturing and supply chain exposures. Where the product is outsourced, partners are selected only after a process of operational and financial due diligence. Long term relationships are built with key suppliers and contingency plans for potential supplier failure are being renewed in the light of the current economic environment.

End of line quality assurance processes are a feature of Talaris' supply chain management whether product is manufactured in-house or built to Talaris' design by third party partners. In China, where a number of Talaris' partners are located, Talaris has a dedicated procurement office employing 26 procurement professionals, quality experts and manufacturing engineers. This team is responsible for transitioning new products into the supply base and managing these suppliers.

Business continuity plans are in place to cover a break in supply. Fire risk is managed by an experienced firm of external consultants, supervised by the Group's Environmental Health & Safety ('EHS') Manager.

Health and Safety is a standing item on the agenda of the Group's Management Board. Performance is benchmarked against similar manufacturing and service organisations. EHS co-ordinators on each site are trained to recognised international standards.

Product development programmes are managed through a central, gated process.

CONTROL RISKS

A number of key powers are reserved to the Board, the Shareholders or require syndicate bank approval under the main constitutional documents governing the operations of the Group.

Authority is then delegated to senior management via both powers of attorney and the Group authority schedule. Senior management have significant industry experience and possess the relevant technical qualifications to perform their roles. Additional technical and legal training is provided as required by changes in the external environment.

Following separation from De La Rue, the Group no longer has an internal audit function. The Directors believe that the Group does not have the critical mass to support such a function. An outsourced programme of internal control reviews is being developed.

DIRECTORS

The Directors of the Company since incorporation on 17 April 2008 to the date of these accounts are as follows:

Andrew Burgess appointed 4 June 2008
Non-executive Director from Carlyle.

Charles Richard Arklay Steel* appointed 4 June 2008
Non-executive Director from Carlyle.

Tracey Graham (Chief Executive Officer) appointed 1 September 2008
Experience from across the banking sector, primarily with 12 years at HSBC, enhanced by senior management positions within Guardian Royal Exchange, Sequoia Voting Systems in the USA and three years as Managing Director of the De La Rue Cash Systems Division.

Michael Patrick Wilson* (Chief Financial Officer) appointed 1 September 2008
A qualified Accountant (FCMA) with extensive practical commercial experience, including 14 years with De La Rue in a variety of senior financial positions, most recently as Financial Director of the Cash Systems Division.

Paul Heiden* (Chairperson) appointed 26 January 2009
A Chartered Accountant who has held senior finance and management positions at Rolls-Royce plc (CFO), FKI plc (CEO) and is currently on the board of UU plc.

Adrian Levy and **David Pudge** were both appointed on 17 April and resigned 4 June 2008.

*Also a member of the Audit and Risk Committee.

PAYMENTS TO SUPPLIERS

The Group's policy is that suppliers be paid on the basis of agreed terms. The average number of days credit provided by suppliers to the Group has been calculated at 32 days as at 31 March 2009.

DIRECTORS' QUALIFYING INDEMNITY PROVISIONS

The Group has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each current Director has made enquiries of their fellow Directors and the Group's auditor and taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Relevant audit information is that information needed by the auditor in connection with preparing its report. So far as each Director approving this report is aware, and based on the above steps, there is no relevant audit information of which the auditor is unaware.

GOING CONCERN

The Group's business activities and factors likely to affect its future development, performance and position are set out earlier in this report. In addition the financial statements include notes on the Group's debt, contingent liabilities and other risk factors.

The Group has considerable long term loan facilities and its business activity covers a broad geographical reach. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the accounts.

APPOINTMENT OF AUDITORS

Ernst & Young LLP were appointed as auditors by the members of the Board in accordance with the provisions of the Companies Act 2006.

By order of the Board

Michael Wilson

Michael Patrick Wilson, Director
30 June 2009

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Group financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ('IFRS') as adopted by the European Union.

The Directors are required to prepare Group financial statements for each financial year which present fairly the financial position of the Group and the financial performance and cash flows of the Group for that period. In preparing those Group financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Talaris Topco Limited

We have audited the Group financial statements of Talaris Topco Limited for the period ended 31 March 2009 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated statement of recognised income and expense, the consolidated cash flow statement, and the related Notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Sections 495 and 496 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2009 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Other matter

We have reported separately on the parent company financial statements of Talaris Topco Limited for the period ended 31 March 2009.

Ernst & Young LLP

Andy Glover (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

30 June 2009

Consolidated Income Statement

for the period ended 31 March 2009

Continuing Operations	Notes	2009 Before exceptional items £000	2009 Exceptional items (Note 6.7) £000	2009 Total £000
Revenue	6.1	200,761	-	200,761
Cost of sales		(113,300)	(940)	(114,240)
Gross profit		87,461	(940)	86,521
Selling and distribution costs		(20,754)	(639)	(21,393)
Administrative expenses		(32,033)	(1,165)	(33,198)
Operating profit before amortisation of trade name, customer relationships and technology		34,674	(2,744)	31,930
Amortisation of trade name, customer relationships and technology	9	(8,502)	-	(8,502)
Operating profit		26,172	(2,744)	23,428
Financial income	6.2	1,410	-	1,410
Financial expenses	6.3	(65,758)	-	(65,758)
Loss before tax		(38,176)	(2,744)	(40,920)
Taxation	7	(2,838)	784	(2,054)
Loss for the period	18	(41,014)	(1,960)	(42,974)

Consolidated Balance Sheet

as at 31 March 2009

	Notes	2009 £000
Assets		
Non-current assets		
Property, plant and equipment	8	11,243
Intangible assets	9	423,497
Deferred tax asset	7	11,240
		445,980
Current assets		
Inventories	11	37,815
Trade and other receivables	12	41,788
Cash and short-term deposits	13	51,944
Other current financial assets	14	314
		131,861
Total assets		577,841
Liabilities		
Current liabilities		
Borrowings	14	(3,283)
Other financial liabilities	14	(11,757)
Trade and other payables	15	(85,199)
Income tax payable		(8,170)
Provisions	16	(10,034)
		(118,443)
Non-current liabilities		
Borrowings	14	(429,330)
Retirement benefit obligations	17	(3,397)
Deferred tax liability	7	(43,458)
Other non-current liabilities	15	(291)
		(476,476)
Total liabilities		(594,919)
Net liabilities		(17,078)
Equity		
Ordinary Share capital	18	4,000
Cumulative translation adjustment	18	21,867
Retained earnings	18	(42,945)
Total equity		(17,078)

P Heiden

Paul Heiden, Chairperson

Michael Wilson

Michael Patrick Wilson, Director

30 June 2009

Consolidated Statement of Recognised Income and Expense

for the period ended 31 March 2009

	2009 £000
Loss for the period	(42,974)
Foreign currency translation difference for foreign operations	21,867
Actuarial gains on retirement benefit obligations	38
Income tax on income and expenses recognised directly in equity	(9)
Total recognised income and expense for the period	(21,078)

Consolidated Cash Flow Statement

for the period ended 31 March 2009

	Notes	2009 £000
Operating activities		
Net cash flows from operating activities	22	41,356
Investing activities		
Purchase of property, plant and equipment	8	(929)
Purchase of intangible assets	9	(3,340)
Acquisition of a subsidiary, net of cash acquired	5	(351,134)
Net cash flows used in investing activities		(355,403)
Financing activities		
Proceeds from issue of shares	18	4,000
Payment of finance lease liabilities		(156)
Proceeds from borrowings		364,425
Interest received		1,096
Interest paid		(11,110)
Net cash flows from financing activities		358,255
Net increase in cash and cash equivalents		44,208
Net foreign exchange difference		7,456
		51,664
Cash and cash equivalents at 17 April 2008		-
Cash and cash equivalents at 31 March 2009	13	51,664

1. CORPORATE INFORMATION

The consolidated financial statements of Talaris Topco Limited ('the Group') for the period ended 31 March 2009 were authorised for issue in accordance with a resolution of the Directors on 24 June 2009. The Group is a limited company incorporated and domiciled in England. The registered office is located at Talaris House, Crockford Lane, Chineham Business Park, Basingstoke in England.

The Group was incorporated on 17 April 2008 as Bungaywood Limited. The name was changed to Darwin Topco Limited on 6 June 2008 and then again to Talaris Topco Limited on 5 August 2008.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in British Pounds and all values are rounded to the nearest thousand (£000) except when otherwise indicated.

Going concern

The Group's business activities and factors likely to affect its future development, performance and position are set out earlier in this report. In addition the financial statements include notes on the Group's debt, contingent liabilities and other risk factors.

The Group has considerable long term loan facilities and its business activity covers a broad geographical reach. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the accounts.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and the Companies Act 2006.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Talaris Topco Limited and its subsidiaries as at 31 March 2009.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the majority of subsidiaries are prepared for the period ended 31 March. Where subsidiaries have a different period end, adjustments have been made to align their results with the Group's financial period.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Foreign currency translation

The Group's consolidated financial statements are presented in British pounds, which is the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

The assets and liabilities of foreign operations are translated into pounds at the rate of exchange prevailing at the balance sheet date and their income statements are translated at average exchange rates for the period. The exchange differences arising on the translation are taken directly to a separate component of equity.

The main rates used are:

	GPB - EUR	GBP - USD
Balance Sheet	1.08	1.43
Income Statement	1.17	1.58

Revenue recognition

Group revenue represents sales to external customers of manufactured products and services which fall within the Group's ordinary trading activities. This excludes VAT and other sales taxes.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits associated with the transaction will flow into the Group and the amount can be reliably measured.

When goods are supplied, revenue is recognised in accordance with the terms of sale.

When services are supplied, revenue is recognised either when the service has been completed or for maintenance contracts on a straight-line basis over the length of the contract.

Taxes

The tax expense included in the income statement comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted by the balance sheet date.

Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the applicable taxes on such items are recognised in equity.

Deferred tax is provided using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using tax rates that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Pensions and other post employment benefits

The Group operates a small number of defined benefit pension plans, which require contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

The current service cost and gains and losses on settlements and curtailments are included in operating costs in the Group income statement. Past service costs are similarly included where the benefits have vested, otherwise they are amortised on a straight line basis over the vesting period. The expected return on assets of funded defined benefit pension schemes and the imputed interest on pension scheme liabilities are disclosed as retirement benefit obligation finance income and retirement benefit obligation finance expense respectively in the income statement.

Differences between the actual and expected return on assets, changes in the retirement benefit obligation due to experience and changes in actuarial assumptions are included in the statement of recognised income and expense in full in the period in which they arise.

The liability recognised on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of the scheme assets at the balance sheet date.

The Group's contributions to defined contribution plans are charged to the income statement in the period that they relate.

Exceptional items

Items which are both material by size and/or by nature and non recurring are presented as exceptional items within their relevant consolidated income statement category. The separate reporting of exceptional items charged to operating profit helps provide an indication of the Group's underlying business performance. Events which may give rise to a classification of items as exceptional include gains or losses on the disposal of businesses, restructuring of businesses and asset impairments.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows. Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other receivables and payables are discounted when the time value of money is considered material.

Where amounts have been invoiced in advance the portion not recognised in revenue is included in deferred income.

Derivative financial instruments

The Group holds derivative financial instruments, which include interest rate swaps and foreign exchange contracts, to hedge its foreign currency exposures. Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value. Any gains or losses arising from changes in fair value of derivative financial instruments not designated as hedges are recognised immediately in the consolidated income statement.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet ready for use, the recoverable amount is estimated at each reporting date.

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. In addition, goodwill is tested at least annually for impairment. Impairment tests are performed for all Cash Generating Units ('CGUs') to which goodwill has been allocated at the balance sheet date or whenever there is indication of impairment. For all other intangible assets, an impairment test is performed whenever an indicator of impairment exists.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, the latter being the higher of the assets fair value less costs to sell and value in use. Value in use calculations are performed using cash flow projections for the asset (or group of assets where cash flows are not identifiable to specific assets), discounted at a rate which reflects the asset specific risks and the time value of money.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of their respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as property, plant and equipment at an amount equal to the fair value of the leased asset or, if lower, the present value of minimum lease payments at the inception of the lease, and then depreciated over their useful economic lives. Lease payments are apportioned between repayment of capital and interest. The capital element of future lease payments is included in the balance sheet as a liability. Interest is charged to the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term. Operating lease incentives are recognised as a reduction in the rental expense over the lease term.

Inventories

Stocks and work in progress are valued at the lower of cost, including relevant production overheads and net realisable value. Cost is determined on a weighted average cost basis. Cost comprises directly attributable purchase and conversion costs an allocation of production overheads based on normal operating capacity. Raw materials are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Intangible assets

All intangible assets, except goodwill, are stated at cost less accumulated amortisation and any impairment losses. Goodwill is not amortised and is stated at cost less any accumulated impairment losses.

Goodwill

Goodwill represents the excess of the cost of acquisition of a business combination over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the business acquired at the date of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. At the date of acquisition the goodwill is allocated to cash generating units for the purpose of impairment testing and is tested at least annually for impairment.

Internally generated goodwill is not recognised as an asset.

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Other intangible assets

Intangible assets purchased separately, such as software licenses that do not form an integral part of the related hardware are capitalised at cost and amortised on a straight line basis over the shorter of their useful economic life or their licence period at rates which vary between three and five years. Trade name is amortised over three years, customer relationships over 26 years and technology between 10 and 15 years.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation, less accumulated depreciation and any accumulated impairment losses. No depreciation is provided on freehold land. Freehold and long leasehold buildings are depreciated over their estimated useful economic lives of 25 years. Other leasehold interests are depreciated over the lesser of the unexpired period of the lease and 25 years

The Group's policy is to write off the cost or valuation of all other plant and equipment evenly over their estimated remaining useful life at rates which vary between eight per cent and 50 per cent per annum. The principal annual rates of depreciation used are 10 per cent on plant and machinery, 10 per cent on fixtures and fittings, and 33 per cent on tooling and computer equipment. No depreciation is provided for assets in the course of construction.

Residual values and useful lives are reviewed at least at each financial year end.

Provisions

General

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted.

Waste Electric and Electronic Equipment ('WEEE')

The Group is a provider of electrical equipment that falls under the EU Directive on WEEE. The directive distinguishes between waste management of equipment sold to private households prior to a date as determined by each Member State (historical waste) and waste management of equipment sold to private households after that date (new waste). A provision for the expected costs of management of historical waste is recognised when the Group participates in the market during the measurement period as determined by each Member State, and the costs can be reliably measured. These costs are recognised as cost of sales in the income statement.

With respect to new waste, a provision for the expected costs is recognised when products that fall within the directive are sold and the disposal costs can be reliably measured. Derecognition takes place when the obligation expires, is settled or is transferred. These costs are recognised as part of costs of sales.

With respect to equipment sold to entities other than private households, a provision is recognised when the Group becomes responsible for the costs of this waste management, with the costs recognised as cost of sales.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment of intangibles

The Group's impairment test for goodwill and intangible assets with indefinite useful lives is based on value in use calculations that use a discounted cash flow model. This requires the Group to estimate future cash flows and to identify a suitable discount rate. The key assumptions used to determine the recoverable amount for the different cash generating units are further explained in Note 10.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Pension benefits

The cost of defined benefit pension plans as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate management considers the interest rates of high quality corporate bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Development costs

Development costs are capitalised in accordance with the accounting policy in Note 2.2. Initial capitalisation of costs is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2009, the carrying amount of capitalised development costs was £8,773,000.

Provisions for warranty costs

Warranty costs are accrued at the time of sale by the Company selling to the external customer. The cost is accrued as a percentage of sales based on the past warranty experience for that particular product group and contractual warranty period and cover provided. Past warranty experience is reviewed each year and the accrual rates adjusted accordingly. Warranty on new products which have not yet established a warranty experience pattern are accrued at an appropriate rate for that type of product for the first 18 months and then the accrual rate is adjusted to the level determined by experience.

4. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following IFRS, interpretations and amendments to IFRS and IAS are not yet effective and have not been early adopted:

- IFRS 8 'Operating Segments' is effective for the 2009/2010 financial year.
- Amendments to IFRS 2 'Share-based Payment', IAS 1'Presentation of Financial Statements', IAS 27 'Consolidated and Separate Financial Statements' and IAS 23 'Borrowing costs' are all effective for the 2009/2010 financial year.
- IFRIC 13 'Customer Loyalty Programmes' and IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction' are effective for the 2009/2010 financial year.

The adoption of this IFRS, these interpretations and amendments to IFRS and IAS is not expected to have a significant impact on the results or net assets of the Group, though they may affect presentation of the consolidated financial statements.

The following standards and interpretations were not adopted as at the balance sheet date by the European Commission:

- IFRS 3 (revised) 'Business Combinations' is effective for the 2010/2011 financial year.
- IFRIC 12 'Service Concession Arrangements' is effective for the 2010/2011 financial year.
- IFRIC 15 'Agreements for the Construction of Real Estate' is effective for the 2009/2010 financial year.
- IFRIC 16 'Hedges of Net Investment in A Foreign Operation' is effective for the 2009/2010 financial year.
- IFRIC 17 'Distributions of Non-cash Assets to Owners' is effective for the 2010/2011 financial year.
- IFRIC 18 'Transfers of Assets from Customers' is effective for the 2010/2011 financial year.

The adoption of this standard and these interpretations is not expected to have a material impact on the consolidated financial statements.

5. BUSINESS COMBINATIONS

Acquisition of the majority of the Cash Systems Division of De La Rue

On 1 September 2008, the Group acquired a number of companies and assets that made up the majority of the Cash Systems Division of De La Rue plc. The companies acquired and voting rights are listed in Note 19.

The fair value of the identifiable assets and liabilities as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Provisional fair value recognised on acquisition £000	Previous carrying value £000
Property, plant and equipment	11,675	10,146
Intangible assets	195,928	38,106
Cash and cash equivalents	28,805	28,805
Trade and other receivables	45,807	44,948
Inventories	43,129	42,971
Deferred tax (liability)/asset	(31,662)	2,805
Trade and other payables	(77,871)	(78,140)
Other borrowings	(6,378)	(6,378)
Taxation payable	(12,304)	(10,707)
Provisions	(6,374)	(7,101)
Retirement benefit obligation	(3,271)	(2,975)
Total net assets acquired	187,484	62,480
Goodwill arising on acquisition	188,062	
Total consideration	375,546	

Cost:

	£000
Amount paid to De La Rue plc	369,218
Costs associated with the acquisition	6,328
Total	375,546

Cash outflow on acquisition:

	£000
Net cash acquired with the subsidiary (including bank overdrafts of £4,393,000)	24,412
Cash paid	(375,546)
Net cash outflow	(351,134)

The assets and companies acquired have contributed all of the operating profit for the year. If the company had been acquired at the beginning of the year, the operating profit before intangible amortisation would have been £53.0 million.

The goodwill arising on acquisition is represented by: the assembled workforce of the Group, the speed to market that Talaris has gained by the acquisition rather than establishing its own operations and the future profit opportunities that have not already been identified through new products and developments in technology.

6. OTHER INCOME/EXPENSES AND ADJUSTMENTS

6.1 Revenue

	2009 £000
Sale of goods	123,141
Rendering of services	77,620
	200,761

6.2 Finance income

	2009 £000
Interest income on cash	691
Financial assets and liabilities at fair value through profit and loss	719
Total finance income	1,410

6.3 Finance costs

	2009 £000
Interest on Preference Shares	8,364
Interest on debts and borrowings	14,718
Interest cost on pension schemes	86
Finance charges payable under finance leases and hire purchase contracts	16
Total interest expense	23,184
Loss on financial assets and liabilities at fair value through profit and loss	11,358
Revaluation for changes in foreign exchange rates	31,216
Total finance costs	65,758

6.4 Operating profit is stated after charging

	2009 £000
Staff costs	56,780
Directors emoluments	300
Depreciation (Note 8)	1,978
Amortisation of development costs (Note 9)	790
Amortisation of finite life intangible assets and software (Note 9)	9,295
Operating lease charges – plant and machinery	2,117
Exchange gains	1,152
Amounts received by auditors and their associates in respect of:	
Audit of these financial statements	40
Audit of financial statements of subsidiaries	267
Other services	20

6.5 Employee benefits

	2009 £000
Wages and salaries	49,418
Social security costs	5,158
Pension costs – defined benefit (Note 17)	433
Pension costs – defined contribution (Note 17)	1,771
	56,780

The average number of employees in the period was 2,246.

6.6 Research and development costs

Research and development costs recognised as an expense in the income statement during the period amount to £5,197,000. £2,442,000 has been capitalised during the period.

6.7 Exceptional items

The cost of restructuring the Group's operations across Europe and North America of £2,744,000 has been treated as an exceptional expense.

7. INCOME TAX

	2009 Total £000
Current tax charge/(credit)	
UK corporation tax at 28%	
Current tax	68
Double tax relief	(68)
Overseas tax charges	6,642
Total current tax	6,642
Deferred tax charge/(credit)	
Origination and reversal of temporary differences	
UK	(1,677)
Overseas	(2,911)
Total deferred tax	(4,588)
Total tax charge	2,054

The tax on the Group's consolidated profit before tax differs from the UK tax rate of 28 per cent as follows:

	Before exceptional items £000	Exceptional items £000	Total £000
(Loss) before tax	(38,176)	(2,744)	(40,920)
Tax credit calculated at the UK rate of 28%	(10,690)	(768)	(11,458)
Effect of foreign tax rates	398	(16)	382
Enhanced relief for R&D	(128)	-	(128)
Expenses not deductible for tax purposes	4,536	-	4,536
Tax losses for which no deferred income tax asset was recognised	1,267	-	1,267
Other temporary differences not recognised	7,455	-	7,455
Tax charge/(credit)	2,838	(784)	2,054

Expenses not deductible for tax purposes include interest on Preference Shares: tax effect £2,342,000, and foreign exchange losses on borrowings disregarded for tax purposes as a deemed investment hedge: tax effect £2,085,000.

Other temporary differences not recognised, £7,455,000, arise on the revaluation of foreign currency borrowings and the mark to market of swaps in a Swedish subsidiary where tax relief is deferred until realised. It is not possible to predict the extent to which reversal might take place in the foreseeable future.

Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The deferred tax balances after applicable offset are:

	2009 £000
Deferred tax assets	11,240
Deferred tax liabilities	(43,458)
Total	(32,218)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Asset/(liability)	Property plant and equipment £000	Intangible assets £000	Fair value losses £000	Retirement benefits £000	Tax losses £000	Other £000	Total £000
Acquired	(220)	(38,592)	-	856	250	6,044	(31,662)
Charged/(credited) to the income statement	192	1,606	1,153	(114)	938	813	4,588
Credited to equity	-	-	-	(9)	-	-	(9)
Exchange differences	(66)	(6,370)	-	138	45	1,118	(5,135)
At 31 March 2009	(94)	(43,356)	1,153	871	1,233	7,975	(32,218)

Other deferred assets and liabilities predominantly relate to tax associated with provisions.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group did not recognise deferred income tax assets of £1,880,000 in respect of losses amounting to £6,601,000 that can be carried forward against future taxable income.

Deferred income tax liabilities have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of overseas subsidiaries. Unremitted earnings at 31 March 2009 totalled £11,143,000.

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost:				
Acquired (Note 5)	4,639	3,472	3,564	11,675
Additions	46	374	509	929
Disposals	-	(856)	(38)	(894)
Exchange differences	409	264	987	1,660
At 31 March 2009	5,094	3,254	5,022	13,370
Depreciation:				
Depreciation charge for the period	(122)	(769)	(1,087)	(1,978)
Exchange differences	(10)	(65)	(74)	(149)
At 31 March 2009	(132)	(834)	(1,161)	(2,127)
Net book value:				
At 31 March 2009	4,962	2,420	3,861	11,243

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 31 March 2009 was £1,558,000.

Land and buildings with a carrying amount of £4,962,000 is subject to a charge to secure the Group's borrowings.

9. INTANGIBLE ASSETS

	Development costs £000	Trade name £000	Customer relationships £000	Technology £000	Goodwill £000	Software £000	Total £000
Cost:							
Acquired (Note 5)	5,766	2,575	135,423	50,736	188,062	1,428	383,990
Additions	2,442	-	-	-	-	898	3,340
Exchange differences	1,417	-	19,836	(21)	24,981	122	46,335
At 31 March 2009	9,625	2,575	155,259	50,715	213,043	2,448	433,665
Amortisation:							
Charge for the period	(790)	(501)	(5,770)	(2,231)	-	(793)	(10,085)
Exchange differences	(62)	-	-	-	-	(21)	(83)
At 31 March 2009	(852)	(501)	(5,770)	(2,231)	-	(814)	(10,168)
Net book value:							
At 31 March 2009	8,773	2,074	149,489	48,484	213,043	1,634	423,497

The amortisation of development costs and software are included in administrative expenses. Customer relationships includes the value of customer contracts and non-contractual customer relationships.

10. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES

Goodwill acquired through business combinations and licences with indefinite lives have been allocated to one cash-generating unit for impairment testing. The carrying amount of the goodwill allocated at the year end is £213,043,000.

The recoverable amount of the unit has been determined based on a value in use calculation using cash flow projections from the Group's budget. The actual values for the key assumptions were arrived at by taking into account detailed historical information and comparison to external sources where appropriate such as market rates for discount factors and market growth information.

The value in use has been calculated using the pre-tax discount rate of 13.1%. Growth of 10% per annum has been assumed for three years from 2010, and thereafter zero growth is assumed. Performing sensitivity analysis over these growth rates (e.g. assuming zero growth throughout) did not give rise to any indicators of impairment.

11. INVENTORIES

	2009 £000
Raw materials	15,253
Work in progress	1,925
Finished goods	20,637
Total inventories	37,815

The amount of write-down of inventories recognised as an expense is £835,000 which is recognised in cost of sales.

12. TRADE AND OTHER RECEIVABLES (CURRENT)

	2009 £000
Trade receivables	34,703
Prepayments and accrued income	4,730
Other debtors	2,355
	41,788

The ageing of trade receivables at 31 March 2009 is as follows:

	Gross 2009 £000	Impairment 2009 £000	Net 2009 £000
Not past due	26,159	(7)	26,152
Past due 0-30 days	5,803	(258)	5,545
Past due 31-120 days	4,010	(1,107)	2,903
More than 120 days	368	(265)	103
Total	36,340	(1,637)	34,703

The movement in the impairment is:

	£000
Acquired	(1,258)
Impairment loss released/(recognised)	(379)
Balance at end of year	(1,637)

13. CASH AND SHORT-TERM DEPOSITS

	2009 £000
Cash at banks and on hand	44,212
Short-term deposits	7,732
	51,944

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 March:

	2009 £000
Cash at banks and on hand	44,212
Short-term deposits	7,732
	51,944
Bank overdrafts (Note 14)	(280)
	51,664

14. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Other financial assets

	2009 £000
Financial assets at fair value through profit or loss	314
Total current other financial assets	314

The Group uses forward currency contracts to manage some of its transaction exposures. These currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with currency transaction exposures, generally one to twelve months. Such derivatives do not qualify for hedge accounting. The gain for the year of £719,000 is included in finance income as financial assets and liabilities at fair value through profit and loss.

Other financial liabilities

	2009 £000
Financial liabilities at fair value through profit or loss	11,757
Total current other financial liabilities	11,757

At 31 March 2009, the Group had interest rate swap agreements in place:

A swap with a notional amount of USD 150 million whereby the Group receives a variable interest and pays a fixed rate of interest on the notional amount. The swap does not qualify for hedge accounting.

A swap with a notional amount of EUR 101 million whereby the Group receives a variable interest and pays a fixed rate of interest on the notional amount. The swap does not qualify for hedge accounting.

The decrease in fair value of the interest rate swap of £11,358,000 has been recognised in finance expense as financial assets and liabilities at fair value through profit and loss.

Interest-bearing loans and borrowings

	Maturity	2009 £000
Non-current liabilities – syndicated and other loans		
Senior	2009-2017	227,262
Mezzanine	2018	72,896
Obligations under finance leases and hire purchase contracts (Note 20)		249
11 % Preference Shares		128,900
Accrued dividends on Preference Shares		8,364
Interest payable on Mezzanine		403
Less costs of raising finance		(8,744)
		429,330
Current liabilities		
Bank overdrafts	On demand	280
Senior	2009	3,072
Obligations under finance leases and hire purchase contracts (Note 20)		1,580
Less costs of raising finance		(1,649)
		3,283

The maturity of the Senior and Mezzanine debt is:

	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	More than 5 years £000	Total £000
Senior	3,072	4,607	38,773	183,882	230,334
Mezzanine	-	-	-	72,896	72,896

At 31 March 2009 there were undrawn borrowing facilities of £25.6 million.

The 11% Preference Shares earn a cumulative fixed dividend and are redeemable on a sale or listing. They can also be redeemed by the Group with the written consent of the majority of Preference Share holders.

The Senior and Mezzanine finance agreements require a subsidiary company of the Group to meet certain financial covenants. The interest payable on Mezzanine is rolled up into the principal every six months.

Fair values

The fair values together with the carrying amounts of financial assets and liabilities as shown in the balance sheet are as follows:

	Carrying amount	Fair value
Trade and trade receivables	41,778	41,778
Other current financial assets	314	314
Cash and short term deposits	51,944	51,944
Borrowings	(432,613)	(432,613)
Other financial liabilities	(11,757)	(11,757)
Trade and other payables	(85,490)	(85,490)
	(435,824)	(435,824)

Estimation of fair values

The following summarises the methods and assumptions of estimating the fair values of the above financial instruments:

Trade and other receivables and payables, cash and short term deposits:
Approximate their carrying amounts largely due to the short-term maturities of these instruments.

Other current financial assets and other financial liabilities:
The calculation of fair value for derivative financial instruments depends on the type of instruments:

Derivative interest rate contracts – The fair value of derivative interest rate contracts (e.g. interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument;

Derivative currency contracts – The fair value of forward foreign currency exchange contracts is based on forward exchange rates.

Borrowings:
Valued at amortised cost using the effective interest method.

15. TRADE AND OTHER PAYABLES

	2009 £000
Current liabilities	
Trade payables	14,773
Payments received on account	6,484
Social security and other taxation	3,363
Accrued expenses	18,768
Deferred income	36,528
Other payables	5,078
Interest payable	205
	85,199
Non current liabilities	
Other payables	291

Payments received on account relate to monies received from customers under contract prior to commencement of production of goods.

Where amounts have been invoiced in advance, the portion not recognised in revenue is included in deferred income.

16. PROVISIONS

	Restructuring £000	Warranties £000	Waste electrical and electronic equipment £000	Legal claims £000	Total £000
Acquired (Note 5)	(1,398)	(4,781)	(195)	-	(6,374)
Exchange differences	(170)	(164)	(27)	-	(361)
Charge for the year	(2,744)	(658)	(174)	(2,131)	(5,707)
Utilised in year	1,224	347	-	-	1,571
Released in year	310	413	280	-	1,003
Reclassifications	6	156	(328)	-	(166)
At 31 March 2009	(2,772)	(4,687)	(444)	(2,131)	(10,034)

Restructuring

The restructuring provision relate to amounts set aside for various reorganisations within the Group. Most of the utilisation of this provision is likely within the next year.

Warranties

A provision is recognised for expected warranty claims on products sold based on past experience of the level of repairs and returns.

Waste electrical and electronic equipment

The provision for waste electrical and electronic equipment is calculated based on sales in the current year (new waste) and expected disposals of old waste (sales before August 2005).

Legal claims

The Group has provided for a variety of claims including from former employees and customers where it is anticipated that there will be a probable outflow of resources to settle the claim.

17. PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group operates pension plans throughout the world covering the majority of employees. These plans are devised in accordance with local conditions and practices in the country concerned. The assets of the Group's plans are generally held in separately administered trusts or are insured.

Defined benefit pension plans

Changes in the present value of the defined benefit obligation are as follows:

Amounts recognised in the consolidated balance sheet:

Benefit asset/(liability)

	£000
Defined benefit obligation	(24,887)
Fair value of plan assets	21,490
Net deficit	(3,397)

Net benefit expense (recognised in cost of sales)

The following tables summarise the components of net benefit expense recognised in the income statement:

	£000
Amounts recognised in the consolidated income statement:	
Current service cost	(433)
Included in net finance cost:	
Expected return on plan assets	349
Interest cost	(435)
	(86)
Total cost recognised in the consolidated income statement	(519)
Amounts recognised in the statement of recognised income and expense:	
Actuarial gains on plan assets	59
Actuarial losses on defined benefit pension obligations	(21)
Total recognised in the statement of recognised income and expense:	38

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

	2009 %
Future salary increases	2.0%
Future pension increases	2.0%
Discount rate	4.0%
Inflation rate	2.5%
Expected rate of return on assets	3.5%

The Group used standard mortality rates.

The overall expected rate of return on assets is determined based on the market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

Changes in the fair value of plan assets

	£000 2009
At acquisition 1 September 2008	16,544
Exchange differences	3,796
Expected return on plan assets	349
Actuarial gains	59
Employee contributions	1,103
Employer contributions	979
Benefits paid	(1,332)
Plan administration	(8)
As 31 March 2009	21,490

Changes in the fair value of defined benefit pension obligations

	£000
Acquired at 1 September 2008	(19,815)
Exchange differences	(4,412)
Current service cost	(433)
Interest cost	(435)
Actuarial losses	(21)
Cash contributions and benefits paid	229
Defined benefit obligation at 31 March 2009	(24,887)

As at 31 March 2009 the split of plan assets was as follows:

	2009
Bonds	61.2%
Property	10.5%
Other	28.3%

Other includes insurance policies.

Defined contribution pension plans

The Group operates a number of defined contribution plans for which the charge in the consolidated income statement for the period was £1,771,000.

18. ISSUED CAPITAL AND RESERVES

Authorised shares

	No. of shares 2009
Ordinary Shares of £1 each	-
'A' Ordinary Shares of £1 each	500,000
'B' Ordinary Shares of £1 each	3,500,000

Ordinary Shares issued and fully paid

	No. of shares	£000
At incorporation 17 April 2008	1	-
Issued for cash 13 June 2008	70,000	70
Converted to 'B' Ordinary Shares 27 August 2008	(70,001)	(70)
At 31 March 2009	-	-

'A' Ordinary Shares issued and fully paid

	No. of shares	£000
Issued for cash 28 August 2008	80,000	80
Issued for cash 1 September 2008	420,000	420
At 31 March 2009	500,000	500

'B' Ordinary Shares issued and fully paid

	No. of shares	£000
Converted from Ordinary Shares 27 August 2008	70,001	70
Issued for cash 27 August 2008	93,853	94
Issued for cash 28 August 2008	3,336,146	3,336
At 31 March 2009	3,500,000	3,500

The 'A' and 'B' Ordinary Shares have the same rights except that the 'A' Ordinary Shares held by employees are subject to compulsory transfer in certain circumstances if they cease to be employed by the Group.

Reserves

	Retained earnings £000	Foreign currency translation reserve £000	Total £000
Opening balance	-	-	-
Loss for the period	(42,974)	-	(42,974)
Currency translation differences	-	21,867	21,867
Other recognised income and expense	29	-	29
At 31 March 2009	(42,945)	21,867	(21,078)

19. RELATED PARTY DISCLOSURES

The financial statements include the financial statements of Talaris Topco Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	% voting rights
Talaris Cash Systems (Germany) GmbH*	Germany	100%
Talaris Inc*	USA	100%
Talaris (Sweden) AB*	Sweden	100%
Talaris Cash Dispensing Systems AB*	Sweden	100%
Talaris Canada Inc*	Canada	100%
Talaris (Malaysia) Sdn. Bhd.	Malaysia	100%
Talaris (Switzerland) A.G.*	Switzerland	100%
Talaris (Australia) Pty Ltd*	Australia	100%
Talaris Portugal S.A.*	Portugal	100%
Talaris Brasil - Comercio De Maquinas Ltda.*	Brazil	100%
Talaris (Suzhou) Banking Technology Trading Co. Ltd	China	100%
Talaris (France) SAS*	France	100%
Talaris (Belux) NV/SA*	Belgium	100%
Talaris (Spain) SA*	Spain	100%
Talaris (Netherlands) BV	Netherlands	100%
Talaris Colombia SA	Colombia	100%
Talaris Limited	England	100%
Talaris Topco Limited	England	100%
Talaris Midco Limited	England	100%
Talaris Holdings Limited	England	100%
Talaris Investment (US) Inc	USA	100%
Talaris Holdings (US) Inc	USA	100%
Talaris Investment (Sweden) AB	Sweden	100%
Talaris Holdings (Australia) Pty Ltd*	Australia	100%
Talaris Holdings (Brazil) Limited*	England	100%
Talaris Investment (France) SAS	France	100%

*Entities acquired (Note 5)

The ultimate parent

CEP III Participations S.à r.l. SICAR is the ultimate parent entity.

Entity with controlling interest in the Group

CEP III Participations S.à r.l. SICAR owns 89.9% of the Group's Ordinary Shares. This includes 2.4% which are held prior to allocation to management.

An arrangement fee of £1,800,000 in connection with the acquisition of the majority of the De La Rue Cash Systems Division was paid to CEP III Participations S.à r.l. SICAR.

CEP III Participations S.à r.l. SICAR owns £128,497,277 of the Preference Shares. £8,338,000 of accrued dividends on the Preference Shares relate to this entity.

Compensation of key management personnel of the Group

	2009 £000
Salaries and other short term employee benefits	262
Post-employment benefits	38
Total compensation paid to key management personnel	300

Key management comprises members of the Board (including fees of non-executive Directors).

20. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on certain buildings, motor vehicles and items of machinery. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2009 £000
Within one year	3,978
After one year but not more than five years	11,103
More than five years	817
	15,898

Finance lease and hire purchase commitments

The Group has finance leases and hire purchase contracts for various items of plant and machinery. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. The present value of the net minimum lease payments are as follows:

	2009 Minimum payments £000	2009 Present value of payments (Note 14) £000
Within one year	1,688	1,580
After one year but not more than five years	331	249
Total minimum lease payments	2,019	
Less amounts representing finance charges	(190)	
Present value of minimum lease payments	1,829	1,829

Capital commitments

At 31 March 2009, the Group had capital commitments of £194,000.

The group has a bank guarantee in place to cover its liability for import duty up to £400,000.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Please refer to the discussion in the Directors' Report.

22. NOTES TO CASH FLOW STATEMENT

	2009 £000
Adjustment to reconcile profit before tax to cash generated from operations:	
Loss before tax	(40,920)
Depreciation of property, plant and equipment	1,978
Amortisation of intangible assets	10,085
Loss on disposal of property, plant and equipment	894
Finance income	(1,410)
Finance cost	65,758
Movements in provisions and pensions	2,747
Decrease in trade and other receivables and prepayments	8,137
Decrease in inventories	10,052
Increase in trade and other payables	(3,573)
Tax paid	(12,392)
Net cash flows from operating activities	41,356

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Company financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ('IFRS') as adopted by the European Union.

The Directors are required to prepare Company financial statements for each financial year which present fairly the financial position of the Company and cash flows of the Company for that period. In preparing those Company financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position; and
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Directors are 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 Company 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.

We have audited the parent company financial statements of Talaris Topco Limited for the period ended 31 March 2009 which comprise the Company balance sheet, the Company cash flow statement, the Company statement of recognised income and expense and the related Notes 1a to 6a. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Sections 495 and 496 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 49, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at 31 March 2009;
- have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Other matter

We have reported separately on the Group financial statements of Talaris Topco Limited for the period ended 31 March 2009.

Ernst & Young LLP

Andy Glover (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

30 June 2009

Company Balance Sheet

as at 31 March 2009

	Notes	2009 £000
Non-current assets		
Investments in subsidiary companies	1a	132,900
Current assets		
Cash		20
Total assets		132,920
Liabilities		
Current liabilities		
Trade and other payables	2a	(20)
Non-current liabilities		
Borrowings	3a	(137,264)
Total liabilities		(137,284)
Net assets		(4,364)
Equity		
Ordinary Share capital	4a	4,000
Retained earnings	4a	(8,364)
Total equity		(4,364)

Paul Heiden, Chairperson

Michael Patrick Wilson, Director

30 June 2009

Company Cash Flow Statement

for the period ended 31 March 2009

	Notes	£000
Operating activities		
Loss before tax		(8,364)
Finance cost	6a	8,364
Increase in other payables		20
Net cash flows from operating activities		20
Investing activities		
Investment in a subsidiary		(132,900)
Net cash flows used in investing activities		(132,900)
Financing activities		
Proceeds from issue of shares	4a	4,000
Proceeds from borrowings	3a	128,900
Net cash flows used in financing activities		132,900
Net increase in cash and cash equivalents		20
Cash and cash equivalents at 17 April 2008		-
Cash and cash equivalents at 31 March 2009		20

Company Statement of Recognised Income and Expense

for the period ended 31 March 2009

	2009 £000
Loss for the period	(8,364)
Total recognised income and expense for the period	(8,364)

Notes to the Company Accounts

Basis of preparation

The financial statements of Talaris Topco Limited (the 'Company') have been prepared on a historical cost basis in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and the Companies Act 2006.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company will continue in existence for the forseeable future. For this reason, they have adopted the going concern basis in preparing the accounts.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company financial statements.

Summary of significant accounting policies

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Investments

Investments are stated at cost or valuation in the balance sheet, less provision for any permanent diminution in the value of the investment.

Borrowings

The preference shares are accounted for as borrowings and accounted for at amortised cost using the effective interest method. Any unpaid accrued dividend is added to borrowings.

Share Capital

Share Capital is valued at the proceeds received on the issuance of shares.

1a. Investments in subsidiary company

	2009 £000
Additions	132,900
At 31 March 2009	132,900

The investment is 100% of the share capital of Talaris Midco Limited, a company incorporated in England.

2a. Trade and other payables

	2009 £000
Current liabilities	
Other payables	20

3a Other financial assets and financial liabilities

Interest-bearing loans and borrowings

	2009 £000
11 % Preference Shares	128,900
Accrued dividends on Preference Shares	8,364
	137,264

The 11% Preference Shares earn a cumulative fixed dividend and are redeemable on a sale or listing. They can also be redeemed by the Company with the written consent of the majority of Preference Share holders.

Fair Values

The fair values together with the carrying amounts of financial assets and liabilities as shown in the balance sheet are as follows:

	Carrying amount £000	Fair value £000
Investments in subsidiary companies	132,900	132,900
Cash	20	20
Other payables	(20)	(20)
Borrowings	(137,284)	(137,284)

Estimation of fair values

The following summarises the methods and assumptions of estimating the fair values of the above financial instruments:

Investments:
Valued at cost less provision for any permanent diminution in value

Cash and other payables:
Approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings:
Valued at amortised cost using the effective interest method

4a. Issued capital and reserves

Authorised shares

	No. of shares 2009
Ordinary Shares of £1 each	-
'A' Ordinary Shares of £1 each	500,000
'B' Ordinary Shares of £1 each	3,500,000

Ordinary Shares issued and fully paid

	No. of shares	£000
At incorporation 17 April 2008	1	-
Issued for cash 13 June 2008	70,000	70
Converted to 'B' Ordinary Shares 27 August 2008	(70,001)	(70)
At 31 March 2009	-	-

'A' Ordinary Shares issued and fully paid

	No. of shares	£000
Issued for cash 28 August 2008	80,000	80
Issued for cash 1 September 2008	420,000	420
At 31 March 2009	500,000	500

'B' Ordinary Shares issued and fully paid

	No. of shares	£000
Converted from Ordinary Shares 27 August 2008	70,001	70
Issued for cash 27 August 2008	93,853	94
Issued for cash 28 August 2008	3,336,146	3,336
At 31 March 2009	3,500,000	3,500

The 'A' and 'B' Ordinary Shares have the same rights except that the 'A' Ordinary Shares held by employees are subject to compulsory transfer in certain circumstances if they cease to be employed by the Group.

Reserves

	Retained earnings £000
Opening balance	-
Loss for the period	(8,364)
At 31 March 2009	(8,364)

5a Related party disclosures

Ultimate parent

CEP III Participations S.à r.l. SICAR is the ultimate parent of the Company. The lowest level where IFRS consolidated financial statements have been produced is Talaris Topco Limited.

Entity with controlling interest in the Company

CEP III Participations S.à r.l. SICAR owns 89.9% of the Company's Ordinary Shares. This includes 2.4% which are held prior to allocation to management.

CEP III Participations S.à r.l. SICAR owns £128,497,277 of the preference shares. £8,338,000 of accrued dividends on the preference shares relate to this entity.

6a Note to cash flow

The finance cost of £8,634,000 is the interest on the Preference Shares.

The Talaris Commitment

Talaris are World Experts in cash management. Across the globe 2,100 personnel, with over 130 business partners deliver technology and solutions that provide security, productivity and innovation to our customers.

The Company is committed to the highest ethical standards and compliance with legislation and to be a fair employer wherever we operate. As a responsible organisation we maintain a disciplined approach to our corporate governance and operate to the optimum professional standards in all aspects of our business.

Talaris will always seek to provide a safe and productive work environment where all employees can grow and be challenged. Wherever we operate our objective is to contribute actively to the community and the local environment. An intrinsic part of our business philosophy across our product and service offerings is to be consistently environmentally responsible and to continue to improve our performance across all environmental issues wherever possible.

talaris™
security | productivity | innovation

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BRO-FINRPT-0609