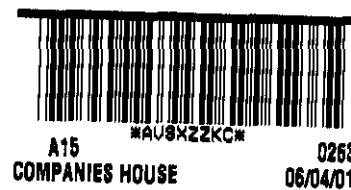


**DFDS PLC
AND SUBSIDIARY UNDERTAKINGS**

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2000



DEDS PLC
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS: O Frie - Chairman
E S K Pedersen - Managing director
C Merrild
B L Thorbjornsson

SECRETARY: P L Jensen

AUDITORS: KPMG
6 Lower Brook Street
Ipswich
IP4 1AP

BANKERS: National Westminster Bank Plc
10 Station Road
Clacton on Sea
Essex
CO15 1TA

Den Danske Bank
75 King William Street
London EC4N 7DT

REGISTERED OFFICE: Scandinavia House
Parkeston Quay
Harwich
Essex
CO12 4QG

REGISTRATION NO: 1554521

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS

The directors submit their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group comprise, car ferry agency, terminal operation and travel tour organisation.

The result for 2000 includes an impairment of £1.4 million related to the trailers acquired from P&O Ferrymasters Limited, which is included as an exceptional item in the Profit and Loss account. The turnover for 2000 was up on the 1999 level and excluding the impairment on the trailers, the DFDS PLC Group produced a satisfactory result before and after tax. Business continues to grow for the remaining activities and the Directors are confident that this trend will continue in the year 2001.

On 28 December 2000, the Group acquired the ro/ro vessel m/v Elk and 706 trailers from P&O Ferrymasters Limited to strengthen the co-operation on the Sweden - UK route between the DFDS Tor Line Group and P&O Ferrymasters.

DIVIDENDS

The directors are unable to recommend the payment of a dividend (1999: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were as shown below:

T N Blok (resigned 10 October 2000)
O Frie (appointed 10 October 2000)
C Merrild
E S K Pedersen
B L Thorbjornsson
O Fastesson (resigned 10 May 2000)

The directors who held office at 31 December 2000 had no beneficial interest in the shares of the company during the year (1999 - nil) or any other interests required to be disclosed by the Companies Act 1985.

EURO

The DFDS Group has issued a Euro policy stating that subsidiaries will continue to use their home currency until 1 January 2002. Thereafter, those subsidiaries in EMU countries will adopt the Euro as their domestic currency.

Our systems have been modified and are Euro compliant. Customers and suppliers will be allowed to decide which currency they use.

We do not believe our business will be materially affected by the introduction of the Euro.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS
REPORT OF THE DIRECTORS (CONTINUED)

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. The intermediate parent company, DFDS A/S, produces a quarterly newsletter of the group activities for all employees.

SUPPLIER PAYMENT POLICY

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 31 December 2000 were equivalent to 27.2 (1999 - 25.8) days' purchases.

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be prepared at the forthcoming Annual General Meeting.

By order of the Board


Secretary
P L Jensen

Scandinavia House
Parkeston Quay
Harwich
Essex
CO12 4QG

9 February 2001

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

STATEMENT OF DIRECTORS' RESPONSIBILITIES.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

AUDITORS REPORT TO THE MEMBERS OF

DFDS PLC

We have audited the financial statements on pages 6 to 25.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors

6 Lower Brook Street
Ipswich
IP4 1AP

15 February 2001

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
Turnover:	1(c) & 3		
-Existing operations		44,289,336	41,006,643
-Discontinued operations		-	165,747,000
		-----	-----
		44,289,336	206,753,643
Cost of sales		-34,190,393	-166,208,054
Exceptional item	11(a)	-1,400,000	-
		-----	-----
Gross profit		8,698,943	40,545,589
Administrative expenses		-8,017,858	-38,224,128
		-----	-----
Operating profit:			
-Existing operations		681,085	2,193,007
-Discontinued operations		-	128,454
		-----	-----
		681,085	2,321,461
Profit/(loss) on disposal of operations (discontinued operations)	5	222,182	-5,529,280
Other interest receivable and similar income	6	3,101,545	570,464
Amounts written off investments	12	-	-25,782
Interest payable and similar charges	7	-2,168,949	-2,682,276
		-----	-----
Profit/(loss) on ordinary activities before taxation	3 & 8	1,835,863	-5,345,413
Taxation on profit/(loss) on ordinary activities	10(a)	-700,162	-537,773
		-----	-----
Profit/(loss) on ordinary activities after taxation and profit/(loss) for the year	17	1,135,701	-5,883,186
Profit and loss account (deficit)/surplus brought forward	17	-4,928,144	955,042
		-----	-----
Profit and loss account deficit carried forward	17	-3,792,443	-4,928,144
		=====	=====

Of the group profit and loss on ordinary activities after taxation, a loss of £44,370 (1999 - loss of £8,842,304) is attributable to the company.

Notes 1 - 21 form an integral part of these financial statements.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2000

		<u>2000</u>	<u>1999</u>
		£	£
Profit/(loss) for the year after taxation	17	1,135,701	-5,883,186
Unrealised surplus on revaluation of fixed assets	11	1,400,000	-
		-----	-----
Total recognised gains/(losses) relating to the year		2,535,701	-5,883,186
		=====	=====

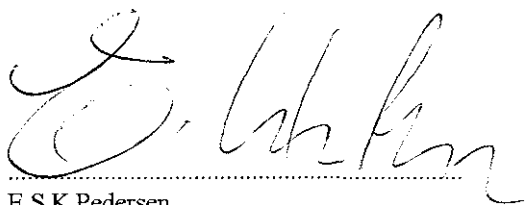
Notes 1 - 21 form an integral part of these financial statements.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS
BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	Group 2000 £	1999 £	Company 2000 £	1999 £
FIXED ASSETS					
Tangible assets	11	23,384,111	11,477,419	-	599,989
Investments	12	-	-	30,415,974	27,835,903
		23,384,111	11,477,419	30,415,974	28,435,892
CURRENT ASSETS					
Debtors	13	27,338,088	70,288,446	4,725,239	57,985,930
Cash at bank and in hand		2,059,514	542,008	3,178	6,797
		29,397,602	70,830,454	4,728,417	57,992,727
CREDITORS: Amounts falling due within one year	14	-16,828,983	-29,713,904	-12,036,834	-33,856,763
NET CURRENT ASSETS/(LIABILITIES)		12,568,619	41,116,550	-7,308,417	24,135,964
TOTAL ASSETS LESS CURRENT LIABILITIES		35,952,730	52,593,969	23,107,557	52,571,856
CREDITORS: Amounts falling due after more than one year	15	-12,186,794	-32,022,113	-	-32,000,000
PROVISIONS FOR LIABILITIES AND CHARGES	10(b)	-658,379	-	-	-
NET ASSETS		23,107,557	20,571,856	23,107,557	20,571,856
CAPITAL AND RESERVES					
Called-up share capital	16	22,250,000	22,250,000	22,250,000	22,250,000
Capital contribution	17(c)	3,250,000	3,250,000	3,250,000	3,250,000
Revaluation reserve		1,400,000	-	9,145,534	6,565,463
Profit and loss account	17(a)	-3,792,443	-4,928,144	-11,537,977	-11,493,607
EQUITY SHAREHOLDERS' FUNDS	18	23,107,557	20,571,856	23,107,557	20,571,856

Notes 1 - 21 form an integral part of these financial statements.

These financial statements were approved at a directors' meeting held on 9 February 2001.



E S K Pedersen

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules, modified to include the revaluation of certain assets.

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of DFDS A/S, an entity incorporated in Denmark, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of DFDS A/S, within which this company is included, can be obtained from the address given in note 21.

(b) Basis of consolidation

The group financial statements consolidate the financial statements of DFDS PLC and all its subsidiaries drawn up to 31 December each year. All material intercompany transactions are eliminated in the group financial statements. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Investments in subsidiary undertakings are dealt with on the basis of either acquisition accounting or merger accounting depending on which is appropriate. Goodwill, which represents the excess of fair value of the consideration over the fair value of the separable net assets acquired, is capitalised as an intangible asset and amortised on a straight-line basis over its useful economic life, which is between five and ten years. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

(c) Turnover

Turnover represents the group's share of invoiced sales together with its share of amounts invoiced by other members of the DFDS A/S group on forwarding jointly carried out, net of discounts and VAT.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(d) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and provision for impairment.

Depreciation is provided on a straight-line basis at annual rates based on the estimated useful lives of the assets as follows:

Leasehold Property	The length of the lease or 40 years if lower
Freight ships	15 years
Trailers	5 years
Motor Vehicles	5 years *
Plant and Equipment	5 years *
Fixtures and Fittings	5 years *
EDP Equipment	4 years *

* Assets in these categories costing less than £5,000 are fully depreciated in the year of acquisition.

(e) Investments

In the company balance sheet, fixed asset investments in subsidiary undertakings are valued using the equity method of valuation. Under this policy, the parent undertaking records the investment as its share of net assets of the subsidiary undertaking. Movements in the net assets of subsidiary undertakings are taken to a revaluation reserve. Permanent diminutions are written off to the profit and loss account.

Other fixed asset investments are shown at cost less amounts written off. Provisions are made for permanent reductions in value but not for temporary fluctuations in value.

(f) Revaluation reserve

The gain or loss arising on the revaluation of subsidiary undertakings under the equity method of valuation (see note 1(e)) is transferred to revaluation reserve in the parent company balance sheet. On the disposal of a subsidiary undertaking, the related revaluation reserve surplus or deficit in the parent company is transferred to the profit and loss account.

In addition, any revaluation of fixed assets is reflected within the group revaluation reserve.

(g) Leasing transactions

The company enters into operating leases as described in note 20(a). Rentals under operating leases are charged on a straight line basis over the term of the lease, even if payments are not made on such a basis.

Assets held under finance leases are initially reported at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The assets are depreciated over the shorter of the lease term and their useful economic life. Finance costs are allocated to accounting periods over the period of the lease to produce a constant rate of charge on the outstanding balance.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(h) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses by fellow group companies. The tax benefits arising from group relief are recognised in the financial statements of the surrendering and recipient companies.

Deferred taxation is the taxation attributable to timing differences between profits or losses as computed for taxation purposes and results as stated in the financial statements. It is the company's policy to provide fully for all timing differences since the directors are unable to conclude with certainty that those timing differences will not reverse in the foreseeable future.

(i) Pension costs

The company maintains, on behalf of the group, a defined benefit pension scheme.

It is the policy of the company to fund pension liabilities on the advice of external actuaries. Independent actuarial valuations on a going concern basis are carried out every three years. Pension costs charged to the profit and loss account comprise the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members. The scheme is funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

Further information on pension costs is provided in note 9(c).

(j) Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

**DFDS PLC
AND SUBSIDIARY UNDERTAKINGS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(k) Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Both the results of overseas operations and their balance sheets are translated at the closing rates of exchange. Exchange differences arising on translation of the opening net assets and on foreign currency borrowings, to the extent that they hedge the group's investment in such operations, are dealt with through reserves.

2 COMPANY PROFIT AND LOSS ACCOUNT

The company has taken advantage of the exemption in S230 of the Companies Act 1985 not to present its own profit and loss account. The company's result for the year is shown on page 6 of these financial statements.

3 ANALYSIS OF TURNOVER, PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION AND NET ASSETS

Analysis of turnover, profit/(loss) on ordinary activities before taxation and net assets was as follows:

	Turnover		Profit/(loss) on ordinary activities before taxation	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
By activity				
Passenger shipping	21,182,840	20,490,537	539,885	581,231
Freight	-	123,861,615	-	-5,547,486
Road haulage	-	38,975,756	-	820,466
Commercial vehicle sales	-	2,909,629	-	266,625
Terminal operations	23,106,496	20,516,106	327,014	2,022,755
Investment income	-	-	968,964	-
Less goodwill written off	-	-	-	-3,489,004
	<u>44,289,336</u>	<u>206,753,643</u>	<u>1,835,863</u>	<u>-5,345,413</u>
By origin				
United Kingdom	<u>44,289,336</u>	<u>206,753,643</u>		

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 ANALYSIS OF TURNOVER, PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION AND NET ASSETS (continued)

	Net assets	
	<u>2000</u>	<u>1999</u>
	£	£
By activity		
Passenger shipping	10,934,588	9,393,400
Terminals operations	7,516,379	5,844,510
Investment activities	4,656,590	5,333,946
	-----	-----
	23,107,557	20,571,856
	=====	=====
By geographic area		
United Kingdom	23,107,557	20,571,856
	=====	=====

4 TURNOVER, COST OF SALES, GROSS PROFIT, ADMINISTRATIVE EXPENSES AND OPERATING PROFIT

	<u>2000</u>	<u>1999</u>	<u>1999</u>	<u>1999</u>
	Continuing	Continuing	Discontinued	Total
	Operations	Operations	Operations	
	£	£	£	£
Turnover	44,289,336	41,006,643	165,747,000	206,753,643
Cost of sales	-35,590,393	-32,249,754	-133,958,300	-166,208,054
	-----	-----	-----	-----
Gross profit	8,698,943	8,756,889	31,788,700	40,545,589
Administrative expenses	-8,017,858	-6,563,882	-31,660,246	-38,224,128
	-----	-----	-----	-----
Operating profit	681,085	2,193,007	128,454	2,321,461
	=====	=====	=====	=====

5 EXCEPTIONAL ITEMS

On 30 November 1999, DFDS Transport Limited disposed of its trade, assets and liabilities to DFDS Dan Transport Group A/S, an intermediate parent undertaking. As a result the following loss on disposal of operations was realised:

	<u>1999</u>	<u>1999</u>	<u>1999</u>
	Gross	Tax impact	Net
	£	£	£
Loss on disposal of fixed assets	-5,483,946	-	-5,483,946
Profit on disposal of operations	3,443,670	-	3,443,670
Consolidated goodwill written off	-3,489,004	-	-3,489,004
	-----	-----	-----
	-5,529,280	-	-5,529,280
	=====	=====	=====

During the year the calculation of the market value of the operations disposed of in 1999 was finalised. This resulted in an adjustment to the profit on disposal of these operations.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 EXCEPTIONAL ITEMS (continued)

	<u>2000</u> Gross £	<u>2000</u> Tax impact £	<u>2000</u> Net £
Profit on disposal of operations	222,182	-	222,182

6 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2000</u> £	<u>1999</u> £
Bank interest receivable	45,530	38,798
Interest receivable from other group undertakings	3,056,015	512,395
Other interest receivable	-	19,271
	----- 3,101,545	----- 570,464

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2000</u> £	<u>1999</u> £
Interest payable on loans	1,976,159	2,110,026
On amounts owed to group undertakings		
- immediate parent undertaking	98,458	210,871
- fellow subsidiary undertakings	66,507	-
Other interest payable		
- on overdrafts	2,582	282,042
- on finance leases and hire purchase contracts	3,092	36,879
- other	22,151	42,458
	----- 2,168,949	----- 2,682,276

8 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2000</u> £	<u>1999</u> £
Arrived at after charging/(crediting)		
Auditors' remuneration		
- audit (parent undertaking £nil (1999 £nil)).	27,352	91,384
- non audit (parent undertaking £100,783 (1999: £123,000))	140,448	277,505
Depreciation (including impairment) (note 11(a))		
- owned assets	2,892,857	6,801,503
- assets held under finance leases and hire purchase agreements	52,356	165,298
Amortisation of goodwill	-	3,489,004
Amortisation of government grants	-169,703	-65,965
Profit on sale of tangible fixed assets	-81,456	-871,843
Operating lease charges		
- land and buildings	55,780	754,695
- plant and equipment	173,328	2,328,321
Foreign exchange rate losses	66,303	5,035

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 PARTICULARS OF STAFF

- (a) The average monthly number of persons employed by the group during the year (including directors) was as follows:

	<u>2000</u>	<u>1999</u>
	<u>Number</u>	<u>Number</u>
Passenger shipping	71	74
Freight forwarding	-	900
Road haulage	-	384
Commercial vehicles sales	-	19
Terminal operations	209	182
Administration	109	215
	-----	-----
	389	1,774
	=====	=====

The following costs were incurred in respect of the above:

	<u>2000</u>	<u>1999</u>
	£	£
Wages and salaries	7,979,045	35,033,781
Social security costs	692,762	2,982,062
Other pension costs	262,774	1,146,690
	-----	-----
	8,934,581	39,162,533
	=====	=====

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 PARTICULARS OF STAFF (continued)

(b) Directors' emoluments

Directors' remuneration comprises:

	<u>2000</u>	<u>1999</u>
	£	£
Emoluments	-	107,471
	=====	=====

Retirement benefits are accruing to the following number of directors under:

	<u>2000</u>	<u>1999</u>
	Number	Number
Defined benefit scheme	1	1
	=====	=====

Neither the company nor the group have a share option scheme in place, therefore no share options were exercised during the year or the prior year.

No directors received shares under a long-term incentive scheme, which was also the case in the prior year.

The directors' remuneration includes the following in respect of the highest paid director:

	<u>2000</u>	<u>1999</u>
	£	£
Emoluments	-	107,471
	=====	=====

The accrued pension entitlement under the defined benefit scheme of the highest paid director at 31 December 2000 was £nil (1999 - £7,471).

The remuneration of the DFDS UK Director has been paid by and disclosed in the financial statements of DFDS Tor Line Limited, a subsidiary undertaking of DFDS PLC.

(c) Pension arrangements

The intermediate parent undertaking, DFDS PLC, maintains a defined benefit pension scheme for the UK group. This covers all salaried employees over 21, other than 'blue collar' workers who commenced employment after 1 April 1998. It is a contributory scheme (currently employer 8.5%, employee 6%) administered by trustees which provides defined benefits based upon pre-retirement pensionable salary. An actuarial valuation carried out as at 1 January 1998 showed the assets of the fund to be in excess of the liabilities (see note 20(b)).

The charge for the year was £262,774 (1999: £1,146,690). The reduction in the pension charge relates to the disposal of the freight forwarding and haulage activities during 1999 which are no longer consolidated within the financial statements of DFDS PLC.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 TAXATION

- (a) The taxation charge for the year comprises:

	<u>2000</u>	<u>1999</u>
	£	£
Corporation tax at 30% (1999: 30.25%)	-	569,210
Deferred tax	658,379	-62,410
Adjustment in respect of prior years corporation tax	41,783	30,973
	-----	-----
	700,162	537,773
	=====	=====

- (b) The movement in deferred taxation, which is provided for in full, is attributable to:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Opening balance	-	743,627	-	-
Profit and loss account	658,379	-62,410	-	-
Transfer related to transfer of activities	-	-681,217	-	-
	-----	-----	-----	-----
	658,379	-	-	-
	=====	=====	=====	=====

- (c) Deferred taxation, which is provided in full, is attributable to:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Accelerated capital allowances	658,379	-	-	-
	=====	=====	=====	=====

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TANGIBLE FIXED ASSETS

(a) GROUP

	Freight Ship £	Leasehold Property £	Motor Vehicles £	Furniture, Fittings and Equipment £	2000 Total £
<u>Cost</u>					
At 1 January 2000	-	11,249,075	5,440,585	2,276,470	18,966,130
Additions	4,500,000	37,564	8,226,641	767,551	13,531,756
Revaluation	1,400,000	-	-	-	1,400,000
Disposals	-	-	-215,137	-516,652	-731,789
At 31 December 2000	5,900,000	11,286,639	13,452,089	2,527,369	33,166,097
<u>Depreciation</u>					
At 1 January 2000	-	2,279,741	3,333,539	1,875,431	7,488,711
Charge for year	4,229	619,552	727,918	193,514	1,545,213
Disposals	-	-	-190,458	-461,480	-651,938
Impairment	-	-	1,400,000	-	1,400,000
At 31 December 2000	4,229	2,899,293	5,270,999	1,607,465	9,781,986
<u>Net book value</u>					
At 31 December 2000	5,895,771	8,387,346	8,181,090	919,904	23,384,111
At 31 December 1999	-	8,969,334	2,107,046	401,039	11,477,419

The freight ship was revalued as at 31 December 2000 at £5.9 million on the basis of an open market value for existing use by Maersk Broker K/S, external valuers.

Under historical cost, the revalued freight ship would have been included at the following amounts:-

	2000 £	1999 £
Historical cost	4,500,000	-
Aggregate depreciation	-3,226	-
	4,496,774	-

The net book value of assets held under finance leases and hire purchase agreements was £64,716 (1999: £76,942).

Depreciation charged on assets held under finance leases and hire purchase agreements was £52,356 (1999: £165,298).

DFDS PLC
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TANGIBLE FIXED ASSETS (continued)

The impairment loss disclosed as an exceptional item relates to the purchase of trailers from P&O Ferrymasters Limited. The impairment was assessed on the condition of the trailers at the year end.

(b) COMPANY

	Leasehold Property £	Motor Vehicles £	Furniture, Fittings and Equipment £	2000 Total £
<u>Cost</u>				
At 1 January 2000	1,211,368	60,456	524,598	1,796,422
Disposals	-	-4,418	-516,652	-521,070
Intra group transfers -disposals	-1,211,368	-56,038	-7,946	-1,275,352
	-----	-----	-----	-----
At 31 December 2000	-	-	-	-
	=====	=====	=====	=====
<u>Depreciation</u>				
At 1 January 2000	704,835	24,957	466,641	1,196,433
Disposals	-	-15,344	-461,480	-476,824
Intra group transfers -disposals	-704,835	-9,613	-5,161	-719,609
	-----	-----	-----	-----
At 31 December 2000	-	-	-	-
	=====	=====	=====	=====
<u>Net book value</u>				
At 31 December 2000	-	-	-	-
At 31 December 1999	506,533	35,499	57,957	599,989
	=====	=====	=====	=====

The net book value of assets held under finance leases and hire purchase agreements was £nil (1999 £35,496).

Depreciation charged on assets held under finance leases and hire purchase agreements was £nil (1999: £16,868).

**DFDS PLC
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS

(a) Principal group investments

Fixed asset investments comprise:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Subsidiary undertakings	-	-	30,415,974	27,835,903

At 31 December 2000, the group has investments in the following subsidiary undertakings:

	<u>Country of registration</u>	<u>Principal Activity</u>	<u>Proportion of ordinary shares held</u>
Chelmer Cargo Services (shipping) Limited	England	Dormant	100% *
Global Dan Transport Limited (formerly John T Howard (Grimsby) Limited)	England	Dormant	100%
Crownbarn Limited	England	Non-trading	100%
DFDS Transport (Air) Limited	England	Dormant	100% *
DFDS Transport (Scotland) Limited	Scotland	Dormant	100% *
DFDS Transport (Sea) Limited	England	Dormant	100% *
Scandinavian Seaways Limited	England	Dormant	100% *
Elbe Humber Ro Line Limited	England	Dormant	100% *
Tradefarm Limited	England	Non-trading	100% *
Finemanor Limited	England	Non-trading	100% *
DFDS Tor Line Limited	England	Port Operator	100%
DFDS Nordic Terminal Limited	England	Non-trading	100% *
DFDS Seaways Limited	England	Tour Organisation	100%
Smyth Shipping Limited	England	Dormant	100% *
Fleetoak Limited (formerly Etrade Logistics Limited, formerly Milefarm Limited)	England	Non-trading	100% *
DFDS AutoLogistics Limited (formerly Total Logistics Management Limited)	England	Non-trading	100% *

All subsidiary undertakings operate principally in their country of registration.

* Held indirectly

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS (continued)

(a) Principal group investments (continued)

The movement in the investments in subsidiary undertakings is shown below:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Beginning of year	-	-	27,835,903	30,127,342
Revaluation to equity method	-	-	2,580,071	6,448,122
Amounts written off	-	-	-	-8,739,561
	-----	-----	-----	-----
End of year	-	-	30,415,974	27,835,903
	=====	=====	=====	=====

The movement in other investments is shown below:

	<u>Group</u>	
	<u>2000</u>	<u>1999</u>
	£	£
Beginning of year	-	10,000
Acquisitions	-	15,782
Write off	-	-25,782
	-----	-----
End of year	-	-
	=====	=====

13 DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Trade debtors	5,745,187	5,195,963	-	-
Amounts due from group undertakings				
- due from intermediate parent undertaking	64,859	11,238,583	-	-
- due from immediate parent company	17,192,255	502,828	596,245	-
- due from UK group undertakings	-	-	3,987,498	6,656,867
- due from other group undertakings	288,787	52,563,237	-	51,124,187
VAT	1,405,910	48,733	-	-
Other debtors	2,212,153	369,271	-	72,415
Prepayments and accrued income	287,441	309,574	-	72,204
Corporation tax recoverable	141,496	60,257	141,496	60,257
	-----	-----	-----	-----
	27,338,088	70,288,446	4,725,239	57,985,930
	=====	=====	=====	=====

Included within amounts due from immediate parent undertakings for the group is an amount of £12,207,546 due after one year (1999: £nil).

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Finance lease and hire purchase creditor	3,382	6,425	-	-
Bank overdrafts and loans	4,000,000	8,103,872	4,000,000	7,937,999
Loan from immediate parent undertaking	-	10,198,000	-	10,198,000
Trade creditors	3,437,997	3,061,524	-	205,033
Amounts due to group companies				
- due to immediate parent undertaking	251,789	401,108	-	-
- due to UK group undertakings	-	-	7,925,000	13,969,428
- due to other group undertakings	215,505	109,138	-	33,762
Corporation tax payable	1,211,866	1,101,963	-	-
PAYE & NI	107,695	695,802	-	596,082
VAT	-	433,634	-	326,337
Other creditors	3,585,364	1,760,563	-	228,371
Accruals and deferred income	2,421,503	2,567,543	111,834	361,751
Government grants	1,593,882	1,274,332	-	-
	<u>16,828,983</u>	<u>29,713,904</u>	<u>12,036,834</u>	<u>33,856,763</u>

The bank loan is repayable in December 2001. The rate for the period 1 December 2000 - 31 December 2000 was 6.6%

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Bank loan	-	32,000,000	-	32,000,000
Loan from immediate parent undertaking	12,175,787	-	-	-
Long term portion of hire purchase liability	11,007	22,113	-	-
	<u>12,186,794</u>	<u>32,022,113</u>	<u>-</u>	<u>32,000,000</u>

Loans payable by instalment consist of:

	Amount due within one year £	Amount due one to five years £	Amount due after five years £
Loan from immediate parent undertaking	-	12,175,787	-
Hire purchase and finance lease contracts	3,382	11,007	-
Total borrowings	<u>3,382</u>	<u>12,186,794</u>	<u>-</u>

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 CALLED-UP SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	£	£
Authorised, allotted, called-up and fully paid 22,250,000 (1999 - 22,250,000) ordinary shares of £1 each	22,250,000	22,250,000
	=====	=====

17 RESERVES

(a) Group

	Capital contribution (non distributable) £	Profit and loss account (distributable) £	Revaluation reserve (non distributable) £	Total £
At 1 January 2000	3,250,000	-4,928,144	-	-1,678,144
Revaluation surplus	-	-	1,400,000	1,400,000
Retained profit for the year	-	1,135,701	-	1,135,701
At 31 December 2000	3,250,000	-3,792,443	1,400,000	857,557
	=====	=====	=====	=====

(b) Company

At 1 January 2000	3,250,000	-11,493,607	6,565,463	-1,678,144
Retained loss for the year	-	-44,370	-	-44,370
Revaluation surplus	-	-	2,580,071	2,580,071
At 31 December 2000	3,250,000	-11,537,977	9,145,534	857,557
	=====	=====	=====	=====

(c) Capital contribution

In December 1991, the immediate parent company, DFDS A/S, provided a capital contribution of £3,250,000 to the group in order to improve its capital base and finance its activities. It is a non-distributable reserve.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Profit/(loss) for the financial year after taxation	1,135,701	-5,883,186	-44,370	-12,833,733
Revaluation surplus	1,400,000	-	2,580,071	10,439,551
Net addition/(reduction) to equity shareholders' funds	2,535,701	-5,883,186	2,535,701	-2,394,182
Opening equity shareholders' funds	20,571,856	26,455,042	20,571,856	22,966,038
Closing equity shareholders' funds	23,107,557	20,571,856	23,107,557	20,571,856

19 CAPITAL COMMITMENTS

At 31 December 2000 the group had capital commitments, comprising amounts contracted but not provided for, of £1,800,000 (1999 - £20,000).

20 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

(a) Lease commitments

	<u>Land and buildings</u>		<u>Plant and equipment</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£	£	£	£
Operating leases which expire:-				
Group				
-within one year	6,164	6,164	40,970	60,780
-between two and five years	-	29,280	161,555	183,828
- over five years	81,780	26,000	-	-
	87,944	61,444	202,525	244,608
Company				
-within one year	6,164	6,164	3,828	3,828
-between two and five years	-	-	7,368	7,368
- over five years	26,000	26,000	-	-
	32,164	32,164	11,196	11,196

The rents payable under land and building leases are subject to renegotiation at various intervals specified in the leases.

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS (continued)

(b) Pension costs

The pension charge for the year was £262,774 (1999 - £1,146,690).

The pension cost is assessed in accordance with the advice of a professional qualified actuary. The latest actuarial valuation was as at 1 January 1998 and used the projected unit method. The main actuarial assumptions were that (a) salaries would increase by 6% p.a., (b) pensions in payment by 3.5% p.a. (for all pensions accrued post 1 August 1988) and (c) the return on scheme investments would be 9.0% p.a.

At the date of the latest actuarial valuation, the market value of the assets of the DFDS UK Group Pension Scheme was £16,911,455 and the actuarial value of the assets was sufficient to cover 121% of the benefits that had accrued to members after allowing for expected future increases in earnings.

- (c) The company, together with its UK trading subsidiary undertakings, is a member of a VAT group. All companies concerned are jointly and severally liable for VAT liabilities of the other group members. At 31 December 2000 VAT was repayable from HM Customs and Excise in respect of each of the companies.
- (d) The company together with its UK fellow subsidiary undertakings, has given an unlimited cross guarantee in respect of available overdraft facilities. The amount outstanding under these facilities at the balance sheet date is £1,976,220 (1999 - £(7,428,355)).

21 PARENT AND ULTIMATE PARENT UNDERTAKING

The company is a wholly-owned subsidiary undertaking of DFDS A/S, a company incorporated in Denmark and quoted on the Copenhagen Stock Exchange. The registered office of DFDS A/S is Sankt Annae Plads 30, 1295 Copenhagen K, Denmark. Consolidated financial statements of DFDS A/S are available from the registered office.

The ultimate parent undertaking is J. Lauritzen Holdings A/S, which has a 56% share of DFDS A/S. The consolidated financial statements for J. Lauritzen Holdings A/S may be obtained from the registered office at Sankt Annae Plads 28, 1291 Copenhagen K, Denmark.