DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2001



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COMPANIES HOUSE 24/05/02

The company's registered number is 1554521

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

DIRECTORS:	O Frie - Chairman E S K Pedersen - Managing director C Merrild
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 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The turnover for 2001 was up on the 2000 level and includes the activities for the freight vessel acquired 28 December 2000 for the whole accounting period. The DFDS PLC Group produced a satisfactory result before and after tax, although the Directors expect this trend will be reduced in the year 2002.

DIVIDENDS

The directors are unable to recommend the payment of a dividend (2000: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

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

O Frie
C Merrild
E S K Pedersen
B L Thorbjornsson (resigned 30 November 2001)

The directors who held office at 31 December 2001 had no beneficial interest in the shares of the company during the year (2000 - 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.

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.

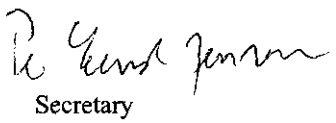
SUPPLIER PAYMENT POLICY

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 2001 were equivalent to 32.9 (2000 - 27.2) days' puchases.

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

18 February 2002

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

DFDS PLC

We have audited the financial statements on pages 6 to 24.

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 1985. 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 2001 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

18 February 2002

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Turnover:	1(c) & 3	53,244,100	44,289,336
Cost of sales		-41,457,564	-34,190,393
Exceptional item		-	-1,400,000
Gross profit		11,786,536	8,698,943
Administrative expenses		-9,280,439	-8,017,858
Operating profit		2,506,097	681,085
Profit on disposal of operations (discontinued operations)	4	-	222,182
Other interest receivable and similar income	5	1,186,543	3,101,545
Interest payable and similar charges	6	-967,414	-2,168,949
Profit on ordinary activities before taxation	3 & 7	2,725,226	1,835,863
Taxation on profit on ordinary activities	9(a)	-1,268,271	-700,162
Profit on ordinary activities after taxation and profit for the year	16	1,456,955	1,135,701
Profit and loss account deficit brought forward	16	-3,792,443	-4,928,144
Revaluation reserve transfer		94,336	-
Profit and loss account deficit carried forward	16	-2,241,152	-3,792,443

Of the group profit and loss on ordinary activities after taxation, a loss of £123,500 (2000 - loss of £44,370) 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 2001

		2001 £	2000 £
Profit for the year after taxation	16	1,456,955	1,135,701
Unrealised surplus on revaluation of fixed assets	10	-	1,400,000
Total recognised gains relating to the year		1,456,955	2,535,701

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 £	2000 £
Reported profit on ordinary activities before taxation	2,725,226	1,835,863
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	94,336	-
Historical cost profit on ordinary activities before taxation	2,819,562	1,835,863
Historical cost profit for the year retained after taxation	1,551,291	1,135,701

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

DFDS PLC
AND SUBSIDIARY UNDERTAKINGS

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	Group 2001 £	Group 2000 £	Company 2001 £	Company 2000 £
FIXED ASSETS					
Tangible assets	10	23,885,712	23,384,111	-	-
Investments	11	-	-	28,663,768	30,415,974
		23,885,712	23,384,111	28,663,768	30,415,974
CURRENT ASSETS					
Debtors	12	28,763,455	27,338,088	7,957,663	4,725,239
Cash at bank and in hand		1,020,756	2,059,514	-	3,178
		29,784,211	29,397,602	7,957,663	4,728,417
CREDITORS: Amounts falling due within one year	13	-15,208,495	-16,828,983	-8,056,919	-12,036,834
NET CURRENT ASSETS/(LIABILITIES)		14,575,716	12,568,619	-99,256	-7,308,417
TOTAL ASSETS LESS CURRENT LIABILITIES		38,461,428	35,952,730	28,564,512	23,107,557
CREDITORS: Amounts falling due after more than one year	14	-12,809,663	-12,186,794	-4,000,000	-
PROVISIONS FOR LIABILITIES AND CHARGES	9(b)	-1,087,253	-658,379	-	-
NET ASSETS		24,564,512	23,107,557	24,564,512	23,107,557
CAPITAL AND RESERVES					
Called-up share capital	15	22,250,000	22,250,000	22,250,000	22,250,000
Capital contribution	16(c)	3,250,000	3,250,000	3,250,000	3,250,000
Revaluation reserve	16(a)	1,305,664	1,400,000	7,393,328	9,145,534
Profit and loss account	16(a)	-2,241,152	-3,792,443	-8,328,816	-11,537,977
EQUITY SHAREHOLDERS' FUNDS	17	24,564,512	23,107,557	24,564,512	23,107,557

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

These financial statements were approved at a directors' meeting held on 18 February 2002.

E S K Pedersen

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.

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	6 2/3 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 19(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.

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 19(b) & 19(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 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 on ordinary activities before taxation	
	2001	2000	2001	2000
	£	£	£	£
By activity				
Passenger shipping	24,068,495	21,182,840	663,776	539,885
Terminal operations	29,175,605	23,106,496	1,408,503	327,014
Investment income	-	-	652,947	968,964
	53,244,100	44,289,336	2,725,226	1,835,863
By origin				
United Kingdom	53,244,100	44,289,336		

	Net assets	
	2001	2000
	£	£
By activity		
Passenger shipping	8,050,000	10,934,588
Terminals operations	8,191,698	7,516,379
Investment activities	8,322,814	4,656,590
	24,564,512	23,107,557
By geographic area		
United Kingdom	24,564,512	23,107,557

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 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 profit on disposal of operations was realised:

During the year ending 31 December 2000, 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.

	2000 Gross £	2000 Tax impact £	2000 Net £
Profit on disposal of operations	222,182	-	222,182

5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Bank interest receivable	63,939	45,530
Interest receivable from other group undertakings	382,949	3,056,015
Other interest receivable	739,656	-
	1,186,543	3,101,545

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Interest payable on loans	221,285	1,976,159
On amounts owed to group undertakings		
- immediate parent undertaking	612,930	98,458
-fellow subsidiary undertakings	10,416	66,507
Other interest payable		
- on overdrafts	26,116	2,582
- on finance leases and hire purchase contracts	1,091	3,092
- other	95,576	22,151
	967,414	2,168,949

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £	2000 £
Arrived at after charging/(crediting)		
Auditors' remuneration		
-audit (parent undertaking £nil (2000 £nil)).	25,550	27,352
-non audit (parent undertaking £11,917 (2000: £100,783))	33,222	140,448
Depreciation (including impairment) (note 10)		
-owned assets	3,095,019	2,892,857
-assets held under finance leases and hire purchase agreements	13,123	52,356
Amortisation of government grants	-161,268	-169,703
Profit on sale of tangible fixed assets	-198,512	-81,456
Operating lease charges		
-land and buildings	55,780	55,780
-plant and equipment	145,600	173,328
Foreign exchange rate losses	32,737	66,303

8 PARTICULARS OF STAFF

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

	2001 Number	2000 Number
Passenger shipping	78	71
Terminal operations	276	209
Administration	115	109
	469	389

The following costs were incurred in respect of the above:	2001 £	2000 £
Wages and salaries	9,964,893	7,979,045
Social security costs	744,616	692,762
Other pension costs	322,791	262,774
	11,032,300	8,934,581

8 PARTICULARS OF STAFF (continued)

(b) Directors' emoluments

The directors are the only employees of the company. The directors received no remuneration during the year (2000 - £nil).

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

	2001 Number	2000 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 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.

9 TAXATION

(a) The taxation charge for the year comprises:

	2001 £	2000 £
Corporation tax at 30%	716,759	-
Deferred tax	428,874	658,379
Adjustment in respect of prior years corporation tax	122,638	41,783
	1,268,271	700,162

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

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Opening balance	658,379	-	-	-
Profit and loss account	428,874	658,379	-	-
	1,087,253	658,379	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 TAXATION (continued)

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

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	1,087,253	658,379	-	-

10 TANGIBLE FIXED ASSETS - GROUP

	Freight Ship	Leasehold Property	Motor Vehicles	Furniture, Fittings and Equipment	2001 Total
	£	£	£	£	£
Cost					
At 1 January 2001	5,900,000	11,286,639	13,452,089	2,527,369	33,166,097
Additions	-	1,028,769	1,945,674	775,408	3,749,851
Disposals	-	-	-660,080	-130,000	-790,080
At 31 December 2001	5,900,000	12,315,408	14,737,683	3,172,777	36,125,868
Depreciation					
At 1 January 2001	4,229	2,899,293	5,270,999	1,607,465	9,781,986
Charge for year	395,247	642,324	1,742,960	327,611	3,108,142
Disposals	-	-	-627,707	-22,265	-649,972
At 31 December 2001	399,476	3,541,617	6,386,252	1,912,811	12,240,156
Net book value					
At 31 December 2001	5,500,524	8,773,791	8,351,431	1,259,966	23,885,712
At 31 December 2000	5,895,771	8,387,346	8,181,090	919,904	23,384,111

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 TANGIBLE FIXED ASSETS - GROUP (continued)

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:-

	2001 £	2000 £
Historical cost	4,500,000	4,500,000
Aggregate depreciation	-305,140	-3,226
Historical cost net book value	4,194,860	4,496,774

The net book value of assets held under finance leases and hire purchase agreements was £3,303 (2000: £64,716).

Depreciation charged on assets held under finance leases and hire purchase agreements was £13,123 (2000: £52,356).

11 INVESTMENTS

Fixed asset investments comprise:

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Subsidiary undertakings	-	-	28,663,768	30,415,974

11 INVESTMENTS (continued)

At 31 December 2001, the group has investments in the following subsidiary undertakings:

	Country of registration	Principal Activity	Proportion of ordinary shares held
Chelmer Cargo Services (shipping) Limited	England	Dormant	100% *
Global Dan Transport 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	Dormant	100% *
DFDS Seaways Limited	England	Tour Organisation	100%
Smyth Shipping Limited	England	Dormant	100% *
Fleetoak Limited	England	Non-trading	100% *
DFDS AutoLogistics Limited	England	Non-trading	100% *
DFDS Tor Line (Guernsey) Limited	Guernsey	Non-trading	100% *

All subsidiary undertakings operate principally in their country of registration.

* Held indirectly

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

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Beginning of year	-	-	30,415,974	27,835,903
Revaluation to equity method	-	-	-1,752,206	2,580,071
End of year	-	-	28,663,768	30,415,974

On 25 May 2001, the group acquired the entire share capital of DFDS Tor Line (Guernsey) Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 DEBTORS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	6,635,383	5,745,187	-	-
Amounts due from group undertakings				
- due from intermediate parent undertaking	233,818	64,859	-	-
- due from immediate parent company	18,337,303	17,192,255	625,002	596,245
- due from UK group undertakings	-	-	4,000,000	3,987,498
- due from other group undertakings	460,195	288,787	-	-
VAT	18,093	1,405,910	-	-
Other debtors	2,351,795	2,212,153	-	-
Dividend receivable	-	-	3,332,661	-
Prepayments and accrued income	695,475	287,441	-	-
Corporation tax recoverable	31,393	141,496	-	141,496
	28,763,455	27,338,088	7,957,663	4,725,239

Included within amounts due from immediate parent undertakings for the group is an amount of £12,860,495 due after one year (2000: £12,207,546).

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Finance lease and hire purchase creditor	6,032	3,382	-	-
Bank overdrafts and loans	1,744,801	4,000,000	-	4,000,000
Trade creditors	4,285,280	3,437,997	-	-
Amounts due to group companies				
- due to immediate parent undertaking	875,689	251,789	-	-
- due to UK group undertakings	-	-	8,027,449	7,925,000
- due to other group undertakings	540,761	215,505	-	-
Corporation tax payable	1,840,500	1,211,866	-530	-
PAYE & NI	245,543	107,695	-	-
VAT	191,995	-	-	-
Other creditors	1,043,122	3,585,364	-	-
Accruals and deferred income	3,002,158	2,421,503	30,000	111,834
Goverment grants	1,432,614	1,593,882	-	-
	15,208,495	16,828,983	8,056,919	12,036,834

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loan	4,000,000	-	4,000,000	-
Loan from immediate parent undertaking	8,802,368	12,175,787	-	-
Long term portion of hire purchase liabilty	7,295	11,007	-	-
	12,809,663	12,186,794	4,000,000	-

Loans payable by instalment consist of:

	Amount due within one year	Amount due one to five years	Amount due after five years
	£	£	£
Bank loan	-	1,600,000	2,400,000
Loan from immediate parent undertaking	-	8,802,368	-
Hire purchase and finance lease contracts	6,032	7,295	-
Total borrowings	6,032	10,409,663	2,400,000

The bank loan is repayable in December 2006. The rate for the period 1 December 2001 - 31 December 2001 was 5.53%.

15 CALLED-UP SHARE CAPITAL

	2001	2000
	£	£
Authorised, allotted, called-up and fully paid 22,250,000 (2000 - 22,250,000) ordinary shares of £1 each	22,250,000	22,250,000

16 RESERVES

(a) Group

	Capital contribution (non distributable)	Profit and loss account (distributable)	Revaluation reserve (non distributable)	Total
	£	£	£	£
At 1 January 2001	3,250,000	-3,792,443	1,400,000	857,557
Retained profit for the year	-	1,456,955	-	1,456,955
Reserve Transfer	-	94,336	-94,336	
At 31 December 2001	3,250,000	-2,241,152	1,305,664	2,314,512

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 RESERVES (continued)

(b) Company

At 1 January 2001	3,250,000	-11,537,977	9,145,534	857,557
Retained loss for the year	-	-123,500	-	-123,500
Dividend receivable	-	3,332,661	-	3,332,661
Revaluation deficit	-	-	-1,752,206	-1,752,206
At 31 December 2001	3,250,000	-8,328,816	7,393,328	2,314,512

(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.

17 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Profit/(loss) for the financial year after taxation	1,456,955	1,135,701	-123,500	-44,370
Revaluation surplus/(deficit)	-	1,400,000	-1,752,206	2,580,071
Dividend receivable	-	-	3,332,661	-
Net addition to equity shareholders' funds	1,456,955	2,535,701	1,456,955	2,535,701
Opening equity shareholders' funds	23,107,557	20,571,856	23,107,557	20,571,856
Closing equity shareholders' funds	24,564,512	23,107,557	24,564,512	23,107,557

18 CAPITAL COMMITMENTS

At 31 December 2001 the group had capital commitments, comprising amounts contracted but not provided for, of £1,498,000 (2000 - £1,800,000).

19 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

(a) Lease commitments

	Land and buildings		Plant and equipment	
	2001	2000	2001	2000
	£	£	£	£
Operating leases which expire:-				
Group				
-within one year	6,164	6,164	32,940	40,970
-between two and five years	-	-	177,948	161,555
- over five years	52,500	81,780	-	-
	58,664	87,944	210,888	202,525
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.

(b) Pension costs, SSAP24 disclosures

The pension charge for the year was £322,791 (2000 - £262,774).

The pension cost is assessed in accordance with the advice of a professional qualified actuary. The latest actuarial valuation was as at 1 January 2001 and used the projected unit method. The main actuarial assumptions were that (a) salaries would increase by 4.5% p.a., (b) pensions in payment by 3% p.a. (for all pensions accrued post 1 August 1988) and (c) the return on scheme investments would be 6.25% p.a.

At the date of the latest actuarial valuation, the market value of the assets of the DFDS UK Group Pension Scheme was £29,997,228 and the actuarial value of the assets was sufficient to cover 107% of the benefits that had accrued to members after allowing for expected future increases in earnings.

19 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS (continued)

(c) Pension costs, FRS17 transitional disclosures

Whilst the company continues to account for pension costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for Pension costs', under FRS 17 'Retirement benefits' the following transitional disclosures are required:

The valuation at 1 January 2001 has been updated by the actuary on an FRS 17 basis as at 31 December 2001. The major assumptions used in this valuation were

Rate of increase in salaries	4.00%
Rate of increase in pensions payments	2.50%
Discount rate	5.75%
Inflation assumptions	2.50%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Long-term rate of return expected at 31 December 2001	Value at 31 December 2001
Equities	7.00%	21,931,000
Bonds	5.75%	3,477,000
		25,408,000
Present value of scheme liabilities		-30,101,000
Deficit in the scheme		-4,693,000
Related deferred tax asset		1,408,000
Net pension liability		-3,285,000

The amount of this net pension liability would also be included in the company's profit and loss reserve.

19 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS (continued)

(d) 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 2001 VAT was payable to from HM Customs and Excise in respect of each of the companies.

(e) 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 £-74,967 (2000 - £1,976,220).

20 SUBSEQUENT EVENT

On 1 January 2002, a joint decision was taken by the company's board and its fellow subsidiary undertaking, DFDS Seaways (Holding) Limited, to sell the shareholding in DFDS Seaways Limited to DFDS Seaways (Holding) Limited.

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.