

**DFDS SEAWAYS IRISH SEA SHIP OWNERS LIMITED
(PREVIOUSLY NORFOLKLINE IRISH SEA SHIP OWNERS LIMITED)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2011

Company Number. 00925768

THURSDAY



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**DFDS Seaways Irish Sea Ship Owners Limited
(Previously Norfolkline Irish Sea Ship Owners Limited)
Directors' report and financial statements
31 December 2011**

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DFDS Seaways Irish Sea Ship Owners Limited
(Previously Norfolkline Irish Sea Ship Owners Limited)
Directors' report and financial statements
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Directors

K Robdrup
J Nielsen
P Pedersen
N Smedegaard

Registered Office

Norfolkline Terminal Building Twelve Quays,
Tower Road, Birkenhead, Wirral CH41 1FE

Bankers

Barclays Bank PLC
PO Box 885, Mortlock House, Vision Park, Histon, Cambridge, CB4 9DE

Auditors

KPMG
Chartered Accountants
Stokes House, College Square East, Belfast, BT1 6DH

Company Number: 00925768

DFDS Seaways Irish Sea Ship Owners Limited
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Report of the Directors

The directors present their report and the audited financial statements for the year ended 31 December 2011

Principal Activities

The principal activities of the company were that of ship owning, operating and management until April 2011 at which stage the remaining vessels were sold and the company became dormant

Review of the Business

The results for the period are disclosed on page 7

The key financial indicators used by management in their review of performance during the year are set out below

	2011 <u>£'000s</u>	2010 <u>£'000s</u>	2009 <u>£'000s</u>
Turnover	1,756	18,510	13,153
Gross (loss)/profit	(1,839)	54	43
Operating (loss)/profit	(2,142)	366	41
Operating (loss)/profit Percentage	n/a	2 0%	0 3%

Turnover decreased in 2011 to £1,756k (2010 £18,510k) The inter-company balances within the DFDS Irish Sea Group are interest free The company is funded through the inter-company account within the DFDS Irish Sea Group

On 19 October 2011 the company undertook a capital reduction in accordance with s641 of the Companies Act 2006 resulting in a reduction of 30,000,000 ordinary shares of £1 each £11,284,319 of the reserves arising on the capital reduction were applied to the negative profit and loss reserve at the date of the share reduction and the remaining balance of £18,715,681 was returned to the shareholder

Dividends

The directors do not recommend the payment of a dividend for the year

Financial instruments

The risks and uncertainties related to the business are regularly reviewed, the sole customer of the company during the year was a fellow subsidiary company The key risk / uncertainty to the business was vessel reliability, maintenance and dry docking schedules are in place to ensure this continues at a satisfactory level

The financial risks associated with currency and interest rate movements, DFDS as a group manages these on behalf of its subsidiary companies centrally through the head office functions based in Denmark The company has limited credit and cash flow risk exposures as the sole customer is a fellow subsidiary company, DFDS Seaways Irish Sea Ferries Limited

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Report of the Directors

Directors and Directors' Interests

The following directors served during the year

K Robdrup
J Nielsen
P Pedersen
N Smedegaard

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of this company or other group companies

Political and Charitable Donations

The company made no political or charitable donations during the year (2010 £Nil)

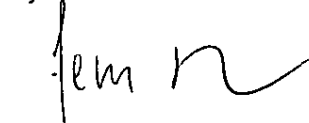
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG will therefore continue in office

By order of the board



J Nielsen
Director

22 October 2012

DFDS Seaways Irish Sea Ship Owners Limited
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Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

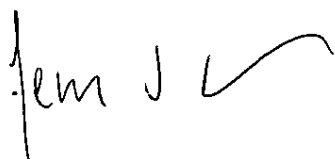
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board



J Neilsen
Director

22 October 2012

**Independent Auditor's Report
to the members of DFDS Seaways Irish Sea Ship Owners Limited**

We have audited the financial statements of DFDS Seaways Irish Sea Ship Owners Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Independent Auditor's Report
to the members of DFDS Seaways Irish Sea Ship Owners Limited
(continued)**

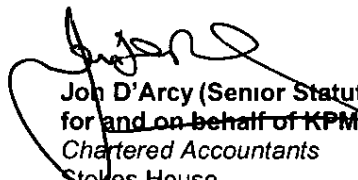
Opinion on other matter prescribed by the Companies Act 2006

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 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



John D'Arcy (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
Stokes House
17-25 College Square East
Belfast
BT1 6DH

22 October 2012

DFDS Seaways Irish Sea Ship Owners Limited
(Previously Norfolkline Irish Sea Ship Owners Limited)
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Profit and Loss Account
For the year ended 31 December 2011

	<u>Note</u>	<u>2011</u> £	<u>2010</u> £
Turnover	1	1,755,963	18,510,249
Cost of sales		(3,595,466)	(18,455,871)
Gross (loss)/profit		(1,839,503)	54,378
Administrative expenses		(302,935)	311,738
Operating (loss)/profit	2	(2,142,438)	366,116
Impairment of vessels		-	(10,376,482)
Gain on disposal of vessels		849,584	-
Interest receivable	4	85,873	4,451
Loss on Ordinary Activities before taxation		(1,206,981)	(10,005,915)
Tax on ordinary activities	5	-	(94,427)
(Loss)/profit for the financial year	11	(1,206,981)	(10,100,342)

The company has no recognised gains or losses in the financial period or the preceding financial period other than those dealt with in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been prepared.

There are no differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historic cost equivalents. Accordingly, no note of historical cost profits and losses has been prepared. All reported profits arise from continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

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Balance Sheet - 31 December 2011

	<u>Note</u>	<u>2011</u> £	<u>2010</u> £
Fixed Assets			
Tangible assets	6	-	49,511,364
Current Assets			
Debtors	7	19,194,427	15,488,172
		<hr/>	<hr/>
		19,194,427	15,488,172
Creditors: Amounts falling due within one year	8	(94,427)	(23,503,469)
		<hr/>	<hr/>
Net Current Assets/(Liabilities)		19,100,000	(8,015,297)
		<hr/>	<hr/>
Total Assets Less Current Liabilities		19,100,000	41,496,067
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	9	-	(2,473,405)
		<hr/>	<hr/>
Net Assets		19,100 000	39,022,662
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	10	19,100,000	49,100,000
Profit and loss account	11	-	(10,077,338)
		<hr/>	<hr/>
Shareholder's Funds	12	19,100,000	39,022,662
		<hr/>	<hr/>

The financial statements were approved by the Board on 22 October 2012 and signed on its behalf by


J Neilsen
Director

The notes on pages 9 to 15 form part of these financial statements

Company Number 00925768

**DFDS Seaways Irish Sea Ship Owners Limited
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Notes (forming part of the financial statements)

1 Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules

Going concern

During the year ended 31 December 2011 the company made a loss, after tax of £1,206,981 (2010 £10,019,529) giving rise to net shareholders funds of £19,100,000 (2010 £39,103,475)

Following the cessation of trading the company is now dormant

The financial statements have been prepared on a going concern basis as the company is in receipt of continued financial support from fellow group companies by way of historic loans

Turnover

Turnover comprises income arising from charges to third parties and group companies, excluding value added tax. The segmental market serviced is the Irish Sea shipping market

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Notes (forming part of the financial statements)

1 Accounting Policies (continued)

Taxation

The company entered the UK tonnage tax regime on 1 October 2002 under which its ship owning and operating activities are taxed based on the net tonnage of the ships operated. Any income and profits arising outside the tonnage tax regime are taxed under the normal UK corporation tax rules.

Deferred taxation

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Cash Flow Statement

The company is not required under FRS1 to prepare a cash flow statement on the basis that the company is a wholly owned subsidiary and is consolidated within publicly available consolidated financial statements.

2 Operating (Loss)/Profit

The operating (loss)/profit is stated after charging

	<u>2011</u>	<u>2010</u>
	£	£
Depreciation - vessels	614,510	7,331,753
- dry-docking	52,670	698,272
	<hr/>	<hr/>

3 Employees

The company had no employees during the year apart from the directors. The directors received no remuneration during the year.

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Notes (forming part of the financial statements)

4 Interest Receivable

	<u>2011</u>	<u>2010</u>
	£	£
Other	85,873	4,451
	<u> </u>	<u> </u>

5 Taxation

Analysis of charge for the year

	<u>2011</u>	<u>2010</u>
	£	£
Corporation tax	-	94,427
	<u> </u>	<u> </u>
	-	94,427
	<u> </u>	<u> </u>
Current tax reconciliation		
Loss on ordinary activities before tax	(1,206,981)	(10,005,915)
	<u> </u>	<u> </u>
Current tax at 26.5% (2010: 28%)	(319,850)	(2,801,656)
Effects of		
Shipping profits not taxable under the		
tonnage tax regime	-	2,915,346
Tonnage tax due	-	11,902
Transfer pricing adjustment	-	(31,165)
Disallowable expenses	400	-
Depreciation in excess of capital allowances	176,803	-
Losses carried forward	367,787	-
Profit on disposal of fixed assets not taxable	(225,140)	-
	<u> </u>	<u> </u>
	-	94,427
	<u> </u>	<u> </u>

The company entered the UK Tonnage Tax regime on 1 October 2002. From this date the company has paid a flat rate tax based on the size of its vessels.

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Notes (forming part of the financial statements)

6 Fixed Assets

	<u>Vessels</u> £	<u>Dry-docking</u> £	<u>Total</u> £
Cost			
At 1 January 2011	65,503,192	1,504,000	67,007,192
Additions	-	-	-
Disposals	(65,503,192)	(1,504,000)	(67,007,192)
	<hr/>	<hr/>	<hr/>
At 31 December 2011	-	-	-
Depreciation			
At 1 January 2011	17,130,957	364,871	17,495,828
Charge for the period	614,510	52,670	667,180
Disposals	(17,745,467)	(417,541)	(18,163,008)
	<hr/>	<hr/>	<hr/>
At 31 December 2011	-	-	-
Net book value			
At 31 December 2011	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 January 2011	48,372,235	1,139,129	49,511,364
	<hr/>	<hr/>	<hr/>

7 Debtors

	<u>2011</u> £	<u>2010</u> £
Amount due from group companies	19,194,427	15,488,172
	<hr/>	<hr/>

DFDS Seaways Irish Sea Ship Owners Limited
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Notes (forming part of the financial statements)

8 Creditors amounts falling due within one year

	<u>2011</u> £	<u>2010</u> £
Corporation tax	94,427	94,427
Accruals	-	145,864
Amounts due to other group companies	-	23,263,178
	<hr/> 94,427	<hr/> 23,503,469
	<hr/>	<hr/>

9 Creditors Amounts falling due after more than one year

	<u>2011</u> £	<u>2010</u> £
Group		
Amount due to other group companies	-	2,473,405
	<hr/>	<hr/>

The amount due to other group companies is unsecured, interest free and has no fixed terms of repayment

10 Share Capital

	<u>2011</u> £	<u>2010</u> £
Allotted, called up and fully paid		
Ordinary shares of £1 each	49,100,000	49,100,000
Capital reduction	(30,000,000)	-
	<hr/> 19,100,100	<hr/> 49,100,000
	<hr/>	<hr/>

On 19 October 2011 the company undertook a capital reduction in accordance with s641 of the Companies Act 2006 resulting in a reduction of 30,000,000 ordinary shares of £1 each

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Notes (forming part of the financial statements)

11 Profit and Loss Account

	<u>2011</u> £	<u>2010</u> £
Balance at 1 January	(10,077,338)	23,004
Loss for the financial year	(1,206,981)	(10,100,342)
Reserves arising on capital reduction	11,284,319	-
Balance at 31 December	<u>-</u>	<u>(10,077,338)</u>

12 Reconciliation of Movement in Shareholder's (Deficit) / Funds

	<u>2011</u> £	<u>2010</u> £
Opening shareholders' funds	39,022,662	49,123,004
Loss for the financial year	(1,206,981)	(10,100,342)
Reserves arising on capital reduction	11,284,319	-
Capital reduction	(30,000,000)	-
Closing shareholders' funds	<u>19,100,000</u>	<u>39,022,662</u>

13 Related Party Disclosures

The company is controlled by DFDS Seaways Irish Sea Holding Limited which owns 100% of the issued share capital. The ultimate controlling parties are the shareholders of DFDS A/S.

The company has relied on the exemption under FRS8 from disclosing transactions with group companies on the basis that the company is a wholly owned subsidiary and is consolidated within publicly available consolidated financial statements.

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Notes (forming part of the financial statements)

14 Parent Company and Ultimate Parent Company

The company is a wholly owned subsidiary of DFDS Seaways Irish Sea Holding Limited, a company incorporated in England & Wales

The largest group in which the results of the company are consolidated is that headed by DFDS A/S, incorporated in Denmark. The consolidated financial statements of this company are available to the public from Sundkrogsgade 11, DK-2100 Copenhagen, Denmark. The smallest group in which they are consolidated is that headed by DFDS Logistics B V, incorporated in the Netherlands. The consolidated financial statements of this company are available to the public at Burgemeester van Lierplein 71, 3134 ZB Vlaardingen, KvK The Hague 27065667