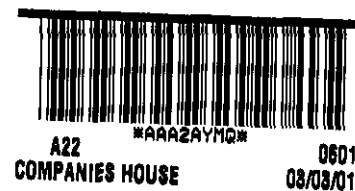


BELFAST FREIGHT FERRIES LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2000

Company No. 925768



BELFAST FREIGHT FERRIES LIMITED

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BELFAST FREIGHT FERRIES LIMITED

COMPANY INFORMATION

Directors:	M.A.W Hendry M.J Gladwyn T F Wright
Company Secretary:	R P Gregory
Registered Office:	Puttenham Priory Puttenham Surrey GU3 1AR
Bankers:	HSBC Bank Plc 27-32 Poultry London EC2P 2BX
Auditors:	Moore Stephens St Paul's House Warwick Lane London EC4P 4BN

BELFAST FREIGHT FERRIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30 September 2000.

Principal Activities

The principal activity of the company was shipowning.

Review of the Business

On 10 October 1999, two of the Company's vessels were transferred to a fellow subsidiary company. The Company owns one vessel and is currently considering its future employment.

Fixed Assets

The movements in fixed assets are shown in note 9.

Results for the Year

The results for the period are disclosed on page 7.

Dividends

The directors paid a dividend of £18,463,878 during the year.

Directors and Directors' Shareholdings

The directors who held office during the period are as set out below.

M A W Hendry

M.J Gladwyn

A S Peacock (resigned 15 November 1999)

T F Wright

None of the directors had any interest in the shares of the Company.

The directors' interests in the shares of the parent Company are disclosed in that Company's financial statements.

Introduction of the Euro

The directors continue to review the issues concerning the introduction of the Euro and its likely impact on the Company. Although the directors will continue to review the implications of the introduction of the Euro, it is not expected to have a significant impact on the Company, ahead of the decision on the timing of the United Kingdom's entry to the Euro.

BELFAST FREIGHT FERRIES LIMITED

REPORT OF THE DIRECTORS

Payment Policy

The Company's strategy is to develop mutually beneficial relationships with key suppliers. The Company will agree appropriate terms and conditions of supply at the start of business, and seek to abide by those terms and conditions, provided that it is satisfied that the supplier has also complied with them.

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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors have:

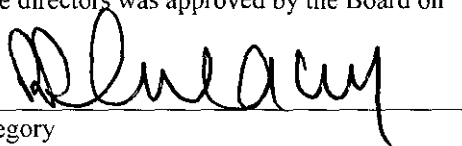
- selected suitable accounting policies and applied them consistently; and
- made judgements and estimates that are reasonable and prudent; and
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Moore Stephens have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

The report of the directors was approved by the Board on 19 January 2001 and signed on its behalf by:



Robert Paul Gregory
Secretary

BELFAST FREIGHT FERRIES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BELFAST FREIGHT FERRIES LIMITED

We have audited the financial statements on pages 7 - 14 which have been prepared on the basis of the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

As described on page 5 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

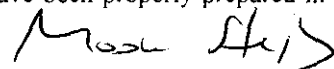
Basis of Opinion

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 Company'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 affairs of the Company as at 30 September 2000, and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moore Stephens
Chartered Accountants
and Registered Auditor

26 February 2001
London

BELFAST FREIGHT FERRIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2000

	Note	2000 £	1999 £
Turnover from continuing operations	1	37,096	20,509,617
Cost of sales		(350,438)	(18,140,973)
Gross (loss) / profit from continuing operations		<u>(313,342)</u>	<u>2,368,644</u>
Administrative expenses		-	-
Operating (loss) / profit from continuing operations	2	<u>(313,342)</u>	<u>2,368,644</u>
(Loss) / profit on disposal of fixed assets		-	15,986,683
(Loss) / profit on ordinary activities before interest		<u>(313,342)</u>	<u>18,355,327</u>
Interest receivable and similar income	5	-	4,925
Interest payable and similar charges	6	-	(650,066)
(Loss) / profit on ordinary activities before taxation		<u>(313,342)</u>	<u>17,710,186</u>
Tax on profit on ordinary activities	7	-	(612,647)
Net (loss) / profit after taxation		<u>(313,342)</u>	<u>17,097,539</u>
Dividends payable	8	(18,463,878)	-
Retained (loss) / profit for the year	14	<u>(18,777,220)</u>	<u>17,097,539</u>

The company has no recognised gains or losses other than those shown above.

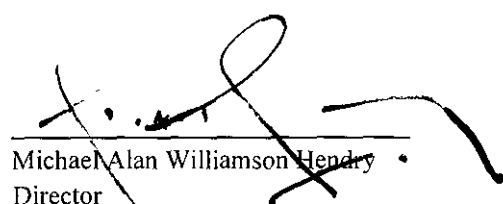
BELFAST FREIGHT FERRIES LIMITED

BALANCE SHEET

AT 30 SEPTEMBER 2000

	Note	2000 £	1999 £
Fixed Assets			
Tangible assets	9	301,879	9,994,812
Current Assets			
Debtors	10	2,356,728	19,341,789
Cash at bank and in hand		-	-
		<u>2,356,728</u>	<u>19,341,789</u>
Creditors : Amounts falling due within one year	11	-	(1,439,580)
Net current assets		<u>2,356,728</u>	<u>17,902,209</u>
Total assets less current liabilities		<u>2,658,607</u>	<u>27,897,021</u>
Creditors : Amounts falling due after one year	12	-	(6,461,194)
		<u>2,658,607</u>	<u>21,435,827</u>
Capital and Reserves			
Equity called up share capital	13	100,000	100,000
Profit and loss account	14	2,558,607	21,335,827
Shareholders' Funds	15	<u>2,658,607</u>	<u>21,435,827</u>

The financial statements were approved by the Board on 19 January 2001 and signed on its behalf by:


Michael Alan Williamson Hendry
Director

BELFAST FREIGHT FERRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AT 30 SEPTEMBER 2000

1. ACCOUNTING POLICES

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

Turnover

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

Depreciation

Depreciation is charged on cost less estimated residual values of fixed assets on the straight line method over their effective lives as follows:

Vessels (operating fleet)	- over the remaining useful life of the vessels (maximum 25 years)
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The company intends to review the life and residual value of its vessels at least once every 5 years.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Deferred taxation is provided in full, using the liability method, on all significant timing differences.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Fixed assets are translated into dollars at the date of acquisition. Other assets and liabilities denominated in foreign currencies are translated at a rate of exchange ruling at the balance sheet date. The US dollar rate applied at the year end is \$ 1.4785 = £1 (1999 \$ 1.6469).

Cash Flow Statement

The company is not required under FRS1 to prepare a cash flow statement. The cash flow is dealt with in a consolidated cash flow statement reported in the financial statements of the ultimate parent company.

Dry-docking Costs

Dry-docking expenditure is included in prepayments and released to the Profit and Loss account over the estimated period to the next dry-dock.

BELFAST FREIGHT FERRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2000

2. OPERATING (LOSS) / PROFIT

	2000 £	1999 £
Operating (loss) / profit is arrived at after charging:		
Auditors remuneration	-	9,600
Depreciation	121,503	1,517,699

3. EMPLOYEES

	2000 £	1999 £
The Directors are the only employees of the Company and they receive no remuneration.	Nil	Nil

4. DIRECTORS

	2000 £	1999 £
Directors Emoluments:		
Management Remuneration	-	110,138
Pension provision	-	11,197
	-	121,335

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Bank interest receivable	-	4,925
	-	4,925

6. INTEREST PAYABLE

	2000 £	1999 £
Interest on overdraft and loans from parent undertaking	-	6,082
Interest on bank loans not wholly repayable within five years	-	2,203
Interest on finance leases	-	641,781
	-	650,066

BELFAST FREIGHT FERRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2000

7. TAXATION

	2000 £	1999 £
Tax charge for the year:		
Deferred tax	-	-
Corporation tax	-	703,716
	-	<u>703,716</u>
Prior year adjustments:		
Deferred tax	-	(91,069)
	-	<u>(91,069)</u>
	-	<u>612,647</u>

Movements in the deferred tax liability are set out in Note 13.

8. DIVIDEND

	2000 £	1999 £
A Board Resolution was passed on 15 August 2000 declaring an interim dividend payable.	<u>18,463,878</u>	-

9. FIXED ASSETS

	Vessels £
Cost	
At 1 October 1999	15,753,976
Disposals	(14,830,931)
At 30 September 2000	<u>923,045</u>
Depreciation	
At 1 October 1999	5,759,164
Charge for the year	121,503
Disposals	(5,259,501)
At 30 September 2000	<u>621,166</u>
Net Book Value	
At 30 September 2000	<u>301,879</u>
At 1 October 1999	<u>9,994,812</u>

The net book value of tangible assets held under finance leases amounted to £ Nil (1999: £9,571,430)
Depreciation charged on those assets amounted to £ Nil (1999: £1,040,530)

BELFAST FREIGHT FERRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2000

10. DEBTORS

	2000 £	1999 £
Amounts owing from group undertakings	2,356,728	19,341,789
	<u>2,356,728</u>	<u>19,341,789</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Obligations under finance leases	-	1,439,580
	<u>-</u>	<u>1,439,580</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Obligations under finance leases	-	6,461,194
	<u>-</u>	<u>6,461,194</u>

At 30 September 1999, all creditors due after one year related to future vessel lease payments.

On 22 October 1999 the leases were terminated and the ships were purchased by Cenargo Navigation (Hong Kong) Limited, a fellow subsidiary company.

	2000 £	1999 £
Less than 1 year	-	2,017,054
1-2 years	-	2,024,748
2-5 years	-	5,626,375
Over 5 years	-	207,478
	<u>-</u>	<u>9,875,655</u>
Finance charges allocated to future periods	-	(1,974,881)
	<u>-</u>	<u>7,900,774</u>
Amounts falling due within one year	-	1,439,580
Amounts falling due after more than one year	-	6,461,194
	<u>-</u>	<u>7,900,774</u>

BELFAST FREIGHT FERRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2000

13. EQUITY CALLED UP SHARE CAPITAL

2000	1999
£	£

Authorised

500,000 ordinary shares of £1 each

500,000	500,000
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Issued and fully paid

100,000 ordinary shares of £1 each

100,000	100,000
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14. PROFIT AND LOSS ACCOUNT

2000	1999
£	£

Balance at 1 October 1999

21,335,827	4,238,288
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(Loss) / profit for the year

(18,777,220)	17,097,539
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Balance at 30 September 2000

2,558,607	21,335,827
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15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

2000	1999
£	£

Total recognised (losses) / gains

(18,777,220)	17,097,539
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Opening shareholders' funds

21,435,827	4,338,288
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Closing shareholders' funds

2,658,607	21,435,827
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16. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Cenargo International Plc, a company registered in England and Wales and is controlled by Mr M.A.W Hendry.

17. GUARANTEES AND FINANCIAL COMMITMENTS

On 19 June 1998 Cenargo International Plc refinanced the majority of its group borrowings by issuing US\$175 million of 9.75% First Priority Ship Mortgage Notes in the United States of America.

Belfast Freight Ferries Limited has guaranteed this loan note facility.

The company together with other group companies has guaranteed the obligations of a fellow subsidiary under two vessel operating leases.

18. RELATED PARTY TRANSACTIONS

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.