

Company number 4446151

GANGREY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2011

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GANGREY LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 2011

The Directors submit herewith their report and audited financial statements of the Company for the year ended 31st March 2011

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

INCORPORATION

The Company, company number 4446151, is incorporated in England and Wales. The Directors consider Commerzbank AG to be the ultimate controlling party.

PRINCIPAL ACTIVITIES

The purpose of the Company is to enter into certain refinancing transactions originated by members of the Commerzbank AG Group in connection with certain shipping vessels (as described in note 13 to the financial statements). Over the year the performance of the Company was in line with expectations and the Directors expect this to continue, subject to any unforeseen circumstances.

DIVIDEND AND RESULTS

The profit for the year amounts to € 18,439 (2010: loss of € 7,059).

The Directors do not recommend the payment of a dividend in respect of the current financial year (2010: € nil).

GOING CONCERN

On the basis of the Directors' review of the Company's forecasts and discussions with the controlling party (who have confirmed their ongoing support to the Company), the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and therefore continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The Directors of the Company as at year end, and up to the date of approval were -

V M Rapley
S A Scally

GANGREY LIMITED

REPORT OF THE DIRECTORS - (CONTINUED)**FOR THE YEAR ENDED 31ST MARCH 2011****REGISTERED OFFICE**

1st Floor, Phoenix House, 18 King William Street, London, EC4N 7BP

SECRETARY

The Secretary of the Company throughout the year and up to the date of approval of the financial statements was State Street Secretaries (UK) Limited (formerly known as Maurant & Co Capital Secretaries Limited)

INDEPENDENT AUDITORS

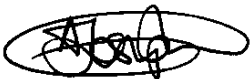
PricewaterhouseCoopers LLP have expressed their willingness as auditors to continue in office and a resolution to reappoint them will be made at the next meeting

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Report of the Directors 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 he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

BY ORDER OF THE BOARD

For and on behalf of

STATE STREET SECRETARIES (UK) LIMITED

ABBEY JOSEPH

Authorised Signatory

Secretary

Dated 28th September 2011

GANGREY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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 are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for prevention and detection of fraud and other irregularities.

GANGREY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANGREY LIMITED

We have audited the financial statements of Gangrey Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page 3 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 of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

GANGREY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GANGREY LIMITED
(CONTINUED)****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



Duncan McNab (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

Date 28 September 2011

GANGREY LIMITED

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31ST MARCH 2011**

	<u>Note</u>	<u>2011</u> €	<u>2010</u> €
Interest receivable and similar income	2	807,387	1,217,681
Interest payable and similar expense	3	(805,938)	(1,215,502)
NET INTEREST INCOME		1,449	2,179
Administrative expenses (net of accrual releases)	16	16,990	(9,238)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		18,439	(7,059)
Tax on profit/(loss) on ordinary activities	5	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	12	18,439	(7,059)

All results derive from continuing operations

There are no recognised gains or losses other than the profit for the current and the loss for the prior financial year
There is no material difference between these results and their historical cost equivalents

(The notes on pages 8 to 12 form part of these financial statements)

GANGREY LIMITED

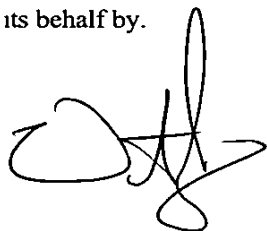
BALANCE SHEET

AS AT 31ST MARCH 2011

	<u>Note</u>	<u>2011</u> €	<u>2010</u> €
CURRENT ASSETS			
Debtors	7	25,655	43,610
Cash at bank	8	<u>10,356,825</u>	<u>17,542,746</u>
		<u>10,382,480</u>	<u>17,586,356</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(7,640,009)</u>	<u>(7,271,627)</u>
NET CURRENT ASSETS		<u>2,742,471</u>	<u>10,314,729</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	<u>(2,721,049)</u>	<u>(10,311,746)</u>
NET ASSETS		<u>21,422</u>	<u>2,983</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	<u>21,421</u>	<u>2,982</u>
TOTAL SHAREHOLDER'S FUNDS	12	<u>21,422</u>	<u>2,983</u>

The financial statements were approved by the Board of Directors on the 28th day of September 2011 and were signed on its behalf by.

Director :



VINCENT RAPLEY

Company Number 4446151

(The notes on pages 8 to 12 form part of these financial statements)

GANGREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2011****1. ACCOUNTING POLICIES****Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal policies which have been applied consistently throughout the year are set out below.

Going concern

On the basis of the Directors' review of the Company's forecasts and discussions with the controlling party (who have confirmed their ongoing support to the Company) the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and therefore continue to adopt the going concern basis in preparing the financial statements.

Cash Flow Statement

The Company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) - 'Cash flow statements' as the cash flows of the Company are included within its ultimate parent company's, Commerzbank AG consolidated accounts.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account. The translation rate for the year ended was £1 : € 1.1316 (2010 : £1 : € 1.1238).

Deposit interest receivable and loan interest payable

Deposit interest receivable and loan interest payable are accounted for on an accruals basis.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in future occurred at the balance sheet date.

A net deferred tax asset is considered as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits available against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Offsetting

Balances with a counterparty are only offset if a legal right of offset exists and there is an intention to settle net.

GANGREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31ST MARCH 2011****2. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>2011</u> €	<u>2010</u> €
Deposit interest receivable from the ultimate controlling party (refer note 15)	<u>807,387</u>	<u>1,217,681</u>

3. INTEREST PAYABLE AND SIMILAR EXPENSE

	<u>2011</u> €	<u>2010</u> €
Loan interest payable to the ultimate controlling party (refer note 15)	<u>805,938</u>	<u>1,215,502</u>

4. DIRECTORS' EMOLUMENTS AND EMPLOYEES

None of the persons who were directors of the Company during the year received any emoluments in respect of their services as directors, and the Company had no employees during the current or prior year

5. TAXATION

UK Corporation tax is provided at appropriate rates on the net profit for the period as adjusted

	<u>2011</u> €	<u>2010</u> €
a) Analysis of charge for the year		
Current year tax	-	-
Tax charge	<u>-</u>	<u>-</u>
b) Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before tax	<u>18,439</u>	<u>(7,059)</u>
Profit/(loss) on ordinary activities multiplied by standard rate in the UK at 26% (2010 28%)	<u>4,794</u>	<u>(1,977)</u>
Effects of Utilisation of assessed losses	<u>(4,794)</u>	<u>1,977</u>
Current tax for the year	<u>-</u>	<u>-</u>

6. AUDITORS' REMUNERATION

The auditors' remuneration is paid by Commerzbank AG Audit fees in respect of the Company's financial statements were € 19,600 (2010 € 19,600) There are no non-audit fees

GANGREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31ST MARCH 2011**

7. DEBTORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>2011</u> €	<u>2010</u> €
Interest receivable from the ultimate controlling party (refer note 15)	<u>25,655</u>	<u>43,610</u>
8 CASH AT BANK	<u>2011</u> €	<u>2010</u> €
Commerzbank, ultimate controlling party (Euro Current account)	45,091	43,610
Commerzbank, ultimate controlling party (Euro Deposit accounts)	<u>10,311,734</u>	<u>17,499,136</u>
	<u>10,356,825</u>	<u>17,542,746</u>

The cash balances (Euro Deposit accounts) from the collateral, which is equal in terms to the borrowings (refer to notes 13 and 15), are therefore restricted

9. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2011</u> €	<u>2010</u> €
Amounts due to ultimate controlling party*	-	25,082
Commerzbank AG - Sterling current account*	16,888	8,696
Interest payable to ultimate controlling party*	25,609	43,532
Loans due to ultimate controlling party*	7,590,685	7,187,390
Accruals	6,827	6,927
	<u>7,640,009</u>	<u>7,271,627</u>
10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>2011</u> €	<u>2010</u> €
Loans due to ultimate controlling party*	<u>2,721,049</u>	<u>10,311,746</u>

*Refer notes 13 and 15

GANGREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31ST MARCH 2011****11. CALLED UP SHARE CAPITAL****ALLOTTED, ISSUED AND FULLY PAID:**

	<u>2011</u> €	<u>2010</u> €
1 Ordinary share of €1	<u>1</u>	<u>1</u>

12. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AND STATEMENT OF MOVEMENT IN RESERVES

	Called up Share Capital	Profit and loss account	Shareholder's funds total	Shareholder's funds total
	€	€	<u>2011</u> €	<u>2010</u> €
At 1st April 2010	1	2,982	2,983	10,042
Profit/(loss) for the financial year	-	18,439	18,439	(7,059)
At 31st March 2011	<u>1</u>	<u>21,421</u>	<u>21,422</u>	<u>2,983</u>

13. TRANSACTIONS

The Company has participated in certain financial transactions with certain borrowers on a limited recourse, fixed interest basis for the purpose of funding the construction and purchase of certain shipping vessels in Spain. The original lender was in receipt of an interest rate subsidy granted under a special incentive scheme by the Spanish Ministry of Science and Technology. The payment of the subsidy is guaranteed by a Spanish government institution. Under certain novation agreements, and with the consent of the original lender and the original borrowers, the Company assumed the obligations of the original borrowers under the loan agreement in consideration for the original borrowers agreeing to assign and transfer the cash collateral accounts.

On 2 July 2002, Commerzbank and the Company entered into new novation agreements under the facility agreements to Commerzbank and the Company respectively. The Company has opened thirteen Euro denominated loan accounts with Commerzbank and has given a first fixed charge over each of the collateral accounts in favour of Commerzbank. Each of the facility agreements has maturity terms of between 2008 and 2012, bears interest rates of between 4.3% and 6.175% and is exactly matched by a deposit in the corresponding collateral account. The facility agreements are limited in recourse to the funds in the collateral accounts. The Company receives a margin of 0.01% per annum of the principal amount of its debt obligations under each of the novated facility agreements.

At the balance sheet date the aggregate balance on the loan accounts and the collateral accounts was € 10,311,734 (2010: € 17,499,137).

GANGREY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31ST MARCH 2011****14. ULTIMATE CONTROLLING PARTY**

Arringford Limited holds the single share of the Company in its capacity as nominee for Stanhope Gate Trustees Limited as trustee of Gangrey Charitable Trust, a trust established under English law for wholly charitable purposes

Whilst the Company is legally controlled by the trust, in accordance with International Financial Reporting Standards (IFRS), Commerzbank records the Company as a special purpose vehicle which it consolidates in accordance with IFRS, and Commerzbank AG is regarded as the ultimate controlling party

The Directors consider the ultimate parent undertaking and controlling party to be Commerzbank AG, a company incorporated in Germany. Commerzbank AG is the parent undertaking of the largest group of undertakings, to consolidate these financial statements at 31 March 2011. The consolidated financial statements of Commerzbank AG are available from CommerzBank AG, Head Office, Kaiserplatz, 60621 Frankfurt am Main

15. RELATED PARTIES

Each of V M Rapley and S A Scally is an employee of a subsidiary of State Street Corporation, affiliates of which provide company secretarial and administrative services to the Company at commercial rates

The Directors have identified the following transactions with CommerzBank AG which are required to be disclosed under terms of FRS 8 'Related Party Disclosures'

	Asset/(liabilities)		Income/(expense)	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	€	€	€	€
Deposit interest receivable	25,655	43,610	807,387	1,217,681
Deposit interest payable	(25,609)	(43,532)	(805,938)	(1,215,502)
Collateral cash balance	10,356,825	17,542,746	-	-
Loans due on collateral balances	(10,328,622)	(17,532,915)	-	-
Sterling current account	(16,888)	(8,696)	-	-
Other liabilities*	-	(25,082)	-	-

* During the current year, the ultimate controlling party released the Company from its liability to pay € 25,082. This amount has been written off to administration expenses