

Company number 4446151

**GANGREY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2012**

WEDNESDAY



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**GANGREY LIMITED**

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**REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31ST MARCH 2012**

The Directors submit herewith their report and the audited financial statements of the Company for the year ended 31st March 2012

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 loss for the year amounts to € 9,357 (2011 profit of € 18,439)

The Directors do not recommend the payment of a dividend in respect of the financial year (2011 € 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 (Resigned 31 January 2012)

S A Scally

N D Scott (Appointed 28 March 2012)

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**GANGREY LIMITED**

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**REPORT OF THE DIRECTORS - (CONTINUED)**

**FOR THE YEAR ENDED 31ST MARCH 2012**

**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**



TONY MCSHEA

Authorised Signatory

Secretary

Dated 11/09/2012

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**GANGREY LIMITED**

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**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.

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**GANGREY LIMITED**

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**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 2012 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 2012 and of its loss 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**

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**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, or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.



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

London

Date 12/9/12

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**GANGREY LIMITED**

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**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2012**

	<u>Note</u>	<u>2012</u> €	<u>2011</u> €
Interest receivable and similar income	2	387,529	807,387
Interest payable and similar expense	3	(386,827)	(805,938)
<b>NET INTEREST INCOME</b>		<b>702</b>	<b>1,449</b>
Administrative expenses (net of accrual releases)	15	(8,661)	16,990
<b>(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(7,959)</b>	<b>18,439</b>
Tax on (loss)/ profit on ordinary activities	5	(1,398)	-
<b>(LOSS)/ PROFIT FOR THE FINANCIAL YEAR</b>	12	<b>(9,357)</b>	<b>18,439</b>

All results derive from continuing operations

There are no recognised gains or losses other than the loss the the current and the profit for the prior financial year, and therefore no separate statement of recognised gains and losses has been presented

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)*

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**GANGREY LIMITED**

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**BALANCE SHEET****AS AT 31ST MARCH 2012**

	<u>Note</u>	<u>2012</u> €	<u>2011</u> €
<b>CURRENT ASSETS</b>			
Debtors	7	6,676	25,655
Cash at bank	8	<u>2,742,005</u>	<u>10,356,825</u>
		<u>2,748,681</u>	<u>10,382,480</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(2,736,616)</u>	<u>(7,640,009)</u>
<b>NET CURRENT ASSETS</b>		<u>12,065</u>	<u>2,742,471</u>
<b>CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	<u>-</u>	<u>(2,721,049)</u>
<b>NET ASSETS</b>		<u>12,065</u>	<u>21,422</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1	1
Profit and loss account	12	<u>12,064</u>	<u>21,421</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>	12	<u>12,065</u>	<u>21,422</u>

The financial statements were approved by the Board of Directors on the 11<sup>th</sup> day of September 2012 and were signed on its behalf by

Director ·



NEVILLE SCOTT

Company Number 4446151

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

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**GANGREY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2012****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 Company is a small company under the Companies Act 2006

**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 31 March 2012 was £1 = € 1.1998 (2011 = £1 = € 1.1316)

**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

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**GANGREY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2012**

<b>2</b>	<b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b><u>2012</u></b> <b>€</b>	<b><u>2011</u></b> <b>€</b>
	Deposit interest receivable from the ultimate controlling party (refer note 15)	<u><b>387,529</b></u>	<u><b>807,387</b></u>

<b>3</b>	<b>INTEREST PAYABLE AND SIMILAR EXPENSE</b>	<b><u>2012</u></b> <b>€</b>	<b><u>2011</u></b> <b>€</b>
	Loan interest payable to the ultimate controlling party (refer note 15)	<u><b>386,827</b></u>	<u><b>805,938</b></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 TAX ON (LOSS)/ PROFIT ON ORDINARY ACTIVITIES**

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

<b>a) Analysis of charge for the year</b>	<b><u>2012</u></b> <b>€</b>	<b><u>2011</u></b> <b>€</b>
Current year tax	-	-
Adjustments relating to prior year	<u><b>1,398</b></u>	<u>-</u>
Tax charge	<u><b>1,398</b></u>	<u>-</u>
<b>b) Factors affecting the tax charge for the year</b>		
(Loss)/ Profit on ordinary activities before tax	<u><b>(7,959)</b></u>	<u><b>18,439</b></u>
(Loss)/ Profit on ordinary activities multiplied by standard rate in the UK at 26% (2011 26%)	<u><b>(2,069)</b></u>	<u><b>4,794</b></u>
Effects of Tax losses carried forward/ (utilised)	<u><b>2,069</b></u>	<u><b>(4,794)</b></u>
Current tax for the year	<u><b>-</b></u>	<u><b>-</b></u>

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**GANGREY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2012****6 AUDITORS' REMUNERATION**

The auditors' remuneration is paid by Commerzbank AG. Audit fees in respect of the Company's financial statements were € 17,997 (2011: € 19,600). There are no non-audit fees.

**7 DEBTORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>2012</u> €	<u>2011</u> €
Interest receivable from the ultimate controlling party (refer note 15)	<u>6,676</u>	<u>25,655</u>

**8 CASH AT BANK**

	<u>2012</u> €	<u>2011</u> €
Commerzbank, ultimate controlling party (Euro Current account)	14,957	45,091
Commerzbank, ultimate controlling party (Euro Deposit accounts)	2,721,049	10,311,734
Commerzbank AG - Sterling current account*	5,999	-
	<u>2,742,005</u>	<u>10,356,825</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>2012</u> €	<u>2011</u> €
Commerzbank AG - Sterling current account*	-	16,888
Interest payable to ultimate controlling party*	6,664	25,609
Loans due to ultimate controlling party*	2,721,049	7,590,685
Accruals	7,505	6,827
Taxation	1,398	-
	<u>2,736,616</u>	<u>7,640,009</u>

**10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>2012</u> €	<u>2011</u> €
Loans due to ultimate controlling party*	-	2,721,049

\*Refer notes 13 and 15

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**GANGREY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2012****11 CALLED UP SHARE CAPITAL****ALLOTTED, ISSUED AND FULLY PAID**

	<u>2012</u> €	<u>2011</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>2012</u> €	<u>2011</u> €
At 1st April 2011	1	21,421	21,422	2,983
(Loss)/ Profit for the financial year	-	(9,357)	(9,357)	18,439
At 31st March 2012	<u>1</u>	<u>12,064</u>	<u>12,065</u>	<u>21,422</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 € 2,721,049 (2011 € 10,311,734).

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**GANGREY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2012****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 2012. The consolidated financial statements of Commerzbank AG are available from CommerzBank AG, Head Office, Kaiserplatz, 60621 Frankfurt am Main

**15. RELATED PARTIES**

Each of S A Scally and N D Scott 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. Administrative costs of €8,661 (2011: €8,015) were paid during the year.

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	€	€	€	€
Deposit interest receivable	6,676	25,655	387,529	807,387
Deposit interest payable	(6,664)	(25,609)	(386,827)	(805,938)
Collateral cash balance	2,736,006	10,356,825	-	-
Loans due on collateral balances	(2,721,049)	(10,311,734)	-	-
Sterling current account	5,999	(16,888)	-	-
Other liabilities*	-	-	-	-

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