

Company number: 4446151

**GANGREY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

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## **GANGREY LIMITED**

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### **REPORT OF THE DIRECTORS**

#### **FOR THE YEAR ENDED 31ST MARCH 2009**

The Directors submit herewith their report and audited financial statements for the year ended 31st March 2009.

#### **INCORPORATION**

The Company, Company No. 4446151, is incorporated in England and Wales.

#### **ACTIVITIES**

The purpose of the Company is to enter into certain refinancing transactions originated by Commerzbank (formerly Dresdner Bank AG, London branch), in connection with certain shipping vessels and is more fully described in note 11 to the financial statements. Over the year the performance of the Company was satisfactory and the Directors expect this to continue, subject to any unforeseen circumstances.

#### **DIVIDEND AND RESULTS**

The Company recorded a profit after taxation of € 3,684 (2008 loss: € 2,298).

The Directors do not recommend the payment of a dividend in respect of the current financial year (2008: € Nil).

#### **DIRECTORS**

The Directors of the Company as at year end, and subsequently were:-

V.M. Rapley	
S.A. Scally	(appointed 9th October 2009)
O.F.J. Pritchard	(resigned 9th October 2009)
I.D. O'Meara	(appointed 24th July 2008, resigned 2nd June 2009)
M.P. Wood	(resigned 24th July 2008)

#### **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 Maurant & Co. Capital Secretaries Limited.

#### **AUDITORS**

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

**GANGREY LIMITED**

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**REPORT OF THE DIRECTORS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2009****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 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

**MOURANT & CO. CAPITAL SECRETARIES LIMITED****Authorised Signatory**

Secretary

Dated : 27/01/2010

## **GANGREY LIMITED**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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).

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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 Company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of Gangrey Limited**

We have audited the financial statements of Gangrey Limited for the year ended 31st March 2009 which comprise the Balance Sheet, the Profit and Loss Account and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications of our report if we become aware of any apparent misstatements within it.

### **Basis of our audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

## **Independent auditors' report to the members of Gangrey Limited (continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*  
KPMG Audit Plc  
*Chartered Accountants*  
*Registered Auditor*  
*London*  
*Date: 27 January 2010*

## **GANGREY LIMITED**

### **BALANCE SHEET**

**AS AT 31ST MARCH 2009**

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>			
Debtors	5	63,223	102,208
Cash at bank (includes € 17,499,136 (2008: € 25,304,026) repayable after more than one year)	6	25,345,424	39,638,461
		<u>25,408,647</u>	<u>39,740,669</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	( 7,899,469)	( 14,430,285)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>17,509,178</u>	<u>25,310,384</u>
<b>CREDITORS: Amounts falling due after more than one year</b>			
Loan accounts	8	( 17,499,136)	( 25,304,026)
<b>TOTAL NET ASSETS</b>		<u>€ 10,042</u>	<u>€ 6,358</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account		<u>10,041</u>	<u>6,357</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>	10	<u>€ 10,042</u>	<u>€ 6,358</u>

The financial statements were approved by the Board of Directors on the 27 day of January 2010 and were signed on its behalf by:

Director :



Company No. 4446151

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

**GANGREY LIMITED**

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**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2009**

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
Interest receivable and similar income	2	1,898,385	2,647,936
Interest payable and similar expense	3	( 1,890,412)	( 2,643,135)
<b>NET INTEREST INCOME</b>		<u>7,973</u>	<u>4,801</u>
Administrative expenses		( 8,074)	( 10,085)
Gain on foreign exchange		<u>3,785</u>	<u>2,986</u>
<b>OPERATING PROFIT/(LOSS)</b>		<u>3,684</u>	<u>( 2,298)</u>
Tax on ordinary activities	12	-	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>	€	<u><u>3,684</u></u>	<u><u>€ ( 2,298)</u></u>

There are no recognised gains or losses other than the profit for the current and the loss for the prior year. There is no material difference between these results and their historical cost equivalents. The results for the current and prior year are derived from continuing operations.

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*(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 2009****BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards. The financial statements have been presented in Euro, which is the Company's functional currency.

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied commonly in dealing with items which are considered material in relation to the financial statements.

**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.

**Deposit interest receivable and loan interest payable**

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

**Related Party Transactions**

The Company's ultimate controlling party, Commerzbank, prepares consolidated financial statements, which are publicly available. Accordingly, advantage is taken in these financial statements of the exemptions available in FRS 8, 'Related Party Disclosures' for disclosure of transactions with entities that are part of the group or investees of group entities as related parties.

**Cash flow statement**

The Company has taken advantage of Financial Reporting Standard (FRS) 1 (revised) not to prepare a cash flow statement on the grounds that the ultimate controlling party, Commerzbank, prepares consolidated financial statements which are publicly available.

**Taxation**

Full provision is made in the profit and loss account for taxation in respect of all timing differences between the accounting and the tax treatment of income and expenses. The timing differences are recorded as deferred tax liabilities and assets, measured at expected future tax rates. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.

**Going concern**

At the year end the Company's principal asset was a deposit with Commerzbank held as a security to meet the Company's obligations, which are loans also with Commerzbank. The Directors consider that the company will be able to meet its obligations as they fall due, therefore the accounts are prepared on a going concern basis.

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**GANGREY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2009****2. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>2009</u>	<u>2008</u>
Deposit interest receivable from the ultimate controlling party	€ 1,898,385	€ 2,647,936

**3. INTEREST PAYABLE AND SIMILAR EXPENSE**

	<u>2009</u>	<u>2008</u>
Loan interest payable to the ultimate controlling party	€ 1,890,412	€ 2,643,135

**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 year.

**5. DEBTORS: Amounts falling due within one year**

	<u>2009</u>	<u>2008</u>
Interest receivable from the ultimate controlling party	63,223	101,954
Taxation receivable	-	254
	€ 63,223	€ 102,208

**6. CASH AT BANK**

	<u>2009</u>	<u>2008</u>
Commerzbank, ultimate controlling party (Euro Current account)	41,398	38,015
Commerzbank, ultimate controlling party (Euro Deposit accounts)	25,304,026	39,600,446
	€ 25,345,424	€ 39,638,461

The cash balances (Euro Deposit accounts) form the collateral which is equal on terms to the borrowings (refer to note 11).

**GANGREY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2009**

<b>7. CREDITORS: Amounts falling due within one year</b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Amount due to ultimate controlling party	22,877	17,689
Commerzbank AG - Sterling Current account	516	853
Accruals	8,074	8,890
Interest payable to ultimate controlling party	63,112	101,777
Sundry creditors - amount due to ultimate controlling party	-	4,656
Amount due to ultimate controlling party*	7,804,890	14,296,420
	<u>€ 7,899,469</u>	<u>€ 14,430,285</u>

<b>8. CREDITORS: Amounts falling due after more than one year</b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Amount due to ultimate controlling party*	<u>€ 17,499,136</u>	<u>€ 25,304,026</u>

\*The balances consist of seventeen loan accounts which are more fully described in note 11 below.

<b>9. CALLED UP SHARE CAPITAL</b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>AUTHORISED:</b>		
1,000 shares of £ 1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
<b>ISSUED AND FULLY PAID:</b>		
1 share of £ 1	<u>€ 1</u>	<u>€ 1</u>

**10. COMBINED RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS AND STATEMENT OF MOVEMENT IN RESERVES**

	<b>Issued Share Capital</b>	<b>Profit and loss account</b>	<b>Shareholder's funds total</b>	<b>Shareholder's funds total</b>
			<b><u>2009</u></b>	<b><u>2008</u></b>
At 1st April 2008	1	6,357	6,358	8,656
Profit/(loss) for the year	-	3,684	3,684	( 2,298)
At 31st March 2009	<u>€ 1</u>	<u>€ 10,041</u>	<u>€ 10,042</u>	<u>€ 6,358</u>

## **GANGREY LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

#### **FOR THE YEAR ENDED 31ST MARCH 2009**

#### **11. 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, a special purpose company assumed all the rights and obligations of the original borrowers in consideration for the original borrowers agreeing to assign and transfer the right and benefits to the cash collateral accounts.

On 2 July 2002, Commerzbank (formerly Dresdner Bank AG, London branch) and the Company entered into new novation agreements under the facility agreements to transfer the rights and obligations to Commerzbank and the Company respectively. The Company has opened seventeen 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 € 25,304,026 (2008: € 39,600,446).

The Company holds financial instruments as a result of its cash at bank and loan deposit. The main risks the Company is exposed to are credit risk, liquidity risk and market risk. The terms of the Euro Deposit Account and Euro Loan Account (€ 25,304,026) are exactly matched, that is maturity, currency, interest rate (except for the margin earned on the deposits) and counterparty is the same, therefore mitigates the Company's exposure to such risks.

The fair values of the Company's financial instruments are considered to approximate book value except for the Euro Deposit and Euro Loan account. However, as the interest rates on the loans and deposits are fixed until maturity, any fair value adjustments of the Company's loan and deposit account would be offsetting, therefore any possible adjustment is not considered significant.

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**GANGREY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31ST MARCH 2009****12. TAXATION**

	<u>2009</u>	<u>2008</u>
<b>a) Analysis of charge for the year</b>		
Current year tax (note 12b)	-	-
Tax credit	€ -	€ -
	<hr/>	<hr/>
<b>b) Factors affecting the tax charge for the year</b>		
Profit/(loss) on ordinary activities before tax	3,684	( 2,298)
(Tax payable)/Statutory rate tax credit in the UK of 28% (2008: 30%)	( 1,032)	689
Effects of:		
Utilisation of assessed loss	1,032	-
Assessed loss where no deferred tax asset recognised	-	( 689)
Current tax for the year (note 12a)	€ -	€ -
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The Company has tax losses where no deferred tax asset has been recognised of € 1,780 (€ 3,266).  
The UK corporate tax rate changed from 30% to 28% on 1 April 2008.

**13. AUDITORS' REMUNERATION**

The auditors' remuneration is paid by Commerzbank. Audit fees in respect of the Company's financial statements were € 16,734 (2008: € 19,437).

**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 Interpretation SIC - 12 Consolidation - Special Purpose Entities. In accordance with IFRS, Commerzbank would be regarded as the ultimate controlling party.

The ultimate controlling party changed from Allianz SE to Commerzbank during the year.

**15. RELATED PARTIES**

Each of V.M. Rapley, O.F.J. Pritchard, I.D. O'Meara, S.A. Scally and M.P. Wood is an employee of a subsidiary of Maurant Limited. Affiliates of Maurant Limited provide ongoing administrative services to the Company at commercial rates during the year of € 8,074 (2008: € 9,458).