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**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010  
FOR  
THE GREAT EASTERN SHIPPING CO LONDON LTD**

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**THE GREAT EASTERN SHIPPING CO LONDON LTD**

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FOR THE YEAR ENDED 31 MARCH 2010**

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**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2010**

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**DIRECTORS:**

B K Sheth  
M J Brace  
P B Kerr-Dineen

**SECRETARY:**

M J Brace

**REGISTERED OFFICE:**

The Galleries  
Charters Road  
Sunningdale  
Ascot  
Berkshire  
SL5 9QJ

**REGISTERED NUMBER:**

1877474 (England and Wales)

**AUDITORS:**

Davis Burton Sellek  
Chartered Accountants  
Registered Auditors  
The Galleries  
Charters Road  
Sunningdale  
Berkshire  
SL5 9QJ

**BANKERS:**

Bank of Baroda  
32 City Road  
London  
EC1Y 2BD

**BANKERS:**

Royal Bank of Scotland plc  
Shipping Business Centre  
5-10 Great Tower Street  
London  
EC3P 3HX

## **THE GREAT EASTERN SHIPPING CO LONDON LTD**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2010**

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The directors present their report with the financial statements of the company for the year ended 31 March 2010

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of shipping

#### **REVIEW OF BUSINESS**

The company's trading activities remained at a low level during the year

The investment in a container shipping enterprise has been written down to reflect current market values

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2010

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report

B K Sheth

M J Brace

P B Kerr-Dineen

#### **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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**AUDITORS**

The auditors, Davis Burton Sellek, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**

  
M J Brace - Secretary

Date 

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
THE GREAT EASTERN SHIPPING CO LONDON LTD**

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We have audited the financial statements of The Great Eastern Shipping Co London Ltd for the year ended 31 March 2010 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 Ethical Standards for Auditors.

**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 misstatement, whether caused by fraud or error. This includes an 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.

**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 2010 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 the Companies Act 2006.

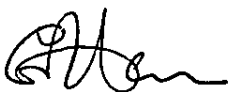
**Opinion on other matter prescribed by the Companies Act 2006**

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.

**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.



Geoffrey Atkinson BA FCA (Senior Statutory Auditor)  
for and on behalf of Davis Burton Sellek  
Chartered Accountants  
Registered Auditors  
The Galleries  
Charters Road  
Sunningdale  
Berkshire  
SL5 9QJ

Date 9th June 2010

**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 \$	2009 \$
<b>TURNOVER</b>		-	2,632,961
Cost of sales		-	<u>2,592,644</u>
<b>GROSS PROFIT</b>		-	40,317
Administrative expenses		<u>46,163</u>	<u>48,424</u>
<b>OPERATING LOSS</b>	3	(46,163)	(8,107)
Interest receivable and similar income		<u>24,192</u>	<u>125,667</u>
		(21,971)	117,560
Amounts written off investments	4	<u>2,014,856</u>	<u>5,475,570</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,036,827)	(5,358,010)
Tax on loss on ordinary activities	5	<u>(6,537)</u>	<u>30,311</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(2,030,290)</u>	<u>(5,388,321)</u>
<b>DEFICIT FOR THE YEAR</b>		(2,030,290)	(5,388,321)
Retained profit brought forward		<u>3,539,433</u>	<u>8,927,754</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>1,509,143</u>	<u>3,539,433</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

**THE GREAT EASTERN SHIPPING CO LONDON LTD**

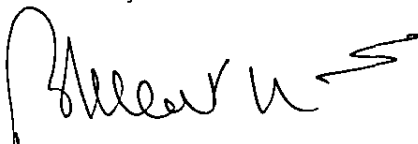
**BALANCE SHEET  
31 MARCH 2010**

	Notes	2010 \$	2009 \$
<b>FIXED ASSETS</b>			
Investments	6	-	1,488,025
<b>CURRENT ASSETS</b>			
Debtors	7	6,537	445
Cash at bank		<u>1,808,706</u>	<u>2,382,874</u>
		1,815,243	2,383,319
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>4,500</u>	<u>30,311</u>
<b>NET CURRENT ASSETS</b>		<u>1,810,743</u>	<u>2,353,008</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,810,743</u>	<u>3,841,033</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	301,600	301,600
Profit and loss account		<u>1,509,143</u>	<u>3,539,433</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u>1,810,743</u>	<u>3,841,033</u>

The financial statements were approved by the Board of Directors on its behalf by

28/5/2010

and were signed on

  
B K Sheth - Director

The notes form part of these financial statements



**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 \$	2009 \$
<b>Net cash outflow from operating activities</b>	1	(41,218)	(33,199)
<b>Returns on investments and servicing of finance</b>	2	24,192	125,667
<b>Taxation</b>		(30,311)	(116,450)
<b>Capital expenditure and financial investment</b>	2	<u>(526,831)</u>	<u>(5,357,155)</u>
<b>Decrease in cash in the period</b>		<u>(574,168)</u>	<u>(5,381,137)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Decrease in cash in the period		<u>(574,168)</u>	<u>(5,381,137)</u>
Change in net funds resulting from cash flows		<u>(574,168)</u>	<u>(5,381,137)</u>
<b>Movement in net funds in the period</b>		(574,168)	(5,381,137)
<b>Net funds at 1 April</b>		<u>2,382,874</u>	<u>7,764,011</u>
<b>Net funds at 31 March</b>		<u>1,808,706</u>	<u>2,382,874</u>

The notes form part of these financial statements

**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2010**

**1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2010	2009
	\$	\$
Operating loss	(46,163)	(8,107)
Decrease in debtors	445	10,474
Increase/(Decrease) in creditors	<u>4,500</u>	<u>(35,566)</u>
<b>Net cash outflow from operating activities</b>	<b><u>(41,218)</u></b>	<b><u>(33,199)</u></b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2010	2009
	\$	\$
<b>Returns on investments and servicing of finance</b>		
Interest received	27,958	120,189
Foreign exchange gains/(losses)	<u>(3,766)</u>	<u>5,478</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>24,192</u></b>	<b><u>125,667</u></b>
 <b>Capital expenditure and financial investment</b>		
Purchase of fixed asset investments	<u>(526,831)</u>	<u>(5,357,155)</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>(526,831)</u></b>	<b><u>(5,357,155)</u></b>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 4 09	Cash flow	At
	\$	\$	31 3 10
			\$
Net cash			
Cash at bank	<u>2,382,874</u>	<u>(574,168)</u>	<u>1,808,706</u>
	<u>2,382,874</u>	<u>(574,168)</u>	<u>1,808,706</u>
 Total	<b><u>2,382,874</u></b>	<b><u>(574,168)</u></b>	<b><u>1,808,706</u></b>

The notes form part of these financial statements

**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**1 ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

Turnover represents revenue receivable from ship operators under charters

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Foreign currencies**

The financial statements are stated in U S dollars

Assets and liabilities denominated in other currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Income and expenditure transactions in other currencies are translated into dollars at the average rate for the year. Exchange differences are taken to the profit and loss account for the year

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**2 STAFF COSTS**

There were no staff costs for the year ended 31 March 2010 nor for the year ended 31 March 2009

The average monthly number of employees during the year was as follows

	2010	2009
Directors	<u>3</u>	<u>3</u>

**3 OPERATING LOSS**

The operating loss is stated after charging

	2010	2009
	\$	\$
Other operating leases	2,755	3,325
Auditors' remuneration	4,500	5,000
Non-audit tax and consultancy fees	<u>14,014</u>	<u>13,598</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**4 AMOUNTS WRITTEN OFF INVESTMENTS**

	2010	2009
	\$	\$
Container shipping investment	<u>2,014,856</u>	<u>5,475,570</u>

**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2010**

**5 TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2010	2009
	\$	\$
Current tax		
UK corporation tax	<u>(6,537)</u>	<u>30,311</u>
Tax on loss on ordinary activities	<u>(6,537)</u>	<u>30,311</u>

**Factors affecting the tax (credit)/charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2010	2009
	\$	\$
Loss on ordinary activities before tax	<u>(2,036,827)</u>	<u>(5,358,010)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(570,312)	(1,500,243)
Effects of Impairment charges not eligible for current tax relief	564,160	1,533,160
Small companies marginal rate relief	<u>(385)</u>	<u>(2,606)</u>
Current tax (credit)/charge	<u>(6,537)</u>	<u>30,311</u>

**6 FIXED ASSET INVESTMENTS**

	Unlisted investments \$
<b>COST</b>	
At 1 April 2009	1,488,025
Additions	526,831
Impairments	<u>(2,014,856)</u>
At 31 March 2010	-
<b>NET BOOK VALUE</b>	
At 31 March 2010	<u>-</u>
At 31 March 2009	<u>1,488,025</u>

**7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	\$	\$
Corporation tax	6,537	-
VAT	<u>-</u>	<u>445</u>
	<u>6,537</u>	<u>445</u>

**THE GREAT EASTERN SHIPPING CO LONDON LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2010**

**8 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	\$	\$
Corporation tax	-	30,311
Accrued expenses	<u>4,500</u>	<u>-</u>
	<u>4,500</u>	<u>30,311</u>

**9 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	\$	\$
16,000	Ordinary	£10	<u>301,600</u>	<u>301,600</u>

**10 ULTIMATE PARENT COMPANY**

The ultimate parent company is The Great Eastern Shipping Company Ltd, a company incorporated in India

**11 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 March 2010

**12 CAPITAL COMMITMENTS**

	2010	2009
	\$	\$
Contracted but not provided for in the financial statements	<u>509,574</u>	<u>1,036,430</u>

The company has undertaken to invest up to \$8 million in total in a container shipping enterprise as a long term equity investment

**13 RELATED PARTY DISCLOSURES**

There were no financial transactions with related parties during the year other than transactions with entities forming part of the Great Eastern Shipping Group Group financial statements in which those entities are included are publicly available

**14 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is The Great Eastern Shipping Company Ltd

**15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010	2009
	\$	\$
Loss for the financial year	<u>(2,030,290)</u>	<u>(5,388,321)</u>
<b>Net reduction of shareholders' funds</b>	<b>(2,030,290)</b>	<b>(5,388,321)</b>
Opening shareholders' funds	<u>3,841,033</u>	<u>9,229,354</u>
<b>Closing shareholders' funds</b>	<b><u>1,810,743</u></b>	<b><u>3,841,033</u></b>