

Company Registration No. 05479493 (England and Wales)

COMPAGNIE DES GARANTIES LIMITED
DIRECTOR'S REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009

COMPAGNIE DES GARANTIES LIMITED

COMPANY INFORMATION

Director	C S Mottola
Company number	05479493
Registered office	30 City Road London EC1Y 2AB
Accountants	Arram Berlyn Gardner 30 City Road London EC1Y 2AB

COMPAGNIE DES GARANTIES LIMITED

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COMPAGNIE DES GARANTIES LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 30 JUNE 2009

The director presents his report and financial statements for the period ended 30 June 2009.

Principal activities

The principal activity of the company is that of providing insurance services. The results for the financial position at the period end were considered satisfactory by the directors.

Directors

The following directors have held office since 1 January 2008:

C S Mottola

Cauzioni S.A. Limited

(Resigned 31 March 2009)

Statement of director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

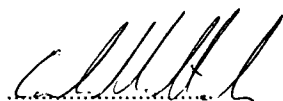
Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



C S Mottola

Director

20/5/10

COMPAGNIE DES GARANTIES LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF COMPAGNIE DES GARANTIES LIMITED

In accordance with the engagement letter dated 25 February 2008, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Compagnie Des Garanties Limited for the period ended 30 June 2009, set out on pages 3 to 11 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

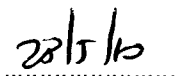
You have acknowledged on the balance sheet as at 30 June 2009 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Arram Berlyn Gardner

Accountants


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30 City Road
London
EC1Y 2AB

COMPAGNIE DES GARANTIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2009

		Period ended 30 June 2009 £	31 December 2007 £
	Notes		
Turnover		3,694,688	821,016
Cost of sales		(4,672,734)	(1,084,059)
Gross loss		(978,046)	(263,043)
Administrative expenses		(201,487)	(127,302)
Operating loss	2	(1,179,533)	(390,345)
Exceptional costs		(3,491,405)	-
		(3,491,405)	-
Loss on ordinary activities before interest		(4,670,938)	(390,345)
Other interest receivable and similar income	3	9,409	54
Loss on ordinary activities before taxation		(4,661,529)	(390,291)
Tax on loss on ordinary activities		(31,068)	(14,757)
Loss for the period	8	(4,692,597)	(405,048)

COMPAGNIE DES GARANTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 30 JUNE 2009

	Notes	Period ended 30 June 2009 £	31 December 2007 £
Loss for the financial period		(4,692,597)	(405,048)
Currency translation differences on foreign currency net investments		-	1,533,134
Total recognised gains and losses relating to the period		<u>(4,692,597)</u>	<u>1,128,086</u>

COMPAGNIE DES GARANTIES LIMITED

BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	2009 £	£	2007 £	£
Fixed assets					
Investments	4		1	17,894,039	
Current assets					
Debtors	5	612,744		6,142	
Cash at bank and in hand		1,510,917		661,877	
		<u>2,123,661</u>		<u>668,019</u>	
Creditors: amounts falling due within one year	6	<u>(3,684,953)</u>		<u>(1,028,119)</u>	
Net current liabilities			<u>(1,561,292)</u>		<u>(360,100)</u>
Total assets less current liabilities			<u>(1,561,291)</u>		<u>17,533,939</u>
Capital and reserves					
Called up share capital	7	2,271,357		16,673,990	
Profit and loss account	8	<u>(3,832,648)</u>		<u>859,949</u>	
Shareholders' funds			<u>(1,561,291)</u>		<u>17,533,939</u>

COMPAGNIE DES GARANTIES LIMITED

BALANCE SHEET (CONTINUED)

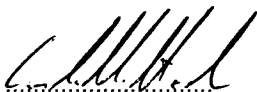
AS AT 30 JUNE 2009

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 21/05/2010



C S Mottola
Director

Company Registration No. 05479493

COMPAGNIE DES GARANTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

At the balance sheet date, the company had net liabilities totalling £1,562,085 (2007: Net assets of £17,533,939). The company is dependent on the outcome of the payment on claims which have been provided for at the year end. The director has confirmed his support to the company in the event of any unforeseeable events.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services. Income is recognised when the contracts are signed, which is a point when the company starts provision of insurance in accordance with a policy agreed.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.6 Claims provision

Claims provision is based on the amounts settled in the year or estimated cost to settle the claim at the balance sheet date in respect of policies raised pre year end date.

It also includes a general provision based on estimates of the ultimate cost of reported and unreported claims.

The general provisions are included in the accounts at the best and reasonable estimates of the director's projections.

COMPAGNIE DES GARANTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2009

2	Operating loss	2009	2007
		£	£
	Operating loss is stated after charging:		
	Auditors' remuneration	-	21,717
	Compensation for loss of office paid to directors	663	-
		<u>663</u>	<u>-</u>

During the period the company had exceptional costs of £3,491,405 in the profit and loss account in respect of the following activities:

A provision was made against the value of the investment held in the group company Gryphon Real Estate Corporation based on the amounts recoverable. The effect of this was a loss of £17,894,038 to the profit and loss account.

The company reduced its issue share capital from 242,840 of €100 each to 26,703 shares of €100 each. The effect of the transaction was a credit of £14,402,633 to the profit and loss account.

3	Investment income	2009	2007
		£	£
	Bank interest	6,638	-
	Other interest	2,771	54
		<u>9,409</u>	<u>54</u>

COMPAGNIE DES GARANTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2009

4 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2008 & at 30 June 2009	17,894,039
Provisions for diminution in value	
At 1 January 2008	-
Charge for the period	17,894,038
At 30 June 2009	17,894,038
Net book value	
At 30 June 2009	1
At 31 December 2007	17,894,039

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Gryphon Real Estate Corporation	USA	Ordinary shares	48.57

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2009 £	Profit/(loss) for the year 2009 £
	Principal activity		
Gryphon Real Estate Corporation	Dormant	17,894,039	-

On the 1 January 2008 director C S Mottola considered the investment in Gryphon Real Estate Corporation was not fully recoverable and took a decision to write the balance to its recoverable amount.

COMPAGNIE DES GARANTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2009

5 Debtors	2009 £	2007 £
Trade debtors	51,537	6,142
Other debtors	561,207	-
	<u>612,744</u>	<u>6,142</u>

6 Creditors: amounts falling due within one year	2009 £	2007 £
Trade creditors	1,664,908	292,326
Taxation and social security	11,961	19,605
Other creditors	2,008,084	716,188
	<u>3,684,953</u>	<u>1,028,119</u>

7 Share capital	2009 £	2007 £
Allotted, called up and fully paid		
26,703 Ordinary shares of £85.06 each	<u>2,271,357</u>	<u>16,673,990</u>

At 30 June 2009 the company reduced its ordinary share capital from 242,840 shares of 100 Euros to 26,703 shares of 100 Euros each. The reduction of the share capital was achieved by way of written resolutions by the members of the company on the 30 June 2009.

8 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 January 2008	859,949
Loss for the period	<u>(4,692,597)</u>
Balance at 30 June 2009	<u>(3,832,648)</u>

COMPAGNIE DES GARANTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2009

9 Transactions with directors

At the year end the director, C S Mottola owed the company £11,956 (2007: £60,116 the company owed to C S Mottola). Interest of £1,002 was charged on the overdrawn account at the beneficial rate of 6.10%.

10 Control

The ultimate controlling party is C S Mottola.

11 Related party transactions

During the year, administration fees of £12,215 (2007: £8,921) were charged by Cauzioni S.A. Limited, a company in which C S Mottola is a director.

Amounts due from Cauzioni S.A. Limited at 30 June 2009 were £103,299 (2007: amounts due to Cauzioni S.A. Limited were £10,437).

During the year the company paid insurance costs of £401,529 (2007: £255,396) to Aedes Insurance Limited, a company which is under the control of the Aedes Trust. the director, C S Mottola is the sole beneficiary of the Aedes Trust.

COMPAGNIE DES GARANTIES LIMITED
MANAGEMENT INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2009

COMPAGNIE DES GARANTIES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2009

	Period ended 30 June 2009	31 December 2007
	£	£
Turnover		
Premiums	3,694,688	821,016
Cost of sales		
Insurance	401,529	255,396
Claims	2,986,915	500,511
Commissions payable	1,284,290	328,152
	<u>(4,672,734)</u>	<u>(1,084,059)</u>
Gross loss	(978,046)	(263,043)
Administrative expenses	<u>(201,487)</u>	<u>(127,302)</u>
Operating loss	(1,179,533)	(390,345)
Exceptional costs	(3,491,405)	-
	(3,491,405)	-
Other interest receivable and similar income		
Bank interest received	6,638	-
Other interest received	2,771	54
	<u>9,409</u>	<u>54</u>
Loss before taxation	<u>(4,661,529)</u>	<u>(390,291)</u>

COMPAGNIE DES GARANTIES LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE PERIOD ENDED 30 JUNE 2009

	Period ended 30 June 2009 £	31 December 2007 £
Administrative expenses		
Wages and salaries (excl. N.I.)	44,104	23,135
Use of home as office	663	-
Administration fees	12,215	8,921
Printing, postage and stationery	115	622
Marketing	-	11,046
Telephone	-	206
Computer expenses	663	275
Motor running expenses	4,820	-
Travelling and subsistence	16,271	4,028
Entertaining	460	292
Legal and professional fees	27,622	40,430
Consultancy fees	20,011	51,700
Accountancy	19,420	122
Audit fees	-	21,717
Bank charges	3,743	1,439
Bad and doubtful debts	25,412	-
Profit on foreign currency	24,498	(36,402)
Sundry expenses	1,470	(229)
	<hr/>	<hr/>
	201,487	127,302
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