

Lloyd's Register today

Newsletter for pensioners



Celebrating 250 years of service and quality around the world

Since 1760, Lloyd's Register has worked to enhance the safety of life, property and the environment, at sea, on land and in the air, helping its clients to ensure safe, responsible and sustainable supply chains.

In 2010, we celebrate 250 years of independent assurance. In that time the organisation has seen remarkable technological developments, including the advent of steam propulsion, computers, nuclear power and gigantic assets, and has itself undergone a dramatic expansion.

Colleagues are being encouraged to look to the future throughout 2010 and to give something back to their local communities with a special commemorative campaign. The LR250 initiative gives everyone in the organisation the opportunity to work on a project that will benefit their local community, and will run throughout 2010.

Visit the LR250 website, www.lr250.org, to read more about the campaign. A special history book has also been commissioned to commemorate the anniversary and celebrations will take place throughout the year in various locations.

The anniversary will be the theme of this year's Pensioners' Reunion Lunch, at The Brewery, Chiswell Street, London on Monday May 10, 2010.

The lunch will feature a display of historical items, charting the last 250 years. If you have any items or photographs that you would like to be included in the exhibition, contact the Group Pensions Department on 020 7423 1818 or at group.pensions@lr.org. Invitations to the lunch will be sent out early next year.

In this issue

In this edition of **Lloyd's Register today**, Richard Sadler, CEO, describes how Lloyd's Register's strategy has enabled the organisation to cope in turbulent times, and the Group's priorities as it approaches its 250th year.

Neil Dunford, Chairman of the Board of the Trustee, reports on the Lloyd's Register Superannuation Fund, in advance of the Scheme's actuarial review in March 2010.

We also say goodbye to a valued member of the Group Pensions team and prepare to celebrate Lloyd's Register's 250th anniversary.

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**Lloyd's
Register**

LIFE MATTERS



Our strategy sees us well placed in testing times.

Nobody could have imagined the changes that were going to occur in the world over the past year. Not only have we had a financial crisis, we have ongoing energy, environmental, security and food crises. Our clients have needed our support more than ever to see them through these turbulent times, and our charitable objectives draw us into contact with these issues on a daily basis - either directly or indirectly.

Our mission, 249 years on from our formation, is squarely at the heart of these global issues and we believe we have a vital part to play in supporting our clients to cope with continuing economic pressures. Safety, quality and education remain at the heart of everything we do. The world is no longer focused on economic growth at any cost, it has changed. Our clients face a global shortage of credit and increasing demands for transparency, environmental stewardship, corporate responsibility and sustainable operations. Our obligation is to support our clients in meeting these demands with intelligent and balanced advice to help them build truly sustainable businesses.

In the current business environment we recognise that we must continue our focus on exceeding our clients' expectations, while maintaining the highest levels of technical integrity. One of the ways the Group is driving client focus is through our key account management programme, designed to provide clients with globally integrated service and support.

A number of key business transformation projects have also been implemented through the business assurance

programme. We have achieved some significant improvements in the efficiency and effectiveness of our operating processes in the past year, and remain focused on consistently delivering hassle-free service to our clients. We have also invested in ensuring that we have the right people in the right place at the right time, to provide our clients with a high degree of confidence in our employees.

Our priorities as a Group for the coming year will be to satisfy our charitable objectives through:

- putting safety, education, quality and technology at the heart of everything we do; we will be doing more in the year ahead to build Lloyd's Register's reputation as a world-leading safety culture
- listening to our clients to ensure we deliver superior value and excellent service while working to share our knowledge and expertise more widely
- delivering and implementing improved critical operating processes for greater efficiency and effectiveness, with continued vigilance on cost control in uncertain market conditions.

I am very pleased to report that Group income in 2009 rose by a very healthy 38% to £820 million due in large part to favourable exchange rate movements year on year. Although we have seen positive results, we recognise that our strong financial performance this year should be seen in the context of three significantly more challenging years ahead and the Group-wide cost reduction work already begun. This has added to our performance in the reported period and puts us in good stead for the challenge ahead.

In 2010, we will be celebrating our 250th anniversary with a number of events and special programmes. This is not just a celebration of Lloyd's Register, but also a celebration of 250 years of independence, integrity and assurance. It is important to remind ourselves that organisations do not last this long without constantly innovating and adapting to market conditions. As we anticipate continuing business and economic challenges in the coming year I'm reminded that Lloyd's Register has faced many difficult periods throughout its history, and we are well placed to remain at the forefront in delivering our constitutional objectives whilst preserving the values that continue to keep us strong.

Richard Sadler CEO



Neil Dunford, Chairman of the Board of the Trustee, reports on the current status of the Lloyd's Register Superannuation Fund.

The year to March 31, 2009 was a very challenging one for pension funds. In general, their assets fell sharply as a result of the stockmarket setback, while the actuarial valuations of their liabilities rose. The Lloyd's Register Superannuation Fund Association was no exception. The investment performance of the Fund over the year was disappointing, both in absolute terms and relative to actuarial liabilities.

In view of the continuing uncertain economic and market conditions, the Board took steps after the year end to protect the Fund to a greater extent from adverse movements in equity markets. Fortunately, both equity and credit markets have recovered somewhat, though the economic and market outlook remains far from clear.

In common with the vast majority of UK pension funds, there is an actuarial deficit in the Scheme. This means that the current value of the assets falls short of the present value of the amount which the actuary has calculated would be necessary to pay out over time. In these circumstances the financial strength of our sponsor (Lloyd's Register and all adhered companies) is of critical importance to the Scheme because it is ultimately the sponsor which guarantees that pensions will be paid. The Board of the Trustee regularly reviews this, and is confident of the ability of the sponsor to meet these obligations.

A full actuarial review of the Scheme will be taking place on March 31, 2010 and, when the results of this are known, the Board and sponsor will discuss the mechanism and timescale by which any actuarial deficit will be made good.

Any member who has any questions about the Scheme can always raise them through the Group Pensions Department or the Member Nominated Trustees. Contact details are published on the back page.

Neil Dunford is a Chartered Accountant, with a long career in fund management, principally UK pension funds. Before retiring in 2002, he was Executive Chairman of Morgan Grenfell (subsequently Deutsche) Asset Management, where he managed part of Lloyd's Register's funds. He now has several pension fund advisory roles, including Lincolnshire County Council and National Grid, and is a Director of the F&C Capital & Income Investment Trust and of Richemont Pension Trustees, where he chairs the Investment Committee. He has been on the Lloyd's Register Investment Committee since 2002.



Farewell to Mohan



Mohan Sharma retires at the end of the year, after twelve successful years within the pensions department.

He arrived in London from Kenya, aged twenty-two, via India, where he studied economics. He had come with visions of grand architecture and green countryside so the sights of inner London came as something of a shock. Once settled in the UK, he

had a number of different jobs from teaching to knocking on doors for the water board.

Mohan has been working in the pensions department since 1997, where he has become a father figure and is universally liked throughout the company. In this time he has helped the department to grow and flourish.

During his retirement, Mohan plans to travel to the parts of the world he has yet to visit, such as Vietnam. He says: "I will miss the people at Lloyd's Register, they treat me like a fountain of knowledge."

His colleagues will all be extremely sad to see him go. Nicola Emery commented: "He is a fantastic manager who knows how to resolve any situation with his cool and calm manner."

Greg Jones added: "There is not a day goes by when I do not learn something new from Mohan; from Pensions knowledge to being a member of the Indian Army or growing up in Kenya. He will be missed by everyone he works with."

Steve Tancred said: "He has always managed to bring a smile to my face with his approach to life and his unflappable manner. He has been a lynchpin of the department and I have found his support and friendship to be incalculable."

"Mohan will be difficult to replace", said Trevor Sparrow. "He has been a hard working, knowledgeable and skilful member of the pension's team.

"Mohan has been at the centre of our work to modernise our systems and to train new members of the team. We all wish him the very best for his retirement."



LRET has global impact

The independent charity, the Lloyd's Register Educational Trust (LRET) celebrated its fifth anniversary this year.

The LRET has become an important force around the globe, supporting advances in transportation, science, engineering and technology education, training and research worldwide for the benefit of all. To date, it has awarded more than £10 million in grants, and has committed another £13 million over the next five years.

In the last 12 months, it has provided new funding for:

- Pre-university education sector: Engineering and Technology Board, UK; Future Engineers, UK; Learning Grid, UK; Mary Rose Trust, UK; Royal Observatory, UK; Smallpeice Trust, UK; Young Engineers, England; Young Engineers and Science Clubs, Scotland.
- University education: Dalian Harbin, China; Dalian Maritime, China; Dalian University of Technology, China; Huazhong University of Science and Technology, China; Jiangsu University of Science and Technology, China; Shanghai Jiao Tong University, China; Shanghai Maritime University, China; Wuhan University of Technology, China; Nautical Institute, UK; SNAME, USA; Tolani Maritime Institute, India; Webb Institute, USA.
- Vocational development and professional development: Foundation for Science and Technology, UK; International Ocean Institute, Canada; Maritime London Officer Cadet Programme, UK; Railway Industry Association, UK.
- Research: National Technical University of Athens, Greece; University of Aberdeen, Scotland; University of Western Australia, Australia.



Pictured: Participants of LRET Engineering Experience earlier this year

The Pensioners' website

The Pensioners' website is exclusively for Lloyd's Register Pensioners and is maintained by the Group Pensions Department.

The site is full of information and interactive tools which allow members to add pictures and hold discussions, including:

- News - interesting news articles in chronological order
- What's happening - the latest news from Lloyd's Register
- Interact - a place to add your own

content, news and pictures, and share information with others

- Obituaries - biographies listed in alphabetical order
- Historical interest - articles of historical interest
- Useful links - links to websites of organisations and other institutions.

If you would like access to the site, email the team at group.pensions@lr.org for your individual user ID, which will be your pension number, and password.

How to use the site

Go to:
<http://pensioners.lr.org>

Enter your pension number (user ID) and password in the login box

Click the Register button at the bottom of the form

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If you require a copy of this newsletter in large print, please contact Mary Blake.

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Your comments please...

Please send your feedback on this newsletter to Group Communications by email, internal-comms@lr.org, or by post to the address below.

Lloyd's Register

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