

# Lloyd's Register today

Newsletter for pensioners



## 2011 - Another successful year

**Our continuing success is a testament to the exceptional dedication of our management and employees, strong client relationships, prudent cost control and efficiency gains, and diversification into new markets and sectors.**

The underlying profitability of our business gives us the ability to add more value to society; through the high-value services we provide in assuring that assets and processes are safe, responsible and sustainable; through freely giving our intellectual property and experience to regulatory, research, industry and government bodies to promote safer conditions for society and better-performing assets and systems; and finally through direct funding of The Lloyd's Register Educational Trust (The LRET). Put simply, more income and profit means greater contribution to society, and we have forged ever greater alignment with The LRET which is building a global network of support for research institutions, in addition to its educational programmes.

This year, more than any, our business has reflected the global socio-political challenges that society faces. We welcome the public and political debate following the Macondo and Fukushima incidents, where risk and safety issues are now at the forefront of discussions surrounding the future energy mix. However, we are also cautious of increasing political pressure and influence from nation states,

and will continue to support a global approach to global challenges through established institutions such as the International Maritime Organization (IMO).

With large quantities of new tonnage delivering into the market and with demand sluggish for most ship types, the balance between supply and demand continued to worsen through this financial year. But against this backdrop, Lloyd's Register won a significant share of what at times was a surprisingly high level of new construction projects. The role of marine classification remains vital in supporting the shipping industry as shipbuilders, shipowners and regulators seek support, advice and technical expertise in developing safe solutions to the operational and technical challenges facing shipping.

The Group technology centres in Southampton and Singapore will bring us closer to academia, government and significant maritime clusters to support innovation in meeting these industry challenges.

During the year we took every opportunity to reinforce our position in the energy industry. Our country teams across Asia established a very strong business in inspection and verification services, particularly in the Sino-India power trade. The upstream industry continues to face significant challenges as it moves into increasingly difficult environments.

### In this issue

In this edition of **Lloyd's Register today**, Richard Sadler, CEO, commends our successful year considering the bleak economic outlook that we faced in 2010.

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

We also give details of the changes within the Group Pensions department and take a look at the 2011 Pensioners' Lunch.

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We have been active in the wake of the Macondo incident in providing advice on regulatory systems to help improve safety, and helping clients meet the requirements of the new regulatory regime.

We have experienced growth in new construction and conversion projects for floating offshore installation (FOI), particularly the conversion of existing tankers to FLNG, FPSO and FSO.

Lloyd's Register has committed to becoming a dominant player in the sector, with an investment programme under way combining resources from the Marine and Energy business streams. Despite the post-Fukushima energy debate, we have seen continued demand for our traditional inspection and certification services, as well as our risk-based consulting activities, in the nuclear sector.

Following a restructure in 2010 the Transportation business focused on providing two main service offers – independent assurance and expert advice – for the rail sectors situated within the core markets of Europe, the Middle East and Asia. The first full year of this streamlined model has seen the business make significant progress, reporting an increase of more than 20% on the previous year on a like-for-like basis. Asia has seen the most dramatic growth, with significant contract wins in Taiwan, South Korea and China.

ISO 9001 remains as one of the key foundation stones within our portfolio and has enjoyed continued growth during the period. LRQA has also seen steady growth in the demand from existing and new clients alike for integrated management systems with specific strong performance from ISO 14001, OHSAS 18001 and food safety, including FSSC 22000 and ISO 22000.

To help our businesses in their growth ambition through improved services to existing and new clients, we have continued to invest in the Group support services to ensure sound governance, economy of scale advantages and professional advice to the sector businesses. New programmes have been developed by the Group functions of finance, HR, business assurance, communications, IS, corporate development, legal, procurement, corporate secretaries and our sales effectiveness programme.

The key themes to our Group strategy are 'driving external focus', primarily led by the businesses, 'right people, right place, right time', mainly led by the HR function, and 'step change in efficiency and effectiveness' which is a combination of effective processes and systems delivered through our regional structures, under the leadership of our new Chief Operating Officer, Richard Petrie. The success of this strategy results in growing our value to society which, in one measure, is proved by our profitability as controlled by the finance function.

The end of the year is a good time to reflect on the growth of our business and also on our employees' dedication and continuing belief in 'doing something that matters', as we all work together to help make the world a safer place.

**Richard Sadler**  
Chief Executive Officer

## The Pensioners' website...

**has been created exclusively for Lloyd's Register pensioners and is maintained by the Group Pensions Department.**

If you would like access to the site please email the Group Pensions Department at [group.pensions@lr.org](mailto:group.pensions@lr.org). You will then be issued with an individual user ID and password to log on to the site.

### How do I log on?

**Step 1:** Go to: <http://pensioners.lr.org>

**Step 2:** In the login box enter your pension number (User ID) and password.

**Step 3:** Click the 'Register' button at the bottom of the form.

### Areas on the Site

**News:** Lists articles relevant to pensioners. The latest news articles are displayed at the top of the page.

**What's Happening:** All the news from internal Lloyd's Register.

**Obituaries:** Displayed in chronological order. The date of the obituary is displayed along with the name of the deceased. Selecting the name of the deceased will display a page with more information about the obituary.

**Historical Interest:** Articles about historical issues.

**Interact:** The interact section allows you to add your own content, news, pictures and share information with other pensioners.

**Useful Links:** Links to websites of organisations and other institutions you may find useful.

## Neil Dunford, Chairman of the Board of the Trustee, reports on the current status of the Lloyd's Register Superannuation Fund Association (LRSFA)



**2011 has been another challenging year for the LRSFA. The world economy is in turmoil and there is an ongoing European financial crisis, both of which are affecting funding levels.**

The Fund is weathering what is sometimes described as a 'perfect storm' with assets declining and liabilities increasing. Fortunately the LRSFA has a broad balance of assets and the Trustees continue to

develop investment strategies with the aim of continuing to see the Fund grow, all the while reducing risks

The recent actuarial valuation of the LRSFA indicated that liabilities exceeded assets by £129m. The Trustee and the employer have developed and implemented a recovery plan to extinguish this shortfall and it is comforting to know that the importance of safeguarding benefits receives a high

level of support from Lloyd's Register. In this respect £100 million of Lloyd's Register assets have been put into an escrow account, which gives the LRSFA significant security, should the assumptions in the recovery plan not be achieved. In addition, Lloyd's Register has a very strong balance sheet which affords additional protection to the Fund.

## All Change in Group Pensions

**Whilst the composition of the team has been relatively stable over the last couple of years, this year saw some changes. At the beginning of 2011 Trevor Sparrow left Lloyd's Register and was replaced on an interim basis by Steve Tancred. Steve successfully led the department for six months until the appointment of Martin Bowles as the new Group Pensions Manager in July. Martin, formerly the Pensions Manager of Man Group plc, has 27 years pension experience.**

Rory Hedman also left the team and was replaced on an interim basis by psychology graduate Brian Baker, who joined in March and acts as our Pensions Administration Co-ordinator. Steve Tancred has also changed roles and was recently promoted to UK Pensions Manager reporting to Martin. Mary Blake continues to act up into a Pensions Practitioner role.

Whilst Group Pensions received the highest rating in a recent internal audit for their work around the UK pension scheme, Martin is determined to bring all areas of our activity up to the same level. Therefore the next few months will see more team resources being diverted to support our overseas schemes. Martin's objective is to improve scheme governance and general communication with scheme beneficiaries.

As a team we look forward to the challenges that this will bring and we all expect to be extremely busy!



**(left to right) Nicola Emery, Martin Bowles, Esther Collins, Steve Tancred, Mary Blake, Brian Baker, Jaqueline Wallace, Greg Jones, Claire Dowden**

# The Pensioners' Lunch 2011

This year's Pensioners' Lunch was as successful as ever, with just under 400 pensioners in attendance. Pensioners enjoyed another exquisite meal at the usual venue of The Brewery in London, dining amongst old friends and acquaintances.

This year's speech was given by CEO Richard Sadler. He commented on the 250th anniversary celebrations and the commemorative book which pensioners received this year.

He also spoke about the continued growth and strength of the business and reported on the increasing turnover which is expected to pave the way to a successful 2012.



Please note that the lunch has been confirmed as a biennial event and we look forward to seeing you again in 2013.

## LARGE PRINT AVAILABLE

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](mailto:internal-comms@lr.org), or by post to the address below.

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