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Classification and Quality Services Ltd
Report and accounts
June 30, 2004



CLASSIFICATION AND QUALITY SERVICES LTD
Report and Accounts, 30 June 2004

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CLASSIFICATION AND QUALITY SERVICES

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Report of the Directors

The un-audited balance sheet and profit and loss account for the year ended 30th June 2004 are submitted.

Principal Activities

Classification and Quality Services Ltd is a holding company. Engineering and inspection is the principal activity for both the subsidiary and the associate undertaking.

Results and dividends

The loss for the year, after taxation, amounted to £70,422.

The company has undertaken to make a charitable donation of £196,768 to its parent undertaking, Lloyd's Register (formerly Lloyd's Register of Shipping), for the year ended 30th June 2004.

Future developments

The directors do not foresee any material change in the business or trading results.

Members

Classification and Quality Services Ltd is part of the world wide Lloyd's Register group.

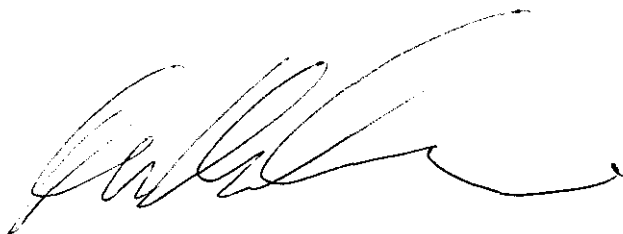
Board of Directors

The directors of the company during the year are: Keith Povey (appointed 1st July 2001)
Michael Kayser (appointed 2nd April 2004)
Robert Biddle (resigned 31st December 2003)

According to the register maintained as required under the Companies Act 1985 the directors did not have any interest in the shares of the company, its holding company or of any fellow subsidiary during the year.

Special Resoulution

A special resolution has been passed to exempt the company from the obligation to appoint auditors



By order of the board

Michelle Mullins, Company Secretary

Date: 21st March 2005

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PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 JUNE 2004

	Note	2004 £	2003 £
Administration Expenses		(4,502)	(29)
Income from Investment		135,548	-
Interest receivable		<u>(4,700)</u>	<u>35</u>
Profit on ordinary activities before gift aid		126,346	6
Gift Aid		<u>(196,768)</u>	<u>-</u>
Profit /(Loss) before taxation		(70,422)	6
Taxation	3	<u>-</u>	<u>-</u>
Profit/(Loss) after taxation		<u>(70,422)</u>	<u>6</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2004 £	2003 £
Surplus/(Deficit) for the year	(70,422)	6
Foreign exchange movement	<u>-</u>	<u>10,435</u>
	<u>(70,422)</u>	<u>10,441</u>

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BALANCE SHEET AT 30 JUNE 2004

	Note	2004 £	2003 £
Fixed Assets			
Investment in subsidiary		37,816	37,816
Investment in joint venture		237,874	99,401
		<u>275,690</u>	<u>137,217</u>
Current assets			
Due from Group undertakings		2,574	4,700
Debtors	4	-	70,422
Cash at bank and in hand		1,577	20,749
		<u>4,151</u>	<u>95,871</u>
Creditors: amounts falling due within one year	5	<u>201,388</u>	<u>145,402</u>
		201,388	145,402
Net current assets		197,237	49,531
Total Assets		<u>78,453</u>	<u>87,686</u>
Provisions for liabilities and charges		<u>61,189</u>	<u>-</u>
Total assets less total liabilities		<u>17,264</u>	<u>87,686</u>
Capital and reserves	6		
Share Capital		1	1
Reserves b/f		87,685	77,244
Profit and loss reserve		(70,422)	6
Revaluation reserve		-	10,435
		<u>17,264</u>	<u>87,686</u>

For the year ended the 30th June 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors have acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985. **Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.**

K. Povey
Director
Date: 21st March 2005

M. Kayser
Director
Date: 21st March 2005

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NOTES TO THE ACCOUNTS

1. Accounting policies

- a. The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
The company has taken advantage of the exemption in Financial Reporting Standard 1 (Revised) not to include a Cash Flow Statement as it is a wholly owned subsidiary undertaking. A Group cash flow statement is included in the consolidated accounts of Lloyd's Register which are available from the registered office located at 71 Fenchurch street, London, EC3M 4BS.

Classification and Quality Services Ltd is exempt by virtue of section 228 of the Companies Act 1985 from the obligation of preparing and delivering group accounts. It is included in the consolidated accounts of Lloyd's Register which are available from the registered office located at 71 Fenchurch street, London, EC3M 4BS.

- b. Foreign currencies are dealt with as follows:
- (i) Overseas assets and liabilities of Classification and Quality Services Ltd and its overseas operations are translated at the rate of exchange ruling at the balance sheet date.
 - (ii) Income and Expenditure for the year are translated at appropriate rates prevailing during the year.
 - (iii) Exchange differences are shown in the Statement of Total Recognised Gains and Losses with the exception of those arising from the timing of the settlement of third party monetary assets and liabilities.
- c. Investment in subsidiaries are valued at cost, adjusted for any permanent diminution in value.
- d. Dividend income from fellow subsidiaries is recorded on a receivable basis.

2. Ownership of share capital

The ultimate beneficial interest in the issued share capital of the company is held by Lloyd's Register, registered in England, whose annual accounts are available at 71 Fenchurch Street London EC3M 4BS.

These accounts are included in the consolidated accounts of Lloyd's Register.

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3.	<u>Tax on Profit on Ordinary Accounts</u>	2004 £	2003 £
(a)	<u>Current tax</u>	-	-
	UK corporation tax	-	-
	Adjustments in respect of previous periods	-	-
		-	-
	Foreign Tax	-	-
	Total current tax	-	-
	Factors affecting the charge for the period		
(b)	Profit before tax (and covenanted donation)	126,346	6
	Profit multiplied by standard rate of corporation tax in the UK of 30% (2003 – 30%)	37,904	2
	Effects of:-		
	Dividend received	21,126	
	Charitable payments	(59,030)	
	Other	-	(2)
		-	-
4.	<u>Debtors</u>	2004 £	2003 £
	Dividend receivable	-	70,422
		-	70,422
5.	<u>Creditors: Amounts falling due within one year</u>	2004 £	2003 £
	Amount due to parent	201,387	145,402
		201,387	145,402
6.	<u>Reconciliation of shareholders funds</u>		
	Total recognised gains and losses	(70,422)	10,441
	Shareholders funds at 1 st July 2003	87,686	77,245
	Shareholders funds at 30 th June 2004	17,264	87,686
7.	<u>Financial Reporting Standard 8 (Related Party Transactions)</u>		
	The company has taken advantage of the exemption in Financial Reporting Standard 8, whereby transactions with fellow subsidiary companies are not required to be disclosed.		
8.	<u>Capital Commitments</u>		
	There are no capital and financial commitments or contingent liabilities.		

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs and of the profit or loss of the company for that period, in accordance with the requirements of Section 226 of the Companies Act 1985, in so far as those requirements are applicable to the company. In preparing the accounts, the directors are required to:

- * select suitable accounting policies and apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.