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**LIVERPOOL & LONDON P&I  
MANAGEMENT LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**20 FEBRUARY 2004**



**Liverpool & London P&I Management Limited**

**Directors**

**Executive**

Lynn Patricia Cook  
Peter Raymond James Bernie

**Non-executive**

William Mark Rowland

**Secretary**

Peter Raymond James Bernie

**Registered Office**

Royal Liver Building  
Liverpool L3 1QR

**Registered Number**

1618247

**Bankers**

Barclays Bank PLC  
4 Water Street  
Liverpool L69 2DU

**Auditors**

Moore Stephens  
Chartered Accountants  
St. Paul's House  
Warwick Lane  
London EC4P 4BN

**Liverpool & London P&I Management Limited**

**Report of the Directors**

The directors present their report for the year ended 20 February 2004.

**Directors**

The directors of the company are shown on page 1. All of the directors held office throughout the financial year.

**Directors' Interests**

No director had any beneficial interest in the shares of the company at any time during the year.

**Principal Activities and Ownership**

The principal activity of the company continues to be the management of Liverpool and London Steamship Protection and Indemnity Association Limited, of which this company is a wholly-owned subsidiary. This management reduced in scope as Liverpool and London Steamship Protection and Indemnity Association Limited ceased to underwrite new business with effect from 20 February 2000.

**Terms of Management Agreement**

Under the terms of the management agreement with Liverpool and London Steamship Protection and Indemnity Association Limited all monies expended by the company are recoverable from the Association. Accordingly the company has had no revenue transactions and no profit and loss account is included in these financial statements.

**Auditors**

A resolution proposing the re-appointment of Moore Stephens as auditors to the company will be put to the Annual General Meeting.

By Order of the Board

**P.R.J. BERNIE**  
Secretary



Royal Liver Building  
Liverpool, L3 1QR

4 May 2004

**Liverpool & London P&I Management Limited**

**Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its profit and loss for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then 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 financial statements;

prepare the financial statements on the going concern basis, unless it is inappropriate to assume 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 financial statements 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 and detection of fraud and other irregularities.

As explained in the directors' report, the activity of the company is not carried on with a view to profit and the company has no revenue transactions. Accordingly the directors have not included a profit and loss account in these financial statements.

**Independent Auditors' Report to the Shareholders of  
Liverpool & London P&I Management Limited**

We have audited the financial statements of Liverpool & London P&I Management Limited for the year ended 20 February 2004 set out on pages 5 to 6. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6. This report is made solely to the company's shareholders as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

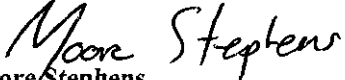
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 20 February 2004 and have been properly prepared in accordance with the Companies Act 1985.

  
**Moore Stephens**  
Registered Auditors  
Chartered Accountants

St. Paul's House  
Warwick Lane  
London EC4P 4BN

4 May 2004

## Liverpool &amp; London P&amp;I Management Limited

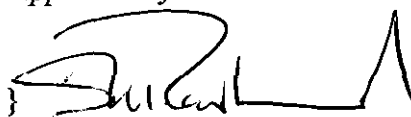
## Balance Sheet at 20 February 2004

	£	<u>2004</u> £	£	<u>2003</u> £
<b>Current Assets</b>				
Debtors – amounts falling due				
Within one year:				
Other debtors	12,738		13,834	
Prepayments	<u>49,515</u>		<u>55,039</u>	
		62,253		68,873
Cash at bank and in hand		<u>86,018</u>		<u>127,209</u>
		148,271		196,082
<b>Current Liabilities</b>				
Creditors - amounts falling due				
within one year:				
Holding company	59,686		88,670	
Accruals	<u>88,582</u>		<u>107,409</u>	
		<u>148,268</u>		<u>196,079</u>
		3		3
		<u>          </u>		<u>          </u>
<b>Capital and Reserves</b>				
Share capital - authorised,				
Issued and fully paid:				
3 shares of £1 each		3		3
		<u>          </u>		<u>          </u>

The financial statements were approved by the Board on 4 May 2004.

W.M. ROWLAND

P.R.J. BERNIE

  
Directors



**Liverpool & London P&I Management Limited**

**Notes to the Financial Statements  
For the year ended 20 February 2004**

**1. Accounting Policies**

These accounts are prepared under the historical cost convention in accordance with accounting standards applicable in the United Kingdom.

The principal activity of the company continues to be the management of Liverpool and London Steamship Protection and Indemnity Association Limited, of which this company is a wholly-owned subsidiary.

Under the terms of the management agreement with Liverpool and London Steamship Protection and Indemnity Association Limited all monies expended by the company are recoverable from the Association. Accordingly the company has had no revenue transactions and no profit and loss account is included in these financial statements.

**2. Financial Commitments**

The company has entered into a composite accounting agreement with its bankers under which the company has guaranteed monies due, owed or incurred by its holding company, Liverpool and London Steamship Protection and Indemnity Association Limited.

**3. Directors' Remuneration**

	<u>2004</u>	<u>2003</u>
	£	£
Directors' remuneration:		
Aggregate emoluments	268,169	266,993
Company pension contributions to money purchase schemes	48,876	47,108
Highest paid director:		
Aggregate emoluments	144,486	143,967
Company pension contributions to money purchase schemes	26,660	25,695

Retirement benefits are accruing to two directors under money purchase pension schemes.