

Company Number: 00886981

**Kuwait Petroleum International Treasury
Services Limited**

**Directors' report and financial statements
for the year ended 31 March 2012**

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Kuwait Petroleum International Treasury Services Limited

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Kuwait Petroleum International Treasury Services Limited

Directors' report for the year ended 31 March 2012

The directors present their report and the audited financial statements for the year ended 31 March 2012

Principal activity and future developments

The principal activity of the company is to act as a treasury company for the Kuwait Petroleum group. As such, the majority of its income and expense relate to interest and similar financial income / expense. Therefore, the profit and loss account on page 5 is presented on the basis of the provisions of Statutory Instrument 2008 No 410 relating to banking companies as, although the company is not a banking company, the directors believe this provides a clearer presentation of the results. The directors expect the level of business to remain stable in the future.

Enhanced business review (EBR)

The company has taken advantage of the exemption applying to small companies from preparing an enhanced business review in accordance with the provisions of Part 15 of the Companies Act 2006.

Financial risk management

The main finance risks faced by the company through its normal business activities are foreign exchange risk, interest rate risk, counterparty risk and commodity risk. These risks and the company's approach to dealing with them are described in note 9 to the financial statements.

Results and dividends

During the financial year the company made a profit for the financial year of US\$2,691,473 (2011 US\$2,078,302). The directors recommended an interim dividend of US\$0.60 (2011 US\$0.24) per ordinary share, amounting to US\$3,000,060 (2011 US\$1,200,024) which was paid on 16 March 2012. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the financial year and to the date of signing this report were as follows:

Hussein Esmail	Yousef Al-Yateem
Samir A Hakim	Anthony P Saunders

There was no qualifying third party indemnity provision in force for the benefit of any director at any time during the financial year.

Kuwait Petroleum International Treasury Services Limited

Directors report for the year ended 31 March 2012 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each of the directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware,
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Small companies' exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of directors and signed on behalf of the Board



Samir A Hakim
Director

29 November 2012

Kuwait Petroleum International Treasury Services Limited

Independent auditors' report to the members of Kuwait Petroleum International Treasury Services Limited

We have audited the financial statements of Kuwait Petroleum International Treasury Services Limited for the year ended 31 March 2012 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Kuwait Petroleum International Treasury Services Limited

Independent auditors' report to the members of Kuwait Petroleum International Treasury Services Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



John Maitland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
Date 4 December 2012

Kuwait Petroleum International Treasury Services Limited

Profit and loss account for the year ended 31 March 2012

	Note	2012 US\$	2011 US\$
Interest receivable and similar income	3	22,969,941	10,134,897
Interest payable and similar charges	3	(18,570,966)	(7,116,908)
Administrative expenses		(1,707,502)	(1,409,372)
Operating profit and profit on ordinary activities before taxation	2	2,691,473	1,608,617
Tax credit on profit on ordinary activities	5	0	469,685
Profit for the financial year	11	2,691,473	2,078,302

There were no recognised gains or losses in either year other than the profit for those years. Consequently no statement of total recognised gains and losses has been presented.

All activities of the company were continuing throughout both years.

In accordance with FRS3 the differences between the profit on ordinary activities before taxation and the profit for the year stated on an unmodified historical cost basis arising from the effects of fair value accounting under FRS26, are not required to be disclosed. There are no other material differences between the profit on ordinary activities before taxation and the profit for the years stated above and their historical cost equivalents.

Kuwait Petroleum International Treasury Services Limited

Balance sheet as at 31 March 2012

	Note	2012 US\$	2011 US\$
Current assets			
Derivative financial instruments	9	2,389,874	2,902,882
Debtors	7	908,721,799	826,522,262
Cash at bank and in hand		34,947	62,905
		<u>911,146,620</u>	<u>829,488,049</u>
Creditors amounts falling due within one year	8	<u>(902,922,013)</u>	<u>(820,954,855)</u>
Net assets		<u><u>8,224,607</u></u>	<u><u>8,533,194</u></u>
Capital and reserves			
Called up share capital	10	5,000,150	5,000,150
Profit and loss account	11	3,011,496	3,320,083
Capital reserve	11	212,961	212,961
Total shareholders' funds	12	<u><u>8,224,607</u></u>	<u><u>8,533,194</u></u>

The financial statements on pages 5 to 15 were approved by the Board of directors on 29 November 2012 and were signed on its behalf by


Samir A Hakim

Director

Company number 00886981

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom. As stated in the Directors' Report, the profit and loss account is presented on the basis of the provisions of Statutory Instrument 2008 No 410 relating to banking companies, as this is considered to better reflect the nature of the company's activities.

The consistently applied accounting policies which have been adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention, except for the revaluation of certain open forward foreign exchange contracts, currency swaps and commodity derivatives, and in accordance with applicable United Kingdom law and accounting standards.

Financial instruments

The company enters into various types of transactions that involve derivative financial instruments. Derivative financial instruments include forwards, futures, swaps and options.

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

The company takes out external forward exchange contracts, with high credit rating institutions, on behalf of group companies on which the exposure is passed onto the individual business via intercompany forward exchange contracts.

Short term money market deposits and borrowings are measured at fair value at initial recognition and at amortised cost subsequently.

The Company has prepared its financial statements in accordance with FRS 26 'Financial Instruments Recognition and Measurement'. The company has elected to take the disclosure exemption available in paragraph 2D of FRS 29 'Financial Instruments Disclosures', on the grounds that it is a wholly owned subsidiary of KPC Holdings (Aruba) AEC which includes disclosures in its publicly available consolidated financial statements, including disclosures that comply with IFRS 7 (an equivalent accounting standard to FRS 29, under International Accounting Standards).

Derivative financial instruments are recorded at trade date at fair value. The fair value of a derivative is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Derivatives with positive market values (unrealised gains) are included in current debtors and derivatives with negative market values (unrealised losses) are included in current creditors in the balance sheet. The resultant gains and losses from derivatives are included within interest receivable and similar income/interest payable and similar charges.

Further details of the company's financial instruments and risk management approach are provided in note 9.

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in a period different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non discounted basis

Cash flow statement

In accordance with the exemption allowed by paragraph 5(a) of Financial Reporting Standard (FRS) 1 'Cash flow statements' (revised 1996) a cash flow statement for the company has not been provided, on the grounds that it is a wholly owned subsidiary company of a group headed KPC Holdings (Aruba) AEC and is included in the consolidated financial statements of that company, which are publicly available

Foreign currencies

The financial statements are presented in US dollars which is the functional currency of the company

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the year end foreign exchange rates. All forward foreign exchange contracts which are open at the year end are revalued at rates of exchange derived from observable market information applicable to those contracts

All profits and losses arising on the translation or revaluation of foreign currency assets, liabilities and forward foreign exchange contracts are recognised immediately in the profit and loss account. Gains and losses arising from the use of hedging instruments are recorded in the profit and loss account concurrently with losses and gains arising from the underlying hedged investments

The net gains and losses on foreign currency trading activities accounted for on a mark-to-market basis, and the foreign exchange gains and losses on foreign currency trading activities in relation to money market borrowing and deposits are recognised within interest receivable and similar income/interest payable and similar charges, accrued over the term of each transaction

The exchange rate for Pounds Sterling/US\$ at 31 March 2012 was 1.6016 (2011: 1.6077)

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

Accounting policies (continued)

Pensions

The company participates in a group defined benefit scheme. The assets and liabilities of the scheme are recognised in full in the financial statements of Kuwait Petroleum International Limited. The company accounts for its obligations in respect of the defined benefit scheme on a defined contribution basis. The latest actuarial valuation of the defined benefit scheme, prepared in accordance with FRS 17, shows a deficit position.

Contributions are also made to the personal plans of certain employees. For these defined contribution schemes the expenditure is charged to the profit and loss account in the period to which it relates.

Further information on pension costs is provided in note 14.

2 Operating profit

The audit fee in respect of the company's financial statements of \$15,000 (2011: \$15,000) was borne by another group undertaking.

3 Net interest income and similar items

	2012 US\$	2011 US\$
Interest receivable on money market deposits	268,568	927,827
Interest receivable on loans to group undertakings	6,510,463	5,627,686
Net foreign currency gains on foreign currency trading activities with external parties	16,190,910	0
Net foreign currency gains on foreign currency trading activities with group undertakings	0	3,579,384
Total interest receivable and similar income	22,969,941	10,134,897
Interest payable on overdrafts	(11,790)	(14,643)
Interest payable on money market borrowings	(19,836)	(887,790)
Interest payable on loans from group undertakings	(3,442,432)	(2,828,597)
Net foreign currency losses on foreign currency trading activities with external parties	0	(3,385,878)
Net foreign currency losses on foreign currency trading activities with group undertakings	(15,096,908)	0
Total interest payable and similar charges	(18,570,966)	(7,116,908)
Net interest receivable	4,398,975	3,017,989

Interest is payable on one day overdrafts occurring occasionally during the course of normal business operations.

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

4 Staff costs and directors' emoluments

Particulars of employees (including executive directors) are as shown below

Employee costs during the financial year amounted to

	2012 US\$	2011 US\$
Wages and salaries	595,666	375,073
Social security costs	40,011	18,853
Other pension costs (see note 14)	99,604	109,427
	<u>735,281</u>	<u>503,353</u>

The average monthly number of persons employed by the company during the financial year was three (2011 two)

Directors' remuneration:

One director (2011 one) was remunerated by the company The remuneration of the director was as follows

	2012 US\$	2011 US\$
Emoluments	285,793	283,559
Pension contributions to defined contribution schemes	85,277	84,669
	<u>371,070</u>	<u>368,228</u>

No other directors received or were due any remuneration relating to services provided to the company in either year No directors held share options in the company during the current or prior years One director (2011 one) was a member of a defined benefit pension scheme

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

5 Tax credit on profit on ordinary activities

	2012 US\$	2011 US\$
Current tax credit		
UK corporation tax on profits of the year	0	326,844
Adjustment in respect of prior years	0	(796,529)
Total current tax credit	<u>0</u>	<u>(469,685)</u>

The tax assessed for the year is lower (2011: lower) than the standard rate of corporation tax in the United Kingdom for the year ended 31 March 2012 of 26% (2011: 28%)

	2012 US\$	2011 US\$
Profit on ordinary activities before taxation	2,691,473	1,608,617
Tax on profit on ordinary activities at standard UK corporation tax rate of 26% (2011: 28%)	699,783	450,413
Effects of		
Group relief claimed for nil consideration	(699,783)	(123,569)
Adjustment in respect of prior years	0	(796,529)
Total current tax credit	<u>0</u>	<u>(469,685)</u>

There are no material amounts of deferred tax at either year end, therefore no deferred tax balances are recognised in these financial statements

Factors affecting future tax charge:

Changes to the UK Corporation Tax system were announced in the March 2012 UK Budget Statement. A resolution passed by parliament on 26 March 2012 reduced the main rate of corporation tax from 26% to 24% with effect from 1 April 2012. This reduction is in addition to the decrease to 25% enacted in the Finance Act 2011. The relevant deferred tax balances have been re-measured accordingly.

In addition to the changes above, further changes, which are expected to be enacted separately each year, are proposed to reduce the main rate by 1% per annum to 22% by 1 April 2014. These expected rate reductions had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements. The proposed changes, if enacted, would have an immaterial impact on these financial statements.

6. Dividends

Dividends paid on equity shares

	2012 US\$	2011 US\$
Interim paid for 2012 of US\$0.60 (2011: US\$0.24) per ordinary US\$1 share	3,000,000	1,200,000
Interim paid for 2012 of US\$0.60 (2011: US\$0.24) per ordinary £1 share	60	24
	<u>3,000,060</u>	<u>1,200,024</u>

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

7. Debtors

	2012 US\$	2011 US\$
Amounts falling due within one year:		
Amounts owed by group undertakings	841,740,660	585,344,760
Short term deposit	66,947,927	241,149,713
Other debtors	33,212	27,789
	<u>908,721,799</u>	<u>826,522,262</u>

The directors consider that the carrying amount of the debtors approximates their fair value

Amounts owed by group undertakings are not secured and include loans bearing interest at a rate of 0.2% over LIBOR for the term of the loan and have an average maturity of one month

8 Creditors' amounts falling due within one year

	2012 US\$	2011 US\$
Amounts owed to group undertakings	897,416,917	814,076,553
Fair value of derivative financial instruments (note 9)	5,296,400	6,460,700
Corporation tax	0	326,844
Other creditors	7,461	68,959
Accruals and deferred income	201,235	21,799
	<u>902,922,013</u>	<u>820,954,855</u>

The directors consider that the carrying amount of the creditors approximates their fair value

Amounts owed to group undertakings are not secured and include loans bearing interest at a rate of LIBOR for the term of the loan less 0.6% and have an average maturity of one month

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

9. Derivative financial instruments and risk management

The fair values of external derivatives included in the financial statements are as follows

	2012 US\$	2011 US\$
Current assets	2,389,874	2,902,882
Current liabilities	(5,296,400)	(6,460,700)
Net derivative financial instruments liability	<u>(2,906,526)</u>	<u>(3,557,818)</u>

Fair value of derivative financial instruments represents the fair value of open foreign currency forward exchange contracts at the balance sheet date. During the year ended 31 March 2012, the gain in fair value of \$651,292 (2011: loss of \$7.28m) has been recognised in net interest receivable in the profit and loss account.

Derivative financial instruments

The group for which the company acts as a treasury company operates internationally in commodity-based markets. As a result, it can be affected by changes in crude oil and petroleum product prices, exchange rates, and interest rates. In the areas described below, the company seeks to manage the risks arising from these external factors using a number of methods, some of which involve derivative instruments. The company does not use derivatives for speculative purposes. The risk in relation to interest rates is limited as the company was in a net deposit position in the year. The risk in relation to commodities is limited as the company undertakes very few commodity transactions.

Foreign exchange risk management

The company seeks to identify and measure all risks arising from movements in foreign exchange rates. Such risks are routinely hedged using a variety of methods, including derivatives such as forward currency contracts and swaps.

The principal source of foreign currency risk within the group which is hedged routinely by the company relates to other group companies' outstanding product supply accounts payable, which are mainly expressed in US dollars. These exposures, along with other transaction risks related to currency movements between commitment or billing and payment, are hedged by the company using derivative instruments such as forward currency contracts or, particularly in the case of uncertain exposures, swaps. All significant group foreign currency transactions, including those involving derivative instruments, are conducted through the company.

All foreign currency derivative instruments are marked to market at the end of each month. The gross contract amounts of such contracts, none of which extended beyond 12 months, are given in note 13.

The balances at 31 March 2012 relating to forward exchange contracts were in Euro/US\$ and Pounds Sterling/US\$.

Counter party risk management

The company controls counter party risks in relation to its cash, short-term deposits and derivative instruments by rigorous screening and credit assessment of all proposed trading counter parties and limits on total financial exposure with each counter-party individually. As a general rule, the company only deals with banks with the highest national or international standing and also limits its credit risk exposure and its daily settlement risk with any single bank to certain specified amounts. Both such exposures are further reduced by having standardised ISDA (International Swaps and Derivatives Association) Master Agreements, including set-off provisions, with each counter party.

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

10 Called up share capital

	2012 US\$	2011 US\$
Allotted and fully paid		
5,000,000 (2011 5,000,000) ordinary shares of US\$1 each	5,000,000	5,000,000
100 (2011 100) ordinary shares of £1 each	150	150
	<u>5,000,150</u>	<u>5,000,150</u>
Closing balance as at 31 March		

11. Reserves

Of the total reserves shown in the company's balance sheet, the following amounts are regarded as distributable or otherwise

	Capital reserve US\$	Profit and loss account US\$
Opening balance as at 1 April 2011	212,961	3,320,083
Profit for the financial year	0	2,691,473
Dividends	0	(3,000,060)
	<u>212,961</u>	<u>3,011,496</u>
Closing balance as at 31 March 2012		

The capital contribution is non distributable

12 Reconciliation of movements in shareholders' funds

	2012 US\$	2011 US\$
Opening shareholders' funds at 1 April	8,533,194	7,654,916
Profit for the financial year	2,691,473	2,078,302
Dividends	(3,000,060)	(1,200,024)
	<u>8,224,607</u>	<u>8,533,194</u>
Closing shareholders' funds at 31 March		

13. Financial commitments

In accordance with the company's accounting policy, all foreign currency exchange contracts are marked to market at the end of each month. At the year end the gross contracted amounts of such contracts, none of which extended beyond 12 months, was US\$1,316,140,558 (2011 US\$1,186,234,231)

Kuwait Petroleum International Treasury Services Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

14 Pension costs

Kuwait Petroleum International Treasury Services Limited participates in a funded, defined benefit pension plan called the KPC UK Group Retirement Plan (the "Scheme"). This Scheme is closed to new members.

The assets and liabilities of the Scheme are recognised in full in the financial statements of Kuwait Petroleum International Limited. Kuwait Petroleum International Limited bears the majority of the risks and rewards of the Scheme and as such, in accordance with FRS 17, it is considered appropriate to recognise the full defined benefit deficit in this entity. It is not possible to separately identify Kuwait Petroleum International Treasury Services Limited's share of the assets and liabilities of the defined benefit pension scheme. Full disclosures regarding the Scheme are included in the financial statements of Kuwait Petroleum International Limited, which are publicly available from Companies House.

The UK group has agreed a recovery plan for the pension scheme deficit with the Scheme Trustees of £3,850,000 per annum payable over a period of 10 years which commenced in June 2010, with subsequent payments made annually by 31 March thereafter. The total agreed additional contributions for the UK group for the year ended 31 March 2012 are £3,850,000 (2011: £7,700,000). Kuwait Petroleum International Treasury Services Limited will incur approximately 0.3% of the total additional contributions as a participating employer, via a re-charge from Kuwait Petroleum International Limited.

The company also contributes to personal defined contribution pension plans.

The total pension cost for the company for the financial year was US\$99,604 (2011: US\$109,427). Of this, US\$53,444 (2011: US\$35,985) relates to a recharge from Kuwait Petroleum International Limited in respect of the defined benefit scheme and US\$46,159 (2011: US\$73,442) relates to defined contribution schemes.

15 Ultimate parent company and controlling party

The parent company of the largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Kuwait Petroleum Corporation (the company's ultimate parent), a company incorporated in Kuwait. Kuwait Petroleum Corporation is owned by the government of Kuwait, who represent the ultimate controlling party. The immediate parent company of the smallest such group is KPC Holdings (Aruba) AEC, incorporated in Aruba. Copies of the consolidated financial statements of KPC Holdings (Aruba) AEC can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

16 Related party transactions

The company has utilised the exemption in paragraph 3(c) of Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with other members of the group headed by Kuwait Petroleum Corporation as it is a wholly owned subsidiary of the group headed by Kuwait Petroleum Corporation.