

**Company Registration No. 00886981**

**Kuwait Petroleum International  
Treasury Services Limited**

**Annual Report and Financial Statements**

**For the year ended 31 March 2010**

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# **Kuwait Petroleum International Treasury Services Limited**

## **Directors' report for the year ended 31 March 2010**

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# **Kuwait Petroleum International Treasury Services Limited**

## **Directors' report for the year ended 31 March 2010**

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

### **Principal activity and review of the business**

The principal activity of the company is to act as a group treasury company. 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 section 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, credit 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 year the company made a profit after taxation of US\$2,021,453 (2009 US\$6,787,286). The directors recommended an interim dividend of US\$0.60 (2009 US\$1.20) per ordinary share, amounting to US\$3,000,060 (2009 US\$6,000,120) which was paid on 11th March 2010. The directors do not recommend the payment of a final dividend.

### **Post balance sheet events**

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. As there is no recognised deferred tax, there is expected to be no impact on the balance sheet deferred tax position following these changes in the tax system.

### **Directors**

The directors who served during the year and to the date of this report, except as otherwise stated below, were as follows:

Hussein Esmaiel	Y Al-Yateem
S 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 year.

# **Kuwait Petroleum International Treasury Services Limited**

## **Directors' report for the year ended 31 March 2010 (continued)**

### **Statement of directors' responsibilities in respect of the annual report and the financial statements**

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.

### **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, and
- 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.

### **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.

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



S A Hakim  
Director

# **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 2010 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 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.

### **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 2010 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**

#### **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

John Molloy (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading

6<sup>th</sup> October 2010

## Kuwait Petroleum International Treasury Services Limited

### Profit and loss account For the year ended 31 March 2010

	Note	2010 US\$	2009 US\$
Administrative expenses		(1,300,811)	(1,182,623)
Other operating income/(expenses)		<u>7,372,082</u>	<u>(2,898,913)</u>
<b>Operating profit/(loss)</b>	2	<b>6,071,271</b>	<b>(4,081,536)</b>
Interest receivable and similar income	3	7,134,339	41,777,893
Interest payable and similar charges	3	(3,363,165)	(34,457,825)
Other finance (expenses)/income		<u>(7,034,871)</u>	<u>3,615,125</u>
<b>Profit on ordinary activities before taxation</b>		<b>2,807,574</b>	<b>6,853,657</b>
Tax on profit on ordinary activities	5	<u>(786,121)</u>	<u>(66,371)</u>
<b>Profit for the financial year</b>		<b><u>2,021,453</u></b>	<b><u>6,787,286</u></b>

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.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

# Kuwait Petroleum International Treasury Services Limited

## Balance sheet as at 31 March 2010

	Note	2010 US\$	2009 US\$
<b>Current assets</b>			
Debtors	7	972,474,632	1,014,307,093
Cash at bank		75,846	46,258
		<u>972,550,478</u>	<u>1,014,353,351</u>
<b>Creditors: amounts falling due within one year</b>	8	(964,895,562)	(1,005,719,828)
<b>Net assets</b>		<u>7,654,916</u>	<u>8,633,523</u>
<b>Capital and reserves</b>			
Called up share capital	10	5,000,150	5,000,150
Profit and loss account	11	2,441,805	3,420,412
Capital contribution	11	212,961	212,961
<b>Total shareholders' funds</b>	12	<u>7,654,916</u>	<u>8,633,523</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 6 October 2010 and were signed on its behalf by

  
S A Hakim

**Director**

Company Registration No 00886981



# Kuwait Petroleum International Treasury Services Limited

## Notes to the financial statements For the year ended 31 March 2010

### 1. Accounting policies

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. 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

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 accounts in accordance with FRS 26. The Company has elected to take the disclosure exemption available in paragraph 2D of FRS 29, as it is included in the publicly available consolidated financial statements of KPC Holdings (Aruba) AEC, which include 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 in other operating income and expenses.

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

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

#### 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.

# Kuwait Petroleum International Treasury Services Limited

## Notes to the financial statements For the year ended 31 March 2010 (continued)

### 1. Accounting policies (continued)

#### Other operating income/ (expenses)

Other operating income/(expenses) includes the gains and losses on foreign currency trading activities accounted for on a mark-to-market basis

#### Other finance (expenses)/income

Other finance income comprises foreign exchange gains and losses on foreign currency trading activities in relation to money market borrowing and deposits. Other operating income /(expenses) and other finance (expenses)/ income together form the total gains and losses on foreign currency trading activities

#### Cash flow statement

The company's intermediate parent company, KPC (Holdings) Aruba A E C , (see note 15), presents consolidated financial statements which consolidate the results of the company and are publicly available. Accordingly under Financial Reporting Standard No 1 (revised 1996) no cash flow statement is included in these financial statements

#### 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 exchange rate for Pounds Sterling/US\$ at 31 March 2010 was 1.5148

#### Pensions

The company participates in a group defined benefit scheme. The company accounts for its obligations in respect of the defined benefit scheme on a defined contribution basis, as the net assets of this scheme relating to individual companies cannot be separately identified. The latest actuarial valuation of the defined benefit scheme, prepared in accordance with FRS 17, shows a deficit position

For defined contribution schemes the amount charged to the profit and loss account is the contributions payable in the year

Further information on pension costs is provided in note 14

# Kuwait Petroleum International Treasury Services Limited

## Notes to the financial statements For the year ended 31 March 2010 (continued)

### 2. Operating profit

The audit fee in respect of the company's annual accounts of \$15,000 (2009 \$15,000) was borne by another group undertaking

### 3. Net interest income

	2010 US\$	2009 US\$
Interest receivable on money market deposits	684,683	3,663,261
Interest receivable on loans to group undertakings	6,449,656	38,114,632
<b>Total interest receivable and similar income</b>	<b>7,134,339</b>	<b>41,777,893</b>
Interest payable on bank loans and overdrafts	(37,901)	(103,721)
Interest payable on money market borrowings	(610,287)	(8,119,779)
Interest payable on loans from group undertakings	(2,714,977)	(26,234,325)
<b>Total interest payable and similar charges</b>	<b>(3,363,165)</b>	<b>(34,457,825)</b>
<b>Net interest receivable</b>	<b>3,771,174</b>	<b>7,320,068</b>

### 4. Staff costs

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

Employee costs during the year amounted to

	2010 US\$	2009 US\$
Wages and salaries	341,526	340,149
Other pension costs (see note 14)	58,599	55,290
	<b>400,125</b>	<b>395,439</b>

The average monthly number of persons employed by the company during the year was two (2009 two)

#### Directors' remuneration:

One director was remunerated by the company The remuneration of the director was as follows

	2010 US\$	2009 US\$
Emoluments (including pension contributions)	289,717	284,541

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 (2009 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 2010 (continued)

### 5. Taxation on the profit for the year

The tax assessed for the year is the same (2009 lower) as the standard rate of corporation tax in the United Kingdom for the year ended 31 December 2010 of 28% (2009 28%)

	2010 US\$	2009 US\$
<b>Profit on ordinary activities before tax</b>	<b>2,807,574</b>	<b>6,853,657</b>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2009 – 28%)	<b>786,121</b>	1,919,024
Effects of		
Expenses not deductible for tax	-	18,584
Group relief claimed for nil consideration	-	(1,919,120)
Adjustment for prior years	-	47,883
<b>Current tax charge for the year</b>	<b>786,121</b>	<b>66,371</b>

There are no material amounts of deferred tax at either year end

### 6. Dividends

Dividends paid on equity shares

	2010 US\$	2009 US\$
Interim paid for 2009/10 of US\$0.60 (2008/09 US\$1.20) per ordinary US\$1 share	<b>3,000,000</b>	6,000,000
Interim paid for 2009/10 of US\$0.60 (2008/09 US\$1.20) per ordinary £1 share	<b>60</b>	120
	<b>3,000,060</b>	<b>6,000,120</b>

### 7. Debtors

	2010 US\$	2009 US\$
<b>Amounts falling due within one year:</b>		
Amounts owed by other group undertakings	<b>768,764,363</b>	655,184,684
Short term deposit	<b>200,910,519</b>	359,046,786
Fair value of derivative financial instruments	<b>2,734,988</b>	-
Other debtors	<b>64,762</b>	75,622
	<b>972,474,632</b>	<b>1,014,307,092</b>

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 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 2010 (continued)

### 8. Creditors: Amounts falling due within one year

	2010 US\$	2009 US\$
Amounts owed to other group undertakings	963,922,929	1,002,226,898
Fair value of derivative financial instruments	-	3,128,842
Taxation	852,492	66,371
Other creditors	20,461	49,617
Accruals and deferred income	99,680	248,100
	<u>964,895,562</u>	<u>1,005,719,828</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 2010, the gain in fair value of \$5.86 million (2009 gain of \$6.39m) has been recognised in other finance income in the profit and loss account.

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 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 2010 (continued)

### 9. Financial instruments and risk management

#### 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 2010 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 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 2010 (continued)

### 10. Called up share capital

	2010 US\$	2009 US\$
<b>Authorised</b>		
10,000,000 ordinary shares of US\$1 each	10,000,000	10,000,000
100 ordinary shares of £1 each	150	150
Closing balance as at 31 March 2010	<u>10,000,150</u>	<u>10,000,150</u>
<b>Allotted and fully paid</b>		
5,000,000 (2009 5,000,000) ordinary shares of US\$1 each	5,000,000	5,000,000
100 (2009 100) ordinary shares of £1 each	150	150
Closing balance as at 31 March 2010	<u>5,000,150</u>	<u>5,000,150</u>

### 11. Reserves

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

	Capital contribution US\$	Profit and loss account US\$
Opening balance as at 1 April 2009	212,961	3,420,412
Profit for the year	-	2,021,453
Dividends		(3,000,060)
<b>Closing balance as at 31 March 2010</b>	<u>212,961</u>	<u>2,441,805</u>

The capital contribution is non distributable

### 12. Reconciliation of movements in shareholders' funds

	2010 US\$	2009 US\$
Opening shareholders' funds	8,633,523	7,846,357
Profit for the year	2,021,453	6,787,286
Dividends	(3,000,060)	(6,000,120)
Closing shareholders' funds	<u>7,654,916</u>	<u>8,633,523</u>

### 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\$1,055,584,190 (2009 US\$706,123,927)

# Kuwait Petroleum International Treasury Services Limited

## Notes to the financial statements For the year ended 31 March 2010 (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 FRS17 disclosure requirements refer to the situation where either there is only one employer participating in a defined benefit scheme, or there is more than one employer and each employer's share of the underlying assets and liabilities can be identified. In Kuwait Petroleum International's funded defined benefit scheme the assets attributable to each individual company cannot be identified on a reasonable and consistent basis, and so each company's share of the surplus/deficit cannot be identified. In this circumstance, the Accounting Standards Board allows the actual contributions paid by the Company to be used as a substitute for 'defined benefit' FRS17 costs.

The group also operates a defined contribution pension scheme in the UK, the assets of which are held in separate trustee administered funds.

Directors and employees seconded to the company from other group companies are not included in the above schemes.

The total pension cost for the company for the year was US\$58,599 (2009 US\$55,290).

The Company is also required to disclose the overall funding position of the Group Plan. For this purpose, the March 2009 actuarial valuation has been updated to 31 March 2010 by a qualified, independent actuary.

The principal assumptions used to calculate the FRS17 liabilities were as follows:

	2010	2009
	%	%
Rate of increase in salaries	5.2	4.2
Rate of increase to pension in payment	3.7	2.7
Discount rate	5.8	6.4
Rate of inflation	3.7	2.7

The mortality assumptions used were as follows:

	2010	2009
	years	years
Longevity at age 65 for current pensioners		
- Men	21.2	22.6
- Women	24.2	25.1

Current company contributions are made at the rate of 20.30% of pensionable salary, increased to 28.4% from April 2010. The members continued to contribute 8.0% of pensionable salary for the year to 31 March 2010, which will remain unchanged from April 2010.

Taking the liabilities calculated on the above basis and assets at market value gives an aggregate pension scheme deficit at 31 March 2010, over the funded pension scheme for the whole UK Group, of £20,695,000 (2009 £8,337,000).

Where a deficit exists the method of removing that deficit is determined by agreement of the participating employers.



## **Kuwait Petroleum International Treasury Services Limited**

### **Notes to the financial statements**

#### **For the year ended 31 March 2010 (continued)**

The UK group has agreed a recovery plan for the pension scheme deficit with the Scheme Trustees - £3,850,000 per annum payable over a period of 10 years with the first payment due in June 2010 and subsequent payments due by 31 March 2011 and 31 March thereafter. The total agreed additional contributions for the UK group for year ended 31st March 2011 are £7,700,000. Kuwait Petroleum International Treasury Services Limited will incur approximately 0.3% of the total additional contributions as a participating employer.

#### **15. Ultimate parent company**

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) A E C, incorporated in Aruba. Copies of the consolidated accounts of KPC Holdings (Aruba) A E C can be obtained from Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ.

#### **16. Related parties**

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.

#### **17. Post balance sheet events**

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. As there is no recognised deferred tax, there is expected to be no impact on the balance sheet deferred tax position following these changes in the tax system.