International
Diesel
Service

Registered number 00891684

International Diesel Service Limited

Directors' report and financial statements

For the year ended 31 March 2013

International
Diesel
Service

International Diesel Service Limited

Officers and professional advisers

DIRECTORS

Mr G Ruitinga (Dutch national) resigned 1November 2012
Mr S J Madden (Dual British / Australian national) resigned 1 July 2013
Mr J F Z Innegraeve (Belgian national)
Mr G Franzi resigned 1 October 2013
Mr P M L Declerck (Belgian national) appointed 1July 2013
Mr A H A B Almutawa appointed 1 October 2013

COMPANY SECRETARY

Mr T P A Decraene

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
RG1 1JG

REGISTERED OFFICE

6th Floor
Dukes Court
Duke Street
Woking
Surrey
GU21 5BH

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Directors' report
For the year ended 31 March 2013

The directors present their report on the affairs of the company together with the audited financial statements and independent auditors' report for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was the provision of fuel to hauliers through a network of fully automated 24 hour outlets operated by third parties

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 March 2013 are set out on pages 6 to 16 The results represent a twelve month trading period and show a loss on ordinary activities before tax of £120,000 (2012. loss of £170,000).

The results are still mainly determined by the ongoing effects of the economic crisis Volumes in the year have shown to be the lowest since the start of the economic crisis in 2008 with no clear sign of recovery

No dividend will be paid or proposed (2012. £Nil).

FUTURE DEVELOPMENTS

There are no expected changes to the principal activities of the company

PRINCIPAL RISKS AND UNCERTAINTIES

The company ensures continuous risk identification and management process by identifying risks which may affect the company's business. The company also periodically evaluates its appetite for risk and selects appropriate risk management strategies The company obtains appropriate insurance policies to mitigate risks and also sets up processes and internal control measures to mitigate risks.

The key risk to the company is the credit risk related to the customers, as also mentioned in the financial risk management section. The company exercises close review of risk before granting customer credit and also applies continued monitoring to the ongoing credit situation of the customers with procedures and systems enforcing timely blocking where required.

Risks are periodically evaluated to ascertain applicability to changing business scenarios Specified persons are assigned the responsibility of monitoring identified risks on a continuous basis and report to management any significant variations in the existing identified risks and also draw attention to any new risks in their area of operations

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, foreign currency exchange interest rate risk, and cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on financial performance of the company by monitoring levels of debt finance and the related finance cost

KEY PERFORMANCE INDICATORS

The company has shown turnover of £9,105K during the year as compared to £10,145K the previous year The gross profit for the year has decreased from £126K in the previous year to £110K for the current year Both are the result of the decreased volume caused by the ongoing economic crisis Equally the lower volume affects the variable elements of the expenses and this has offset the decrease in gross profit.

The directors are satisfied with both the turnover and gross profit for the year

GOING CONCERN

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company KPC Holding (Aruba) A.E C The directors have received confirmation that KPC Holdings (Aruba) A E C intend to support the company for at least one year after these financial statements are signed.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were as follows·

Mr G Ruitinga (Dutch national) resigned 1November 2012
Mr S J Madden (Dual British / Australian national) resigned 1 July 2013
Mr J F Z Innegraeve (Belgian national)
Mr G Franzi resigned 1 October 2013
Mr P M L Declerck (Belgian national) appointed 1July 2013
Mr A H A B Almutawa appointed 1 October 2013

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

Directors' report
For the year ended 31 March 2013 (continued)

- select suitable accounting policies and then apply them consistently,
- make judgments 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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with section 418 of the Companies Act 2006, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

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

By order of the Board

Mr T P A Decraene
Company secretary
Date: 12 december 2013

Independent auditors' report to the members of International Diesel Service Limited

We have audited the financial statements of International Diesel Service Limited for the year ended 31 March 2013, 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 2013 and of its loss 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 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.

Independent auditors' report to the members of International Diesel Service 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.

John Maitland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
Date: 19 December 2012

Profit and loss account

For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Turnover	2	**9,105**	10,145
Cost of sales		**(8,995)**	(10,019)
Gross profit		**110**	126
Administrative expenses		**(376)**	(480)
Other operating income	3	**183**	220
Operating loss	4	**(83)**	(134)
Interest payable and similar charges	5	**(37)**	(36)
Loss on ordinary activities before taxation		**(120)**	**(170)**
Tax on loss on ordinary activities	7	**-**	-
Loss for the financial year	14	**(120)**	(170)

There are no recognised gains or losses in either financial year, other than the result for each financial year and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the losses on ordinary activities before taxation and the losses for the financial year stated above and their historical costs equivalents

All results are from continuing operations

Balance sheet
As at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	8	10	19
Current assets			
Stocks	9	-	5
Debtors	10	3,125	3,265
Cash at bank and in hand		537	98
		3,662	3,368
Creditors: amounts falling due within one year	11	(5,514)	(4,509)
Net current liabilities		(1,852)	(1,141)
Total assets less current liabilities		(1,842)	(1,122)
Creditors: amounts falling due after more than one year	12	-	(600)
Net liabilities		(1,842)	(1,722)
Capital and reserves			
Called-up share capital	13	2,000	2,000
Revaluation reserve	14	11	11
Profit and loss account	14	(3,853)	(3,733)
Total shareholders' deficit	15	(1,842)	(1,722)

These financial statements on pages 6 to 16 were approved by the Board of directors on 19 December 2013 and were signed on its behalf by

Mr P M L Declerck
Director

~~Mr J F Z~~ Innegraeve
Director

Registered number: 00891684

~~Pieter Declerck~~
General Manager IDS

Notes to the financial statements

For the year ended 31 March 2013

1 **Accounting policies**

A summary of the company's principal accounting policies, which have been applied consistently throughout the current and preceding year, is set out below

a) Basis of accounting

These financial statements are prepared under the historic cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The ultimate parent company, Kuwait Petroleum Corporation, a company incorporated in Kuwait, has confirmed its intention to maintain financial support for the foreseeable future to enable the company's liabilities to be settled as they fall due Therefore the directors feel it is appropriate to prepare the financial statements under the going concern basis.

b) Turnover

Turnover is presented gross of excise duties. Turnover from sale of goods is stated net of value added tax and is recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

c) Tangible fixed assets

Tangible fixed assets are stated at cost less provision for impairment and accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use The cost of the tangible assets, less their estimated residual values, is written off on a straight-line basis, over the estimated useful lives, as follows:

Vehicles, plant and equipment - 3 to 20 years

d) Stocks

Stocks are valued at the lower of weighted average cost and net realisable value Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation

e) Taxation

Corporation tax payable is provided for on taxable profits at the current rate.

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 or losses in tax assessments in periods 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 underlying timing differences can be deducted

Notes to the financial statements
For the year ended 31 March 2013 (continued)

1. **Accounting policies (continued)**

e) Taxation (continued)

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

f) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. All exchange differences are taken to the profit and loss account

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

Contributions are also made to the personal plans of certain employees 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 16

h) 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) A E.C and is included in the consolidated financial statements of that company, which are publicly available

2 **Turnover**

The turnover and (loss)/profit is attributable to one activity, the marketing and distribution of petroleum products. In both years the net liabilities relate to trade in the United Kingdom. Turnover is all generated from activities in the United Kingdom.

3 **Other operating income**

Other operating income principally consists of fees received from group companies for customer liftings made on their behalf and for the provision of value added tax services.

Notes to the financial statements
For the year ended 31 March 2013 (continued)

4. Operating loss

This is stated after charging.

	2013 £'000	2012 £'000
Services provided by the company's auditor		
Fees payable for the audit	19	19
Depreciation of tangible fixed assets	9	10
Foreign exchange losses	7	47

5. Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable to immediate parent undertaking (note 11)	21	22
Interest payable to other group undertakings	16	14
	37	36

Notes to the financial statements
For the year ended 31 March 2013 (continued)

6. Staff costs and director's remuneration

Staff costs during the financial year amounted to

	2013 £'000	2012 £'000
Wages and salaries	75	72
Social security costs	7	7
Other pension costs (note 16)	14	7
	96	86

The average monthly number of employees excluding directors was:

	2013	2012
By activity		
Sales	2	1
	2	1

Directors' remuneration

The directors received no remuneration for their services to the company in the current or prior years

One director (2012 one) was a member of the group defined benefit pension scheme.

Notes to the financial statements
For the year ended 31 March 2013 (continued)

7. Tax on loss on ordinary activities

	2013	2012
	£'000	£'000
Current tax:		
UK corporation tax	-	-
Adjustment in respect of the previous years	-	-
Total current tax	-	-

The tax assessed for the year is higher (2012 higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2013 of 24% (2012 26%) The differences are explained below

	2013	2012
	£'000	£'000
Loss on ordinary activities before taxation	(120)	(170)
Loss on ordinary activities multiplied by standard rate in the UK of 24% (2012 26%)	(29)	(44)
Effects of.		
Depreciation in excess of capital allowances	(4)	(6)
Losses surrendered as group relief	33	50
	29	44
Current tax charge for the financial year	-	-

A deferred tax asset of £107,031 (2012 £115,217), calculated at the current substantively enacted tax rate of 23% (2012. 24%), has not been recognised as there is insufficient evidence of future taxable profits

The main rate of corporation tax reduced from 24% to 23% with effect from 1 April 2013 This change was substantively enacted on 3 July 2012, hence the unrecognized deferred tax asset at 31 March 2013 has been calculated at 23%. Further reductions of 2% and 1% have been announced for the next two years respectively, reducing to 20% with effect from 1 April 2014

Notes to the financial statements
For the year ended 31 March 2013 (continued)

8. Tangible fixed assets

	Vehicles, plant and equipment	Total
	£'000	£'000
Cost		
At 1 April 2012	60	60
Additions	-	-
At 31 March 2013	**60**	**60**
Accumulated depreciation		
At 1 April 2012	(41)	(41)
Charge for the year	(9)	(9)
At 31 March 2013	**(50)**	**(50)**
Net book value		
At 31 March 2013	**10**	**10**
At 31 March 2012	19	19

9. Stocks

	2013	2012
	£'000	£'000
Finished goods	-	5
	-	5

Notes to the financial statements
For the year ended 31 March 2013 (continued)

10. Debtors

	2013 £'000	2012 £'000
Trade debtors	1,597	1,795
Amounts owed by other group undertakings	871	708
Other debtors	657	762
	3,125	3,265

All amounts owed by group undertaking are unsecured, non interest bearing and repayable on demand.

11. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	293	268
Amounts owed to other group undertakings	4,363	3,995
Other creditors	43	24
Accruals and deferred income	215	222
Loans from immediate parent undertaking	600	-
	5,514	4,509

All amounts owed to other group undertaking are unsecured, non interest bearing and repayable on demand.

The loans from the immediate parent undertaking at 31 March 2013 are made up as follows

Amount of loan	Repayment due date	Interest rate
£600,000	31 March 2014	12 month LIBOR plus 0 75 percent

All loans may be repaid earlier at the borrower's option and are unsecured.

12. Creditors: amounts falling due after more than one year

	2013 £'000	2012 £'000
Loans from immediate parent undertaking	-	600

Notes to the financial statements
For the year ended 31 March 2013 (continued)

12. Called up share capital

	2013 £'000	2012 £'000
Authorised		
3,000,000 ordinary shares of £1 each	**3,000**	3,000
Allotted and fully paid		
2,000,000 ordinary shares of £1 each	**2,000**	2,000

13. Reserves

	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
As at 1 April 2012	11	(3,733)	(3,722)
Loss for the financial year	-	(120)	(120)
As at 31 March 2013	**11**	**(3,853)**	**(3,842)**

14. Reconciliation of movements in shareholders' deficit

	2013 £'000	2012 £'000
Loss for the financial year	**(120)**	(170)
Opening shareholders' deficit	**(1,722)**	(1,552)
Closing shareholders' deficit	**(1,842)**	(1,722)

Notes to the financial statements
For the year ended 31 March 2013 (continued)

15. Pension commitments

International Diesel Service Limited participates in a funded, defined benefit pension plan called the KPC UK Group Retirement Plan 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 International Diesel Service Limited's share of the assets and liabilities of the defined 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 group also operates a defined contribution pension scheme in the UK, the assets of which are held in separate trustee administered funds.

The total pension cost for the company for the year was £13,692 (2012 £6,706)

Of this £3,440 (2012: £3,332) relates to a recharge from Kuwait Petroleum International Limited in respect of the defined benefit scheme and £11,854 (2012. £11,500) relates to the UK defined contribution scheme, offset by a £1,602 (2012 £8,126) credit which relates to a partial release of the provision for previous years

The UK Group has agreed a recovery plan for the Scheme deficit with the Scheme Trustees of £3,850,000 per annum payable over a period of 10 years with the initial payment in June 2010 and subsequent payments made by 31 March 2011 and each 31 March thereafter The total agreed additional contributions for the UK group for the year ended 31 March 2013 are £3,850,000

16. Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard Number 8 "Related Party Disclosures," and has not disclosed details of transactions with other group undertakings as it is a wholly-owned subsidiary of Kuwait Petroleum Corporation, which prepares consolidated financial statements which are publicly available.

17. 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 group is KPC Holdings (Aruba) A E C incorporated in Aruba.