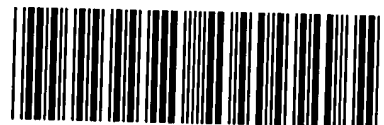


Registered Number 01734259

**Kuwait Petroleum International Limited**  
**Annual report and financial statements**  
**For the year ended 31 March 2021**

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# **Kuwait Petroleum International Limited**

## **Annual report and financial statements for the year ended 31 March 2021**

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# **Kuwait Petroleum International Limited**

## **Directors and advisors**

### **Directors**

W Al Ben Ali  
N Ben-Butain  
R de Kreij

### **Company Secretary**

Peter Coules

### **Registered office**

Dukes Court  
Duke Street  
Woking  
Surrey  
GU21 5BH

### **Bankers**

National Bank of Kuwait Plc  
13 George Street  
London  
United Kingdom  
W1U 3QJ

### **Independent auditor**

Deloitte LLP  
Statutory Auditor  
1 New Street Square  
London  
United Kingdom  
EC4A 3HQ

# **Kuwait Petroleum International Limited**

## **Strategic report for the year ended 31 March 2021**

The directors present the strategic report, their report and the audited financial statements of Kuwait Petroleum International Limited (the "Company") for the year ended 31 March 2021.

### **Review of business**

#### **Principal activity**

The principal activity of the Company during the financial year was the provision of promotional, administrative and advisory services to subsidiary undertakings of its ultimate parent company, Kuwait Petroleum Corporation ("KPC"). The majority of costs incurred by the Company in providing such services are charged to fellow subsidiary undertakings at a mark-up. The Company's costs are incurred in the main from three locations: UK, Netherlands and Kuwait.

The Company made a profit for the financial year of £4,709k (2020: £3,452k) as shown in the Company's statement of comprehensive income on page 12.

The Company is the principal employer of the KPC UK Group defined benefit scheme. Full IAS 19 (Revised) disclosures can be found in note 13.

During the current financial year the Company also made an additional payment of £2,600k (2020: £5,000k) to the KPC UK Group defined benefit scheme. In contrast to administrative expenses and other costs these payments have not been charged out to group companies within the KPC organisation.

#### **Going concern**

The statement of financial position on page 13 shows that as at 31 March 2021 the Company has a negative equity of £19,247k (2020: negative equity of £8,952k). With the confirmed continuing support from the intermediate holding corporation Kuwait Petroleum Corporation Holdings (Aruba) A.E.C. and the ultimate parent company Kuwait Petroleum Corporation ("KPC") (which have provided confirmation of financial support, should it be required for the Company to meet its liabilities as they fall due, for at least 12 months from the date of approval of these financial statements) the Company will be able to pay its debts as and when they fall due.

The directors are satisfied that the Company's liquidity position does not create a significant uncertainty as to the Company's ability to discharge its liabilities as £53,434k of creditors falling due within one year relates to the end of service provision for Kuwaiti employees. This could only fall due within one year if all employees had their contracts terminated, for example due to the closure of the Kuwait office. There are no plans to close the Kuwait office as the employees continue to provide services to subsidiary undertakings of the ultimate parent company.

#### **Key Performance Indicators**

The directors manage the group's operation on a divisional basis and therefore year on year the nature of costs can vary. For this reason, they believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

#### **Principal risks and uncertainties**

The Company provides a service to other group companies participating in petroleum products marketing and so does not have any direct competitors. However the companies to whom the services are supplied do have competitive pressure which is a continuing risk for those companies, which could result in the group losing sales. The group manages this risk by providing added-value services to its customers by maintaining strong relationships with customers.

# Kuwait Petroleum International Limited

## Strategic report for the year ended 31 March 2021 (continued)

### Financial risk management

The board is confident that the exposure to financial risks is properly managed to limit the possible adverse impact on the financial performance of the Company.

The directors do not believe the Company has any significant exposure to credit risk. Its major costs consist of wages and professional fees, all of which are recharged to other group related undertakings. Although it has a significant debtor balance the majority is made up of monies owed by other group related undertakings.

The directors consider the principal risk and uncertainties that face the Company to be as follows:

#### *Cash flow risk*

The Company's cash flow risk is minimised by the structure of its operations in that it provides services to other group undertakings and has adequate liquidity to support its working capital needs.

#### *Credit risk*

The majority of the Company's debtors and creditors are with group undertakings, for which there is not believed to be any significant credit risk.

#### *Interest rate risk*

Interest rate exposure results from the assets and liabilities of the defined benefit pension scheme, as well as the terms of intercompany transactions with the group.

#### *Currency risk*

The Company is exposed to risks associated with changes in foreign exchange rates. These risks are monitored on an ongoing basis.

#### *Liquidity risk*

The Company actively maintains an appropriate level of debt to meet its liquidity needs through borrowing from other group companies, when required.

#### *Covid-19 pandemic*

The Covid-19 pandemic which started early 2020 has resulted in employees working from home since March 2020. Business continuity plans were implemented and have been monitored and reviewed to ensure that essential business activities are maintained. As the Company acts as a service provider for other group companies it was not directly impacted by the reduction in their sales turnover. The Company did not make use of any of the government support schemes for Covid-19.

#### *Brexit*

Following the Brexit trade deal in December 2020 there has been no material impact on the Company's business, the majority of its activities being providing services to the KPC Holdings (Aruba) A.E.C. group.

### Section 172 (1) statement

This statement, which forms part of the Strategic report, is intended to show how the Company's Directors have approached and met their responsibilities under section 172 Companies Act 2006 during the financial year.

### Section 172 factors

Section 172 requires directors to have regard to the following in performing their duties, and as part of the process are required to consider, where relevant:

- a. The likely long-term consequences of any decision.
- b. The interests of the company's employees.

# **Kuwait Petroleum International Limited**

## **Strategic report for the year ended 31 March 2021 (continued)**

### **Section 172 factors (continued)**

- c. The need to foster the company's business relationships with suppliers, customers and others.
- d. The impact of the company's operations on the community and the environment.
- e. The desire to maintain the company's reputation for high standards of business conduct.
- f. The need to act fairly between members of the company.

To support the directors in the discharge of their duties, and whilst making decisions on behalf of the Company, the directors work closely with the senior management team.

### **Engagement with key stakeholders during the year**

#### **Employees**

The Company employs 120 people in the Kuwait office, 41 Kuwaiti nationals seconded to other companies in the group, and 14 (including 6 Kuwaiti nationals seconded to the Company) based in the UK and recognises the value to the organisation of its Human Resource as being key to its success.

The Company takes its responsibilities towards its staff seriously and has set out a framework of policies and procedures together with an ongoing training program in order to provide a Health and Safety conscious environment for all staff, as well as access to both physical and mental health resources.

The Company endeavours to make all of its locations safe and healthy environments for employees and visitors alike. The Company carries out risk assessments on its locations and activities and provides appropriate training, equipment and facilities to enable safe and healthy activities.

Additionally, for those staff engaged in activities away from the Company's locations, it provides risk assessment and training, equipment and support to enable, for example, safe and healthy remote working, business travel and third-party locations visits.

In support of employees' professional and personal development, the Company provides a range of learning and development opportunities such as online modules, access to a corporate training programme and support for independent learning and qualification both for employees' current roles and their longer-term development.

The Company recognises the benefits of engaging with its employees. This includes providing intranet news and articles on the Company's activities, conducting and reacting to employee engagement surveys and holding staff meetings with senior management, together with agreeing an individual training and development plan with each employee.

#### **Business partners**

The Company contracts in the main with group companies and some external third-party suppliers. The Company engages with each of these partners to ensure that they operate with the highest levels of business practice and are aligned with their own Code of Conduct.

Senior management meets monthly to discuss ongoing communication and collaboration with group companies and external suppliers across the business, to ensure that we foster an effective long-term relationship and in resolving any issues. Due to the nature of the business in providing promotional, administrative and advisory services to group companies it is essential that projects are reviewed and monitored to ensure a high standard of delivery.

#### **Community and environment**

The Company recognises the importance of its environmental responsibilities and operates in accordance with Group policies to minimise its impact on the environment.

Management receive regular updates in relation to key performance indicators of the Company's environmental impact, as well as to ensure its ongoing compliance with developments in legislative frameworks in this area.

# Kuwait Petroleum International Limited

## Strategic report for the year ended 31 March 2021

### Engagement with key stakeholders during the year (continued)

#### Community and environment (continued)

The Company recognises its Corporate Social Responsibilities and provides opportunities as well as encourages and supports staff initiatives in support of the communities in which it operates.

#### UK Streamlined Energy and Carbon Reporting

The Company records its usage of energy (electricity and employee business mileage) as part of the scope 1 and 2 GHG Energy reporting. The energy data is converted into greenhouse gas (GHG) emissions using the GHG protocol standard and the UK Government conversion factors for company reporting of greenhouse gas emissions in both the UK and Kuwait.

FY2021: 1st April 2020-31st March 2021						
GHG Emissions			Energy Use			Carbon Intensity
(tonnes CO2e)			(000's kWh)			(tonnesCO2e £M revenue)
Scope 1 Company Cars	Scope 2 Purchased Electricity	Scope 2 Purchased Gas	Company Cars	Electri- city	Gas	
501	1,348	14	2,076	2,235	75	24.97

FY2020: 1st April 2019-31st March 2020						
GHG Emissions			Energy Use			Carbon Intensity
(tonnes CO2e)			(000's kWh)			(tonnesCO2e £M revenue)
Scope 1 Company Cars	Scope 2 Purchased Electricity	Scope 2 Purchased Gas	Company Cars	Electri- city	Gas	
628	1,488	16	2,569	2,589	88	28.59

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

DocuSigned by:

*Rutger Jan de Kreij*

F2437DB87BA2495...

R de Kreij

Director

22 August 2022

# **Kuwait Petroleum International Limited**

## **Directors' report for the year ended 31 March 2021**

A review of the business is presented within the strategic report and is incorporated here by reference.

### **Principal activity**

The principal activity of the Company during the financial year was the provision of promotional, administrative and advisory services to subsidiary undertakings of its ultimate parent company, KPC. The majority of costs incurred by the Company in providing such services are charged to fellow subsidiary undertakings at a mark-up. The Company has a branch based in Kuwait through which it carries out some of its operations.

### **Future developments**

The Company occasionally undertakes coordination and control of projects on behalf of other KPC companies. It is likely therefore that there will be some future projects of this type in the next few years. The nature and scope of these projects is unknown at the present time. Costs of this type are charged to subsidiary undertakings at a mark-up.

### **Dividends**

No dividend was declared during the financial year (2020: £nil).

### **Post balance sheet events**

There have been no significant events affecting the Company since the year-end.

### **Modern slavery statement**

The information in this statement is made pursuant to the UK Modern Slavery Act 2015 ("the Act") and relates to the financial year ended 31 March 2021.

#### *About us*

The Company is committed to ensuring that there are no acts of modern-day slavery or human trafficking within our own operations or within our supply chains. The Company is an international subsidiary of KPC, Kuwait's national oil company. The Company provides management and consultancy services to affiliates and subsidiaries ("group companies"). The Company's perform activities in three main locations: UK, Netherlands and Kuwait. The Company is not directly engaged in business activities with external customers.

#### *Structure and supply chains*

This statement covers our direct operations and supply chains. We have business relationships with group companies and a few external suppliers in relation to consultancy, training, advisory and management services.

All group companies must comply with the local legislation and regulations and must conduct their activities in line with the KPC Code of Conduct, and our core values including integrity.

Some of our suppliers may have their own supply chain and we encourage them to follow our expectations in relation to ethical business conduct.

#### *Policies on modern slavery*

In our Code of Conduct and related ethical business policies, and as further described in our sustainability report and CSR guidelines, the Company ensures that it provides a safe place to work. The Company will not support, condone or deal with any business knowingly involved in practices such as slavery and/or human trafficking.

#### *Due diligence processes*

As part of our supplier due diligence, the Company has established supplier approval processes and procurement related processes which include a review of the controls undertaken by our suppliers. We are also continuing to

## **Kuwait Petroleum International Limited**

### **Directors' report for the year ended 31 March 2021 (continued)**

#### **Modern slavery statement (continued)**

update contractual templates to include robust Modern Slavery provisions. We have identified that services procured outside of the EU pose a higher risk for slavery and human trafficking issues. Senior management are aware of such risks and take greater care and scrutiny to approving such suppliers.

#### *Risk assessment*

We will continue to assess and monitor the risk; however, the nature of our business means forced or involuntary labour is unlikely to occur within our own operations. We recruit and employ professional and technical specialists to carry out management services.

In relation to our supply chain, we have identified that suppliers providing cleaning, catering and or facilities management services to our offices, particularly branches outside the EU present a higher risk. Moreover, we anticipate an increased risk when we face challenges to obtain copies of suppliers' compliance procedures, and their willingness to provide contractual assurances.

#### *Monitoring our effectiveness*

The Company's Legal Compliance Committee, reporting directly to the Chief Executive Officer, is responsible for the various compliance and regulatory risks facing the Company. This team actively monitors, provides guidance and shares advice on a variety of topics including compliance with the Act. The Company's directors and senior management will take the responsibility of implementing our policies and principles, and they will provide adequate resources and investment to ensure that slavery and human trafficking is not taking place within the organisation and its supply chains.

We regularly review the effectiveness of our policies and processes and will continue increasing the awareness of our personnel. We have also recently identified that a standalone "Modern Slavery Policy" may be desirable for the Company and are looking at draft proposals.

#### *Training*

Senior managers as well as key personnel in our Kuwait head office, have been trained in the subject of Modern Slavery and have been involved in the due diligence process and attending workshops. All other staff have been made aware of the relevant Company policies and Statement.

#### **Donations**

There were no donations made in the year to any political parties (2020: £nil).

#### **Directors**

The directors who held office during the year and up to the date of signing the financial statements were:

W Al Ben Ali (appointed 4 August 2022)  
A Al-Mutawa (resigned 4 August 2022)  
N Alsabah (resigned 17 March 2022)  
N Ben-Butain (appointed 4 August 2022)  
R de Kreij

#### **Directors' indemnity statement**

The Company maintains liability insurance for its directors and officers in accordance with the Articles of the Company. The Company has also provided an indemnity for its directors and the secretary, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

# Kuwait Petroleum International Limited

## Directors' report for the year ended 31 March 2021 (continued)

### Directors' responsibilities statement

The directors are responsible for preparing the annual 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement on information given to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

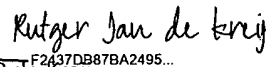
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 (2) of the Companies Act 2006.

### Independent auditor

The auditors, Deloitte LLP, have indicated their willingness to continue in office and are deemed to be reappointed.

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

DocuSigned by:  
  
F2437DB87BA2495...  
R de Krij  
Director  
22 August 2022

# **Kuwait Petroleum International Limited**

## **Independent auditor's report to the members of Kuwait Petroleum International Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Kuwait Petroleum International Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive loss;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **Kuwait Petroleum International Limited**

## **Independent auditor's report to the members of Kuwait Petroleum International Limited (continued)**

### **Report on the audit of the financial statements (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pension legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **Kuwait Petroleum International Limited**

### **Independent auditor's report to the members of Kuwait Petroleum International Limited (continued)**

#### **Report on the audit of the financial statements (continued)**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

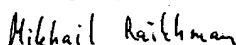
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Mikhail Raikhman, CA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
22 August 2022

# Kuwait Petroleum International Limited

## Statement of comprehensive loss for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Revenue	4	80,516	74,645
Administrative expenses		(76,503)	(72,235)
Other operating income	5	610	1,622
<b>Operating profit</b>	5	<b>4,623</b>	<b>4,032</b>
Finance costs	7	(168)	(612)
Finance income	7	161	188
<b>Profit before taxation</b>		<b>4,616</b>	<b>3,608</b>
Tax on profit	8	93	(156)
<b>Profit for the financial year</b>		<b>4,709</b>	<b>3,452</b>
Other comprehensive (loss)/income - items that will not be reclassified to profit or loss:			
Actuarial (loss)/income recognised in the pension scheme, net of income tax of £nil	13	(15,004)	17,573
<b>Total comprehensive (loss)/income for the year</b>		<b>(10,295)</b>	<b>21,025</b>

The notes on pages 15 to 30 form part of these Financial Statements.

The results for the years shown above are derived entirely from continuing operations. No operations were acquired or discontinued during the year.

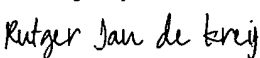
# Kuwait Petroleum International Limited

## Statement of financial position as at 31 March 2021

	Note	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Intangible assets		11	43
Property, plant and equipment	9	6,175	8,605
Defined benefit pension asset	13	-	5,881
		<b>6,186</b>	<b>14,529</b>
<b>Current assets</b>			
Trade and other receivables	10	54,899	41,577
Cash		893	3,584
		<b>55,792</b>	<b>45,161</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(69,894)</b>	<b>(62,822)</b>
<b>Net current liabilities</b>		<b>(14,102)</b>	<b>(17,661)</b>
<b>Total assets less current liabilities</b>		<b>(7,916)</b>	<b>(3,132)</b>
Defined benefit pension scheme liability	13	(6,732)	-
Creditors: amounts falling due after more than one year	12	(4,599)	(5,820)
<b>Net liabilities</b>		<b>(19,247)</b>	<b>(8,952)</b>
<b>Equity</b>			
Called-up share capital	14	5,500	5,500
Accumulated losses		(24,747)	(14,452)
<b>Total shareholders' deficit</b>		<b>(19,247)</b>	<b>(8,952)</b>

The notes on pages 15 to 30 form part of these Financial Statements.

The financial statements on pages 12 to 30 were approved by the board of directors on 22 August 2022 and were signed on its behalf by:

DocuSigned by:  
  
 F2437DB87BA2495...  
 R de Kreij  
 Director

Company number: 01734259

# Kuwait Petroleum International Limited

## Statement of changes in equity for the year ended 31 March 2021

	Called-up share capital £ '000	Accumulated losses £ '000	Total shareholders' deficit £ '000
<b>Balance at 1 April 2019</b>	5,500	(35,477)	(29,977)
Profit for the financial year	-	3,452	3,452
<b>Other comprehensive income for the year:</b>			
Actuarial gain recognised in the pension scheme, net of income tax of £nil	-	17,573	17,573
Total comprehensive income for the year	-	21,025	21,025
<b>Balance at 31 March 2020</b>	<b>5,500</b>	<b>(14,452)</b>	<b>(8,952)</b>
Profit for the financial year	-	4,709	4,709
<b>Other comprehensive loss for the year:</b>			
Actuarial loss recognised in the pension scheme, net of income tax of £nil	-	(15,004)	(15,004)
Total comprehensive loss for the year	-	(10,295)	(10,295)
<b>Balance at 31 March 2021</b>	<b>5,500</b>	<b>(24,747)</b>	<b>(19,247)</b>

The notes on pages 15 to 30 form part of these Financial Statements.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021

### 1 General information

Kuwait Petroleum International Limited provides promotional, administrative and advisory services to subsidiary undertakings of its ultimate parent company, Kuwait Petroleum Corporation ("KPC"). The majority of costs incurred by the Company in providing such services are charged to fellow subsidiary undertakings at a mark-up. The Company's costs are incurred in the main from three locations: UK, Netherlands and Kuwait.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Dukes Court, Duke Street, Woking, Surrey, GU21 5BH.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100, 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, the financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that standard. Where relevant, equivalent disclosures have been given in the group accounts of KPC Holdings (Aruba) A.E.C.

- IFRS 7, 'Financial instruments: disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - i. paragraph 79(a)(iv) of IAS 1;
  - ii. paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - iii. paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- Disclosure exemptions from the second sentence of paragraph 110, and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from contracts with customers';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows' (included in group financial statements);

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### Basis of accounting (continued)

- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- The requirements of paragraph 52 and 58 of IFRS 16 'Leases'.

The new and revised accounting standards including any amendments in the accounting standards during the period did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### Going concern

As at 31 March 2021 the Company has a negative equity of £19,247k (2020: negative equity of £8,952k). With the confirmed continuing support from the intermediate holding corporation Kuwait Petroleum Corporation Holdings (Aruba) A.E.C. and the ultimate parent KPC (which have provided confirmation of financial support, should it be required for the Company to meet its liabilities as they fall due, for at least 12 months from the date of approval of these financial statements) the Company will be able to pay its debts as and when they fall due.

The directors are satisfied that the Company's liquidity position does not create a significant uncertainty as to the Company's ability to discharge its liabilities as £53,434k of creditors falling due within one year relates to the end of service provision for Kuwaiti employees. This could only fall due within one year if all employees had their contracts terminated, for example due to the closure of the Kuwait office. There are no plans to close the Kuwait office as the employees continue to provide services to subsidiary undertakings of the ultimate parent company.

#### Foreign currencies

The financial statements are presented in pounds sterling (£), which is also the Company's functional currency.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the financial year end. Transactions denominated in foreign currencies are translated into sterling at the average exchange rate for the month in which the transaction occurred. All exchange differences are taken to the profit or loss and are disclosed in administrative expenses.

The Kuwait branch costs are translated into sterling on a monthly basis using the average exchange rate for the month.

#### Revenue recognition

Revenue is derived from promotional, administrative and advisory services provided to fellow subsidiary undertakings, other group and related group undertakings. The Company recognises revenue under the five-step model introduced by IFRS 15, 'Revenue from contracts with customers'.

Contracts with customers detail the performance obligations of the Company, with the transaction price being determined based on a fixed price or an allocation method. Revenue recognised over time as services are performed.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### Property, plant and equipment

Property, plant and equipment are stated at their historic purchase price, together with any incidental expenses of acquisition less 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. Depreciation is calculated so as to write off the cost, less residual values, of fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned.

Furniture and office equipment	3 to 10 years
Data processing equipment	3 to 4 years
Building fixtures and fittings	3 to 10 years

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

#### Trade and other receivables

Trade and other receivables are amounts, due in the main, from fellow subsidiary undertakings and other group and related group undertakings. If settlement is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected losses.

#### Cash

Cash includes cash in hand and deposits held at call with banks.

#### Called-up share capital

Ordinary shares are classified as equity.

#### Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following: fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to £nil.

#### Income tax

The tax expense for the period comprises current and deferred tax.

Income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### Post-employment benefits: pensions

The Company participates in and is the principal employer for a group defined benefit pension scheme. The full liability of the scheme is recognised in the Company's balance sheet in respect of defined benefit pension plan.

The defined benefit pension scheme liability recognised in the statement of financial position is the present value of the obligation at the end of the reporting period less the fair value of plan assets. The obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit pension liability or asset. Past service costs are recognised immediately in the profit or loss.

For defined contribution pension schemes in the UK and Kuwait, payments are recognised in the profit or loss when they fall due.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### Post-employment benefits: end of service payments

The Company has an obligation to pay end of service payments to all Kuwaiti employees in line with the Labour Law in Kuwait. The liability for these payments recognised in the statement of financial position is the present value of the obligation at the end of the reporting period. The obligation is calculated using the projected unit credit method, with the present value determined using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and with terms to maturity approximating the terms of the obligation. The liability for end of service payments is classified as current in the statement of financial position and the changes in the liability are recognised immediately in the profit or loss.

#### 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 majority of the financial assets and liabilities of the Company are loans to/from other group companies.

The Company's financial assets are subsequently carried at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

The Company recognises a loss allowance for expected credit losses (ECL) on loans to group undertakings. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognises lifetime ECL on loans to group undertakings when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that instrument at an amount equal to 12-month ECL.

The ECL on financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no critical accounting judgements applied in the current year.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Defined benefit pension scheme (note 13) - The cost of pension benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.
- Liability for end of service payments (note 11) – The estimation of the liability amount is based on management assumptions regarding the expected length of service, future salary increases and applicable discount rates. The average remaining length of service has been estimated at 5 years, whilst the employees with the current length of service exceeding 15 years were assumed to remain in service until retirement. The assumptions regarding discount rates and future salary increases for end of service payments are aligned with those used for the defined benefit pension scheme.

### 4 Revenue

Revenue is derived from provision of promotional, administrative and advisory services to subsidiary undertakings of KPC. The geographical analysis of revenue by destination is as follows:

	2021 £'000	2020 £'000
United Kingdom	4,261	4,404
Rest of Europe	16,745	12,720
Rest of the world	59,510	57,521
	<b>80,516</b>	<b>74,645</b>

### 5 Operating profit

	2021 £'000	2020 £'000
<b>Operating profit is stated after charging/(crediting):</b>		
Amortisation on intangible assets	17	20
Depreciation on tangible assets (note 9)	2,665	2,675
Foreign exchange (gain)/loss	(1,458)	584
Services provided by the Company's auditor		
Fees payable for the audit	82	64
Variable lease charges	68	52
Pension recharge income (included in Other operating income)	(200)	(608)
Other staff costs	49,189	41,863
Defined contribution scheme expense	396	387
Defined benefit scheme expense (note 13)	957	930

The Company participates in the UK defined benefit pension scheme and recognises the full scheme surplus or deficit in its statement of financial position, as the principal employer, in accordance with IAS 19R. Although the Company pays the full employer contributions to the scheme (note 13), some payments are made on behalf of other group companies who are participating employers. These recharges are shown as other operating income of £200k (2020: £608k) in the profit or loss, with the other group companies recognising the recharge within their own operating costs.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 6 Directors' emoluments and employee information

Remuneration received and receivable by the Company's directors in respect of their services to the Company comprised:

	2021 £'000	2020 £'000
Aggregate emoluments (including benefits in kind)	1,013	1,048

Company contributions to pension schemes on behalf of the directors were £69k (2020: £66k). No directors were members of either the money purchase or the defined benefit pension scheme in either financial year.

Emoluments payable to the highest paid director were as follows:

	2021 £'000	2020 £'000
Aggregate emoluments	403	474

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2021	2020 Restated
Administration	114	119
Advisory	16	14
Management	45	44
Total average headcount	175	177

Employment costs of all employees included above:

	2021 £'000	2020 £'000
Wages and salaries	43,953	36,528
Social security costs	5,236	5,335
Defined contribution scheme expense	396	387
Defined benefit scheme expense	957	930
Total employee costs	50,542	43,180

Staff costs, including those in respect of executive directors, include recharge costs of £15,948k (2020: £16,875k) for 47 employees (2020: 51) seconded to other group undertakings.

### 7 Net finance costs

	2021 £'000	2020 £'000
Intercompany interest receivable	14	164
Bank interest	3	24
Net interest income of the defined benefit pension scheme	144	-
<b>Total finance income</b>	<b>161</b>	<b>188</b>

	2021 £'000	2020 £'000
Intercompany interest payable	(38)	(99)
Other paid interest	(130)	(134)
Net interest cost of the defined benefit pension scheme	-	(379)
<b>Total finance costs</b>	<b>(168)</b>	<b>(612)</b>

<b>Net finance costs</b>	<b>(7)</b>	<b>(424)</b>
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# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 7 Net finance costs (continued)

The net interest income relating to the KPC UK Group defined benefit pension scheme for the year ended 31 March 2021 of £144k (2020: cost of £(379)k) was recharged out along with the cost of service across the group based on active members and pensionable salary and shown in the income statement as other operating income.

### 8 Tax on profit

The standard rate of corporation tax in the UK for the years ended 31 March 2021 and 2020 was 19%. The differences between the tax charged and tax on profit at the standard rate are explained below:

	2021 £'000	2020 £'000
Profit before taxation	4,616	3,608
Tax at the standard rate of corporation tax in the UK of 19% (2019: 19%)	877	686
Effects of:		
Expenses not deductible for tax purposes	231	82
Prior year adjustment in respect of current tax	(155)	-
Other	-	(477)
Effects of deferred tax not recognised	(12)	1,096
Group relief claimed	(578)	(411)
Relief for pension contributions in excess of post-retirement benefits charges	(456)	(820)
<b>Total tax charge</b>	<b>(93)</b>	<b>156</b>

The Company has a deferred tax asset of approximately £4,140k (2020: £4,536k) which has not been recognised as there is insufficient evidence of future taxable profits for the Kuwait Petroleum UK Group against which the deferred tax asset can be realised. The unrecognised deferred tax asset is made up as follows:

	2021 £'000	2020 £'000
Tax losses (no expiry date)	-	1,127
Accelerated capital allowances	96	91
End of service payments	4,044	3,318
<b>Unrecognised deferred tax asset</b>	<b>4,140</b>	<b>4,536</b>

During the period, the UK government announced an increase in the rate of corporation tax to 25%. This rate was substantively enacted on 24 May 2021. As this is after the balance sheet date, the unrecognised deferred tax asset has been calculated using previous rate of corporation tax of 19%.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 9 Property, plant and equipment

	Furniture and office equipment	Data processing equipment	Building fixtures and fittings	Right-of-use assets		
				Buildings	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2020	765	1,662	1,664	9,341	1,177	14,609
Exchange differences	(27)	(98)	(114)	(454)	(75)	(768)
Additions	20	458	-	-	114	592
Disposals	-	-	-	(4)	(100)	(104)
<b>At 31 March 2021</b>	<b>758</b>	<b>2,022</b>	<b>1,550</b>	<b>8,883</b>	<b>1,116</b>	<b>14,329</b>
<b>Accumulated depreciation</b>						
At 1 April 2020	538	1,494	1,570	1,964	438	6,004
Exchange differences	(26)	(95)	(111)	(175)	(44)	(451)
Charge for the year	53	153	80	1,899	481	2,666
Disposals	-	-	-	-	(65)	(65)
<b>At 31 March 2021</b>	<b>565</b>	<b>1,552</b>	<b>1,539</b>	<b>3,688</b>	<b>810</b>	<b>8,154</b>
<b>Net book value</b>						
<b>At 31 March 2021</b>	<b>193</b>	<b>470</b>	<b>11</b>	<b>5,195</b>	<b>306</b>	<b>6,175</b>
<b>Net book value</b>						
At 1 April 2020	227	168	94	7,377	739	8,605

### 10 Trade and other receivables

	2021 £'000	2020 £'000
Amounts owed by group undertakings:		
Immediate group (KPC Holdings (Aruba) companies)	51,749	39,231
Other KPC group companies	295	351
Other receivables	2,094	1,299
Prepayments and accrued income	761	696
	<b>54,899</b>	<b>41,577</b>

Amounts owed by group undertakings are interest-free, unsecured and repayable on demand. There was no provision recorded for ECL on trade and other receivables (2020: £nil), as the ECL was determined to be immaterial.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 11 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Liability for end of service payments	53,434	47,095
Amounts owed to group undertakings:		
Immediate group (KPC Holdings (Aruba) companies)	8,632	6,397
Other KPC group companies	768	865
Taxation and social security	728	1,360
Trade creditors	131	161
Lease liabilities	2,298	2,499
Accrued expenses	3,903	4,321
	69,894	62,698

Amounts owed to group undertakings are interest-free, unsecured and repayable on demand.

To determine the liability for end of service payments as at 31 March 2021 the average remaining length of service of eligible employees has been estimated at 5 years, whilst the employees with the current length of service exceeding 15 years were assumed to remain in service until retirement. The assumptions regarding discount rates and future salary increases for end of service payments are aligned with those used for the defined benefit pension scheme (note 13). In the year ended 31 March 2021, the future salary increases were estimated at 4.6% and the discount rate was assessed at 2.1% (2020: 3.8% and 2.3%, respectively). The end of service benefits are unfunded.

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

	2021 £'000	2020 £'000
Accrued expenses	930	88
Lease liabilities	3,669	5,732
	4,599	5,820

Lease liabilities' maturity analysis as at 31 March 2021 is as follows:

	Buildings £'000	Vehicles £'000	Total £'000
Year 1	1,914	303	2,217
Year 2	1,526	9	1,535
Year 3	405	4	409
Year 4	405	-	405
More than 5 years	405	-	405
	4,655	316	4,971

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 13 Defined benefit pension scheme

The Company participates in a funded defined benefit pension plan called the KPC UK Group Retirement Plan (the "scheme") for qualifying UK employees. The scheme is closed to new members.

The scheme is administered by a separate board of Trustees which is legally separate from the Company. The Trustees are composed of representatives of both the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day to day administration of the benefits.

Under the scheme, employees are entitled to annual pensions on retirement at age 65 of one-sixtieth (one-fiftieth for service before 1 July 2013) of final pensionable salary for each year of service. Pensionable salary is defined as basic salary less half of the Basic State pension. With effect from 1 July 2016, pensionable salary increase was limited to the lower of the following:

- Annual percentage increase in the member's basic salary from the previous 1 July to the current 1 July;
- Annual increase in RPI for the 12 months up to the immediately preceding April (subject to a minimum of 0% p.a.); and
- 2.5% p.a.

Benefits are also payable on death and following other events such as withdrawing from active service. No other post-retirement benefits are provided to the majority of these employees, although some of the members may also be members of the Kuwait Petroleum Group Personal Pension Plan.

#### Profile of the scheme

The defined benefit obligation includes benefits for current employees, former employees and current pensioners. Broadly, about half of the liabilities are attributable to deferred pensioners, a third to current pensioners and the remainder to current employees.

The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is approximately 20 years.

#### Funding requirement

UK legislation requires that pension schemes are funded prudently. The previous funding valuation of the scheme was carried out by a qualified actuary as at 31 March 2018 which showed a deficit of £11,700k. The Company has paid deficit contributions of £11,000k over a 3-year period from that valuation date up to 31 March 2021. The recent funding valuation as at 29 March 2022 showed a deficit of £3,000k. The Company will make annual contributions of £1,000k, and along with investment returns from return-seeking assets, these are expected to make good this shortfall by 31 March 2024.

The Company also pays contributions of 28.4% of pensionable salaries in respect of the current accrual, with active members paying a further 8% of pensionable salaries.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 13 Defined benefit pension scheme (continued)

#### Risks associated with this Scheme

The scheme exposes the Company to a number of risks, the most significant of which are:

##### (a) Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The scheme holds a significant proportion of growth assets (equities, diversified growth fund and global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

##### (b) Changes in bond yields

A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

##### (c) Inflation risk

The majority of the scheme's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). Most of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

##### (d) Life expectancy

The majority of the scheme's obligations are to provide benefits for the lifetime of the member, so increase in life expectancy will result in an increase in the liabilities.

The Company and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy which aims to reduce the volatility of the funding level of the scheme. By investing in assets which perform in line with the liabilities of the scheme, the scheme is protected against inflation being higher than expected.

The Trustees insure certain benefits which are payable on death before retirement.

#### Main financial assumptions

	2021	2020
	% p.a.	% p.a.
RPI inflation	3.1%	2.30%
CPI inflation	2.6%	1.90%
Rate of general long-term increase in salaries	2.5%	3.80%
Pre-97 excess pension increase	2.0%	1.60%
Post-97 pension increase	3.0%	2.30%
Discount rate for scheme liabilities	2.1%	2.30%

The financial assumptions reflect the nature and terms of the scheme's liabilities.

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 13 Defined benefit pension scheme (continued)

#### Main demographic assumptions

	2021	2020
	S2P tables with a 97.5% scaling factor, CMI_2019 projections, smoothing factor of 7.0, additional parameter of A=0.5% with improvements of 1.25% p.a.	S2P tables with a 97.5% scaling factor, CMI_2018 projections, smoothing factor of 7.0, additional parameter of A=0.5% with improvements of 1.25% p.a.
Mortality table adopted		
Life expectancy		
Male currently aged 65	22.4	22.3
Female currently aged 65	24.4	24.2
At 65 for male currently aged 45	23.8	23.7
At 65 for female currently aged 45	25.9	25.7
Cash commutation	Assume all members take the maximum cash permissible on retirement, based on the factors in place as at the year end	

The mortality assumptions are based on the recent actual mortality experience of scheme members, and allow for expected future improvements in mortality rates.

The scheme assets are invested in the following asset classes. All assets have a quoted market value in an active market.

	Asset Class	2021 £'000	2020 £'000
	Liability-driven		
Legal & General Matching Plus Fund	investment	56,376	55,473
Schroders Emerging Markets Equity Fund	Equities	-	13,804
Schroders Real Estate Fund	Property	14,110	13,680
Russell Multi Asset Growth	Diversified growth fund	50,435	39,240
DCS Adept sub Fund 9	Diversified growth fund	36,612	26,644
Legal & General Liquidity Fund	Diversified growth fund	2,564	2,259
Trustee bank account	Cash	7,053	7,103
		167,150	158,203

The amounts recognised in the statement of financial position are set out below:

	2021 £'000	2020 £'000
Fair value of scheme assets	167,150	158,203
Present value of funded defined benefit obligations	(173,882)	(152,322)
Funded status (Liability)/asset recognised in the statement of financial position	(6,732)	5,881

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 13 Defined benefit pension scheme (continued)

The Company has an unconditional right to realise any surplus assets assuming the full settlement of plan liabilities in the event of the scheme wind-up. Furthermore, in the ordinary course of business the Trustees have no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, the net surplus in the scheme was recognised in full as at 31 March 2020.

The amounts recognised in statement of comprehensive income are set out below:

	2021 £'000	2020 £'000
Current service cost	857	930
Past service cost (incl. curtailments)	100	-
Interest on net defined benefit (asset)/liability	(144)	379
<b>Total amount recognised in income statement</b>	<b>813</b>	<b>1,309</b>
Return on plan assets in excess of that recognised in net interest	(6,049)	(2,645)
Actuarial losses/(gains) due to changes in financial assumptions	20,924	(11,528)
Actuarial losses/(gains) due to changes in demographic assumptions	587	(2,955)
Actuarial gains on scheme liabilities arising from experience	(458)	(445)
<b>Total amount recognised in other comprehensive loss/(income)</b>	<b>15,004</b>	<b>(17,573)</b>
<b>Total amount recognised in the statement of comprehensive loss/ (income)</b>	<b>15,817</b>	<b>(16,264)</b>

The movement in the defined benefit liability over the year is as follows:

	2021 £'000	2020 £'000
At 1 April	152,322	165,139
Current service cost	857	930
Interest expense	3,457	3,929
Contribution by scheme participants	170	183
Remeasurements:		
- Actuarial losses/(gains) on scheme liabilities arising from changes in financial assumptions	20,924	(11,528)
- Actuarial losses/(gains) on scheme liabilities arising from changes in demographic assumptions	587	(2,955)
- Actuarial gains on scheme liabilities arising from experience	(458)	(445)
	21,056	(14,928)
Net benefits paid out	(4,077)	(2,931)
Past service cost (incl. curtailments)	100	-
<b>At 31 March</b>	<b>173,882</b>	<b>152,322</b>

# Kuwait Petroleum International Limited

## Notes to the financial statements for the year ended 31 March 2021 (continued)

### 13 Defined benefit pension scheme (continued)

The movement in the fair value of scheme assets over the year is as follows:

	2021 £'000	2020 £'000
At 1 April 2020	158,203	149,107
Interest income on scheme assets	3,601	3,550
Return on plan assets in excess of that recognised in net interest	6,049	2,645
Contributions by the employer	3,204	5,649
Contributions by scheme participants	170	183
Net benefits paid out	(4,077)	(2,931)
At 31 March 2021	167,150	158,203

#### Actual return on scheme assets

	2021 £'000	2020 £'000
Interest income on scheme assets	3,601	3,550
Return on plan assets in excess of that recognised in net interest	6,049	2,645
	9,650	6,195

#### Sensitivity analysis of scheme liabilities

The sensitivity of the present value of scheme liabilities to changes in the principal assumptions used is set out below.

	Change in assumptions %	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.25%	Increase/decrease by 4.87%
Rate of decrease in salaries	Decrease by 0.25%	Decrease by 0.52%
Rate of increase in pensions in payment	Increase/decrease by 0.25%	Increase/decrease by 3.27%
Mortality	Increase/decrease by 1 year	Increase/decrease by 3.46%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

### 14 Called-up share capital

	2021 £	2020 £
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
<b>Allotted and fully paid</b>		
5,500,100 ordinary shares of £1 each	5,500,100	5,500,100

All shares rank "*pari passu*" for voting and distribution and are non-redeemable. No other rights are attached.

## **Kuwait Petroleum International Limited**

### **Notes to the financial statements for the year ended 31 March 2021 (continued)**

#### **15 Controlling parties**

The immediate parent is Kuwait Petroleum (U.K. Holdings) Ltd (the registered address Dukes Court, Duke Street, Woking, Surrey, GU21 5BH) incorporated and domiciled in England and Wales. The parent company of the largest group of undertakings for which group financial statements are drawn up, and which the Company is a member, is Kuwait Petroleum Corporation (the Company's ultimate parent), a company incorporated in Kuwait. KPC is owned by the state of Kuwait, who represent the ultimate controlling party. Kuwait Petroleum Corporation financial statements can be obtained from their registered address P.O. Box 26565, 13126 Safat, Kuwait. The immediate parent company of the smallest such group is KPC Holdings (Aruba) A.E.C., (the registered address Lloyd G. Smith Blvd. 62, Suite 301, Oranjestad, Aruba) incorporated in Aruba. Copies of the consolidated financial statements of KPC Holdings (Aruba) A.E.C. can be obtained from Dukes Court, Duke Street, Woking, Surrey, GU21 5BH.