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KCC Group Limited

Report and Financial Statements

31 December 2009

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COMPANIES HOUSE

Directors
K Fleming
G Mackie
N J Winterbourne

Secretary
Abogado Nominees Limited

Auditors
Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5QR

Registered Office
Cameron House
61 – 73 Staines Road West
Sunbury-on-Thames
Middlesex TW16 7AH

Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The profit for the year after taxation amounted to £7,000 (2008 – profit of £5,066,000)

The company did not pay an interim dividend during the year (2008 – £5,025,000) The directors do not propose a final dividend

Principal activities and review of the business

The company is an intermediate holding company The directors consider the results for the year to be satisfactory

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Directors

The present directors, who served throughout the year, are shown on page 1

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware Having made enquiries of fellow directors, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

PricewaterhouseCoopers LLP resigned as auditors on 15 December 2009 and Ernst & Young LLP were appointed in their place

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board

G Mackie
Director
30 September 2010

Statement of directors' responsibilities

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper 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 to 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

ERNST & YOUNG

Independent auditors' report

to the members of KCC Group Limited

We have audited the financial statements of KCC Group Limited for the year ended 31 December 2009 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 13 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)

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 has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

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

Ernst & Young LLP

E M Barber (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

30 September 2010

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Administrative expenses		10	32
Operating profit	2	10	32
Income from shares in group undertakings		-	5,025
Interest receivable	4	-	17
Profit on ordinary activities before taxation		10	5,074
Tax on profit on ordinary activities	5	(3)	(8)
Profit for the financial year	12	7	5,066

There were no recognised gains or losses in the year other than those shown above All results were derived from continuing operations

There is no material difference between the results included above and their historical cost equivalent

Balance sheet

at 31 December 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Investments	7	255	255
Current assets			
Debtors	8	203	203
Cash at bank and in hand		24	207
		227	410
Creditors: amounts falling due within one year	9	(140)	(330)
Net current assets		87	80
Net assets		342	335
Capital and reserves			
Called up share capital	10	253	253
Profit and loss account	11	89	82
Shareholders' funds	12	342	335

The financial statements were approved for issue by the board of directors and signed on its behalf by

G Mackie
Director

30 September 2010

Notes to the financial statements

at 31 December 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards Where a choice of treatment is available the directors have applied the most appropriate accounting policies and estimation techniques in accordance with FRS 18 A summary of the significant accounting policies, which have been applied consistently, are set out below

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the *Review of business and future developments* on page 2

The group has strong financial resources and the company is continuing in its role within the wider Cameron group As a consequence, the directors believe that the company is well placed to manage its business risks successfully

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Basis of consolidation

As permitted by Section 401 of the Companies Act 2006, no group financial statements are presented as the company is a wholly owned subsidiary undertaking of Cameron International Corporation

Statement of cash flows

The company has taken advantage of the exemptions available in FRS 1 (Revised) and accordingly a statement of cash flows is not presented in these financial statements The company is entitled to such exemption as it is more than 90% owned by another company whose financial statements are publicly available (see note 13)

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provisions for impairment

Interest costs

Interest costs are taken to the profit and loss account as incurred

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation arises when items are recognised for tax purposes in periods that differ from the periods in which they are recognised for accounting purposes Deferred taxation is recognised as a liability or asset, using the full provision method, if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future A deferred tax asset is recognised to the extent that it is regarded as recoverable Deferred tax assets and liabilities are not discounted

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate All differences are taken to the profit and loss account

Notes to the financial statements

at 31 December 2009

2. Operating profit

This is stated after charging

	2009	*2008*
	£000	*£000*
Auditors' remuneration	3	3

3. Directors' emoluments

There were no employees during the year other than directors (2008 – nil)

No directors received remuneration in respect of their services for the year ended 31 December 2009 (2008 – nil)

4. Interest receivable

	2009	*2008*
	£000	*£000*
Bank interest	-	8
Interest on tax rebates	-	9
	-	17

5. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows

	2009	*2008*
	£000	*£000*
Current tax		
UK corporation tax on the profit for the year	3	3
Adjustments relating to prior years	-	5
Total current tax and tax on profit on ordinary activities	3	8

Notes to the financial statements

at 31 December 2009

5. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2008 – 28 5%) The differences are explained below

	2009	*2008*
	£000	*£000*
Profit on ordinary activities before tax	10	5,074
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 28 5%)	3	1,446
Effects of		
Income not chargeable to tax	-	(1,432)
Capital allowances in excess of depreciation	-	(1)
Other timing differences	-	(10)
Adjustments in respect to previous period	-	5
Current tax for the year (note 5(a))	3	8

c) Factors that will affect future tax charges

On 22 June 2010, the UK government announced proposals to reduce the main rate of corporation tax from 28% to 24% over 4 years with effect from 1 April 2011 As of 31 December 2009, the tax rate change was not substantially enacted

In addition, changes to the capital allowances regime were proposed including a reduction in the rate of capital allowances on plant and machinery additions from 20% to 18% and a reduction in the rate of the special rate pool from 10% to 8% with effect from 1 April 2012 As of 31 December 2009, this proposal was not substantially enacted

6. Dividends

	2009	*2008*
	£000	*£000*
Equity dividends paid of £Nil per ordinary share (2008 – £19 9689)	-	5,025

Notes to the financial statements

at 31 December 2009

7. Investments

	£000
Cost	
As at 1 January 2009 and 31 December 2009	255

Details of subsidiary undertakings

	Principal activity	*Country of incorporation*	*Class of share*	*Number held*	*% held*
Petreco International (Middle East Limited	Oil and gas treatment	England and Wales	£1 ordinary	1,000	100
KCC Resources (Jersey) Limited	Overseas employment	Jersey	£1 ordinary	2	100
KCC Process Equipment Limited	Dormant	England and Wales	£1 ordinary	253,000	100
RJB Engineering (UK) Limited	Dormant	England and Wales	£1 ordinary	2	100

8. Debtors

	2009 £000	*2008 £000*
Amounts receivable from group undertakings	203	203

9. Creditors: amounts falling due within one year

	2009 £000	*2008 £000*
Amounts owed to group undertakings	122	322
Corporation tax	6	3
Accruals and deferred income	12	5
	140	330

10. Issued share capital

	Authorised		*Allotted, called-up and fully paid*	
	2009 No	*2008 No*	*2009 £000*	*2008 £000*
Ordinary shares of £1 each	1 000,000	1,000,000	253	253

Notes to the financial statements

at 31 December 2009

11. Profit and loss account

	£000
At 1 January 2009	82
Profit for the year	7
At 31 December 2009	89

12. Reconciliation of shareholders' funds and movements on reserves

	2009 £000	2008 £000
Retained profit for the year	7	5,066
Dividends paid	-	(5,025)
Shareholders' funds at the beginning of the year	335	294
Shareholders' funds at the end of the year	342	335

13. Ultimate parent undertaking and controlling party

The immediate parent undertaking of KCC Group Limited is Petreco International Limited The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Cameron International Corporation, which is incorporated in the United States of America

Cameron International Corporation is also the company's ultimate parent undertaking and controlling party Copies of the Annual report of Cameron International Corporation are available from Cameron International Corporation, 1333 West Loop South, Suite 1700, Houston, Texas, 77027, USA