

**Company Registration No. 1734259**

**Kuwait Petroleum International  
Limited**

**Report and Financial Statements**

**31 March 2008**

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# **Kuwait Petroleum International Limited**

## **Report and financial statements 2008**

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# **Kuwait Petroleum International Limited**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

A Al-Houti (resigned 1/11/07)  
H Esmail (appointed 1/11/07)  
Y Al-Yateem  
A I Behbehani  
G Smith (resigned 19/9/07)  
A Saunders (appointed 19/9/07)

#### **Secretary**

A Thomson

#### **Registered Office**

Dukes Court  
Duke Street  
Woking  
Surrey  
GU21 5BH

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London

# **Kuwait Petroleum International Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

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

The principal activity of the company during the year was the provision of promotional, administrative and advisory services to subsidiary undertakings of its ultimate parent company, Kuwait Petroleum Corporation. The costs incurred by the company in providing such services are charged to fellow subsidiary undertakings at a mark up.

The profit for the year, after taxation, amounted to £304,840 (2007 – loss of £5,685,309).

The company incurred a profit after taxation in the current year which included additional payments totalling £1.3 million to two defined benefit pension schemes of which it is an employer. These costs have, in contrast to other administrative expenses, not been charged on at a mark up to other companies within the Kuwait Petroleum Corporation organisation. There was a prior year loss, primarily because the corresponding additional payments in 2007 were significantly higher, at £6.3 million.

No dividend was declared during the year. Additionally, in the prior year, no dividend was paid. The balance sheet of the company continues to show a net liability position, despite making a profit after taxation this year. This is due to losses incurred in prior years, which are the result of the additional payments made to the pension schemes as detailed above.

The company is operating at a satisfactory level of profitability, after excluding the impact of the additional pension payments referred to above.

Internal restructuring of business operations has resulted in some aspects of the KPI group services now being based in Belgium. Subsequently, the management of the Lubricants and International Diesel Services divisions has been moved to a different legal entity within the group. As a result, both expenses and turnover will decrease from next year. These divisions of the business accounted for approximately 14% of administration expenses this year, and approximately 14.7% of turnover.

The company also operates a branch in Kuwait.

### **Principal risks and uncertainties**

The directors do not believe the company has any significant exposure to price, credit, liquidity or cash flow risk. Although it has a significant debtor balance, the majority is made up of monies owed by other group related undertakings, and therefore the directors feel there is no risk of the balances not being settled.

### **Directors**

The directors throughout the year and up to the date of this report were as follows:

A Al-Houti (resigned 1/11/07)  
H Esmail (appointed 1/11/07)  
Y Al-Yateem  
A I Behbehani  
G Smith (resigned 19/9/07)  
A Saunders (appointed 19/9/07)

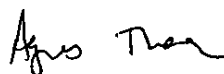
# Kuwait Petroleum International Limited

## Directors' report

### Information to auditors

Each of the directors in office at the time when the directors' report is approved confirm that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

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



A Thomson  
Secretary

18 December 2008

Dukes Court  
Dukes Street  
Woking  
Surrey  
GU21 5BH

# **Kuwait Petroleum International Limited**

## **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). The financial statements are required by law to 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 judgments 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 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 1985. 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.

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

We have audited the financial statements of Kuwait Petroleum International Limited for the year ended 31 March 2008 which comprise of the Profit and Loss Account and the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
London  
18 December 2008



## Kuwait Petroleum International Limited

### Profit and loss account Year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Turnover	2	25,844	24,166
Administrative expenses		(25,761)	(29,437)
<b>Operating profit / (loss)</b>		<u>83</u>	<u>(5,271)</u>
Interest receivable and similar income	3	45	38
Interest payable and similar charges	4	(570)	(452)
<b>Loss on ordinary activities before taxation</b>	5	<u>(442)</u>	<u>(5,685)</u>
Tax on loss on ordinary activities	6	746	-
<b>Profit / (loss) for the financial period after taxation</b>		<u>304</u>	<u>(5,685)</u>

All operations of the company continued throughout both years. No operations were acquired or discontinued.

There are no recognised gains or losses for the year other than the results for the year shown above, consequently no statement of total recognised gains and losses is presented.

# Kuwait Petroleum International Limited

## Balance sheet 31 March 2008

	Note	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Tangible assets	7	<u>582</u>	<u>532</u>
<b>Current assets</b>			
Debtors	8	18,345	16,793
Cash at bank and in hand		563	436
Tax receivable	6	<u>746</u>	<u>-</u>
		19,654	17,229
<b>Creditors: amounts falling due within one year</b>	9	<u>(22,936)</u>	<u>(20,765)</u>
<b>Net current liabilities</b>		<u>(3,282)</u>	<u>(3,536)</u>
<b>Net liabilities</b>		<u>(2,700)</u>	<u>(3,004)</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	<u>(2,700)</u>	<u>(3,004)</u>
<b>Shareholders' deficit</b>	12	<u>(2,700)</u>	<u>(3,004)</u>

These financial statements were approved by the Board of Directors on 18 December 2008.

Signed on behalf of the Board of Directors



A Saunders  
Director

18 December 2008

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 1. Accounting policies

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

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### **Turnover**

Turnover represents amounts invoiced (exclusive of VAT) in respect of promotional, administrative and advisory services provided to fellow subsidiary undertakings and other group and related group undertakings.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis on all tangible assets at rates designed to write off costs, less residual values, over their estimated useful lives, as follows:

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

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the year end.

Transactions denominated in foreign currencies are translated at the average exchange rate for the month in which the transaction occurred.

All exchange differences are taken to the profit and loss account.

#### **Pension costs**

The company participates in a group defined benefit scheme. The company accounts for its obligations in respect of the defined benefit scheme on a defined contribution basis, as the net assets of this scheme relating to individual companies cannot be separately identified. The latest actuarial valuation of the defined benefit scheme, prepared in accordance with FRS 17, shows a deficit position. Further details can be found in note 14.

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

Further information on pension costs is provided in note 14.

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 1. Accounting policies (continued)

#### Taxation

Corporation tax payable is provided on taxable profits at tax rates which have been enacted or substantially enacted at the balance sheet date.

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

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

#### Leases

Rentals paid under operating leases are expensed on a straight line basis over the lease term, even if the payments are not made on the same basis.

#### Cash flow statement

The company's ultimate parent company, Kuwait Petroleum Corporation (note 5), presents consolidated financial statements which consolidate the results of the company and are publicly available. Accordingly under Financial Reporting Standard No. 1 no cash flow statement is included in these financial statements.

#### 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.

#### Derivative financial instruments

The company has prepared its accounts in accordance with FRS 26. The Company has elected to take the disclosure exemption available in paragraph 2D of FRS 29, as it is included in the publicly available consolidated financial statements of KPC Holdings (Aruba) AEC, which include disclosures that comply with IFRS 7 (an equivalent accounting standard to FRS 29 under International Accounting Standards). The company does not enter into any derivative financial instruments.

### 2. Turnover

Turnover is considered by the directors to be from one class of business, all of which originated in the United Kingdom and is analysed by destination as follows:

	2008 £'000	2007 £'000
United Kingdom	1,511	1,997
Europe and Netherlands Antilles	24,333	22,169
	<u>25,844</u>	<u>24,166</u>

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 3. Interest receivable and similar income

	2008 £'000	2007 £'000
Interest receivable from group undertakings	14	8
Bank interest receivable	31	30
	<u>45</u>	<u>38</u>

### 4. Interest payable and similar charges

	2008 £'000	2007 £'000
Interest payable to group undertaking	569	452
Interest payable - other	1	-
	<u>570</u>	<u>452</u>

### 5. Loss on ordinary activities before taxation

(a) Loss on ordinary activities before taxation is stated after charging/ (crediting):

	2008 £'000	2007 £'000
Depreciation		
- owned assets	215	179
Loss on disposal of fixed assets	-	1
Foreign exchange (gain)/loss	(205)	93
Auditors' remuneration		
- audit of the company's annual accounts	20	15
Operating lease rentals		
- plant and machinery	5	5
- other	258	252
	<u>258</u>	<u>252</u>

Administrative expenses include a £941,041 (2007 : £4,381,875) charge in respect of a UK pension scheme and £391,386 (2007 : £1,912,429) in respect of an overseas pension scheme (see note 14) which has not been recharged to other group companies.

There is an additional charge borne by Kuwait Petroleum International Limited on behalf of other group undertakings in respect of audit and other non-audit services, which this year totalled £251,010 (2007 : £215,914).

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 5. Loss on ordinary activities before taxation (continued)

#### (b) Staff costs

	2008 £'000	2007 £'000
Employees, including executive directors:		
Wages and salaries	9,349	6,552
Social security costs	1,860	2,168
Pension costs (note 14)	1,933	6,967
	<u>13,142</u>	<u>15,687</u>

Staff costs, including those in respect of executive directors, include a recharge of costs of £3,880,150 (2007 – £6,550,878) for 22 personnel (2007 - 19) employed by a related group undertaking in respect of services provided to the company.

The average monthly number of employees during the year was 99 (2007 – 99) including those personnel employed by related group undertakings. All staff are employed in administrative positions.

#### (c) Directors' remuneration

	2008 £'000	2007 £'000
Emoluments (excluding pension contributions)	<u>845</u>	<u>614</u>
	<u>845</u>	<u>614</u>

The directors' remuneration shown above, excluding pension contributions, included the emoluments of the highest paid director, of £347,058 (2007 – £371,528). The accrued pension entitlement under the company's defined benefit scheme of the highest paid director at 31 March 2008 was £ nil (2007 – £nil).

No directors were members of either the money purchase or the defined benefit pension schemes in either period.

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 6. Tax on loss on ordinary activities

The tax charge comprises:

<i>Deferred Tax</i>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax charge on origination and reversal of timing differences	-	-
<i>Current tax</i>		
UK Corporation Tax:		
Adjustments made for prior years re consortium relief claims	(746)	-
	(746)	-
Foreign Tax:		
Current tax on income for the year	-	-
Total tax on loss/profit on ordinary activities	(746)	-

### *Factors affecting current tax charge*

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before taxation	(442)	(5,685)
Corporation tax at 30%	(132)	(1,706)
Effects of:		
Permanent differences	215	15
Capital allowances in excess of depreciation	(126)	54
Other timing differences	(332)	(184)
Adjustment for prior years	(746)	-
Unrelieved tax losses arising in the year	375	1,821
Total current tax credit	(746)	-

The corporation tax rate as from the 1 April 2008 has reduced to 28%, down from the current rate of 30%.

The company has a potential net deferred tax asset at 31 March 2008 of £3,202,000 (2007 £2,942,000). This asset has not been recognised as there is insufficient evidence of suitable future taxable profits.

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 7. Tangible fixed assets

	Furniture and office equipment £'000	Data processing equipment £'000	Building fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 31 March 2007	585	776	224	1,585
Additions	11	253	1	265
Disposals	-	(31)	-	(31)
At 31 March 2008	<u>596</u>	<u>998</u>	<u>225</u>	<u>1,819</u>
<b>Accumulated depreciation</b>				
At 31 March 2007	399	465	189	1,053
Charge for year	54	139	22	215
Depreciation on disposals	-	(31)	-	(31)
At 31 March 2008	<u>453</u>	<u>573</u>	<u>211</u>	<u>1,237</u>
<b>Net book value</b>				
At 31 March 2008	<u>143</u>	<u>425</u>	<u>14</u>	<u>582</u>
At 31 March 2007	<u>186</u>	<u>311</u>	<u>35</u>	<u>532</u>

### 8. Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Amounts due from immediate group undertakings	15,130	15,517
Amounts due from other group undertakings	1,546	469
Other debtors	1,160	700
VAT receivable	88	63
Prepayments and accrued income	421	44
	<u>18,345</u>	<u>16,793</u>



# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 9. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	582	715
Amounts due to immediate group undertakings	11,737	15,717
Amounts due to other group undertakings	3,858	1,446
Accruals and deferred income	6,349	2,510
Other creditors	18	241
Payroll, taxes and social security	392	136
	<u>22,936</u>	<u>20,765</u>

### 10. Called up share capital

	2008 £	2007 £
Authorised, called up, allotted and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 11. Reserves

	Profit and loss account £'000
As at 1 April 2007	(3,004)
Retained profit for the year	<u>304</u>
As at 31 March 2008	<u>(2,700)</u>

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

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

	2008 £'000	2007 £'000
Profit / (loss) for the financial year	304	(5,685)
Dividends paid	-	-
	<u>304</u>	<u>(5,685)</u>
Net addition / (deduction) to shareholders' funds	304	(5,685)
Opening shareholders' (deficit) / funds	(3,004)	2,681
	<u>(3,004)</u>	<u>2,681</u>
Closing shareholders' deficit	<u>(2,700)</u>	<u>(3,004)</u>

### 13. Leasing commitments

At 31 March 2008, the company had annual commitments under non-cancellable operating leases, which principally relate to company cars as set out below:

	2008 £'000	2007 £'000
Other leases which expire:		
- within one year	3	147
- within two to five years	276	40
	<u>342</u>	<u>187</u>

### 14. Pension costs

The group headed by the company operates both a funded defined benefit pension scheme (the "scheme") and a defined contribution pension scheme in the UK, the assets of which are held in separate trustee administered funds.

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

The total pension cost for the company for the year was £1,933,371 (2007 – £6,967,047). Of this £1,092,336 (2007 – £4,464,089) relates to the UK defined benefit scheme and £735 (2007 – £nil) relates to the UK defined contribution scheme. The remainder of £840,300 (2007 – £2,502,958) is a recharge from a related group undertaking (see note 5b), representing contributions made to the Executive and Overseas Pension Scheme. The charge in respect of the UK defined benefit plan included a cash contribution of £941,041 (2007 - £4,381,875) and the charge in respect to the Executive and Overseas Pension Scheme includes a cash contribution of £391,386 (2007 - £1,912,429) which were made in order to improve the funding position of the scheme.

Although the Executive and Overseas pension scheme is a defined benefit scheme the ultimate responsibility for funding this scheme resides with a company exterior to the group headed by Kuwait Petroleum (U.K.) Holdings Limited. The staff to which payments to this pension scheme relate are on secondment to the group, and once this secondment ends the group has no contractual responsibility to fund any future deficit in this scheme. The pension costs payable are therefore treated as if the scheme were a defined contribution scheme.

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 14. Pension costs (continued)

The most recent formal actuarial valuation of the "scheme" took place on 31 March 2006.

Additional disclosures regarding the group's defined benefit pension scheme are required under the provisions of FRS 17 "Retirement benefits" and these are set out below.

The actuarial valuation described above has been updated at 31 March 2008 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at bid value.

The major assumptions used for the actuarial valuation were:

	31 March 2008 %	31 March 2007 %	31 March 2006 %
Rate of increase in salaries	5.10	4.80	4.50
Rate of increase in pensions in payment	3.35	3.05	2.75
Discount rate	6.40	5.40	4.90
Inflation assumption	3.60	3.30	3.00

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2008 %	2008 £'000	2007 %	2007 £'000	2006 %	2006 £'000
Equities	8.60	32,014	8.10	35,174	8.50	31,034
Property	8.10	1,803	-	-	-	-
Bonds	5.25	24,653	5.00	22,401	4.50	20,779
Other	5.25	312	4.30	1,179	4.00	(8)
Total bid value of assets†		<u>58,782</u>		<u>58,754</u>		<u>51,805</u>
Present value of scheme liabilities		<u>(68,913)</u>		<u>(67,138)</u>		<u>(63,798)</u>
Deficit in the scheme		<u>(10,131)</u>		<u>(8,384)</u>		<u>(11,993)</u>

(† Prior to 2007 the "fair" value of assets was used rather than the "bid" value. This change reflects recent amendments to FRS17 disclosures made by the Accounting Standards Board (ASB).

The group contributions during the accounting period to 31 March 2008 amounted to £1,953,000. The total contribution amount includes contributions at the rate of 11.9% of Pensionable Salary from 1 April 2007 to 30 June 2007, then 20.3% from 1 July 2007 to 31 March 2008, plus one lump sum contributions of £1.08 million paid into the Scheme in March 2008. The members contributed to the Scheme at the rate of 6% of Pensionable Salary until 30 June 2007 and a rate of 7.0% thereafter. The group contribution rate for the coming year is 20.3%, whilst the members' contribution increases to 8.0% with effect from 1 July 2008.

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 14. Pensions (continued)

The funding position on the FRS 17 basis has deteriorated since 31 March 2007. This is mainly due to the volatility in the asset values during the year, leading to a lower asset value than expected at the end of the period. On the liabilities side, allowance for reductions in the rates of mortality has been partially offset by the rise in bond yields.

#### Analysis of the amount that would be credited / (charged) to operating profit under FRS 17

	2008 £'000	2007 £'000
Current service cost	(1,027)	(1,052)
Past service cost	-	-
Gain on curtailments and settlements	-	-
Total operating charge	<u>(1,027)</u>	<u>(1,052)</u>

#### Analysis of the amount that would be charged to net finance charges under FRS 17

	2008 £'000	2007 £'000
Expected return on pension scheme assets	4,030	3,709
Interest on pension scheme liabilities	<u>(3,481)</u>	<u>(3,053)</u>
Net credit	<u>549</u>	<u>656</u>

#### Analysis of the amount that would be recognised in the statement of total recognised gains and losses under FRS 17

	2008 £'000	2007 £'000
Actual return less expected return on scheme assets	(4,473)	(1,630)
Experience gains and losses arising on the scheme liabilities	-	(35)
Changes in assumptions underlying the present value of the scheme liabilities	<u>1,251</u>	<u>(265)</u>
Net actuarial loss	<u>(3,222)</u>	<u>(1,930)</u>

# Kuwait Petroleum International Limited

## Notes to the financial statements Year ended 31 March 2008

### 14. Pensions (continued)

#### Movement in scheme deficit during the year

	2008 £'000	2007 £'000
At beginning of year	(8,384)	(11,993)
Current service cost	(1,027)	(1,052)
Contributions	1,953	5,935
Curtailment gains	-	-
Net finance credit / (charges)	549	656
Actuarial loss	(3,222)	(1,930)
At end of year	<u>(10,131)</u>	<u>(8,384)</u>

#### History of experience gains and losses

	2008 £'000	2007 £'000	2006 £'000
<b>Difference between the expected and actual return on scheme assets:</b>			
Amount, £'000	(4,473)	(1,630)	6,292
Percentage of scheme assets	(8)	(3)	12
<b>Experience gains and losses on scheme liabilities:</b>			
Amount, £'000	-	(35)	(743)
Percentage of the present value of scheme liabilities	-	-	1
<b>Total actuarial gain / (loss) in the statement of total recognised gains and losses:</b>			
Amount, £'000	(3,222)	(1,930)	(916)
Percentage of the present value of scheme liabilities	(5)	(3)	(1)

### 15. Ultimate parent company

The parent company of the largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Kuwait Petroleum Corporation (the company's ultimate parent), a company incorporated in Kuwait. Kuwait Petroleum Corporation is owned by the government of Kuwait, who represent the ultimate controlling party. The immediate parent company of the smallest such group is KPC Holdings (Aruba) A.E.C., incorporated in Aruba. Copies of the consolidated accounts of KPC Holdings (Aruba) A.E.C. can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

### 16. Related parties

The company has utilised the exemption in Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with other members of the group headed by Kuwait Petroleum Corporation.