

Company registration number: 01734259

Kuwait Petroleum International Limited

Annual report and financial statements

for the year ended 31 March 2010

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Kuwait Petroleum International Limited

Annual report and financial statements for the year ended 31 March 2010

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**Annual report and financial statements for the year ended
31 March 2010**

Directors and professional advisers

Directors

H Esmail
Y Al-Yateem
A I Behbehani
A Saunders

Company secretary

A Thomson

Registered office

Dukes Court
Duke Street
Woking
Surrey
GU21 5BH

Independent auditors

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

Kuwait Petroleum International Limited

Directors' report for the year ended 31 March 2010

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

Principal activities, review of the business and dividend

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 majority of costs incurred by the company in providing such services are charged to fellow subsidiary undertakings at a mark up.

Due to the ad-hoc nature of costs incurred by the company, the directors manage the group's operations on a divisional basis. 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.

The company achieved a profit after taxation in the current year totalling £806,000 (2009 - £1,463,000). The current year's result includes additional payments totalling £817,074 (2009 - £1,344,531) 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.

The company also operates a branch in Kuwait and the current financial year has seen the Kuwait branch expand, both in terms of employee numbers and in physical office space. This year has also seen a continued focus on developing the business in Asia. Specific projects in the Far Eastern markets are underway, which although initially have had an impact on the cost base of the company for this financial period, are ultimately of significant importance to the growth and development of our business.

The balance sheet of the company continues to show a net asset position and management believe that the company is operating at a satisfactory level of profitability.

No dividend was declared during the year (2009 - nil).

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 of the company who were in office during the year and up to the date of signing the financial statements were as follows:

H Esmail
Y Al-Yateem
A I Behbehani
A Saunders

At the time the report is approved and at any time during the year there were no qualifying third party indemnity provisions and/or qualifying pensions scheme indemnity provisions (whether made by the company or otherwise) in place for the benefit of one or more of the directors or one or more directors of an associated company.

Post balance sheet events

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

Kuwait Petroleum International Limited

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

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

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

Statement of disclosure of information to auditors

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

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

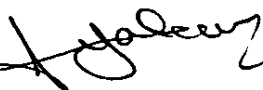
Independent auditors

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

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

Y Al-Yateem
Director

7 October 2010



Kuwait Petroleum International Limited

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 2010 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Kuwait Petroleum International

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

John Matland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road,
Reading
9 November 2010

Kuwait Petroleum International Limited

Profit and loss account for the year ended 31 March 2010

	Note	2010 £'000	2009 £'000
Turnover	2	36,275	31,008
Administrative expenses		(35,336)	(29,074)
Operating profit	3	939	1,934
Interest receivable and similar income	4	9	52
Interest payable and similar charges	5	(91)	(576)
Profit on ordinary activities before taxation		857	1,410
Tax (charge)/credit on profit on ordinary activities	7	(51)	53
Profit for the financial year	12	806	1,463

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 financial years shown above, consequently no statement of total recognised gains and losses is presented.

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

Kuwait Petroleum International Limited

Balance sheet as at 31 March 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	8	<u>880</u>	<u>710</u>
Current assets			
Debtors	9	26,780	23,410
Cash at bank and in hand		<u>2,200</u>	<u>1,142</u>
		28,980	24,552
Creditors' amounts falling due within one year	10	<u>(24,791)</u>	<u>(20,999)</u>
Net current assets		<u>4,189</u>	<u>3,553</u>
Net assets		<u>5,069</u>	<u>4,263</u>
Capital and reserves			
Called up share capital	11	5,500	5,500
Profit and loss deficit	12	<u>(431)</u>	<u>(1,237)</u>
Total shareholders' funds	13	<u>5,069</u>	<u>4,263</u>

The notes on pages 8 to 17 form part of the financial statements

These financial statements were approved by the Board of Directors on 7 October 2010

Signed on behalf of the Board of Directors

Y Al-Yateem

Director

Company registration number 01734259



Kuwait Petroleum International Limited

Notes to the financial statements for the year ended 31 March 2010

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 on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards

Turnover

Turnover represents amounts invoiced (exclusive of value added tax) in respect of promotional, administrative and advisory services provided to fellow subsidiary undertakings and other group and related group undertakings. Revenue is recognised upon delivery of service

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. 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 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
Assets under construction	Not depreciated

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

All exchange differences are taken to the profit and loss account

Pension costs

The company participates in multiple group defined benefit schemes. 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 15

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 15

Kuwait Petroleum International Limited

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

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 intermediate parent company, KPC (Holdings) Aruba A E C, (note 16), presents consolidated financial statements which consolidate the results of the company and are publicly available. Accordingly under FRS No 1 (Revised 1996) 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

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

	2010	2009
	£'000	£'000
United Kingdom	1,494	1,550
Europe	6,456	10,012
Netherlands Antilles	28,325	19,446
	<u>36,275</u>	<u>31,008</u>

Kuwait Petroleum International Limited

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

3. Operating profit

Operating profit is stated after charging/(crediting)

	2010	2009
	£'000	£'000
Depreciation		
- owned assets	415	328
Foreign exchange gain	(154)	(2,014)
- Fees payable to the company's auditor for the audit of the company financial statements	37	31
Fees payable to the company's auditor for other services:		
- The audit of the company's associates, pursuant to legislation	81	-
Operating lease charges		
- plant and machinery	2	-
- other	1,846	400
	<u>1,846</u>	<u>400</u>

Administrative expenses include a £463,211 (2009 £938,168) charge in respect of a UK pension scheme and £353,863 (2009 £406,363) in respect of an overseas pension scheme (see note 15) which have not been recharged to other group companies

4. Interest receivable and similar income

	2010	2009
	£'000	£'000
Interest receivable from group undertakings	2	21
Bank interest receivable	7	31
	<u>9</u>	<u>52</u>

5. Interest payable and similar charges

	2010	2009
	£'000	£'000
Interest payable to group undertaking	90	575
Bank interest payable	1	1
	<u>91</u>	<u>576</u>

Kuwait Petroleum International Limited

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

6. Employee information

Staff costs

	2010	2009
	£'000	£'000
Employees, including executive directors		
Wages and salaries	12,622	9,974
Social security costs	3,073	2,406
Pension costs (note 15)	1,701	1,877
	<u>17,396</u>	<u>14,257</u>

Staff costs, including those in respect of executive directors, include a recharge of costs of £5,217,397 (2009 – £4,307,300) for 22 personnel (2009 - 19) employed by related group undertakings in respect of services provided to the company

The average monthly number of employees during the year was 125 (2009 – 104) including those personnel employed by related group undertakings, for whom the company bears a recharge. All staff are employed in administrative positions

Directors' remuneration

	2010	2009
	£'000	£'000
Emoluments (excluding pension contributions)	1,502	1,219
	<u>1,502</u>	<u>1,219</u>

The directors' remuneration shown above, excluding pension contributions, included the emoluments of the highest paid director, of £480,337 (2009 – £430,839). The accrued pension entitlement under the company's defined benefit scheme of the highest paid director at 31 March 2010 was £nil (2009 – £nil) as they are a member of another group scheme

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 for the year ended 31 March 2010 (continued)

7. Tax on profit on ordinary activities

The tax charge/(credit) comprises

	2010 £'000	2009 £'000
<i>Current tax</i>		
UK Corporation Tax		
Adjustments made for prior years re consortium relief claims	17	(96)
	<u>17</u>	<u>(96)</u>
<i>Foreign tax</i>		
Current tax on income for the year	34	43
	<u>34</u>	<u>43</u>
Total tax charge/ (credit) on profit on ordinary activities	51	(53)

Factors affecting current tax charge

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	857	1,410
UK Corporation tax at 28% (2009 – 28%)	240	395
Effects of		
Permanent differences	51	106
Depreciation in excess of capital allowances	-	84
Capital allowances in excess of depreciation	(111)	-
Other timing differences	161	63
Adjustment for prior years	17	(96)
Group relief claimed	(307)	(506)
Tax losses utilised	-	(299)
Foreign tax	-	43
Other tax adjustments	-	157
	<u>51</u>	<u>(53)</u>
Total current tax charge / (credit)	<u>51</u>	<u>(53)</u>

The company has a potential net deferred tax asset at 31 March 2010 of £1,575,000 (2009 £1,526,000). This asset has not been recognised as there is insufficient evidence of suitable future taxable profit against which the asset will crystallise in the foreseeable future.

Kuwait Petroleum International Limited

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

8. Tangible assets

	Furniture and office equipment £'000	Data processing equipment £'000	Building fixtures and fittings £'000	Assets under construction £'000	Total £'000
Cost					
At 1 April 2009	881	1,449	295	-	2,625
Exchange adjustments	(33)	(61)	(14)	-	(108)
Additions	28	425	-	185	638
Disposals	(61)	-	-	-	(61)
At 31 March 2010	815	1,813	281	185	3,094
Accumulated depreciation					
At 1 April 2009	641	988	286	-	1,915
Exchange adjustments	(21)	(30)	(13)	-	(64)
Charge for year	159	248	8	-	415
Disposal depreciation	(52)	-	-	-	(52)
At 31 March 2010	727	1,206	281	-	2,214
Net book value					
At 31 March 2010	88	607	-	185	880
At 31 March 2009	240	461	9	-	710

9. Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year:		
Amounts owed by immediate group undertakings	26,027	17,508
Amounts owed by other group undertakings	224	1,544
Other debtors	187	1,171
VAT receivable	-	52
Prepayments and accrued income	319	2,292
Tax receivable	23	843
	26,780	23,410

Amounts due from group undertaking are unsecured and have no fixed repayment date

Kuwait Petroleum International Limited

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

10. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	16	213
Amounts owed to immediate group undertakings	15,228	13,309
Amounts owed to other group undertakings	417	884
Other creditors	23	24
Taxes and social security	118	94
Accruals and deferred income	8,986	6,475
VAT payable	3	-
	<u>24,791</u>	<u>20,999</u>

Amounts due to group undertakings are unsecured and have no fixed repayment date £14.3m of the above balance bears interest at floating rates linked to LIBOR, with the remainder being interest free

11. Called up share capital

	2010 £	2009 £
Authorised		
10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Called up, allotted and fully paid		
5,500,100 ordinary shares of £1 each	<u>5,500,100</u>	<u>5,500,100</u>

12. Profit and loss deficit

	£'000
Deficit as at 1 April 2009	(1,237)
Profit for the financial year	<u>806</u>
Deficit as at 31 March 2010	<u>(431)</u>

Kuwait Petroleum International Limited

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

13. Reconciliation of movements in total shareholders' funds/(deficit)

	2010 £'000	2009 £'000
Profit for the financial year	806	1,463
Proceeds from issue of shares	-	5,500
Net addition to total shareholders' funds	<u>806</u>	<u>6,963</u>
Opening total shareholders' funds/(deficit)	<u>4,263</u>	<u>(2,700)</u>
Total shareholders' funds	<u><u>5,059</u></u>	<u><u>4,263</u></u>

14. Leasing commitments

At 31 March 2010, the company had annual commitments under non-cancellable operating leases, which principally relate to office leases and company cars as set out below

	2010		2009	
	Buildings £'000	Others £'000	Buildings £'000	Others £'000
Leases expiring				
- within one year	-	34	-	287
- between two and five years	<u>1,706</u>	<u>384</u>	<u>1,098</u>	<u>48</u>
	<u><u>1,706</u></u>	<u><u>418</u></u>	<u><u>1,098</u></u>	<u><u>335</u></u>

15. Pension costs

Kuwait Petroleum International Limited participates in a funded, defined benefit pension plan called the KPC UK Group Retirement Plan

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

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

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

Kuwait Petroleum International Limited

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

15. Pension costs (continued)

The total pension cost for the company for the year was £1,701,175 (2009 – £1,877,046). Of this £514,222 (2009 – £975,320) relates to the UK defined benefit scheme and £1,082 (2009 – £1,025) relates to the UK defined contribution scheme. The remainder of £1,185,871 (2009 – £900,701) is a recharge from a related group undertaking (see note 6), representing contributions made to the Executive and Overseas Pension Scheme and other group schemes. The charge in respect of the UK defined benefit plan included a cash contribution of £463,211 (2009 - £942,948) and the charge in respect to the Executive and Overseas Pension Scheme includes a cash contribution of £353,863 (2009 - £406,363) which were made in order to improve the funding position of the schemes.

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.

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

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

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

The mortality assumptions used were as follows:

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

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

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

Where a deficit exists, the method of removing that deficit is determined by agreement of the Participating Employers.

The UK group has agreed a recovery plan for the pension scheme deficit with the Scheme Trustees - £3,850,000 per annum payable over a period of 10 years with the first payment due in June 2010 and subsequent payments due by 31 March 2011 and 31 March thereafter. The total agreed additional contributions for the UK group for year ended 31st March 2011 are £7,700,000. Kuwait Petroleum International Limited will incur approximately 85% of the total additional contributions as the principal employer.

Kuwait Petroleum International Limited

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

15. Pension costs (continued)

Kuwait Petroleum International limited is also a participating employer of the overseas executive pension scheme. A similar recovery plan has been agreed for this pension scheme. £1,150,000 per annum payable over a period of 10 years with the first payment due in June 2010 and subsequent payments due by 31 March 2011 and 31 March thereafter. The total agreed additional contributions for the UK group for year ended 31st March 2011 are £2,300,000. Kuwait Petroleum International limited will incur approximately 94% of the total additional contributions.

16. Ultimate parent company

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

17. Related parties

The company has utilised the exemption available in paragraph 3(c) of Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with other members of the group headed by Kuwait Petroleum Corporation.

There are no other related party transactions requiring disclosure.

18. Post balance sheet events

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