2017
ANNUAL REPORT

SBM OFFSHORE

EXPERIENCE MATTERS

Board of the Company for the next five years, include expectations of market development and award perspective on brownfield and integration work. Management expects a low level of activity for the Paenal construction yard for the next five years. If the gross margin used in the value-in-use calculation would increase by +5%, this would have a positive impact on the impairment of the net investment of less than US$ 1 million.

The maximum exposure to credit risk at the reporting date is the carrying amount of the loans to joint ventures and associates taking into account the risk of recoverability. The Company does not hold any collateral as security.

4.3.16 DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities and associated offsets are summarized as follows:

Deferred tax positions (summary)

	31 December 2017			31 December 2016		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	-	16	(16)	0	10	(9)
Tax losses	12	-	12	14	-	14
Other	15	-	15	15	-	15
Book value at 31 December	**27**	**16**	**11**	**29**	**10**	**19**

Movements in net deferred tax positions

		2017	2016
	Note	Net	Net
Deferred tax at 1 January		**19**	**56**
Deferred tax recognized in the income statement	*4.3.9*	(10)	(22)
Deferred tax recognized in other comprehensive income		0	(14)
Foreign currency variations		1	0
Total movements		**(9)**	**(37)**
Deferred tax at 31 December		**11**	**19**

Expected realization and settlement of deferred tax positions is within 9 years. The current portion at less than one year of the net deferred tax position as of December 31, 2017 amounts to US$ 5 million. The deferred tax losses are expected to be recovered, based on the anticipated profit in the applicable jurisdiction. The Company has US$ 46 million (2016: US$ 36 million) in deferred tax assets unrecognized in 2017 due to current tax losses not valued. The term in which these unrecognized deferred tax assets could be settled depends on the respective tax jurisdiction and ranges from seven years to an unlimited period of time.

The non-current portion of deferred tax assets amounts to US$ 21 million (2016: US$ 25 million).

Deferred tax assets per location are as follows:

Deferred tax positions per location

	31 December 2017			31 December 2016		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Switzerland	3	-	3	6	-	6
The Netherlands	3	-	3	3	-	3
Canada	12	16	(4)	14	10	4
Monaco	6	-	6	6	-	6
Brazil	2	-	2	-	-	-
Other	1	-	1	1	-	1
Book value at 31 December	**27**	**16**	**11**	**29**	**10**	**19**

4.3.17 INVENTORIES

	31 December 2017	31 December 2016
Materials and consumables	3	5
Goods for resale	7	1
Total	**10**	**5**

Goods for resale mainly relates to the ongoing EPC phase of the Fast4Ward™ new-build, multi-purpose hull construction contract signed with China Shipbuilding Trading Company, Ltd. and the shipyard of Shanghai Waigaoqiao Shipbuilding and Offshore Co., Ltd. in June 2017. The Fast4Ward™ hull will remain in inventories until it will be used in the first award of a new-build FPSO.

4.3.18 TRADE AND OTHER RECEIVABLES

Trade and other receivables (summary)

	Note	31 December 2017	31 December 2016
Trade debtors		216	247
Other receivables		142	110
Other prepayments and accrued income		191	181
Accrued income in respect of delivered orders		34	95
Taxes and social security		19	23
Current portion of loan to joint ventures and associates	*4.3.15*	33	25
Total		**635**	**681**

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables as mentioned above. The Company does not hold any collateral as security.