

2017

ANNUAL REPORT



EXPERIENCE MATTERS

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.

4 FINANCIAL STATEMENTS 2017

The carrying amounts of the Company's trade debtors are distributed in the following countries:

Trade debtors (countries where Company's trade debtors are distributed)

	31 December 2017	31 December 2016
Angola	101	136
The United States of America	43	39
Brazil	27	15
Equatorial Guinea	14	11
Malaysia	4	7
Congo	1	6
Australia	3	4
Nigeria	2	0
Other	22	28
Total	216	247

The trade debtors balance is the nominal value less an allowance for estimated impairment losses as follows:

Trade debtors (trade debtors balance)

	31 December 2017	31 December 2016
Nominal amount	224	253
Impairment allowance	(7)	(6)
Total	216	247

The allowance for impairment represents the Company's estimate of losses in respect of trade debtors. The allowance is built on specific expected loss components that relate to individual exposures. The creation and release for impaired trade debtors have been included in gross margin in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovery. The other classes within the trade and other receivables do not contain allowances for impairment.

The ageing of the nominal amounts of the trade debtors are:

Trade debtors (ageing of the nominal amounts of the trade debtors)

	31 December 2017		31 December 2016	
	Nominal	Impairment	Nominal	Impairment
Not past due	119	-	80	(1)
Past due 0-30 days	41	-	18	-
Past due 31-120 days	15	-	29	(2)
Past due 121- 365 days	35	(3)	51	(1)
More than one year	13	(4)	76	(3)
Total	224	(7)	253	(6)

Not past due are those receivables for which either the contractual or 'normal' payment date has not yet elapsed. Past due are those amounts for which either the contractual or the 'normal' payment date has passed. Amounts that are past due but not impaired relate to a number of Company joint ventures and independent customers for whom there is no recent history of default or the receivable amount can be offset by amounts included in current liabilities.

The decrease of trade debtors past due by more than one year is mainly related to the reclassification of a receivable on a joint venture to 'Non-current portion of other receivables'.