



EXPERIENCE **MATTERS**

2016

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Deferred tax assets per location are as follows:

Deferred tax positions per location

	31 December 2016			31 December 2015		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Switzerland	6	-	6	22	-	22
The United States of America	-	-	-	13	0	13
The Netherlands	3	-	3	7	-	7
Canada	14	10	4	14	3	11
Luxembourg	-	-	-	3	-	3
Monaco	6	-	6	-	-	-
Other	1	-	1	0	0	-
Book value at 31 December	29	10	19	59	3	56

5.3.17 INVENTORIES

	31 December 2016	31 December 2015
Materials and consumables	5	7
Goods for resale	1	0
Total	5	8

5.3.18 TRADE AND OTHER RECEIVABLES

Trade and other receivables (summary)

	Note	31 December 2016	31 December 2015
Trade debtors		247	287
Other receivables		110	87
Other prepayments and accrued income		181	174
Accrued income in respect of delivered orders		95	74
Taxes and social security		23	18
Current portion of loan to joint ventures and associates	5.3.15	25	66
Total		681	705

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.

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 2016	31 December 2015
Angola	136	165
The United States of America	39	14
Brazil	15	26
Equatorial Guinea	11	20
Malaysia	7	10
Congo	6	0
Australia	4	20
Nigeria	0	8
Other	28	23
Total	247	287

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

Trade debtors (trade debtors balance)

	31 December 2016	31 December 2015
Nominal amount	253	297
Impairment allowance	(6)	(10)
Total	247	287

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 2016		31 December 2015	
	Nominal	Impairment	Nominal	Impairment
Not past due	80	(1)	59	-
Past due 0-30 days	18	-	50	-
Past due 31-120 days	29	(2)	54	-
Past due 121- 365 days	51	(1)	60	0
More than one year	76	(3)	74	(10)
Total	253	(6)	297	(10)

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.

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The trade debtors aged more than one year mostly relate to one contract for which some legal documents pending signature temporarily prevent the joint venture to settle the Company's receivable.

5.3.19 CONSTRUCTION WORK-IN-PROGRESS

	Note	31 December 2016	31 December 2015
Cost incurred		856	5,967
Instalments invoiced		(855)	(1,687)
Total construction work-in-progress		1	4,280
of which debtor WIP (cost incurred exceeding instalments)		15	4,336
of which creditor WIP (instalments exceeding cost incurred)	5.3.27	(14)	(56)

The cost incurred includes the amount of recognized profits and losses to date. The instalments exceeding cost incurred comprise the amounts of those individual contracts for which the total instalments exceed the total cost incurred. The instalments exceeding cost incurred are reclassified to other current liabilities. Advances received from customers are included in other current liabilities. For both aforementioned details, reference is made to Note 5.3.27 'Trade and other payables'.

The decreased construction work-in-progress reflects the completion of construction activities related to FPSOs *Cidade de Marica*, *Cidade de Saquarema* and *Turritella* during the period.

5.3.20 DERIVATIVE FINANCIAL INSTRUMENTS

Further information about the financial risk management objectives and policies, the fair value measurement and hedge accounting of financial derivative instruments is included in Note 5.3.29 'Financial Instruments – Fair values and risk management'.

In the ordinary course of business and in accordance with its hedging policies as of December 31, 2016, the Company held multiple forward exchange contracts designated as hedges of expected future transactions for which the Company has firm commitments or forecasts. Furthermore, the Company held several interest rate swap contracts designated as hedges of interest rate financing exposure.

The fair value of the derivative financial instruments included in the statement of financial position is summarized as follows:

Derivative financial instruments

	31 December 2016			31 December 2015		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Interest rate swaps cash flow hedge	6	170	(164)	0	205	(205)
Forward currency contracts cash flow hedge	7	54	(47)	2	86	(84)
Forward currency contracts fair value through profit and loss	26	12	14	18	41	(23)
Total	38	236	(198)	21	332	(311)
Non-current portion	8	122	(113)	0	167	(167)
Current portion	30	114	(84)	21	164	(144)