



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

5.5 NOTES TO THE COMPANY FINANCIAL STATEMENTS

5.5.1 INVESTMENT IN GROUP COMPANIES

The movements in the item Investment in Group companies are as follows:

Investment in Group companies

	2016	2015
Balance at 1 January	2,585	2,129
Reclassification to other receivables	(42)	(47)
Investments net value	2,543	2,082
Result of Group companies	204	54
Investment and other changes (a.o. IAS 39)	54	381
Divestments and capital repayments	-	39
Foreign currency variations	(27)	(13)
Movements	230	461
Balance at 31 December	2,814	2,585

The subsidiaries of the Company are the following (all of which are 100% owned):

- SBM Offshore Holding B.V., Amsterdam, the Netherlands
- SBM Group Holding Inc., Marly, Switzerland
- SBM Holding Luxembourg SARL, Luxembourg, Luxembourg
- SBM Schiedam B.V., Rotterdam, the Netherlands
- Van der Giessen-de Noord N.V., Krimpen a/d IJssel, the Netherlands
- SBM Holland B.V., Rotterdam, the Netherlands
- Capixaba Holding B.V., 's Gravenhage, the Netherlands
- XNK Industries B.V., Dongen, the Netherlands

5.5.2 DEFERRED TAX ASSET

The Company is head of a fiscal unity in which almost all Dutch companies are included.

A deferred tax asset is recognized for tax losses of the fiscal unity which can be carry forward for a period of nine years and are expected to be recovered based on anticipated future taxable profit within the Dutch fiscal unit.

5.5.3 OTHER RECEIVABLES

	31 December 2016	31 December 2015
Amounts owed by Group companies	5	21
Other debtors	-	1
Total	5	22

Receivables fall due in less than one year. The fair value of the receivables approximates the book value, due to their short-term character.

5.5.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are at the Company's free disposal.

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5.5.5 SHAREHOLDERS' EQUITY

For an explanation of the shareholders equity, reference is made to the consolidated statement of changes in equity and 5.3.23 Equity Attributable to Shareholders.

Legal reserve

	31 December 2016	31 December 2015
Joint venture equity non-distributable	947	827
Capitalized development expenditure	18	15
Translation reserve	(45)	(26)
Cash flow hedges	(212)	(263)
Total	708	553

Under the Dutch guidelines for financial reporting which apply to the Company statement of financial position, a legal reserve must be maintained for the above-mentioned items.

PROPOSED APPROPRIATION OF PROFITS

With the approval of the Supervisory Board, it is proposed that the result shown in the Company income statement be appropriated as follows (in US\$):

Appropriation of result

Profit/Loss attributable to shareholders	2016
	182
In accordance with Article 29 clause 4 to be transferred to retained earnings	136
At the disposal of the General Meeting of Shareholders	46

It is proposed that US\$ 46 million of the profit of the year ended December 31, 2016 be distributed among the shareholders.

5.5.6 OTHER CURRENT AND NON-CURRENT LIABILITIES

Current and non current liabilities

	31 December 2016	31 December 2015
Amounts owed to Group companies	-	2
Total non current liabilities	-	2
Amounts owed to Group companies	303	38
Taxation and social security costs	1	5
Other creditors	3	74
Total current liabilities	307	116

The other current liabilities fall due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.

The movement in the current portion of 'other creditors' mainly relates to the last US\$ 70 million remaining installment due, following the settlement with the Dutch Public Prosecutor's Office over the investigation into potentially improper sales payments.