



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2018

4 FINANCIAL STATEMENTS 2018

Movements in net deferred tax positions

		2018	2017
	<i>Note</i>	Net	Net
Deferred tax at 1 January		11	19
Deferred tax recognized in the income statement	4.3.10	(20)	(10)
Deferred tax recognized in other comprehensive income		-	0
Foreign currency variations		(1)	1
Total movements		(21)	(9)
Deferred tax at 31 December		(10)	11

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, 2018 amounts to US\$ 3 million. The deferred tax losses are expected to be recovered based on the anticipated profit in the applicable jurisdiction. The Company has US\$ 24 million (2017: US\$ 46 million) of deferred tax assets unrecognized in 2018 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\$ 17 million (2017: US\$ 21 million).

Deferred tax assets per location are as follows:

Deferred tax positions per location

	31 December 2018			31 December 2017		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Canada	14	26	(12)	12	16	(4)
Guyana	-	10	(10)			-
Monaco	5	-	5	6	-	6
Switzerland	3	-	3	3	-	3
the Netherlands	3	-	3	3	-	3
Brazil	1	-	1	2	-	2
Other	-	-	-	1	-	1
Book value at 31 December	26	36	(10)	27	16	11

4.3.18 INVENTORIES

	31 December 2018	31 December 2017
Materials and consumables	3	3
Goods for resale	2	-
MPF under construction	96	7
Total	101	10

Multi Purpose Floater ('MPF') under construction relates to the ongoing EPC phase of two Fast4Ward™ new-build multi-purpose hulls. The Company signed contracts with China Shipbuilding Trading Company, Ltd. and the shipyard of Shanghai Waigaoqiao Shipbuilding and Offshore Co., Ltd. in June 2017 and November 2018 for the construction of these two hulls.

The Fast4Ward™ hulls remain in inventory until they are allocated to an award of an FPSO contract.