



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

4 CORPORATE STATEMENTS 2020

The current portion of (i) sublease receivables, (ii) other receivables and (iii) loans to joint ventures and associates is included within the 'Trade and other receivables' in the statement of financial position.

In relation to the exposure to credit risk at the reporting date on the carrying amount of the interest-bearing loans, non-current portion of other receivables and sublease receivable, please refer to note 4.3.8 Net Impairment Gains/(Losses) on Financial and Contract Assets and note 4.3.29 Financial Instruments – Fair Values and Risk Management for the risk of recoverability (i.e. for expected credit losses). The Company does not hold any collateral as security.

The breakdown of loans to joint ventures and associates is presented below.

LOANS TO JOINT VENTURES AND ASSOCIATES

	<i>Notes</i>	31 December 2020	31 December 2019
Current portion of loans to joint ventures and associates	4.3.19	14	30
Non-current portion of loans to joint ventures and associates		32	25
Total	4.3.33	46	55

The decrease in the loans to joint ventures and associates is driven by the redemptions over the year 2020.

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.

4.3.17 DEFERRED TAX ASSETS AND LIABILITIES

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

Deferred tax positions (summary)

	31 December 2020			31 December 2019		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	28	-	28	-	16	(16)
Tax losses	9	-	9	9	-	9
Other	9	37	(28)	12	7	6
Book value at 31 December	46	37	9	22	23	(1)

Movements in net deferred tax positions

	<i>Note</i>	2020	2019
		Net	Net
Deferred tax at 1 January		(1)	(10)
Deferred tax recognized in the income statement	4.3.10	10	9
Foreign currency variations		0	(0)
Total movements		10	9
Deferred tax at 31 December		9	(1)

Expected realization and settlement of deferred tax positions is within 8 years. The current portion of the net deferred tax position as of December 31, 2020 amounts to US\$8 million. The deferred tax losses are expected to be recovered based on the anticipated profit in the applicable jurisdiction. The Company has US\$39 million (2019: US\$16 million) of deferred tax assets unrecognized in 2020 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 five years to an unlimited period of time.

The non-current portion of deferred tax assets amounts to US\$14 million (2019: US\$8 million). On a cumulative basis a total amount of US\$216 million at the end of 2020 (2019: US\$197 million) corresponds to deferred tax assets basis unrecognized on temporary differences, unused tax losses and tax credits.

Deferred tax in connection with unused tax losses carried forward, temporary differences and tax credits:

	31 December 2020	31 December 2019
Unused tax losses carried forward, temporary differences and tax credits not recognised as a deferred tax asset	216	197
Unused tax losses carried forward, temporary differences and tax credits recognised as a deferred tax asset	46	22
Total	262	218

Expiry date on deferred tax assets unrecognized on temporary differences, unused tax losses and tax credits:

	31 December 2020	31 December 2019
Within one year	15	2
More than a year but less than 5 years	15	19
More than 5 years but less than 10 years	1	9
More than 10 years but less than 20 years	82	92
Unlimited period of time	103	76
Total	216	197

Deferred tax assets per location are as follows:

Deferred tax positions per location

	31 December 2020			31 December 2019		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Canada	28	24	4	12	16	(4)
Guyana	-	13	(13)	-	7	(7)
Monaco	4	-	4	5	-	5
Switzerland	9	-	9	1	-	1
the Netherlands	3	-	3	3	-	3
Brazil	2	-	2	1	-	1
Other	-	-	-	0	-	0
Book value at 31 December	46	37	9	22	23	(1)

4.3.18 INVENTORIES

	31 December 2020	31 December 2019
Materials and consumables	9	6
Goods for resale	4	2
Multi-purpose floaters under construction	129	0
Total	143	8

Multi-purpose floaters ('MPFs') under construction relate to the ongoing EPC phase of Fast4Ward® new-build hulls. The Fast4Ward® hulls remain in inventory until they are allocated to a specific FPSO contract. The Company has five multi-purpose hulls as of December 31, 2020 out of which three have been transferred to construction work-in-progress upon the award of the lease and operate contracts for *Liza Unity* (FPSO), *Prosperity* (FPSO) and *FPSO Sepetiba*. Construction has started for two multi-purpose floater hulls, which have not yet been allocated to a project and therefore accounted for under inventory at December 31, 2020.