



2023 ANNUAL REPORT

BM
OFFSHORE



Financial and Contract Assets and note 4.3.27 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 2023	31 December 2022
Current portion of loans to joint ventures and associates	4.3.19	3	7
Non-current portion of loans to joint ventures and associates		38	45
Total	4.3.31	41	52

The balance of loans to joint ventures and associates has decreased compared with the year-ago period due to the impairment of a funding loan provided to some equity accounted entities.

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 net positions are summarized as follows:

Deferred tax positions (summary)

	31 December 2023			31 December 2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant and equipment	0	-	0	0	-	0
Tax losses	2	-	2	6	-	6
Other	245	173	72	6	38	(32)
Book value at 31 December	247	173	74	12	38	(26)

Deferred tax assets increased by US\$234 million during the year of 2023, mainly due to deferred tax recognized in relation to a tax goodwill in Switzerland. Within the frame of the Company's periodical review of its tax positions, the Company had previously identified the need for an evolution of its Swiss structure to bring it in line with shifts in tax paradigms that occurred over the past decade. Accordingly, the Company ceased to apply its decade's-old Swiss tax rulings, initiating a transition process under Swiss law which has resulted in a tax goodwill for a transitory period of time.

The increase in deferred tax liabilities is mainly due to the recognition of tax for the Brazilian and Guyana units under construction in 2023 and on unrealized profits on hedging instruments booked in other comprehensive income for which a total deferred tax liability was recognized in 2023 for an amount of US\$59 million (without impact in the income tax charge).

As explained in note 4.3.10 Income Tax Expense, no deferred taxes were recognized for the year ended in December 31, 2023, in relation to the potential impacts of top-up taxes arising from Pillar Two Model Rules.

Movements in net deferred tax positions

	<i>Note</i>	2023	2022
		Net	Net
Deferred tax at 1 January		(26)	(5)
Deferred tax recognized in the income statement	4.3.10	156	(20)
Deferred tax recognized in other comprehensive income		(57)	-
Other		-	-
Foreign currency variations		-	(1)
Total movements		100	(21)
Deferred tax at 31 December		74	(26)