

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2016

## 29 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

**Credit risk**

The Group trades only with recognised, creditworthy third parties. Business Unit Risk Review Committees (BURRC) have been set up by the Board of Directors to evaluate the creditworthiness of each individual third party at the time of entering into new contracts. Limits have been placed on the approval authority of the BURRC above which the approval of the Board of Directors of the Company is required. Receivable balances are monitored on an ongoing basis with appropriate follow up action taken where necessary. At 31 December 2016, the Group's five largest customers accounted for 41% of outstanding trade receivables, retention receivables and work in progress (2015: 43%).

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, loans to related parties, due from related parties and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

**Liquidity risk**

The Group's objective is to ensure sufficient liquidity is available to support future growth. Our strategy includes the provision of financial capital and the potential impact on the Group's capital structure is reviewed regularly. The Group is not exposed to any external capital constraints. The maturity profiles of the Group's financial liabilities at 31 December are as follows:

**Year ended 31 December 2016**

	6 months or less US\$'000	6-12 months US\$'000	1-2 years US\$'000	2-5 years US\$'000	More than 5 years US\$'000	Contractual undis- counted cash flows US\$'000	Carrying amount US\$'000
<b>Financial liabilities:</b>							
Trade and other payables (excluding advances from customers and other taxes payable)	982,444	2,628	-	-	-	985,072	985,072
Finance lease creditors	439	4,123	-	-	-	4,562	4,562
Due to related parties	143,215	-	-	-	-	143,215	143,215
Loans from related parties	-	851,350	-	630,898	-	1,482,248	1,482,248
Derivative instruments	25,705	18,751	-	-	-	44,456	44,456
	<u>1,151,803</u>	<u>876,852</u>	<u>-</u>	<u>630,898</u>	<u>-</u>	<u>2,659,553</u>	<u>2,659,553</u>

**Year ended 31 December 2015**

	6 months or less US\$'000	6-12 months US\$'000	1-2 years US\$'000	2-5 years US\$'000	More than 5 years US\$'000	Contractual undis- counted cash flows US\$'000	Carrying amount US\$'000
<b>Financial liabilities:</b>							
Interest bearing loans and borrowings	-	-	-	592,109	-	592,109	592,109
Trade and other payables (excluding advances from customers and other taxes payable)	1,004,422	-	-	-	-	1,004,422	1,004,422
Finance lease creditors	4,529	-	-	-	-	4,529	4,529
Due to related parties	162,925	-	-	-	-	162,925	200,870
Loans from related parties	1,018,232	-	-	-	-	1,018,232	944,535
Derivative instruments	41,910	11,909	20,792	6,830	-	81,441	81,441
	<u>2,232,018</u>	<u>11,909</u>	<u>20,792</u>	<u>598,939</u>	<u>-</u>	<u>2,863,658</u>	<u>2,827,906</u>