

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2016

17 TRADE AND OTHER RECEIVABLES (continued)

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. Trade receivables are reported net of provision for impairment. The movement in the provision for impairment against trade receivables totalling US\$ 8,243 thousand (2015: US\$ 8,321 thousand) is as follows:

	2016 US\$'000	2015 US\$'000
At 1 January	8,321	-
Charge for the year	2,800	8,321
Written off	(2,878)	-
At 31 December	<u>8,243</u>	<u>8,321</u>

At 31 December, the ageing analysis of net trade receivables is as follows:

		Neither past due nor impaired	Past due but not impaired					
	Total US\$'000	US\$'000	<30 US\$'000	30-60 US\$'000	61-90 US\$'000	91-120 US\$'000	121-360* US\$'000	> 360* US\$'000
2016	1,146,186	857,606	56,415	53,068	20,032	24,511	66,490	68,064
2015	900,414	463,632	224,428	121,300	9,604	9,902	34,445	37,103

* included within these aged trade receivables are US\$ 122,673 thousand in the Engineering & Construction segment which will be recovered from the customers as part of the final settlement on the projects. The management has reviewed the recoverability of these receivables and concluded that these will be recovered in full and no impairment provision is necessary as of 31 December 2016.

The credit quality of trade receivables that are neither past due nor impaired is assessed by management with reference to historic payment track records of the counterparties.

Other receivables mainly consist of Value Added Tax recoverable of US\$ 23,517 thousand (2015: US\$ 60,105 thousand) and amounts receivable from joint venture partners of US\$ 30,863 thousand (2015: US\$ 14,677 thousand)

As at 31 December 2016, trade and other receivables of US\$ 78,505 thousand (2015: nil) were reclassified to assets held for sale (note 12).

Advances represent payments made to certain of the Group's sub-contractors for projects in progress, on which the related work had not been performed at the statement of financial position date.

All trade and other receivables are expected to be settled in cash.

Certain trade and other receivables will be settled in cash using currencies other than the reporting currency of the Group, and will be largely paid in Sterling, Euros and Kuwaiti Dinars.

18 CASH AND SHORT-TERM DEPOSITS

	2016 US\$'000	2015 US\$'000
Cash at bank and in hand	789,721	893,139
Short-term deposits	124,824	56,694
Total cash and bank balances	<u>914,545</u>	<u>949,833</u>

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at respective short-term deposit rates. The fair value of cash and bank balances is US\$ 914,545 thousand (2015: US\$ 949,833 thousand).