

Petrofac International Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2016

**3 EXPENSES (continued)**

**c. Selling, general and administration expenses**

	2016 US\$'000	2015 US\$'000
Staff costs	77,331	76,757
Corporate overhead	25,694	31,545
Depreciation (note 8)	12,013	13,752
Provision for doubtful debts	2,269	5,000
Office costs	1,482	3,417
Amortisation and write off of intangible assets (note 9)	-	427
Other operating expenses	13,157	34,044
	<u>131,946</u>	<u>164,942</u>

Other operating expenses consist mainly of travel costs, management fees, business development and marketing, and legal and professional fees.

**d. Staff costs**

	2016 US\$'000	2015 US\$'000
Total staff costs:		
Wages and salaries	657,107	704,032
Other long term employee benefit costs (note 24)	22,762	22,575
Expense of share based payments (note 21)	15,658	15,983
Social security costs	7,214	5,210
Other staff costs	12,249	10,148
	<u>714,990</u>	<u>757,948</u>

Of the US\$ 714,990 thousand (2015: US\$ 757,948 thousand) of staff costs shown above, US\$ 637,659 thousand (2015: US\$ 681,191 thousand) are included in cost of sales, with the remainder in selling, general and administration expenses.

The average number of payrolled staff employed by the Group during the year was 9,273 (2015: 10,258 employees).

**4 FINANCE INCOME**

	2016 US\$'000	2015 US\$'000
Bank interest	1,881	564
Interest on loans to related parties (note 27)	21,895	23,385
	<u>23,776</u>	<u>23,949</u>

**5 FINANCE COSTS**

	2016 US\$'000	2015 US\$'000
Interest on interest bearing loans and borrowings (note 23)	3,246	10,758
Interest on loans from related parties (note 27)	29,169	7,274
Unwinding of discount on provisions (note 24)	4,920	1,281
Unwinding of discount on loan from related parties (note 27)	9,519	-
Other interest	2,976	1,180
	<u>49,830</u>	<u>20,493</u>