

Notes continued

for the 12 months to 31 December 2016

35. FINANCIAL INSTRUMENTS CONTINUED

i) Limited recourse loans

The Group has limited recourse property development loans secured against certain property development assets of the Group. Carrying amount as at 31 December 2016: \$17.3 million (31 December 2015: \$52.0 million).

The Group has borrowings attributable to their UGL subsidiary secured against the assets of the subsidiary. Carrying amount as at 31 December 2016: \$250.0 million (31 December 2015: \$nil).

j) Assets pledged as security

The total carrying value of financial assets pledged as security at the reporting date is as follows:

	December 2016 \$m	December 2015 \$m
Assets pledged as security		
Property development - mortgaged	203.0	351.5
Other assets - fixed and floating charge	1,267.6	121.6
Total pledged assets	1,407.6	473.1

Loans relating to development properties are secured by mortgages over the Group's development property inventories. At the reporting date, loans relating to development properties are disclosed above in Note 35 (i): *Financial instruments - Limited Recourse Loans*.

A fixed and floating charge over certain other assets of Devine, part of the Commercial & Residential segment, is held by Devine's principal bankers relating to their commercial and residential property lending.

UGL has a number of facilities secured against the assets of the UGL group.

k) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed in the table below.

	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of bank accounts with a debit balance (financial asset) \$m	Gross amounts of bank accounts with a credit balance (financial liability) \$m	Net cash amount \$m	Amounts subject to master netting arrangements \$m	Net amount \$m
December 2016					
Cash ¹	25.4	(25.3)	0.1	-	-
December 2015					
Cash ¹	1,276.2	(607.2)	669.0	-	-

¹The Group has transactional banking facilities that notionally pool grouped bank accounts with credit and debit balances.