

15. Income tax

(Values in €/000)	Year 2013	Year 2012	Change	% Chg
Current regional income tax (IRAP) for the period	1,065	2,021	(956)	-47%
Current corporate income tax (IRES) for the period	7,884	2,014	5,870	291%
Foreign current taxes	0	9,612	(9,612)	-100%
Prior period taxes	0	1,278	(1,278)	-100%
Current taxes	8,950	14,925	(5,976)	-40%
Deferred tax (income) expense	(12,438)	1,866	(14,303)	-767%
Total taxes	(3,488)	16,791	(20,279)	-121%

The following table contains a reconciliation of theoretical tax:

(Values in €/000)	31 December 2013	
Pre-tax profit (loss)	415,637	
Theoretical taxes		(114,300) 27.5%
Taxes on net permanent differences		106,416
Effective corporate income tax (IRES) (A)		(7,884) 1.9%
Regional income tax (IRAP) and other taxes (B)		(1,065) 0.3%
Actual income tax for the period (A+B)	(8,949)	2.2%
Deferred tax balance	12,437	
Net profit (loss)	419,125	

The following table contains a breakdown of deferred tax assets and liabilities passed to the income statement:

ITEMS	2013					
	Residual	Corporate income tax (IRES)	Prepaid corporate income tax (IRES)	Regional tax (IRAP)	Prepaid regional tax (IRAP)	Total Prepaid
	A	B	X = A * B	C	Y = A * C	X + Y
A) Recalculation of taxes upon reversal of deductible temporary differences (positive temporary differences)						
<i>Expenses for other years</i>						
IAS 38 deferred charges**	22,769	27.5%	6,261	4.82%	0	6,261
FTA IAS 11 - CTC maintenance**	(2,726)	27.5%	(750)	4.82%	(131)	(881)
statutory depreciation/amortisation higher than the admissible tax rate**	14,578	27.5%	4,009	4.82%	0	4,009
unrealised exchange losses*	(227)	27.5%	(62)	4.82%	2	(61)
property write-downs	2,616	27.5%	720	4.82%	0	720
other deferred expenditure	(46)	127.5%	(13)	4.82%	4	(8)
capital gains on sales of assets to subsidiaries	0	27.5%	0	4.82%	0	0
contractual risks on works in progress**	(24)	27.5%	(7)	4.82%	(1)	(8)
risks on completed work	615	27.5%	169	4.82%	0	169
work in progress expenses	(336)	27.5%	(92)	4.82%	(14)	(107)
other legal dispute risks***	0	27.5%	0	4.82%	0	0
country and receivables risks*	7	27.5%	2	4.82%	(10)	(8)
<i>Unpaid directors' compensation*</i>	5,905	27.5%	1,624	4.82%	0	1,624
Total A	20	27.5%	6	4.82%	0	6
Total A	43,152	27.5%	11,867	4.82%	(151)	11,716
B) Recalculation of taxes upon reversal of taxable temporary differences (negative temporary differences)						
<i>Deferred revenues</i>						
Capital gains instalments**	(557)	27.5%	(153)	4.82%	0	(153)
FTA IAS 17 - finance leases	(1,759)	27.5%	(484)	4.82%	(85)	(569)
Total b	(2,316)	27.5%	(637)	4.82%	(85)	(722)
Net deferred/prepaid income taxes (a-b)	45,468	27.5%	12,504	4.82%	(66)	12,438

(*) Amounts not subject to IRAP.

(**) Amounts not subject to IRAP from 2008 onwards.

(***) Amounts not subject to IRAP for the part relating to labour disputes.

The amounts receivable for deferred tax assets at 31 December 2013 totalled €9,027, while amounts payable for deferred tax liabilities totalled €270.

Notes to the financial statements

The following table contains a breakdown of deferred tax assets and liabilities:

ITEMS	2012						2013					
	Residual	Corporate income tax (IRES)	Prepaid corporate corporate (IRES)	Regional income tax (IRAP)	Prepaid regional income tax (IRAP)	Total Prepaid tax	Residual	Corporate income tax (IRES)	Prepaid corporate corporate (IRES)	Regional income tax (IRAP)	Prepaid regional income tax (IRAP)	Total Prepaid tax
	A	B	X = A * B	C	Y = A * C	X + Y	A	B	X = A * B	C	Y = A * C	X + Y
A) Recalculation of taxes upon reversal of deductible temporary differences (positive temporary differences)												
<i>Expenses for other years</i>												
IAS 38 deferred charges**	0	27.5%	-	4.40%	-	-	22,769	27.5%	6,261	4.82%	-	6,261
FTA IAS 38 - intangible assets	97	27.5%	27	4.40%	4	31	97	27.5%	27	4.82%	5	32
FTA IAS 11 - CTC	2,726	27.5%	750	4.40%	120	870	0	27.5%	-	4.82%	-	-
FTA IAS 19 - Post-employment benefits**	372	27.5%	102	4.40%	-	102	372	27.5%	102	4.82%	-	102
FTA IAS 27 - Elimination intragroup sales adjustments	(533)	27.5%	(147)	4.40%	(23)	(170)	0				-	
Maintenance**	8,597	27.5%	2,364	4.40%	-	2,364	23,175	27.5%	6,373	4.82%	-	6,373
Statutory depreciation/amortisation higher than the admissible tax rate**	3,187	27.5%	876	4.36%	2227.088	3,103	2,960	27.5%	814	4.82%	18	832
Unrealised exchange losses*	(289)	27.5%	(79)	4.36%	0	-79	2,327	27.5%	640	4.82%	-	640
Property write-downs	1,448	27.5%	398	4.36%	55.551	454	1,402	27.5%	385	4.82%	68	453
Other deferred expenditure	0	27.5%	0	4.36%	0	-	0	27.5%	-	4.82%	-	-
Capital gains on sales of assets to subsidiaries	6,558	27.5%	1,804	4.36%	1901.989	3,706	0	27.5%	-	4.82%	-	-
Taxed reserves	0		0		0		0				-	-
Contractual risks on works in progress**	0	27.5%	0	4.36%	0	-	615	27.5%	169	4.82%	-	169
Risks on completed work	381	27.5%	105	4.36%	1304.984	1,410	45	27.5%	12	4.82%	2	15
Work in progress expenses	0	27.5%	0	4.36%	0	-	0	27.5%	-	4.82%	-	-
Other legal dispute risks***	783	27.5%	215	4.36%	533.333	749	790	27.5%	217	4.82%	15	233
Country and receivables risks*	11,012	27.5%	3,028	4.36%	0	3,028	16,917	27.5%	4,652	4.82%	-	4,652
Provision for taxes*	-	27.5%	0	4.36%	0	-	0	27.5%	-	4.82%	-	-
Unpaid directors' compensation*	-	27.5%	-	4.36%	-	-	20	27.5%	6	4.82%	-	6
Total A	34,340	27.5%	9,443	4.36%	446	9,910	71,490	27.5%	19,660	4.82%	108	19,768

ITEMS	2012						2013					
	Residual	Corporate income tax (IRES)	Deferred corporate income tax (IRES)	Regional income tax (IRAP)	Deferred regional income tax (IRAP)	Total Def tax.	Residual	Corporate income tax (IRES)	Deferred corporate income tax (IRES)	Regional income tax (IRAP)	Deferred regional income tax (IRAP)	Total Def. tax.
	A	B	X = A * B	C	Y = A * C	X + Y	A	B	X = A * B	C	Y = A * C	X + Y
B) Recalculation of taxes upon reversal of taxable temporary differences (negative temporary differences)												
<i>Deferred revenues</i>												
Capital gains instalments**	2,227	27.5%	612,449	4.36%	-	612,449	1,670	27,5%	459	4,82%	-	459
FTA IAS 17 - finance leases	10,756	27.5%	2,958	4.40%	473	3,431	8,338	27,5%	2,293	4,82%	376	2,669
FTA IAS 39 - amortised cost	35	27.5%	10	4.40%	2	11	35	27,5%	10	4,82%	2	11
FTA IAS 21 - Translation reserve	26,187	27.5%	7,201	4.40%	-	7,201	26,187	27,5%	7,201	4,82%	-	7,201
FTA IAS 27 - Revaluations of equity investments	(1,305)	27.5%	(359)	4.40%	-	(359)	0					
Capital losses on sales of assets to subsidiaries	56	27.5%	15,277	4.36%	2,422	17,699	0	27,5%	-	4,82%	-	-
Gain on disposal of Salini Nigeria Ltd receivables*	0	27.5%	-	4.36%	-	0	0	27,5%	-	4,82%	-	-
Uncollected late-payment interest*	1,902	27.5%	523.05	4.36%	-	523	1,902	27,5%	523	4,82%	-	523
Unrealised exchange gains*	0	27.5%	-	4.36%	-	0	0	27,5%	-	4,82%	-	-
<i>Deferred dividends</i>	0					0	0				-	-
Equity method revaluations*	1,305	27.5%	359	4.36%	-	359	0	27,5%	-	4,82%	-	-
<i>Additional tax depreciation*</i>	533	27.5%	147	4.36%	-	147	533	27,5%	147	4,82%	-	147
Total B	41,696	27.5%	638,564	4.36%	2,897	641,461	38,666	27,5%	10,633	4,82%	378	11,011
Net deferred/prepaid income taxes (a-b)	(7,357)	27.5%	(629,121)	4.36%	(2,431)	(631,522)	32,824	27,5%	9,027	4,82%	(270)	8,756

(*) Amounts not subject to IRAP.

(**) Amounts not subject to IRAP from 2008 onwards.

(***) Amounts where the portion for labour disputes is not subject to IRAP.