

24. Amounts due from clients/amounts due to clients

The current assets of the statement of financial position include the item “Amounts due from clients” which at 31 December 2013 stood at €1,282,410, an increase on the balance of €657,705 at 31 December 2012.

The acquisition of the Impregilo Group on 1 April 2013 resulted in the full absorption of €876,186.

The table below shows the amount of work in progress measured according to the percentage of completion method, net of actual or estimated losses at the reporting date and progress billing:

(Values in €/000)	31 December 2013	31 December 2012	Change
Contract works in progress	16,025,072	6,519,077	9,505,994
Provisions for risks on works in progress	(149,318)	(1,679)	(147,638)
Prepayments from clients	(14,593,345)	(5,892,693)	(8,700,653)
Total amounts due from clients	1,282,409	624,705	657,703

The increase for the period was for work performed by the Impregilo Group in relation to railway projects in Venezuela, work for the widening of the Panama Canal, lots 5 and 6 of the A3 Salerno-Reggio Calabria motorway, work related to hydroelectric plants in Colombia, work related to the Orastie-Sibiu motorway in Romania and the Cultural Centre Project of the subsidiary Salini Nigeria Ltd.

Notes to the consolidated financial statements

Contract work in progress of the Construction segment mainly relates to railway work in Venezuela (€230.7 million, with production of €173.6 million), work on Lots 5 and 6 of the A3 Salerno-Reggio Calabria motorway (€73.1 million, with production of €106 million), work to widen the Panama Canal (€167.0 million, with production of €354.2 million), work on the hydroelectric plants in Colombia (€47.8 million, with production of €241.1 million), work on the Orastie-Sibiu motorway in Romania (€22.2 million, with production of €36 million) and work on the Red Line North Underground in Qatar (€9.0 million, with production of €9.0 million).

The Construction segment's contract work in progress includes € 61.8 million for the nearly completed contracts of Imprepar S.p.A..

With regard to the ongoing railway projects in Venezuela, the company does not consider there to be a probable risk regarding the recovery of the assets being used, although recovery normally takes much longer than in other geographical segments. The contracts are of a strategic nature for the country and the current contractual relationships reasonably allow the Group to assume that the assets will be realised, as reflected in its measurement of the individual contracts.

Reference should be made to the Directors' report (the section on risk areas for the Construction segment) for details of the Bridge crossing the Messina Strait and roadway and railway connectors from Calabria to Sicily. At the reporting date, contract work in progress is worth €21.2 million. As disclosed in earlier sections of these notes about the Group's operations in Libya, contract work in progress in this country amounts to €103.6 million.

Contract work in progress of the Engineering & Plant Construction segment mainly relates to the Kuwait and United Arab Emirates desalination plants which had nearly been completed in 2012.

The following table contains an analysis of the geographical breakdown of the items:

(Values in €/000)	31 December 2013	31 December 2012	Change
Italy	325,933	89,568	236,365
EU (excluding Italy)	51,334	0	51,334
Non-EU	24,377	0	24,377
Asia	98,546	46,942	51,603
Africa	333,275	488,195	(154,920)
North America	0	0	0
South America	448,944	0	448,944
Oceania	0	0	0
Total amounts due from clients	1,282,409	624,705	657,703

The following table also shows the contribution by business segment:

(Values in €/000)	31 December 2013	31 December 2012	Change
Construction	1,257,997	624,706	633,291
Engineering & Plant Construction	24,412	0	24,412
Total amounts due from clients	1,282,409	624,706	657,703

Amounts due to clients within 12 months, shown in the statement of financial position under current liabilities, totals €1,249,416, up by €830,880 compared with the balance transferred at 31 December 2012.

This item breaks down as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
Contract works in progress	(6,851,187)	(1,222,069)	(5,629,118)
Provisions for risks on works in progress	(9,283)	261	(9,544)
Progress Payments from clients	7,182,909	1,372,829	5,810,080
Contractual advances within 12 months	926,977	267,515	659,462
Total amount due to clients within 12 months	1,249,416	418,536	830,880

Contract work in progress recognised under liabilities is the negative net balance, for each contract, of work performed to date and progress billings.

The Construction segment negative balance relates mainly to the contracts for Lake Mead (USA) (€44.5 million, with production of €47.7 million); the San Francisco central subway (USA) (€7.1 million, with production of €34.7 million); the Gerald Desmond Bridge in California (USA) (€16.6 million, with production of €15.7 million); and Lots 2 and 3 of the Abu Dhabi hydraulic tunnel (€11.0 million, with production of €74.7 million).

The contractual advances mainly relate to the Construction sector and specifically, to the widening of the Panama Canal (€218.3 million); Colombia (€56.1 million); Saudi Arabia (€69.5 million); Qatar (€32.1 million); and Venezuela (€6.2 million). The item also includes advances of €162.5 million, received for the operations in Libya (more details regarding the situation in Libya are provided above in these Explanatory notes. The Engineering & Plant Construction negative WIP balance relates to progress (production net of progress payments and advances) on FISIA Babcock's contracts in the waste-to-energy sector and FISIA Italmimpianti's contract in Qatar.

The following table contains an analysis of the geographical breakdown of the items:

(Values in €/000)	31 December 2013	31 December 2012	Change
Italy	111,448	147	111,301
EU (excluding Italy)	79,279	0	79,279
Non-EU	86,953	81,577	5,375
Asia	136,738	21,452	115,286
Africa	457,302	315,360	141,942
North America	73,458	0	73,458
South America	304,239	0	304,239
Total current amounts due to clients	1,249,416	418,536	830,880

The following table also shows the contribution by business segment:

(Values in €/000)	31 December 2013	31 December 2012	Change
Construction	1,180,924	418,536	762,388
Engineering & Plant Construction	68,492	0	68,492
Total current amounts due to clients	1,249,416	418,536	830,880

Contractual advances

(Values in €/000)	31 December 2013	31 December 2012	Change
Contractual advances after 12 months	634,666	679,819	(45,153)
Total current amount due to clients after 12 months	634,666	679,819	(45,153)

The most significant amounts within contractual advances after 12 months include Ethiopia GERDP (€392 million), CMT Cityringen (€75 million), Salini Nigeria (€143 million), and Salini Malaysia (€16 million).

The following table contains an analysis of the geographical breakdown of the items:

(Values in €/000)	31 December 2013	31 December 2012	Change
Non-EU	74,720	120,093	(45,373)
Asia	16,023	3,295	12,728
Africa	543,923	556,431	(12,508)
Total non-current amounts due to clients	634,666	679,819	(45,153)

The following table also shows the contribution by business segment:

(Values in €/000)	31 December 2013	31 December 2012	Change
Construction	634,666	679,819	(45,153)
Engineering & Plant Construction	0	0	0
Total non-current amounts due to clients	634,666	679,819	(45,153)