

25. Trade payables, other liabilities and provisions

	Note	December 31st 2018	December 31st 2017
Non-current financial liabilities:		26.1	26.5
Investment commitments		9.5	7.6
Liabilities towards the Polish National Foundation		15.3	17.2
Other		1.3	1.7
Current financial liabilities:		2,167.1	2,397.2
Trade payables		1,913.7	2,201.7
- including to related entities	30.1	5.2	-
Investment commitments		69.9	126.6
Liabilities to insurers		6.4	4.2
Settlements under joint operations (Norwegian fields) ⁽¹⁾		119.5	46.1
Liabilities towards the Polish National Foundation		2.5	2.5
Security deposit – ICE Futures		32.7	5.8
Other		22.4	10.3
- including to related entities	14	1.7	-
Financial liabilities		2,193.2	2,423.7
Non-current non-financial liabilities:		1,170.7	1,045.9
Provisions	25.1	1,159.5	1,034.0
Grants	25.2	8.8	9.4
Other		2.4	2.5
Current non-financial liabilities:		1,670.1	1,681.5
Provisions	25.1	121.8	40.3
Value-added tax payable		443.8	547.4
Excise duty and fuel charge payable		786.7	870.8
Other liabilities to the state budget other than corporate income tax		106.1	103.1
Grants	25.2	29.5	26.6
Settlements under joint operations (Norwegian fields) ⁽¹⁾		13.2	5.4
Prepaid deliveries		10.2	6.8
Liabilities under the NAVIGATOR loyalty programme		28.1	21.5
Provision for deficit in CO ₂ emission allowances	27.2	40.7	14.4
Cost of services		30.3	7.6
Other		59.7	37.6
Non-financial liabilities		2,840.8	2,727.4
Total		5,034.0	5,151.1
including:			
non-current		1,196.8	1,072.4
current:		3,837.2	4,078.7
- trade receivables		1,913.7	2,201.7
- other		1,923.5	1,877.0

⁽¹⁾ Liabilities of LOTOS Exploration and Production Norge AS (LOTOS Upstream Group, the upstream segment) under mutual settlements between the operator and consortium members in relation to individual Norwegian fields.

Trade payables do not bear interest and are typically paid in 7-60 days. Other liabilities do not bear interest and their average payment period is one month. Amounts resulting from the difference between value added tax receivable and value added tax payable are paid to the relevant tax authorities on a monthly basis. Interest payable is usually settled on a monthly basis during a financial year.

For currency risk sensitivity analysis of trade and other payables, see Note 27.3.1.

For information on contractual maturities of trade and other payables, see Note 27.5.

25.1 Provisions

	Provisions for decommissioning and site restoration costs							Total	Other provisions	Total
	Note	Provision for oil and gas extraction facilities			Provisions for retired refining and other units	Total				
		Poland	Norway	Lithuania						
January 1st 2018		196.9	814.8	13.1	12.5	1,037.3	37.0	1,074.3		
Recognised		-	-	-	-	-	72.3	72.3		
Remeasurement of decommissioning costs		22.0	1.2	1.2	0.6	25.0	-	25.0		
Remeasurement of estimated provision for contingent payments	9.4	-	-	-	-	-	69.2	69.2		
Change in provisions attributable to approaching due date of liability (discount unwinding effect)	9.6	8.9	33.9	0.9	-	43.7	0.1	43.8		
Interest on Oil and Gas Facility Decommissioning Fund		0.4	-	-	-	0.4	-	0.4		
Exchange differences on translating foreign operations		-	15.7	0.4	-	16.1	(1.5)	14.6		
Used		-	(2.2)	-	-	(2.2)	(11.7)	(13.9)		
Reversed		-	-	-	(0.3)	(0.3)	(4.1)	(4.4)		
December 31st 2018		228.2	863.4	15.6	12.8	1,120.0	161.3	1,281.3		
including:										
non-current		228.2	852.6	15.6	12.7	1,109.1	50.4	1,159.5		
current		-	10.8	-	0.1	10.9	110.9	121.8		

Provisions for decommissioning and site restoration costs:

Provision for oil and gas extraction facilities in Poland – a provision for future costs of decommissioning of the oil and gas extraction facilities in the B-3 and B-8 licence areas, and the Oil and Gas Extraction Facility Decommissioning Fund, set up to cover future costs of decommissioning of oil and gas extraction facilities in accordance with the Geological and Mining Law of February 4th 1994 and the Minister of Economy's Regulation of June 24th 2002.

Provision for oil and gas extraction facilities in Norway – a provision for future costs of decommissioning of the oil extraction facilities in the YME field, and the oil and gas extraction facilities in the Heimdal and Sleipner fields.

Provision for oil and gas extraction facilities in Lithuania – a provision for future costs of decommissioning of the Lithuanian oil extraction facilities.

Provisions for retired refining and other units – a provision for site restoration and the cost of disassembly and decommissioning of the retired units at LOTOS Terminale S.A., a provision for estimated cost of disassembly of the subsea pipeline operated by a subsidiary Energobaltic Sp. z o.o. (a company of the LOTOS Petrobaltic Group), as well as for site restoration and clean-up.

LOTOS GROUP
Consolidated financial statements for 2018
Notes to the financial statements

(PLNm)

	Provisions for decommissioning and site restoration costs							
	Note	Provision for oil and gas extraction facilities			Provisions for retired refining and other units	Total	Other provisions	Total
		Poland	Norway	Lithuania				
January 1st 2017		186.5	958.6	14.0	15.2	1,174.3	82.8	1,257.1
Recognised		-	-	-	0.2	0.2	4.7	4.9
Remeasurement of decommissioning costs		3.5	(48.8) ⁽¹⁾	(0.9)	-	(46.2)	-	(46.2)
Remeasurement of estimated provision for contingent payments		-	-	-	-	-	0.1	0.1
Change in provisions attributable to approaching due date of liability (discount unwinding effect)	9.6	6.5	35.3	0.8	-	42.6	0.5	43.1
Interest on Oil and Gas Facility Decommissioning Fund		0.4	-	-	-	0.4	-	0.4
Exchange differences on translating foreign operations		-	(122.4)	(0.8)	-	(123.2)	(3.0)	(126.2)
Used		-	(7.9)	-	-	(7.9)	(32.5) ⁽²⁾	(40.4)
Reversed		-	-	-	(2.9)	(2.9)	(15.6)	(18.5)
December 31st 2017		196.9	814.8	13.1	12.5	1,037.3	37.0	1,074.3
including:								
non-current		196.9	810.3	13.1	12.4	1,032.7	1.3	1,034.0
short-term		-	4.5	-	0.1	4.6	35.7	40.3

Provisions for decommissioning and site restoration costs:

Provision for oil and gas extraction facilities in Poland – a provision for future costs of decommissioning of the oil and gas extraction facilities in the B-3 and B-8 licence areas, and the Oil and Gas Extraction Facility Decommissioning Fund, set up to cover future costs of decommissioning of oil and gas extraction facilities in accordance with the Geological and Mining Law of February 4th 1994 and the Minister of Economy's Regulation of June 24th 2002.

Provision for oil and gas extraction facilities in Norway – a provision for future costs of decommissioning of the oil extraction facility in the YME field (including the provision for future costs of MOPU removal) and the oil and gas extraction facilities in the Heimdal and Sleipner fields.

Provision for oil and gas extraction facilities in Lithuania – a provision for future costs of decommissioning of the Lithuanian oil extraction facilities.

Provisions for retired refining and other units – a provision for site restoration and the cost of disassembly and decommissioning of the retired units at LOTOS Terminale S.A., a provision for estimated cost of disassembly of the subsea pipeline operated by a subsidiary Energobaltic Sp. z o.o. (a company of the LOTOS Petrobaltic Group), as well as for site restoration and clean-up.

⁽¹⁾ The amount includes mainly remeasurement of provisions for future costs of decommissioning of crude oil and gas extraction facilities related to the Heimdal and Sleipner assets.

⁽²⁾ Including PLN 31.4m (NOK 69.3m) related to a provision for contingent payments under the Sleipner assets acquisition agreement.