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In December 2014, the Company started operations at Runatullo II Hydroelectric Plant, which is located all along the Runatullo River located at 6 Km in the department of Junin, which has 19.1 MW of installed capacity.

## 2. Basis of preparation and changes to accounting policies

### 2.1 Basis of preparation—

The interim financial statements for the three months ended 31 March 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2014.

### 2.2 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2014. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

## 3. Cash and cash equivalents

(a) Following is the composition of this caption:

|                       | March 31,<br>2015 | December 31,<br>2014 |
|-----------------------|-------------------|----------------------|
|                       | S/,(000)          | S/,(000)             |
| Current accounts(b)   | 4,025             | 895                  |
| Trust fund account(c) | 1,588             | 4,078                |
|                       | <u>5,613</u>      | <u>4,973</u>         |

(b) As of March 31, 2015 and December 31, 2014, the Company keeps current accounts in local banks, denominated in local and foreign currency, which are unrestricted and do not bear interest.

(c) As of March 31, 2015 and December 31, 2014, this balance corresponds to disbursements received from the syndicated loan the Company has with Banco Internacional del Perú S.A.A., the Corporación Andina de Fomento (CAF) and the Corporación Financiera de Desarrollo S.A. (COFIDE), which become available according to the execution and advances of construction works of Runatullo II and Runatullo III Hydroelectric Plants. This account is managed by La Fiduciaria S.A., as indicated by the trust agreement. As of the date of this report, these balances were entirely used for the finalization of the plants' construction.

## 4. Trade accounts receivable

(a) Following is the composition of this caption:

|                              | March 31,<br>2015 | December 31,<br>2014 |
|------------------------------|-------------------|----------------------|
|                              | S/,(000)          | S/,(000)             |
| Trade accounts receivable(b) | 1,642             | 1,109                |
| Accrued income(c)            | 9,670             | 2,430                |
|                              | <u>11,312</u>     | <u>3,539</u>         |

(b) Trade accounts receivable correspond mainly to the estimation performed by Management of accounts receivable from energy delivered but not billed in the month. These accounts receivable are billed on the first days of the following month and are denominated in Nuevos Soles.

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