

Table of Contents

The following table summarizes assets and liabilities denominated in foreign currencies and expressed in US dollars:

	2014	2013
<b>Assets:</b>		
Cash	\$ 469,213	\$ 108,801
Accounts receivable	126	2,150
Prepaid expenses	1,546	2,471
Other financial assets	11,857	14,660
Income tax prepaid	—	112,682
	<u>482,742</u>	<u>240,764</u>
<b>Liabilities:</b>		
Accounts payable	(39,760)	(12,100)
Accounts payable with related parties	(72,290)	(83,545)
Accrued expenses	(87,704)	(44,781)
Income tax payable	(291,090)	—
	<u>(490,834)</u>	<u>(140,426)</u>
Net exposure to foreign currency	\$ (8,092)	\$ 100,338

Sensitivity analysis:

The effect of an exchange rate variation of in a range of +8% / -8% (+1 / -1 % in 2013) on the monetary assets and liabilities as of December 31, 2014 and 2013, assuming that the remaining variables are held constant, would impact the period results by US\$648 (2013: US\$1,272).

**17.2 Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Plantas Eolicas' sole customer is ICE. Under the Power Purchase Agreement, credit terms are 30 days, and receivable balances with ICE are current as of December 31, 2014 and 2013. An impairment analysis is performed at each reporting date on an individual basis for major customers; however an impairment allowance has not been recognized as customers' balances are not past due.

With regards to credit risk on other financial assets, the maximum exposure to this risk is represented by the balances recorded for each financial asset. Exposure to credit risk is monitored constantly in accordance with the debtors' payment behavior.

**17.3 Liquidity risk**

The Company monitors its liquidity on a daily basis, maintaining greater liquid assets than liquid liabilities, considering the maturity of its financial assets. It performs cash flow projections on a periodic basis in order to timely detect potential cash shortages or excesses to support its operations.

The Company's financial liabilities, based on contractual terms, mature within six months from the date of the statement of financial position.

F-436