

Table of Contents**10. Income tax**

(a) Following is the composition of the deferred income tax:

	March 31, 2015	December 31, 2014
	S/,(000)	S/,(000)
Tax losses	1,770	1,770
Exchange difference loss considered for tax purposes as cost of plant and equipment	2,008	2,031
Difference of book and tax depreciation rates	(8,297)	(7,679)
Amortization of capitalized interest	(633)	(591)
Other	4	—
Deferred income tax liability, net	(5,148)	(4,469)

(b) The Company calculates the income tax expense of the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim statement of comprehensive income are:

	For the three months ended 31 March 2015	2014
	S/,(000)	S/,(000)
Current income tax expense	—	—
Deferred income tax expense	(679)	(786)

**11. Contingencies**

There are no significant trials or lawsuits pending resolution against the Company as of March 31, 2015 and December 31, 2014.

**12. Transactions with related entities**

(a) During the three months ended March 31, 2015 and 2014, the Company performed the following transactions with related entities, which were performed under market conditions:

	For the three months ended 31 March 2015	2014
	S/,(000)	S/,(000)
<b>Services received</b>		
GCZ Servicios S.A.C.	896	734
GCZ Fabricaciones S.A.C.	637	263
	1,533	997

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