

Table of Contents

(*) CABEL's rate will change to Libor 6 months + 6.10% after November 2023.

(**) Ex-Im's rate will increase to 6.72% after the Project Commercial Operation Date as defined in the loan documents.

As of March 31, 2015 accrued interest and fees on notes and loans payable amount to US\$1,610,268 (December 31, 2014: US\$5,987,891).

10. Fair value of derivative instruments

The Company uses interest rate swaps and interest rate caps to hedge its variable interest rate exposure on a portion of the Company's loans with CABEL (Note 9). Under the interest rate swaps/caps agreements the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amounts. These derivative financial instruments have been designated as hedging instruments and have been assessed to be highly effective as of the financial statements dates. The effects of the above derivative instruments in the Company's financial statements are summarized as follows:

	March 31, 2015	December 31, 2014
Statements of Financial Position:		
Assets:		
Cap agreement of November 2010	\$ 406,229	\$ 484,884
Cap agreement of December 2013	316,470	341,150
	<u>\$ 722,699</u>	<u>\$ 826,034</u>
Liabilities:		
Swap agreement of November 2010	\$ 3,757,091	\$ 3,148,111
Swap agreement of December 2013	1,049,062	1,388,460
	<u>\$ 4,806,153</u>	<u>\$ 4,536,571</u>
	March 31,	March 31,
	2015	2014
Statements of Comprehensive Income – gain / (loss):		
Change in fair value of derivative instruments – Profit and loss:		
Cap agreement of November 2010	\$ (78,655)	\$ (304,065)
Cap agreement of December 2013	(24,680)	57,239
	<u>\$ (103,335)</u>	<u>\$ (246,826)</u>
Statements of Comprehensive Income – gain / (loss):		
Ineffectiveness of derivative instruments – Profit and loss:		
Swap agreement of November 2010	\$ (4,266)	\$ 1,204
Swap agreement of December 2013	(10,034)	17,550
	<u>\$ (14,300)</u>	<u>\$ 18,754</u>
Change in intrinsic value of derivative instruments – Other comprehensive income:		
Cap agreement of November 2010	\$ —	\$ (91,160)
Cap agreement of December 2013	—	(209,976)
Swap agreement of November 2010	(87,905)	201,143
Swap agreement of December 2013	(205,339)	(282,437)
Ineffectiveness recycled to profit or loss	14,300	(18,754)
	<u>\$ (278,944)</u>	<u>\$ (401,184)</u>

F-164