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The accounting policies adopted are consistent with policies applied in previous years, except for the new IFRS and revised IAS that are mandatory for periods beginning on or after January 1, 2014, in which the Company has adopted; however, due to the structure of the Company and nature of its operations, the adoption of these standards had no significant effect on its financial position and results of operation; therefore, it has not been necessary to modify the comparative financial statements of the Company. These new IFRS and revised IAS are described below:

- *IAS 32 Financial Instruments: Presentation—Offsetting Financial Assets and Financial Liabilities (Amendment)*

  Defines the meaning of "currently has a legal right to offset" criteria and mechanisms for non-simultaneous solution clearinghouses for entitlement to offsetting modification.

  Additionally, this amendment clarifies that to offset two or more instruments financial institutions should have a right to offset that cannot be conditioned on a future event, and should be mandatory the following circumstances: (i) the normal course of business, (ii) in the event of default, and (iii) in the event of insolvency or bankruptcy of the entity or any of the counterparties.

- *IAS 36 Impairment of Assets (Amendments)*

  These amendments eliminate the unforeseen consequences of IFRS 13 on the disclosures required by IAS 36. In addition, the amendments also require disclosure of recoverable amounts of the assets or cash-generating units for which an impairment loss is recognized or when reversals have been recognized in the period.

- *IAS 39 Novation derivatives and continuity of hedge accounting (Amendments)*

  These amendments provide an exception to discontinue hedge accounting when the novation of a derivative designated as a hedging instrument that meets certain criteria is given.

- *IFRIC 21 Levies*

  IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity giving rise to the payment, as identified in the relevant legislation, is performed. To a levy that is activated when a minimum threshold, the interpretation clarifies that no liability should be anticipated before reaching the minimum threshold specified.

Note 4 includes information about the judgments, significant accounting estimates and assumptions used by Management in the preparation of the accompanying financial statements.

3.2 Summary of significant accounting principles and policies—

Significant accounting policies used by Management for the preparation of financial statements are as follow:

(a) Cash and cash equivalents—

Cash and cash equivalents presented in the statement of financial position comprises cash balances and current bank accounts and short-team deposits with original maturities less than three months. For purposes of preparing the statement of cash flows, cash and cash equivalents include cash and short-term deposits defined above.