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money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. The impairment losses are recognized in the statement of income.

That assessment requires certain estimates and assumptions such as volume of projects, investments, working capital budgets, discount rates, list prices and operating costs.

As of December 31, 2014 and 2013, the Company's Management believes that there is no evidence of operational and / or economic that indicates that the carrying amount of machinery and equipment and intangibles cannot be recovered.

*(g) Borrowing costs—*

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to make it available for its intended use or sale are capitalized as part of cost of the respective assets. All other borrowing costs are expensed in the period incurred. Borrowing costs include interest and other costs that an entity incurs in connection with the celebration of the respective loan agreements.

*(h) Provisions—*

A provision is recognized when the Company has a present liability (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the liability and the amount of the obligation can be reliably estimated. Provisions are reviewed periodically and adjusted to reflect the best estimate as of the date of the statement of financial position. The expense relating to any provision is shown on the statement of comprehensive income.

If the time value of money is material, provisions are discounted using a pre-tax rate that reflects, when appropriate, the risk specific to the liability. When the discount is made, the increase in the provision due to passage of time is recognized as interest expense in the statement of comprehensive income.

*(i) Contingencies—*

Liabilities are recorded in the financial statements when it is probable that they are confirmed in time and can be reliably measured. Possible contingencies are not recognized in the financial statements. These are disclosed in notes to the financial statements, unless the possibility of an outflow of economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is virtually certain.

*(j) Revenue recognition—*

The Company recognizes revenue when the amount can be reliably measured, it is probable that economic benefits will flow to the Company and meet specific criteria for each type of income,