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- (b) As of December 31, 2014 and 2013, main additions correspond to civil works, electromechanic works and transmission lines that are part of the construction and development of the Runatullo II and Runatullo III Hydroelectric Plants.
- (c) During 2014, correspond to the activation of works in progress to each item of property, plant and equipment at the completion of the construction and development of the Runatullo II and III Hydroelectric Plants.
- (d) The Company has contracted multi-risk insurance policies that cover in a sufficient manner the entirety of the Runatullo II and Runatullo III Hydroelectric Plants.
- (e) As of December 31, 2014 and 2013, the Company has granted property as security for financial obligations with Banco Internacional del Perú S.A.A. with a net book value of S/140,559,525, see note 10.
- (f) As of December 31, 2014 and 2013, Management performed an assessment on use and conditions of its property, plant and equipment, and has not found any impairment indicator in such assets. Thus, in its opinion, their book value is recoverable with the future income generated by the Company.
- (g) The Company ended the construction of Runatullo III Hydroelectric plant in November 2014 and Runatullo II Hydroelectric plant in December 2014. These constructions are financed by Banco Internacional del Perú S.A.A. (see note 10). The amount of borrowing costs capitalized during the year ended December 31, 2014 was S/ 10,808,375 (S/ 638,721 during year 2013), the rate used to determine the amount of borrowing cost eligible for capitalization was 8.05 percent which is the effective interest rate of specific borrowing.

**9. Intangible assets, net**

- (a) Following is the movement and composition of the caption:

	2014					2013
	Project development S/.	Concessions, licenses and other S/.	Carbon bonds S/.	Software S/.	Total S/.	Total S/.
<b>Cost</b>						
<b>Balance as of January 1</b>	2,692,595	938,437	520,786	42,608	4,194,426	3,439,971
Additions	—	—	—	—	—	754,455
Transfers to property, plant and equipment(b)	(2,692,595)	(938,437)	—	—	(3,631,032)	—
Disposals	—	—	(520,786)	—	(520,786)	—
<b>Balance as of December 31</b>	—	—	—	42,608	42,608	4,194,426
<b>Cumulative amortization</b>						
<b>Balance as of January 1</b>	—	—	—	—	—	—
Amortization of the period	—	—	—	(17,109)	(17,109)	—
<b>Balance as of December 31</b>	—	—	—	(17,109)	(17,109)	—
<b>Net book value</b>	—	—	—	25,499	25,499	4,194,426

- (b) As of December 31, 2014 and 2013, the main transfers made to the cost of the plants correspond to disbursements related to easement payments and land affectation, among others, with the purpose of developing the construction project of the Runatullo II and Runatullo III Hydroelectric Plants.
- (c) As of December 31, 2014 and 2013, Management has determined that there are not any events or economic changes indicating that the value of intangible assets cannot be recoverable.

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