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(d) As of December 31, 2014 and 2013, the Company presents tax losses amounting to S/.13,553,742 and S/.3,304,388 respectively. Management will assess at the closing date of each year the evolution of market conditions and legislation in effect in order to determine whether a deferred income tax asset must be recognized at some moment.

In accordance with the established by the Income Tax Law and its amendments, entities established in Peru are able to opt between the two following methods to carry forward their tax losses:

(i) The tax loss can be offset with future income until its final extinction, by applying said loss until 50 percent of the taxable income; or

(ii) The tax loss can be used up until four years after being generated.

The Company has chosen method (ii).

We show below the composition of the tax loss carryforward for the years 2014 and 2013:

	2014 S/.	2013 S/.
Loss before income tax	(11,151,079)	(2,345,026)
Non-deductible expenses	901,725	8,962
Tax loss of the year	(10,249,354)	(2,366,064)
Tax loss of previous years	(3,304,388)	(968,324)
Tax loss carryforward	(13,553,742)	(3,304,388)

15. Cost of generation

Following is the composition of this caption:

	2014 S/.	2013 S/.
Operating, administrative and maintenance costs, note 19(a)	502,567	—
Depreciation, note 8(a)	215,887	—
Various management charges	187,319	—
Taxes	30,424	—
Other	20,111	—
	956,308	—

16. Administrative expenses

We show below a composition of this caption:

	2014 S/.	2013 S/.
Other services rendered by third parties	703,531	151,559
Administrative and maintenance services, note 19(a)	575,983	401,052
Advisory and consultancy	133,217	50,429
Other expenses	40,143	25,704
	1,452,874	628,744