- *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. For levies which are activated by 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 equivalent 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 equivalent include cash and short-term deposits defined above.

(b) Foreign currency transactions—

(i) Functional and presentation currency—

The Company's financial statements are presented in thousands of Nuevos Soles (except when otherwise indicated), which is also the Company's functional currency.

(ii) Transactions and balances in foreign currency—

The transactions carried out in a currency other than the functional currency are considered as transactions in foreign currency. Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.