

Table of Contents**Credit risk**

Credit risk is the risk that counterparty fails to meet its obligations under a financial instrument or contract, causing a loss. The Company is exposed to credit risk from its operating activities, mainly for its accounts receivable, and its financing activities, including deposits with banks and financial institutions, foreign currency transactions and other financial instruments. Management believes that the Company has no credit risk because their main customers have payment periods of 30 days on average, not having had problems meanings collections. The Company places its excess liquidity in prestigious financial institutions, provides conservative credit policies and constantly evaluates existing conditions in the market in which it operates. Accordingly, the Company does not anticipate significant losses arising from this risk.

(a) *Credit risk associated with:*

## (a.1) Trade receivables

The Company assesses concentrations of credit risk related to the trade accounts receivable. The Company performs an assessment over the risk of recoverability of its accounts receivables in order to determine the appropriate allowance for doubtful accounts. The maximum exposure to credit risk at December 31, 2014, is the carrying value of each class of trade accounts receivable, see note 6. As of December 31, 2014 and 2013, 4 and 5 customers represent 72 and 75 percent of the trade accounts receivable, respectively.

Management of the Company believes that there is no significant credit risk because customers of the Company are renowned in the local market and are regulated.

## (a.2) Financial instruments and cash deposits

This risk is managed by the Administration according to corporate policies determined by its Principal, in order to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2014 and 2013 is the carrying amount of "Cash and cash equivalents".

**Liquidity risk**

The Company monitors its risk of funds shortage by using a short-term and long-term projected cash flow.

The Company's objective is to keep certain funds continuity and flexibility through an adequate quantity of committed credit sources and the ability to settle transactions, mainly those of indebtedness. The Company has sufficient credit capacity to have access to credit lines from first-level financial entities and under reasonable conditions.

The following table presents the maturities of the obligations contracted by the Company at the date of the statements of financial position and the amounts to disburse at their maturity, based on the non-discounted payments to be made:

	2014				Total S/(,000)
	Less than 1 year S/(,000)	Between 1 and 3 years S/(,000)	Between 3 and 5 years S/(,000)	More than 5 years S/(,000)	
Loans and borrowings (including interest)	16,436	50,118	33,608	65,834	165,996
Trade accounts payable	304	—	—	—	304
Accounts payable to related entities	5	—	—	—	5
Other accounts payable	471	—	—	—	471
	17,216	50,118	33,608	65,834	166,776

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