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Compensation to key management personnel

The Company does not directly incur in compensation for key personnel because Administración de Energías Renovables, S.A. provides those management services, however the allocation of key personnel compensation at Administración de Energías Renovables, S.A. that is attributable to the Company amounts to US\$254,682 in 2014 (2013: US\$253,302).

13. Fair value of derivative instruments

The Company uses interest rate swaps and interest rate caps to hedge its variable interest rate exposure on a portion of the Company's loans with CIBEI (Note 10). Under the interest rate swaps/caps agreements the Company receives a fixed rate of interest as disclosed below and pays interest at a variable rate on the notional amounts. These derivative financial instruments have been designated as hedging instruments and have been assessed to be highly effective as of the financial statements dates. The effects of the above derivative instruments in the Company's financial statements are summarized as follows:

	2014	2013
Statements of Financial Position:		
Assets:		
Cap agreement of November 2010	\$ 484,884	\$ 1,402,665
Cap agreement of December 2013	<u>341,150</u>	<u>716,123</u>
	<u>\$ 826,034</u>	<u>\$ 2,118,788</u>
Liabilities:		
Swap agreement of November 2010	\$ 3,148,111	\$ 4,174,901
Swap agreement of December 2013	<u>1,388,460</u>	<u>918,167</u>
	<u>\$ 4,536,571</u>	<u>\$ 5,093,068</u>
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	2014	2013
Statements of Comprehensive Income—gain / (loss):		
Change in time value of derivative instruments—Profit and loss:		
Cap agreement of November 2010	\$ (826,621)	\$ 524,049
Cap agreement of December 2013	<u>171,204</u>	<u>169,945</u>
	<u>\$ (655,417)</u>	<u>\$ 693,994</u>
Ineffectiveness of derivative instruments—Profit and loss:		
Swap agreement of November 2010	\$ (12,830)	\$ (683)
Swap agreement of December 2013	<u>(10,442)</u>	<u>(7,005)</u>
	<u>\$ (23,272)</u>	<u>\$ (7,688)</u>
Change in intrinsic value of derivative instruments—Other comprehensive income:		
Cap agreement of November 2010	\$ (91,160)	\$ 91,160
Cap agreement of December 2013	<u>(546,178)</u>	<u>546,177</u>
Swap agreement of November 2010	<u>973,199</u>	<u>2,282,214</u>
Swap agreement of December 2013	<u>(466,121)</u>	<u>(918,805)</u>
Ineffectiveness recycled to profit or loss	<u>(23,272)</u>	<u>7,688</u>
Subtotal	<u>(153,532)</u>	<u>2,008,434</u>
Deferred income tax (Note 18)	<u>17,918</u>	<u>—</u>
	<u>\$ (135,614)</u>	<u>\$ 2,008,434</u>

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