

Table of Contents**14. Accrued expenses and other accounts payable**

	2014	2013
Sales tax	\$ 282,535	\$ 705,700
Social security withholdings payable	75,966	46,804
Employee bonus entitlements	40,409	—
Engineering, procurement and construction contract accrual (Note 20.3)	—	504,226
Others	5,179	76,408
	<b>\$ 404,109</b>	<b>\$ 1,333,138</b>

Accrued expenses and other accounts payable are interest free, are not subject to any discount for early payment, do not generate late charges, and their maturity terms are generally less than one year.

Engineering, procurement and construction contract accrual were payables related to of the Project for which contractor invoices had not been received as of December 31, 2013.

**15. Decommissioning provision**

The Company has recognized a provision for decommissioning obligations associated with its wind farm. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. Eolo estimates that the decommissioning costs would be realized in 18 years' time upon the expiration of the PPA. The Company calculates the provision using the discounted cash flow method based on the following assumptions: a) estimated range of cost per wind turbine, and b) discount rate.

The rollforward of the decommissioning and restoration provisions is as follows:

	2014	2013
Balance at beginning of year	\$238,184	\$270,750
Unwinding of discount and changes in the discount rate	81,544	(32,566)
Balance at year end	<b>\$319,728</b>	<b>\$238,184</b>

**16. Income tax**

The Company is subject to the payment of income tax. Therefore, it annually prepares and files its tax return with the corresponding authorities. The income tax rate in effect for the fiscal years ended December 31, 2014 and 2013 was 30%. The annual income tax shall be subject to a minimum definite payment that shall be made through advance payments equal to 1% of the gross monthly income. The income tax payment shall be the greater of the minimum definite payment or 30% applicable to the taxable base. However, Eolo was granted a seven-year exemption on corporate income taxes starting on November 12, 2012.

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