
Table of Contents**4.15.1 Estimates and assumptions**

The main assumptions related to future events and other sources of estimates subject to variations as of the reporting date, which due to their nature carry a risk of causing adjustments to the asset and liability amounts in next year's financial statements, are presented below:

Revenue recognition for projects in progress

The Company records revenue from construction activities using the percentage of completion method, recognizing revenue in relation to the progress of the Project. This method emphasizes the importance of having accurate estimates of the progress of the works until their completion. Management constantly monitors the estimates involved in these construction activities, and adjusts them when required.

Impairment of non-financial assets

The Company estimates that there are no indicators of impairment for any of its non-financial assets as of the reporting date.

5. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, as of December 31, 2014 are disclosed below. The Company intends to adopt these standards, if applicable to its activities, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. IFRS 14 is effective for annual periods beginning on or after January 1, 2016.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted.

F-525