CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013 TOGETHER WITH THE REPORT OF THE
INDEPENDENT AUDITORS

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USD = United States dollar
PEN = Nuevo sol
€ = Euros
NOK = Norwegian Krone

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

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31 DECEMBER 2013

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GENERAL INFORMATION

Directors
Samuel Barnaby Dyer Coriat - Chairman
Samuel Edward Dyer Ampudia
Pavlos Aristodemou
Gianfranco Dante Máximo Castagnola Zúñiga (resigned 11 November 2013)
Mimi Kristine Berdal
Hugo Walter Chumbez Panesi
Fabio Matarazzo Di Licosa
Samuel Aguirre (resigned 6 November 2013)

Company Secretary
Altruco Secretarial Limited
Arch. Kyprianou & Ag. Andreou,
Loukaides Court, 5th Floor
3036 Limassol,
Cyprus

Registered office
Kanika International
Business Center, 6th Floor,
Profiti Ilia No 4 Germasogeia,
Limassol 4046,
Cyprus

Independent auditors
PricewaterhouseCoopers Limited
Cyprus

BOARD OF DIRECTORS' REPORT
(IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE STATED)

The Board of Directors presents its report together with the audited consolidated financial statements of Camposol Holding PLC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013.

Principal activities

Camposol Holding PLC is the holding company of the Camposol Group (hereinafter the "Group"). During the year the Group continued its agricultural activities consolidating its position as a key player in the fruits and vegetables industry.

Financial results

The Group's results for the year are set out on page 8. The Board of Directors does not recommend the payment of dividends and the net profit for the year is retained.

In 2013 EBITDA was USD 42,600, 152% higher than during 2012 (USD16,900), which is primarily due to higher volumes of avocadoes and grapes, as well as increasing prices of shrimp and asparagus. EBITDA margin increased to 18.4% in 2013 from 9.2% in 2012.

Review of developments, position and performance of the Group's business and its position

The profit of the Group for the year ended 31 December 2013 was USD31,514 (2012: profit of USD16,853). Turnover in 2013 increased to 231,241, compared to sales for 2012 of USD183,181. On 31 December 2013 the total assets of the Group were USD610,180 (2012: USD547,603) and the net assets were USD 325,741 (2012: net assets USD 281,810). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory.

Future developments

The Group sets as its strategic priorities for the three years from 2014 to 2016 the maintenance of its position as a global leader in the asparagus and avocados markets and the diversification in new products to satisfy demand, such as red table grapes, tangerines and blueberries.

During 2012, the Company opened a commercial office in the United States which is already selling avocado directly. Due to the importance of this market for the growth in avocado volumes coming from its young plantations, it will be a strategic priority for the Group to consolidate its commercial presence there during this period. In 2013, the Company signed an agreement with AGRICOM, one of the major fruit exporters in Chile, to jointly commercialize its products in Europe. Such an agreement will allow the Group to offer avocado almost all year round to our clients. Among the products we will commercialize together are avocados, grapes, citrus, blueberries, pomegranates among others.

The Board has consistently expressed since 2011 its focus and interest on consolidating the Company's positioning in the US Market. As a consequence, on June 12 2013, Company signed an engagement letter with Credit Suisse, in order to explore strategic alternatives to improve distribution and marketing operations in the US market, including and not limited to joint ventures, mergers, acquisitions, etc. Credit Suisse will review together with the Board all of its available options, achieve its strategy and maximize the value of the Company.

As part of its growth strategy, the Group is planning to issue bonds for USD60,000.
Proceeds would be used in capital expenditures and for general corporate purposes.

Risk management

In line with any other agricultural businesses the Group is exposed to risks, the most significant of which are natural phenomena such as the hot and cold ocean currents of “El Nino” and “La Nina” which impact agricultural production, adverse movements in the market prices for fruit and vegetables, interest rate risk and liquidity risk.

The Group monitors and manages these risks through various control mechanisms. Detailed information relating to risk management is set out in Notes 3, 4 and 34 to the financial statements.

Branches

The Group did not operate through any branches during the year.

Share capital

On 24 September 2013, the Oslo Bors, as the take-over supervisory authority, approved the Mandatory Offering to acquire shares in Camposol by Dyer Coriat Holding S.L.

On 21 October 2013, the Board of Directors of Camposol Holding PLC unanimously approved the tender of Camposol Holding PLC and Camposol SA's 2,968,502 shares in the Company.

Once the Offering was completed, Dyer Coriat Holding S.L. held 26,992,047 shares in the Company, representing 90.47% of the total shareholding.

On 12 December 2013, Cyprus Securities and Exchange Commission ("CySEC") approved the application submitted by Dyer Coriat Holding S.L. to acquire from the minority shareholders (the "Minority Shareholders") all the shares of issued share capital of Camposol Holding PLC which Dyer Coriat Holding S.L. did not own (directly or indirectly) following the settlement of the mandatory takeover bid offer dated 24 September 2013 (the "Minority Shares”). The squeeze-out was effective as of 13 December 2013.

As of 31 December 2013, the Group does not hold own shares.

Directors

The Directors of the Company at the date of this report are as shown on page 1.

The Directors who served during the year and up to the date of this report, except for Gianfranco Dante Máximo Castagnola Zúñiga and Samuel Aguirre are the following:

Camposol Holding PLC and Subsidiaries
General information
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	Appointed	Resigned
Samuel Barnaby Dyer Coriat	15 January 2008	-
Samuel Edward Dyer Ampudia	15 January 2008	-
Pavlos Aristodemou	27 May 2010	-
Gianfranco Dante Máximo Castagnola Zúñiga	10 June 2008	11 November 2013
Mimi Kristine Berdal	19 June 2009	-
Hugo Walter Chumbez Panesi	19 June 2009	-
Fabio Matarazzo Di Licosa	9 October 2011	-
Samuel Aguirre	27 February 2012	6 November 2013

All of the Directors, except for Gianfranco Dante Máximo Castagnola Zúñiga and Samuel Aguirre shall hold office until the next Annual General Meeting and are eligible for re-appointment by the shareholders.

During 2013, there were no significant changes in the assignment of responsibility of the Board of Directors. The changes in the remuneration of the Board of Directors are disclosed in Note 35.

Bonds

On 26 January 2012, Camposol S.A., Camposol Holding PLC´s subsidiary, successfully issued a USD125,000 9.875% senior unsecured notes due in 2017, which will be guaranteed by Camposol Holding PLC as parent guarantor and Marinazul S.A. and Campoinca S.A. as subsidiary guarantors.

Settlement of the bond issue occurred on 2 February 2012. The net proceeds from the bond issue were used to repay long term debt, to finance capital expenditures and for general corporate purposes.

With this transaction, the Company extended the maturity of its long term debt to 4.9 years under much more flexible conditions than the previous long-term debt facility, which will allow it to better face its strategic challenges in the next years.

As part of its growth strategy, the Group is planning to issue bonds for USD60,000.
Proceeds would be used in capital expenditures and for meet general corporate purposes.

Events after the balance sheet date

No material events occurred after the end of the financial year.

Independent auditors

PricewaterhouseCoopers Limited has expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

Camposol Holding PLC and Subsidiaries
General information
31 December 2013

By order of the Board

Samuel Barnaby Dyer Coriat - Chairman

Signature

Samuel Edward Dyer Ampudia - Director

Signature

Cyprus
4 April 2014

Independent auditor's report
To the Members of Camposol Holding Plc

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Camposol Holding Plc (the "Company") and its subsidiaries (together with the Company, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No. 143594). A list of the company's directors including for individuals the present name and surname, as well as any previous names and for legal entities the corporate name, is kept by the Secretary of the company at its registered office at 3 Themistocles Dervis Street, 1066 Nicosia and appears on the company's web site. Offices in Nicosia, Limassol, Larnaca and Paphos.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- The consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Constantinos Taliotis
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia,
4 April 2014

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN THOUSANDS OF U.S. DOLLARS)

	Note	At 31 December 2013	2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	128,604	127,733
Investment in associate	7	864	559
Intangible assets	8	18,149	20,343
Non-current portion of biological assets	9	282,982	242,536
Deferred income tax	17	1,247	1,398
Total non-current assets		431,846	392,569
CURRENT ASSETS			
Prepaid expenses		1,027	821
Current portion of biological assets	9	19,187	16,564
Inventories	12	63,082	52,696
Other accounts receivable	13	8,721	9,159
Income tax credit		3,907	6,792
Trade accounts receivable	14	55,170	40,479
Cash and cash equivalents	15	27,240	28,523
Total current assets		178,334	155,034
Total assets		610,180	547,603
Equity attributable to shareholders of the parent			
Share capital	16	507	507
Share premium	16	212,318	212,318
Treasury shares	16	-	(11,592)
Other reserves	16	825	-
Retained earnings		111,285	79,997
		324,935	281,230
Non-controlling interest		806	580
Total equity		325,741	281,810
LIABILITIES			
NON-CURRENT LIABILITIES			
Long - term debt	19	133,327	132,352
Deferred income tax	17	41,371	31,462
Total non-current liabilities		174,698	163,814
CURRENT LIABILITIES			
Current portion of long-term debt	19	4,250	2,759
Trade accounts payable	20	60,655	51,288
Other accounts payable	21	18,811	18,052
Bank loans	22	26,025	29,880
Total current liabilities		109,741	101,979
Total liabilities		284,439	265,793
Total equity and liabilities		610,180	547,603

Approved for issue and signed on behalf of the Board of Directors of Camposol Holding PLC on 4 April 2014.

Directors

Samuel Barnaby Dyer Coriat - Chairman ____________ Signature

Samuel Edward Dyer Ampudia - Director ____________ Signature

The notes on pages 12 to 74 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended 31 December 2013	2012
Continuing operations:			
Revenue	23	231,241	183,181
Cost of sales	24	(156,880)	(138,299)
Gross profit		74,361	44,882
Gain arising from change in fair value of biological assets	9	40,057	40,367
Profit after adjustment for biological assets		114,418	85,249
Selling expenses	25	(26,174)	(22,961)
Administrative expenses	26	(22,389)	(20,115)
Other income	28	1,334	1,145
Other expenses	28	(3,415)	(1,736)
Operating profit		63,774	41,582
Profit attributable to associate	7	305	66
Financial income	29	81	1,557
Financial cost	29	(19,465)	(17,879)
Net foreign exchange transactions losses		(2,750)	(2,042)
Profit before income tax		41,945	23,284
Income tax expense	31	(10,431)	(6,284)
Profit for the year from continuing operations		31,514	17,000
Discontinued operations:			
Loss for the year from discontinued operations		-	(147)
Profit for the year		31,514	16,853
Attributable to:			
Owners of the parent		31,288	16,778
Non-controlling interest		226	75
		31,514	16,853
Basic and diluted earnings per ordinary share			
- From continuing operations (expressed in U.S. Dollars per share)	33	1.154	0.611
- From discontinued operations (expressed in U.S. Dollars per share)	33	-	(0.005)
		1.154	0.606
Statement of comprehensive income			
Profit for the year		31,514	16,853
Other comprehensive income:			
Currency translation adjustment		18	(10)
Other adjustment (Items that may be subsequently reclassified to profit or loss)		(18)	(98)
Total comprehensive income for the year		31,514	16,745
Attributable to:			
Equity shareholders of the parent		31,288	16,734
Non-controlling interests		226	11
		31,514	16,745
Total comprehensive income attributable to equity shareholders arises from:			
- Continuing operations		31,288	16,881
- Discontinued operations (Note 32)		-	(147)
		31,288	16,734

Items in the statement of comprehensive income above are disclosed net of tax.

The notes on pages 12 to 74 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the years ended 31 December 2013 and 2012
(IN THOUSANDS OF U.S. DOLLARS)

		Attributable to owners of the parent								
	Number of shares	**Share capital**	**Share premium**	**Treasury shares**	**Other reserves**	**Share-based payments**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balances as of 1 January 2012	32,404	507	212,318	-	-	927	62,331	276,083	569	276,652
Comprehensive income:										
Profit for the year	-	-	-	-	-	-	16,778	16,778	75	16,853
Other comprehensive income:										
Currency translation adjustment	-	-	-	-	-	-	(10)	(10)	-	(10)
Other adjustments	-	-	-	-	-	-	(34)	(34)	(64)	(98)
Total comprehensive income	-	-	-	-	-	-	16,734	16,734	11	16,745
Transactions with owners:										
Acquisition of own shares	(2,969)	-	-	(11,592)	-	-	-	(11,592)	-	(11,592)
Share-based payments	-	-	-	-	-	5	-	5	-	5
Expired share- based payments	-	-	-	-	-	(932)	932	-	-	-
Total transactions with owners	(2,969)	-	-	(11,592)	-	(927)	932	(11,587)	-	(11,587)
Balances as of 31 December 2012	29,435	507	212,318	(11,592)	-	-	79,997	281,230	580	281,810
Comprehensive income:										
Profit for the year	-	-	-	-	-	-	31,288	31,288	226	31,514
Other comprehensive income:										
Currency translation adjustment	-	-	-	-	-	-	18	18	-	18
Other adjustments	-	-	-	-	-	-	(18)	(18)	-	(18)
Total comprehensive income	-	-	-	-	-	-	31,288	31,288	226	31,514
Transactions with owners:										
Disposal of treasury shares	2,969	-	-	11,592	-	-	-	11,592	-	11,592
Gains on disposal of treasury shares	-	-	-	-	825	-	-	825	-	825
Total transactions with owners	2,969	-	-	11,592	825	-	-	12,417	-	12,417
Balances as of 31 December 2013	32,404	507	212,318	-	825	-	111,285	324,935	806	325,741

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009, and to 20% in respect of profits of years of assessment 2010 and 2011. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 12 to 74 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended 31 December 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections		215,743	172,888
Payment to suppliers and employees		(201,533)	(186,425)
Interest paid		(17,984)	(10,589)
Custom duties refund collections		7,868	7,057
Other collections		1,160	2,929
Debt termination fee	19	-	(407)
Net cash generated from (used in) operating activities	30	5,254	(14,547)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	6	(9,293)	(14,471)
Investment in biological assets		(7,581)	(10,603)
Purchase of intangibles, excluding goodwill	8	(415)	(288)
Proceeds from sale of property, plant and equipment	6	429	429
Net cash used in investing activities		(16,860)	(24,933)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank loans proceeds	22	101,495	59,370
Bank loans payments	22	(105,350)	(55,287)
Repurchase of own shares	16	-	(11,592)
Sales of own shares	16	12,417	-
Repayment of syndicated loan	19	-	(58,524)
Bonds issue, net of transaction costs	19	-	121,013
Long-term debt proceeds	19	5,187	8,566
Payments of long-term debt	19	(3,426)	(2,147)
Net cash generated from financial activities		10,323	61,399
Net (decrease) increase in cash and cash equivalents		(1,283)	21,919
Cash and cash equivalents at beginning of year		28,523	6,604
Cash and cash equivalents at end of year	15	27,240	28,523

The notes on pages 12 to 74 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013
(IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE STATED)

1 GENERAL INFORMATION

a) Business activities -

Camposol Holding PLC (hereinafter the Company) was incorporated as a private company and is domiciled in Cyprus from 9 July 2007, under the name Halemondi Holdings Limited, in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company was converted into a public limited liability company on 8 November 2007. The name of the Company was transformed to Camposol Holding PLC on 11 February 2008. Camposol Holding PLC and subsidiaries are hereinafter referred as the Group. The Company through its subsidiaries are engaged in investing in the agriculture business and managing the export of agricultural products mainly to the United States and to the European Union.

The Company’s legal address is Kanika International Business Center, 6th Floor, Profiti Ilia No 4 Germasogeia, Limassol 4046, Cyprus.

The Company's shares are listed in the Oslo Axess Stock Exchange from May 2008 and the last day of listing was 20 December 2013.

The subsidiaries and their activities are as follows:

Company	Principal activity	Country of incorporation
Camposol S.A.	Agribusiness	Peru
Nor Agro Perú S.A.C.	Agriculture	Peru
Prodex S.A.C.	Agriculture	Peru
Vegesol S.A.	Agriculture	Peru
Balfass S.A.	Agriculture	Peru
Campoinca S.A.	Farmland owner	Peru
Muelles y Servicios Paita S.R.L.	Services	Peru
Marinazul S.A.	Shrimp farming	Peru
Domingo Rodas S.A.	Shrimp farming	Peru
Camarones S.A.C.	Shrimp farming	Peru
Marinasol S.A.	Fish canning	Peru
Camposol Europa S.L.	Distribution	Spain
Camposol Fresh B.V.	Distribution	Netherlands
Madoca Corp.	Holding	Panama
Grainlens Ltd.	Holding	Cyprus
Blacklocust Ltd.	Holding	Cyprus
Siboure Holding Ltd.	Holding	Cyprus
Persea, Inc.	Holding	USA
Camposol Fresh U.S.A., Inc.	Distribution	USA
Camposol Specialties, Inc.	Distribution	USA

Except for Marinazul S.A., where the Company holds a indirect equity interest of 99.99%, it holds 100% of all its subsidiaries.

In addition, the Company has an associate, Empacadora de Frutos Tropicales S.A.C. which is engaged in the processing and commercialization of fresh fruit products (Note 7).

Camposol S.A. is one of the subsidiaries of the Group which is a Peruvian agribusiness corporation incorporated in the city of Lima on 31 January 1997. Camposol S.A. contributes substantially with all of the consolidated Group's revenues and net profit.

The legal address of Camposol S.A. is Calle Francisco Graña 155, La Victoria, Lima, Peru; its operating and commercial office is located in Carretera Panamericana Norte Km. 497.5, Chao, Viru, La Libertad., three production establishments or agricultural lands are located in Carretera Panamericana Norte Kms. 510, 512 and 527 in the department of La Libertad, Peru. In addition Camposol S.A. operates two administrative offices in the department of Piura.

On 21 May 2011, the subsidiary Muelles y Servicios Paita S.R.L. acquired 100% interest in Nor Agro Perú S.A.C.

During 2012, the dormant subsidiaries Preco Precio Económico S.A.C., Sociedad Agrícola la Dunas S.R.L. and Balfas S.A. were liquidated. These entities did not have operations leading to the generation of any income or expenses in 2012.

The subsidiaries Persea, Inc., Camposol Fresh U.S.A., Inc., Camposol Specialities, Inc. were incorporated during 2012.

The table below presents details of the agricultural land where the Group carries out its activities:

		Area in Hectares (Ha)	
Land	**Peruvian region**	**2013**	**2012**
Mar Verde	La Libertad	2,496	2,496
Agricultor	La Libertad	1,726	1,726
Gloria	La Libertad	1,018	1,018
Agromás	La Libertad	414	414
Virú - San José	La Libertad	616	616
Compositan	La Libertad	3,778	3,778
Yakuy Minka	La Libertad	2,770	2,770
Huangala - Terra	Piura	2,677	2,677
Santa Ana	Piura	3,370	3,370
Santa Anita	Piura	128	128
Santa Julia	Piura	2,183	2,105
María Auxiliadora	Piura	1,980	1,980
La Merced	Piura	1,000	1,000
Ocoto Alto	Piura	112	112
Ocoto Bajo	Piura	31	31
Ica	Ica	900	175
Tumbes	Tumbes	933	933
		26,132	25,329

The Group carries out its activities over the following planted areas:

	Area in Hectares (Ha)	
	2013	2012
Asparagus	2,395	2,516
Avocados	2,643	2,616
Mangoes	450	450
Grapes	451	451
Shrimp	636	635
Pepper	332	291
Tangerine	102	102
Blueberry	212	206
	7,221	7,267

b) Group reorganization -

Camposol AS was established on 5 September 2007. On 17 October 2007 Camposol AS acquired 100% of the shares in Siboure Holding Ltd (previously Siboure Holdings Inc. which held 100% of Camposol S.A.) through a loan obtained from the Credit Suisse amounting to USD65,000 in November 2007.

On 3 March 2008, the Company made a voluntary offer for the acquisition of all the outstanding shares of Camposol AS in exchange of its own shares. The shareholders of Camposol AS became shareholders of the Company, holding the same number of shares and warrants as the number held in Camposol AS. As a result of this exchange, Camposol AS became a wholly-owned subsidiary of the Company. This transaction does not represent a business combination and is outside the scope of IFRS 3 (2007). There was no economic substance in terms of any real alteration of the composition or ownership of the Group. Accordingly the consolidated financial statements are presented as a continuation of the Camposol AS group using a method similar to the pooling of interests. The application of this method implied that, the items of the financial statement of the combining enterprises at the date in which the combination occurred and for any comparative periods disclosed at the end of such period were presented as if they had been combined from the beginning of the earliest period then presented.

Camposol AS was liquidated on 22 December 2008 with no impact on the Group's financial statements as all its rights and obligations were transferred to Camposol Holding PLC.

After the squeeze-out process of Camposol Holding PLC, described in the Board of Directors report, the shares of the Company were delisted from Oslo Bors on 20 December 2013.

c) Operating environment of the Group

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the Troika), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through bail in. During 2013 the Cyprus economy further contracted with a decrease in the Gross Domestic Product.

During 2013 following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The economic conditions described above, together with the impact of the Eurogroup decision on Cyprus of 25 March 2013, did not impact the Group, since the Group conducts its operating, financing and investing activities outside the Cypriot territory.

d) Approval of the financial statements -

The 2013 consolidated financial statements of the Group were approved by the Board of Directors' Meeting held in the offices of the Company in Cyprus on 4 April 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation -

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), IFRIC Interpretations and the requirements of the Cyprus Companies Law, Cap. 113.

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets recognized at fair value and the investment in associate recognized under the equity method accounting. The financial statements are expressed in thousands of United States Dollars, unless otherwise stated.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Going concern -

In 2013 EBITDA was USD 42,600, 152% higher than during 2012 (USD16,900) as explained by higher volumes of sales of avocadoes and grapes, as well as increasing prices of shrimp and asparagus. EBITDA margin increased to 18.4% in 2013 from 9.2% in 2012.

The financial position and future development of the Group will depend significantly on the sales prices of its fruit and vegetables production. The Group produces fresh, frozen and preserved products. Fresh products tend to be more profitable, followed by frozen products and finally preserved goods. However, the complexity of production and the distribution logistics are greater in the case of fresh and frozen products compared to preserved goods. In this way, there is an inversely proportional relationship between profitability and commercial complexity of the product type.

Fresh products, because of their very nature, have a much quicker rotation and almost no inventories of finished products. Preserved products may be stored for up to 5 years and this means that in the distribution chain there are times of very high or very low inventories that have a significant impact on prices.

Natural phenomena such as the warmer and colder ocean currents called "El Niño" and "La Niña", respectively present a threat to farming during half of each year.

“La Niña” generally means that the winter is colder than usual and this has a positive or negative repercussion on our activities according to the crop. For example, in the case of avocado, the cold weather reduces the rate at which the fruit grows and it reaches its period for harvesting at a lower weight per fruit than usual. In the case of asparagus; however, although growth is slow during the period of the cold current, the plants that are maturing and will be harvested at the end of the year have volumes well in excess of the average.

“El Niño”, which is usually predictable some months in advance, increases the temperature in both summer and winter. This phenomenon benefits the avocado plant, producing a fruit of higher weight but, on the other hand, it reduces the harvest levels of asparagus in the months following warmer weather.

During 2013, none of these natural phenomena has occurred in such a way that affects the Group's production.

During 2012 Peru experienced a moderate “El Niño” effect, which increased the average temperature from April through August. The adverse climate conditions had a negative impact on company volumes, especially on avocado and asparagus with a volume decrease for the year of 26.8% and 18.4% respectively.

The Directors have the reasonable expectation that the Group has adequate resources to continue operational existence in the foreseeable future. Therefore the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

2.3 Adoption of new and revised IFRSs -

As of the date of the authorization of the consolidated financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2013 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 “Financial Instruments: Recognition and Measurement” relating to portfolio hedge accounting.

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Group, with exception of IFRS 13 “Fair value measurement”, which aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

At the date of approval of these financial statements the following International Financial Reporting Standards were issued by the International Accounting Standards Board but were not yet effective in the European Union:

i) Adopted by the European Union

New standards

- IFRS 10,“Consolidated Financial Statements” (effective for annual periods beginning on or after 1 January 2014).

- IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2014).
- IFRS 12, "Disclosure of Interests in Other entities" (effective for annual periods beginning on or after 1 January 2014).
- IAS 27, "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2014).
- IAS 28, "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2014).

Amendments

- Amendments to IAS 32 "Financial Instruments: Presentation" on Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IFRS 10, IFRS 11 and IFRS 12: transition guidance (effective for annual periods beginning 1 January 2014).
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment entities (effective for annual periods beginning 1 January 2014).
- Amendments to IAS 36 - Recoverable amount disclosures for non-financial assets (effective for annual periods beginning 1 January 2014; earlier application is permitted if IFRS 13 is applied for the same accounting and comparative period).
- Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning 1 January 2014).

ii) Not yet adopted by the European Union

New standards

- IFRS 9 "Financial Instruments" (and subsequent amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2015).
- IFRS 14, Regulatory Deferral Accounts (issued in January 2014 and effective for annual periods beginning on or after 1 January 2016).

Interpretations

- IFRIC 21 - Levies (effective for annual periods beginning on or after 1 January 2014).

Amendments

- Amendments to IAS 19 – Defined benefit plans: Employee contributions (effective for annual periods beginning 1 July 2014).
- Annual Improvements 2012 (effective for annual periods beginning on or after 1 January 2014).
- Annual Improvements 2013 (effective for annual periods beginning on or after 1 July 2014).

The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Group, with the exception of the following:

(i) IFRS 10, Consolidated financial statements'. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Although

Management does not expect any effect on the financial statements once the standard is adopted, it will be required to disclose the main requirements of the standard when assessing control.

2.4 Consolidation -

The consolidated financial statements include the assets, liabilities, results and cash flows of the Company and its subsidiaries detailed in Note 1- (a).

a) Subsidiaries -

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities assumed and the equity interests issued by the Group, if any. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized fair value amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The fair value of services received in relation with business combinations are recognized in equity when they are settled with the Group's own equity instrument (such as warrants).

The excess of the consideration transferred, any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (note 2.8 - a). If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

b) Associates -

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognized in the consolidated statement of comprehensive income.

2.5 Segment information -

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.6 Foreign currency translation -

a) Functional and presentation currency -

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency.

b) Transactions and balances -

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and other accounts are presented in the consolidated statement of comprehensive income within 'net foreign exchange transactions losses'.

c) Group companies -

The results and financial position of all the Group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
(c) equity balances, except for retained earnings, are translated at the historical exchange rates; and
(d) all resulting exchange differences are recognized in other comprehensive income and included in retained earnings.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Property, plant and equipment -

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful life of individual assets, as follows:

	Years
Buildings and other constructions	Between 10 and 33
Irrigation structure	70
Plant and equipment	Between 5 and 10
Furniture and fixtures	10
Other equipment	Between 3 and 10
Vehicles	5

Depreciation commences when assets are available for use as intended by management. Land is not depreciated.

The assets residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each financial year-end.

An assets' carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other income and other expenses – net' in the consolidated statement of comprehensive income.

2.8 Intangible assets -

a) Goodwill -

Goodwill is initially measured as the excess of the consideration transferred over the fair value of the net acquirer's identifiable assets, liabilities, contingent liabilities and non-controlling interest at the date of acquisition. When the accounting for a business combination is not completed by the end of the reporting period in which the business combinations took place, the Group reports provisional amounts for those items with valuation process still incomplete.

The net identifiable assets acquired and liabilities assumed accounted at provisional fair values at acquisition date may be retroactively adjusted to reflect additional information gathered on facts and circumstances existing at acquisition date which, if known, would have affected the measurement of the amounts originally recognized. The period allowed by the IFRS 3 for the amendment of provisional amounts recognized should not exceed one year from the acquisition date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating-units, or groups of cash-generating-units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

When the acquisition is made under favorable conditions (when the fair value of the net assets and liabilities acquired is higher than the purchase consideration), the Group recognizes such amount as income in its consolidated statement of comprehensive income.

b) Customer relationships -

Customer relationships acquired in a business combination are initially recognized at fair value at the date of the acquisition and subsequently at cost less amortization over their estimated useful lives which range from 2 to 8 years.

The intangible asset is valued using an income approach and the "multi-period excess earnings" method. The excess of earnings is defined as the difference between after-tax operating cash flows generated by the existing customers at the acquisition date; and, the contribution costs required by the remaining assets (tangible and intangible) for maintaining the relationships with the customer. The application of the "multi-period excess earnings" requires the following estimations:

- Future sales attributable to the existing customer list at the acquisition date, excluding any sales from other customers without an established and clear relationship. The sales forecast for each customer, or customer category, takes into consideration organic sales growth as well as the deterioration rate for this customer list.

- Calculation of operating margins (EBIT), taking into account only costs related to the existing customer base at the acquisition date.

c) Computer software -

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of ten years.

Costs associated with maintaining computer software or programs are recognized as an expense as they are incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

2.9 Impairment of non-financial assets -

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Fair value is based on an estimate of the amount that the Group may obtain in a sale transaction on an arm's length transaction. In assessing the value in use of an asset, its estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash -generating unit to which the asset belongs.

2.10 Financial assets -

Classification -

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. As of 31 December 2013 and 2012 the Group only holds financial assets in the category of loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other accounts receivable' and 'cash and cash equivalents' in the consolidated statement of financial position (Notes 14, 13 and 15, respectively).

Recognition, derecognition and measurement -

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Loans and receivable are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Offsetting financial instruments -

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.11 Impairment of financial assets -

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss of loans and receivables category is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated statement of comprehensive income.

2.12 Biological assets -

Biological assets are living animals or plants managed by the Group for sale. These are asparagus, avocados, mangoes, grapes, shrimp, pepper, tangerine and blueberry which are to be harvested as agricultural produce.

Bearer biological assets are those assets capable of producing more than one harvest or are able to sustain regular harvests (as for example: asparagus, mangoes, avocados and grapes). Costs of producing and harvesting biological assets are expensed as incurred. Costs that increase the number of units produced of the biological asset owned or controlled by the Group are added to the carrying amount of the relevant assets. Bearer biological assets are classified as current and non-current depending on their maturity period.

Expenses that relate to the agricultural activity include planting, harvesting, seedlings, irrigation, agrochemicals, fertilizers and others. The line item "cost of agricultural produce and biological assets sold and services rendered" includes: i) the cost of agricultural produce held in inventory, ii) biological assets valued at fair value less costs to sell, and iii) the costs of providing agricultural services. Therefore, "cost of production" accumulates the costs incurred during the growth of the biological assets and the line item "cost of agricultural produce and biological assets sold and services rendered" accumulates the costs of items from inventory and/ or biological assets expensed when sold.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date, except where fair value cannot be reliably measured. The fair value of biological assets excludes the land upon which the biological assets are harvested. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following factors have been taken into account:

i) the productive life of the asset;
ii) the period over which the asset will mature;
iii) the expected future sales price;
iv) the cost expected to arise through the life of the asset; and
v) a pre-tax discount rate.

The application of factors mentioned above requires the use of estimates and judgments by management.

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise through the life of the biological assets are estimated based on historical and statistical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the consolidated statement of comprehensive income in the period in which they arise. Agricultural produce harvested from the Group's biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is determined based on market prices. The gain or loss arising from initial recognition of agricultural produce as a result of harvesting is recognized in the consolidated statement of comprehensive income for the period in which it arises. The cost of the agricultural produce included in inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

2.13 Inventories -

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average cost method.

The cost of biological products is determined as the fair value less estimated point of sale costs at the time of harvest (Note 2.12).

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The cost of inventories may not be recovered if: i) the inventories are damaged or become wholly or partially obsolete; and ii) their selling prices decline or the estimated necessary costs to be incurred to produce their sale increase. In such circumstances, inventories are written-off to their net realizable value. The Group determines the provision for obsolescence as follows:

Fresh and frozen products	100% of cost at expiration
Preserved products	50% of cost after 2 years
	100% of cost at expiration

The provision for obsolescence is estimated on an item by item basis or for groups of items with similar characteristics (with same crop, market and similar other characteristics).

2.14 Trade accounts receivable -

Trade accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less-, they are classified as current assets. If not, they are presented as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is estimated when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the present value of the recoverable amounts and this difference is recognized in the consolidated statement of comprehensive income. Accounts receivable provided for are written-off when they are assessed as uncollectible.

2.15 Cash and cash equivalents -

In the consolidated statement of cash flows, cash and cash equivalents includes cash at banks and in hand, deposits held at call with banks, short-term highly investments funds, convertible to known amounts of cash and subject to insignificant risk of changes in value and other short-term highly liquid investments with original maturities up-to three months.

2.16 Share capital -

Ordinary shares are classified as equity. Any excess received over the par value of issued shares is classified as share premium.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.17 Trade accounts payable -

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18 Borrowings -

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

2.19 Leases -

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

2.20 Current and deferred income tax -

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for when it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only were there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference it is not recognized.

Deferred income tax assets are recognized on deductible temporary differences, only to the extent that is it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Share-based payments -

The group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the group reviews its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the review to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge is treated as a cash-settled transaction.

2.22 Provisions -

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures at fair value expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.23 Employee benefits -

Workers' profit sharing and other employee benefits -

In accordance with Peruvian Legislation, Peruvian entities of the Group are required to provide for workers' profit sharing equivalent to 10% of taxable income in Peru of each year. This amount is charged to the consolidated statement of comprehensive income (distributed among cost of sales, administrative expenses and selling expenses, as appropriate). This charge is a deductible expense for income tax purposes.

Statutory bonuses -

The Camposol S.A. and Marinazul S.A. recognizes the expense in bonuses and the related liabilities under Peruvian legal tax regulations. Statutory bonuses consist of two (2) annual one-month salaries paid in July and December every year.

Employees' severance indemnities -

Employees' severance indemnities of Camposol S.A. and Marinazul S.A. personnel comprise indemnities determined under Peruvian laws and regulations and which has to be credited to bank accounts selected by employees in May and November every year. The annual employees' severance indemnities equal one-month salary. The Group does not have obligations of additional payments once these annual deposits, to which each worker is entitled to, are made.

2.24 Revenue recognition -

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

a) Sales of goods -

Sales of goods are recognized when all risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Sales of goods comprise:

- Exports of fresh products. This mainly includes fresh products of asparagus, avocados, mangoes and grapes. Some of these exports are invoiced at a fixed price while others on a preliminary liquidation basis (provisionally priced), which is determined on current market prices at the date of issuance of the export invoice. In the case of sales on a preliminary liquidation basis, an adjustment to the provisional price is made within the period based on current market prices at the date agreed with the customer, usually within a period ranging from 7 to 30 days after the export delivery. The value of the provisionally priced fresh products is re-measured using the forward selling price for the respective quotation period agreed with the customer until this quotation period ends. The selling price of fresh products can be measured reliably as these products are actively traded on international markets. The change in value of provisionally priced contracts that occurred after the end of the period but before the issue of the financial statements up-to 15 February, is recorded as an adjustment to revenue and to trade receivables within the period.

- Exports of preserved products. This mainly includes asparagus, peppers and artichokes. Revenue is recognized when export delivery conditions are met.

- Export of frozen products. This mainly includes shrimps. Revenue is recognized when export delivery conditions are met.

- Domestic sales. Revenue is recognized on delivery.

b) Interest income -

Interest income is recognized using the effective interest method.

2.25 Costs and expenses -

Cost of sales corresponds to the cost of production of goods sold, and is recorded simultaneously with the recognition of revenue. Other costs and expenses are recognized on an accrual basis and recorded in the periods to which they are related.

2.26 Dividend distribution -

Dividend distribution to the Group's shareholders is recognized as a liability in the consolidated statement of financial position in the period in which the dividends are approved by the shareholders.

2.27 Contingent liabilities and assets -

Contingent liabilities are not recognized in the financial statements and are disclosed in notes to the financial statements unless their occurrence is estimated as remote. Contingent assets are not recognized in the financial statements and are disclosed only if their realization is assessed as probable.

2.28 Custom duties refunds -

Custom duties refunds (drawback) correspond to a tax benefit granted by the Peruvian Government by means of which the Company is reimbursed for the custom duties paid on the importation of goods that are a component of the FOB value of the exported products. The refund of these custom duties is credited to the cost of sales in the consolidated statement of comprehensive income when the Group has the right to claim the refund (when the export is completed).

2.29 Restatement of prior-year consolidated financial statements

The only deductions permitted under IAS 41 are costs to sell. During the fair value evaluation of the Group's biological assets in 2013, it was noted that certain industrial processing margins costs were wrongly deducted from the fair value in 2012 and as a result the fair value as at 31 December 2012 was understated by USD 13,401. This understatement also had a direct impact on deferred income tax assets of USD1,395 and deferred tax liabilities of USD5,424. These errors did not have a material impact on the opening balance sheet as at 1 January 2012. The 2012 consolidated financial statements were restated as follows:

	As reported originally USD	Adjustments and re-classification USD	As restated USD
Year ended 31 December 2012			
Consolidated statement of financial position			
Biological assets	245,699	13,401	259,100
Deferred income tax	-	1,398	1,398
Total non-current assets	377,770	14,799	392,569
Total assets	140,235	14,799	155,034
Total assets	532,804	14,799	547,603
Retained earnings	70,622	9,375	79,997
Total equity	272,435	9,375	281,810
Deferred income taxes	26,038	5,424	31,462
Total non-current liabilities	158,390	5,424	163,814
Total liabilities	260,369	5,424	265,793
Total equity and liabilities	532,804	14,799	547,603
Consolidated statement of comprehensive income			
Gain arising from change in fair value of biological assets	26,966	13,401	40,367
Profit after adjustments of biological assets	71,848	13,401	85,249
Operating profit	28,181	13,401	41,582
Profit before income tax	9,883	13,401	23,284
Income tax expense	(2,258)	(4,026)	(6,284)
Profit for the year	7,478	9,375	16,853
Earnings per share			
Basic and diluted earnings per share	0.269	0.34	0.606
Consolidated statement of changes in equity			
Retained earnings	70,622	9,375	79,997
Profit for the year	7,478	9,375	16,853
Consolidated statement of cash flows			
Profit before income taxes	9,883	13,401	23,284
Fair value of biological assets	(36,539)	(13,401)	(49,940)
Deferred income tax	2,119	4,026	6,145
Other account payables	7,631	(4,026)	3,605
Net cash generated from operating activities	(14,547)	-	(14,547)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: operational risk, market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and liquidity risk.

The Group's senior management and the Board of Directors oversee the management of these risks and implement a risk management program aiming at reducing at a minimum any potential adverse effect on the Group's financial performance.

a) Market risk -

i) Foreign exchange risk -

The Group buys and sells its products and services and obtains funding for its working capital and investments mainly in its functional currency. Some minor costs are incurred in Nuevo Sol and some sales are made in Euros, therefore its financial results are not significantly affected by exchange rate fluctuations between the US Dollar and foreign currency. However, upon significant transactions management evaluates and decides the use of economic hedge contracts to hedge any possible risk of adverse changes in the foreign currency rate that would affect its cash outflows.

As of 31 December 2013 and 2012 the Group had the following assets and liabilities in the Nuevo Sol (PEN) and Euros (expressed in USD):

	2013		**Total**	**2012**		**Total**
	PEN	**€**	**USD**	**PEN**	**€**	**USD**
Assets -						
Cash and cash equivalents	3,670	4,962	8,632	3,118	1,451	4,569
Trade and other accounts receivable	10,021	15,098	25,119	10,370	9,305	19,675
	13,691	20,060	33,751	13,488	10,756	24,244
Liabilities -						
Accounts payable	24,252	3,129	27,381	23,545	2,704	26,249
(Liability) asset position, net	(10,561)	16,931	6,370	(10,057)	8,052	(2,005)

The remaining balance of cash and cash equivalents and trade and other accounts receivable amounting to USD61,287 relates to balances denominated in United States Dollar (2012: USD60,709).

The remaining balance of liabilities, except for the deferred income tax, amounting to USD215,687 relates to balances denominated in United States Dollar (2012: USD208,082).

The following table demonstrates the sensitivity to a reasonable possible change in Nuevo Sol exchange rate and Euro exchange rate for twelve months, with all other variables held constant, on the Group's pre-tax profit:

	Increase/ decrease PEN rate	**Effect on in profit before tax**	**Increase/ decrease € rate**	**Effect on in profit before tax**
2013	+4%	754	+4%	580
	-4%	(754)	-4%	(580)
2012	+4%	1,026	+4%	430
	-4%	(1,026)	-4%	(430)

ii) Cash flows interest rate risk -

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

Since all interest-bearing loans and borrowings have a fixed interest rate, the Group is not

exposed to cash flow interest rate risk.
Fixed rate borrowings of the Group are negotiated at market rates on a timely basis, in order to reduce the Group´s exposure to fair value interest rate risk.

iii) Price risk -

Almost all of the Group's products are sold in the international market. A further economic slowdown in the key markets may cause lower sales volumes and prices, and losses on trade receivables. Produce prices have a material impact on the Group´s results of operations. Prices are significantly affected by changes in global economic conditions and related industry cycles. Generally, agricultural producers are unable to influence prices directly; however, the Group profitability is managed through the control of its cost base and the efficiency of its operations.

The Group manages its price risk mainly with price sales commitments built into sales contracts. The Group does not use hedge instruments to manage its price risks.

The following table shows the sensitivity of the outstanding balance of the trade accounts receivable at the date of the financial statements in the profit before income tax and related tax if the forward price of its produce had weakened/strengthened by 5%:

	Increase/decrease in price	**Effect in profit before income and related taxes**
2013	+5%	2,715
	-5%	(2,715)
2012	+5%	1,978
	-5%	(1978)

b) Credit risk -

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk on trade and other receivables and deposits in banks.

The maximum exposure to credit risk is the carrying amount of accounts receivable as shown on the consolidated statement of financial position. Sales transactions are carried out with a number of different counterparties, which mitigates credit risk concentration. The Group seeks for external assistance to evaluate the rating of the possible new customer. With this information, a credit limit for the customer is set. Management makes efforts in building long-lasting relationships with customers (over 6 months). As of 31 December 2013 and 2012, no credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The accounts receivable from a single customer represent 9 per cent of the balance as of 31 December 2013 (33 per cent as of 31 December 2012). All new transactions with this customer are being executed with letters of credit to mitigate credit risk exposure.

In addition, the Group has a multimarket credit insurance coverage over the exports of fresh and preserved products in an aggregate amount up to USD158,000 at 31 December 2013 (40,000 in 2012).

c) Liquidity risk -

The Group has sufficient credit capacity to have access to credit lines with top-ranked financial institutions (institutions with no history of default and prestigious locally) under market terms. In addition, the Group develops new bank relationships in order to have adequate funding available all the time. However, with the current world financial crisis there is a risk that banks may revise the terms of the lines of credit.

The table below analyses the Group's non-derivative financial liabilities and allocates them into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Within 1 year	**Between 1 and 2 years**	**Between 2 and 6 years**	**Total**
	USD	**USD**	**USD**	**USD**
2013 -				
Long - term debt	18,022	17,120	144,591	179,733
Trade accounts payable	60,655	-	-	60,655
Other accounts payable (Note 10)	13,462	-	-	13,462
Bank loans	26,221	-	-	26,221
	118,360	17,120	144,591	280,071
2012 -				
Long - term debt	16,905	16,779	155,925	189,609
Trade accounts payable	51,288	-	-	51,288
Other accounts payable (Note 10)	13,459	-	-	13,459
Bank loans	30,149	-	-	30,149
	111,801	16,779	155,925	284,505

3.2 Capital risk management -

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position), less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt, less unrealized gains reserve.

As of 31 December 2013 and 2012, the Group's strategy was to maintain the gearing ratio in no more than 1.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	2013 USD	2012 USD
Bank loans (Note 22)	26,025	29,880
Long - term debt (Note 19)	137,577	135,111
Less cash and cash equivalents (Note 15)	(27,240)	(28,523)
Net debt (a)	136,362	136,468
Total equity as per statement of financial position (b)	325,741	281,810
Total capital as defined by management (a) + (b)	462,103	418,278
Gearing ratio (a) / (a) + (b)	0.30	0.33

The decrease in the gearing ratio is mainly due to the disposal of treasury shares and the increase in earnings.

3.3 Fair value estimation -

The carrying amount less impairment provision of trade accounts receivable and accounts payable are similar to their fair values, as the impact of discounting is not significant. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The information used by the Group to estimate the fair value is categorized in following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See note 9 for disclosures of the measurement of biological assets.

As of 31 December 2013 and 2012, the Group does not maintain any other financial assets or liabilities measured at fair value since they are measured at amortized cost.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Critical accounting estimates and assumptions -

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates made by management are continually evaluated and are based on historical experience and other factors, including expectation of future foreseeable events that are believed to be reasonable under the circumstances. Management performs sensitivity analyses of the estimates made as a way of determining the related error margins.

The most significant use of judgment is the estimation of the fair value of biological assets, including asparagus, avocados, mangoes, artichokes, grapes, pepper, shrimp and blueberries. The inputs to the valuation models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of plantation volumes, cost per ton, depletion and the discount rate used to estimate the present values. The valuation of biological assets is described in more detail in Note 9. Management performs sensitivity analyses of the cash flow performed as a way of determining the related error margins.
The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Recognition and determination of useful lives of customer relationships - Notes 2.8.b and 8

At the date of acquisition, the Group valued the customer relationships (trained and assembled workforce, customer and distribution relationships) using an income approach and the “multi-period excess earnings”, to estimate the accounting value that should be recognized as intangible assets and the period of amortization which was established in a period between 2 and 20 years. In 2012 this estimation was changed as a result of a re-assessment of the customer relationship carried out by Management who given the decrease in the volumes of sales entered into with these customers determined a new estimate of the useful life of this intangible asset of between 2 and 8 years based on the estimated cash flows to be generated in the future.

Customer relationships are amortized on a straight-line basis over their estimated useful lives.

Revenue forecasts for intangible assets represent management’s best estimates and are based on actual revenues earned for similar assets and such forecasts are reviewed by management at last annually. Ultimate responsibilities for revenue forecasts rest with the Group’s Management. The main factors which could influence the Group’s revenue forecasts and ultimately the amortization of intangibles are: growth expectation, future financial crisis and political risk.

If any one of the factors or assumptions, on which the revenue forecasts above are based, were to decrease by more than 10%, then the carrying amount of the customer relationships would decrease by more than USD500 in 2013 and USD750 in 2012.

- Estimation of income tax - Notes 2.20, 17 and 31

Determination of the tax obligations and expenses requires interpretations of the applicable tax laws and regulations. The Group receives advice from its professional legal tax counsel before making any decision on tax matters. Even though Management considers its estimates are prudent and appropriate, differences of interpretation may arise with Tax Authorities that may require future tax adjustments. The Group recognizes liabilities for situations observed in preliminary tax audits based on estimates as to whether the payment of additional taxes is required. When the final tax result of these situations is different from the amounts that were initially recorded, the differences are charged to the current and deferred income tax assets and liabilities in the period in which this fact is determined. The Group performed sensitivity analysis on the possibility of inappropriate interpretations of tax law. In this it has assessed the probability of error to quantify its impact on the financial statements. Where the actual final outcome (on the judgment areas) differs by 10% from management’s estimates, the Group would need to:

	Effect on income tax	
	2013	2012
	USD	USD
Decrease the income tax liability	(1,043)	(628)
Increase the income tax liability	1,043	628

- Estimation of fair value of biological assets - Note 2.12 and 9

To assess the fair value of biological assets the Company takes into account the criteria set out in IAS 41, which requires that a biological asset should be measured at its fair value less the estimated point-of-sale costs. The fair value indicated is determined by using the present value of net cash flows expected to be obtained from the assets. Determining the fair value of an asset requires the application of judgment to decide on the way in which biological asset will be recovered and assumptions to be used in its determination.

In this regard, in determining fair value, the Management uses estimates for plantation volumes, cost per ton and exhaustion to the point of harvest. The changes in assumptions or estimates used in the calculations could influence the outcome thereof. The growth model inputs involve estimates that are updated regularly. The fair value has been determined in US dollars and the discounted net cash flows included in estimates of management consider a discount rate determined in relation to the cost of financing of the Company (Weighted Average Cost of Capital). The Company carries out a sensitivity analysis of the biological assets taking into consideration the WACC discount, and taking into account the discount rate that the most representative companies used in the market and determines the interest rate to use as a middle point of the market rates.

Management considers that volatility levels of higher/lower than 5% would give rise to a material effect in its profits for the year. These sensitivity percentages have been determined based on the effect on profits for the year resulting of the application of the fair value of biological assets under IAS 41. The variables used in the determination of the fair values of the biological assets that may be subject to variance are: i) the forecast of revenue and costs, and ii) determination of the discount rate under WACC. With respect to the revenue and costs forecasts, it should be noted that it has been determined based on the harvest and investment forecast for the coming years, which Management considers their error margins depend on quality factors of the produce. These quality factors are monitored by Production Management through a detailed ongoing follow-up. With respect to the discount rate under WACC, its determination has been subject to sensitivity analysis in relation with comparable companies having a similar financial structure.

	Increase/ decrease rate	Effect on in profit before tax
		USD
2013	+ 5%	2,003
	-5%	(2,003)
2012	+ 5%	2,018
	- 5%	(2,018)

- Review of long-lived assets carrying amounts and impairment charges - Notes 6 and 8

The Group estimates that the value of its non-financial assets will be recovered in the normal course of its operations. Its estimates are supported by assumptions regarding the international price of its products, world production levels and the estimates of future production of the Group. At the date of the consolidated financial statements the available projections of these variables show trends favorable to the interests of the Group which supports the recovery of its non-financial assets. Management performs sensitivity analyses of the impairment tests performed on its assets as a way of determining the related error margins.

4.2 Critical judgments in applying the Group´s accounting policies

Determination of functional currency - Note 2.6

Management has determined the functional currency of the Group's principal operating entities to be the US Dollar. These entities sell their products in international markets to customers in a number of countries and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in US Dollars and the price of some raw materials and supplies are influenced by the US Dollar. The borrowings and cash balances of these entities are held in US Dollars. Management has used its judgment to determine the functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the United States Dollar.

5 SEGMENT INFORMATION

The Group's Chief Operating Decision-Maker uses product information to manage resources and to identify those production lines which may eventually cease to generate value for the Group, and based on that information, decisions are made to develop other production lines. The Group has eight operating segments which are also cash-generating units, namely asparagus, avocado, artichoke, pepper, mango, shrimp, grapes and blueberry. Goodwill arising from the acquisition of Camposol S.A. was allocated to the cash generating units of asparagus and avocado.

The eight operating segments are engaged in producing, processing and commercializing a number of agricultural products, such as fresh, preserved and frozen, which are mainly exported to European markets and the United States of America.

Disclosure of segment profit measurement is made using the gross profit, which is critical in assessing the performance of each segment.

The products include asparagus, avocado, artichoke, pepper, mango, shrimp, grapes and blueberry. These are further distinguished in fresh, canned and frozen products.

All production and related assets are in Peru.

The analysis of sales below is based on the country/area in which the customer is located.

	2013 USD	2012 USD
Europe	114,588	102,540
USA	79,816	49,036
Canada	6,502	4,795
Asia	19,439	17,036
Other	10,896	9,774
	231,241	183,181

The following table shows revenues and gross profit by product:

	Asparagus USD	Avocado USD	Artichoke USD	Pepper USD	Mango USD	Shrimp USD	Grapes USD	Blueberry USD	Other USD	Total USD
2013 –										
Revenues	69,955	49,244	12,772	18,730	18,689	26,629	21,245	8,638	5,339	231,241
Cost of sales	(51,508)	(26,460)	(10,906)	(15,716)	(14,422)	(16,827)	(13,968)	(1,573)	(5,500)	(156,880)
Gross profit	18,447	22,784	1,866	3,014	4,267	9,802	7,277	7,065	(161)	74,361
Gain arising from changes in fair value of biological assets	9,691	16,668	-	(291)	2,546	388	5,330	6,025	(300)	40,057
Current portion of biological assets	3,760	3,878		570	467	6,193	3,871	448	-	19,187
Non-current portion of biological assets	30,487	194,429	-	-	3,783	-	22,029	23,268	8,986	282,982
Goodwill	3,778	9,219	-	-	-	-	-	-	-	12,997
Finished products	17,309	935	6,305	6,725	1,268	1,758	2,536	-	-	36,836
Property, plant and equipment	28,902	40,758	-	4,026	7,585	15,847	6,024	493	24,969	128,604
Area (Has)	2,395	2,643	-	332	450	636	451	212	102	7,221
2012 –										
Revenues	68,078	31,436	9,837	15,299	14,722	21,149	18,178	-	4,482	183,181
Cost of sales	(55,796)	(15,141)	(7,430)	(12,813)	(12,829)	(16,958)	(11,843)	-	(5,489)	(138,299)
Gross profit	12,282	16,295	2,407	2,486	1,893	4,191	6,335	-	(1,007)	44,882
Gain arising from changes in fair value of biological assets	(1,435)	32,881	-	329	(8,949)	1,320	(4,409)	14,221	6,409	40,367
Current portion of biological assets	3,456	3,420	-	619	688	5,203	2,850	328	-	16,564
Non-current portion of biological assets	23,973	174,362	-	-	2,288	-	17,788	15,339	8,786	242,536
Goodwill	3,778	9,219	-	-	-	-	-	-	-	12,997
Finished products	10,621	1,387	6,997	11,272	1,140	467	1,175	-	-	33,059
Property, plant and equipment	29,789	41,721	-	4,057	7,806	15,219	6,199	507	22,435	127,733
Area (Has)	2,516	2,616	-	291	450	635	451	206	102	7,267

The following table shows revenues and gross profit by customer:

	Major 10 customers USD	Major 11 to 20 customers USD	Major 21 to 28 customers USD	Other customers USD	Total USD
Year 2013					
Revenues	86,007	31,124	15,708	98,402	231,241
Gross profit	31,927	11,036	7,777	23,621	74,361
Year 2012					
Revenues	83,852	22,919	10,621	65,789	183,181
Gross profit	19,531	5,185	2,172	17,994	44,882

Gross profit by type of produce for the year ended 31 December is as follows:

	2013			2012		
	Revenue USD	Cost of sales USD	Gross profit USD	Revenue USD	Cost of sales USD	Gross profit USD
Fresh	115,330	(64,606)	50,724	74,776	(44,333)	30,443
Preserved	65,608	(54,676)	10,932	63,867	(55,056)	8,811
Frozen	42,595	(28,629)	13,966	38,115	(30,679)	7,436
Others	7,708	(8,969)	(1,261)	6,423	(8,231)	(1,808)
	231,241	(156,880)	74,361	183,181	(138,299)	44,882

6 PROPERTY, PLANT AND EQUIPMENT

	Opening balance USD	Additions USD	Disposals USD	Adjust-ments USD	Transfers USD	Closing balance USD	Carrying amount USD
2013							
Cost							
Land	42,182	20	-	67	2,640	44,909	
Buildings and other constructions	32,539	179	(111)	1,594	6,492	40,693	
Plant and equipment	57,535	860	(47)	(2,158)	7,112	63,302	
Furniture, fixtures and other equipment	8,458	2,439	(25)	205	-	11,077	
Vehicles	5,991	198	(475)	(309)	-	5,405	
Construction in progress	16,267	5,597		1,308	(16,244)	6,928	
	162,972	9,293	(658)	707	-	172,314	
Accumulated depreciation							
Land	-	-	-	-	-	-	44,909
Buildings and other constructions	(6,328)	(1,402)	18	-	1	(7,711)	32,982
Plant and equipment	(21,344)	(5,930)	45	-	(134)	(27,363)	35,939
Furniture, fixtures and other equipment	(3,719)	(1,101)	2	-	(1)	(4,819)	6,258
Vehicles	(3,848)	(513)	410	-	134	(3,817)	1,588
Construction in progress	-	-	-	-	-	-	6,928
Total	(35,239)	(8,946)	475	-	-	(43,710)	128,604
2012							
Cost							
Land	42,071	171	(60)	-	-	42,182	
Buildings and other constructions	29,008	61	-	45	3,425	32,539	
Plant and equipment	47,484	582	-	1,721	7,748	57,535	
Furniture, fixtures and other equipment	5,971	2,537	(87)	37	-	8,458	
Vehicles	5,307	833	(266)	117	-	5,991	
Construction in progress	15,373	10,287	(7)	1,787	(11,173)	16,267	
	145,214	14,471	(420)	3,707	-	162,972	
Accumulated depreciation							
Land	-	-	-	-	-	-	42,182
Buildings and other constructions	(5,272)	(1,056)	-	-	-	(6,328)	26,211
Plant and equipment	(16,184)	(5,160)	-	-	-	(21,344)	36,191
Furniture, fixtures and other equipment	(2,944)	(778)	3	-	-	(3,719)	4,739
Vehicles	(3,460)	(603)	215	-	-	(3,848)	2,143
Construction in progress	-	-	-	-	-	-	16,267
Total	(27,860)	(7,597)	218	-	-	(35,239)	127,733

a) As of 31 December 2013 the Group made additions amounting to USD1,922 related to the construction and installation of the calibrator of avocado; USD1,824 related to the construction of the freezing plant; USD3,010 related to the purchase of machinery and equipment, USD849 related to the expansion of offices and systems; USD908 related to constructions on the plots of plum, grape and mango; USD603 related to irrigation equipment; USD157 related to the purchase of vehicles for administration, and USD20 for acquisition of agricultural land. As of 31 December 2012 the Group made additions amounting to USD7,257 related to the construction of the freezing plant; USD3,486 related to the purchase machinery and equipment; USD334 related to the expansion of offices and systems; USD1,415 related to plum and grape; USD1,308 related to irrigation equipment;

USD500 related to the purchase of vehicles for administration, and USD171 for acquisition of agricultural land, bridges and implementing offices in Tumbes, North Sea, Campana and Paracas.

b) As of 31 December 2013 gains on disposal of property, plant and equipment amounts to USD 246 (USD227 as of 31 December 2012) (see Note 28). The carrying amount of assets disposed of during 2013 amounted to USD183 (USD202 as of 31 December 2012).

c) As of 31 December 2013, property, plant and equipment include fixed assets acquired under finance leases, the carrying amount of which amounts to USD6,665 (USD8,100 as of 31 December 2012) net of their corresponding accumulated depreciation. The payments of these obligations are secured with the assets acquired under the lease contracts.

d) At 31 December 2013 the net adjustments in construction in progress correspond to the reclassification of materials amounting to USD 1,294 related to the constructions of irrigation infrastructure and USD 587 corresponding to the negative variation of permanent investments for the year. The other adjustments in land, buildings and other constructions, plant and equipment, other equipment and vehicles correspond to the reclassifications for presenting the fixed assets in the corresponding category according to their nature. At 31 December 2012 the adjustments correspond to the increase in balances by USD1,920 that resulted from leaseback on machinery and equipment, the reclassification of materials amounting to USD 906 related to the constructions of the frozen plant and USD 881 corresponding to the variation of permanent investments for the year.

e) As of 31 December 2013 and 2012, property, plant and equipment is insured up to a value of USD60,000. Management believes that this policy is consistent with international practices in the industry and takes into account the risk of eventual losses due to the nature of the assets.

f) The total depreciation for the years 2013 and 2012 includes USD1,569 each year that corresponds to the depreciation of the fair value of acquired assets in business combinations (see Note 8).

g) The allocation of the depreciation charge is as follows:

	2013	**2012**
	USD	**USD**
Cost of sales (Note 24)	8,184	6,838
Administrative expenses (Note 26)	762	759
	8,946	7,597

h) Bank borrowings are secured by fixed assets with a total amount of USD45,000 in 2013 (USD47,000 in 2012) (Note 19).

i) An independent valuation of the Group's land, buildings and other constructions and plant and equipment was performed by appraisers to determine the fair value of the land and buildings as at 31 December 2013 and 2012.

	2013	**2012**
	USD	**USD**
Land	100,953	98,226
Buildings and other constructions	33,543	26,772
Plant and equipment	45,472	45,724
	179,968	170,722

Buildings and other constructions include the industrial building at a fair value of USD607. Fair values of other assets included in buildings and other constructions are similar to their carrying amounts.

Plant and equipment include irrigation equipment at fair value of USD20,333. Fair values of other assets included in plant and equipment are similar to their carrying amounts.

Valuation processes of the Group

On an annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's land, buildings and other constructions and plant and equipment. The fair values of the land, buildings and other constructions and plant and equipment have been determined by TINSA S.A.C.

The external valuations of the level 3 land and buildings have been performed using unobservable inputs. The external appraisers, has determined these inputs based on the size, age and condition of the land, buildings and other constructions and plant and equipment, the state of the local economy and comparable prices in the corresponding national economy.

At 31 December 2013 and 2012 valuation inputs for land, buildings and other constructions and plant and equipment correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

7 INVESTMENT IN ASSOCIATE

	% share in the capital stock %	2013 USD	2012 USD
Empacadora de Frutos Tropicales S.A.C.	40.00	864	559

On 30 September 2006 Camposol S.A. participated in the incorporation of Empacadora de Frutos Tropicales S.A.C (Empafrut), a Peruvian company engaged in the processing and commercialization of fresh fruit products, mainly mangoes. The cost of the investment amounted to USD600.

The Group's share in the 2013 income of this company amounted to USD305 (USD66 in 2012) which are shown separately in the consolidated statement of comprehensive income.

The summarized financial information at 100% for this associated company for the year ended 31 December is as follows:

	2013 USD	2012 USD
Total assets	5,098	2,992
Total liabilities	2,938	1,439
Total revenue	3,806	3,010
Gain for the year	813	258
Total equity	2,160	1,553

8 INTANGIBLE ASSETS

The movement of the cost and the accumulated amortization of intangibles assets is as follows:

	Opening balance USD	Additions USD	Closing balance USD	Net book value USD
2013				
Cost				
Goodwill	12,997	-	12,997	
Customer relationships	9,566	-	9,566	
Software	4,439	415	4,854	
Others	162	-	162	
	27,164	415	27,579	

	Opening balance USD	Additions USD	Closing balance USD	Net book value USD
Accumulated amortization				
Goodwill	-	-	-	12,997
Customer relationships	5,301	2,132	7,433	2,133
Software	1,516	477	1,993	2,861
Others	4	-	4	158
	6,821	2,609	9,430	18,149
2012				
Cost				
Goodwill	12,997	-	12,997	
Customer relationships	9,566	-	9,566	
Software	4,151	288	4,439	
Others	162	-	162	
	26,876	288	27,164	
Accumulated amortization				
Goodwill	-	-	-	12,997
Customer relationships	3,169	2,132	5,301	4,265
Software	1,093	423	1,516	2,923
Others	4	-	4	158
	4,266	2,555	6,821	20,343

The amortization of costumer relationship amounting to USD 2,132 in 2013 and 2012 was charged to selling expenses (Note 25) and the amortization of software was charged to administrative expenses (Note 26) by USD 469 (USD416 for 2012) and to cost of sales (Note 24) by USD 8 (USD7 for 2012) in the consolidated statement of comprehensive income.

Goodwill -

On 17 October 2007, Camposol AS acquired 100% of the outstanding shares of Siboure Holding Inc, parent of Camposol S.A.; as a result of this transaction the Group recognized a goodwill amounting to USD9,542.

In 2010 Marinazul S.A. acquired 100% of the outstanding shares of Domingo Rodas S.A. for a consideration of USD164. The fair value of the net liabilities acquired amounted to USD883 giving rise to a goodwill amounting to USD1,047. In addition the Group acquired in 2010 100% of the outstanding shares of Camarones S.A. for a consideration of USD321. The fair value of the net assets acquired amounted to USD399, giving rise to the recognition of a negative goodwill amounting to USD78.

Impairment tests on goodwill -

An impairment test on goodwill was performed by comparing value in use of the cash-generating units and their carrying amount (including goodwill). To estimate the value in use, the Group has used the following assumptions:

- Projections are based on the Group's forecasts approved by management
- A 5-year term of cash flows has been used in the calculation, as the forecasted cash flows can be based on reasonable and reliable assumptions.
- Projections do not include cash inflows or outflows from financing activities.
- Future cash flows are real pre-tax.
- The discount rate is affected by the specific industry and market risks; therefore it represents the rate that a market participant would use.
- Goodwill is allocated to two cash-generating units (asparagus and avocado) as follows:

	Asparagus	Avocado
2013	3,778	9,219
2012	3,778	9,219

- Cash flows projections comprise the entire cash flows expected to be generated in the normal course of business, including the cash flows that relate to biological assets. All relevant non-current assets have been allocated to each CGU.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates of zero. The growth rate does not exceed the long-term average growth rate for the industry in which the CGU operates

The key assumptions used for value in use calculations in 2013 and 2012 are as follows:

	2013		**2012**	
	Asparagus	**Avocado**	**Asparagus**	**Avocado**
Compound annual growth rate in the initial five-year period (%)	14	28	15	44
Budgeted gross margin in the initial five-year period (%)	18	41	17	40
Export prices (USD) in the initial five-year period	4.2	1.8	4.3	1.7
Discount rate (%)	10.9	11.9	8.71	8.71

Management determined budgeted gross margin based on past performance and its expectations of market development. The average growth rates used are consistent with the actual performance in the avocado segment and with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segment.

Sensitivity analysis of asparagus and avocado -

Management performs a sensitivity analysis to assess the impact of changes in the assumptions used in the valuation model. In this respect, during 2013 the WACC rate used by the Group was 11.9% for avocado and 10.9% for Asparagus. By increasing the discount rate to 23.95% and 13.47% for asparagus and avocado, respectively, the recovery amounts would be equal to the carrying amounts in 2013, 14.96% and 13.91% in 2012.

If the budgeted compound annual growth rate in the initial five-year period used in the value-in-use calculation for the avocado CGU had been 6% lower than management's estimates at 31 December 2013 (22% instead of 28%), the Group would have recognized an impairment of Goodwill by USD402; at 31 December 2012 if it had been 14% lower (30% instead 44%) the Group would have recognized an impairment of Goodwill by USD1,839.

If the budgeted compound annual growth rate in the initial five-year period used in the value-in-use calculation for the asparagus CGU had been 7% lower than management's estimates at 31 December 2013 (7% instead of 14%), and 8% lower at 31 December 2012 (7% instead of 15%), the Group would not have recognized impairment.

If the export prices used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 5% lower than management's estimates at 31 December 2013, the Group would have recognized impairment of Goodwill by USD 830. If the export prices used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 15% lower than management's estimates at 31 December 2012, the Group would not have recognized impairment.

If the export prices used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 15% lower than management's estimates at 31 December 2013 and 2012, the Group would have recognized not impairment.

If the budgeted gross margin used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 6% lower than management's estimates at 31 December 2013, the Group would have recognized an impairment of Goodwill by USD860. If the budgeted gross margin used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 10% lower than management's estimates at 31 December 2012, the Group would not have recognized not impairment.

If the budgeted gross margin used in the value-in-use calculation in the initial five-year period for the asparagus CGU had been 15% lower than management's estimates at 31 December 2013 and 10% lower at 31 December 2012, the Group would not have recognized impairment.

Budgeted compound annual growth (Avocado CGU)

Year	Variation	Impairment
2013	-6%	402
2012	-14%	1,839

Budgeted compound annual growth (Asparagus CGU)

Year	Variation	Impairment
2013	-7%	-
2012	-8%	-

Prices (Avocado CGU)

Year	Variation	Impairment
2013	-5%	830
2012	-15%	-

Prices (Asparagus CGU)

Year	Variation	Impairment
2013	-15%	-
2012	-15%	-

Budgeted Gross Margin (Avocado CGU)

Year	Variation	Impairment
2013	-6%	860
2012	-10%	-

Budgeted Gross Margin (Asparagus CGU)

Year	Variation	Impairment
2013	-15%	-
2012	-10%	-

Despite the large growth rate in avocado, there is enormous potential for growth based on the opening of new markets for the coming years, improvements in production processes, and improvement in the performance of harvest.

Customer relationships -

The relationships with customers established over time become a valuable intangible for the Group. The loyalty of the customers had positive impacts on sales and profits during the last 10 years of operation of Camposol Group enabling the Group to reach a foreseeable growth.

Predictable commercial relationships generate a set of economic benefits to the Group, including increased sales and minimization of sharp fluctuations in sales. Currently, the Group has a base of 194 customers, 8 of which explain 7 per cent of its sales according to 2013 commercial statistics (194 customers, 16 of which explain 13 per cent of its sales in 2012).

At the date of the acquisition of Camposol S.A., the fair value was assigned to customer relationships by using the income approach and the “multi-period excess earnings” method to calculate the excess of earnings attributable to customer relationships during their economic life. The excess of earnings is defined as the difference between:

- After-tax operating cash flows generated by the existing customers at the acquisition date; and,
- Cost contribution required by the remaining assets (tangible and intangible) for maintaining the relationships with customer

The application of the “multi-period excess earnings” requires the following estimations:

- Future sales attributable to the existing customers with an established relationship. The sales forecast for each customer, or customer category, should take into consideration organic sales growth as well as the deterioration rate for this customer list.
- Calculation of operating margins (EBIT), taking into account only costs related to the existing customer base at the acquisition date.

The useful life of customer relationships is amortized over their estimated useful lives ranging from 2 to 8 years.

9 BIOLOGICAL ASSETS

The Group measures the value of agricultural plants and shrimps using the expected cash flows for the production of each of its biological assets. The cash flows included in the projections are discounted at the rate of 10.7%.

The movement for the period in the fair value of biological assets is as follows:

	Opening balance		Additions and deductions		Closing balance			
	Area Has	Market value USD	Area Has	Market value (Note 31) USD	Area Has	Final balance USD	Less current portion USD	Non current portion USD
2013								
Asparagus	2,516	27,429	(121)	6,818	2,395	34,247	(3,760)	30,487
Avocados	2,616	177,782	27	20,525	2,643	198,307	(3,878)	194,429
Mangoes	450	2,976	-	1,274	450	4,250	(467)	3,783
Pepper	291	619	41	(49)	332	570	(570)	-
Shrimp	635	5,203	1	990	636	6,193	(6,193)	-
Grapes	451	20,638	-	5,262	451	25,900	(3,871)	22,029
Tangerine	102	8,786	-	200	102	8,986	-	8,986
Blueberry	206	15,667	6	8,049	212	23,716	(448)	23,268
	7,267	259,100	(46)	43,069	7,221	302,169	(19,187)	282,982

	Opening balance		Additions and deductions		Closing balance			
	Area	Market value	Area	Market value (Note 31)	Area	Final balance	Less current portion	Non current portion
	Has	USD	Has	USD	Has	USD	USD	USD
2012								
Asparagus	2,633	33,448	(117)	(6,019)	2,516	27,429	(3,456)	23,973
Avocados	2,488	135,336	128	42,446	2,616	177,782	(3,420)	174,362
Mangoes	415	11,017	35	(8,041)	450	2,976	(688)	2,288
Pepper	294	79	(3)	540	291	619	(619)	-
Shrimp	628	3,099	7	2,104	635	5,203	(5,203)	-
Grapes	451	24,655	-	(4,017)	451	20,638	(2,850)	17,788
Tangerine	102	1,526	-	7,260	102	8,786	-	8,786
Blueberry	-	-	206	15,667	206	15,667	(328)	15,339
	7,011	209,160	256	49,940	7,267	259,100	(16,564)	242,536

The net effect of the IAS 41 fair value adjustment is USD40,057 (USD40,367 in 2012), and is determined as follows:

	Asparagus	Avocados	Mangoes	Pepper	Shrimp	Grapes	Tangerine	Blueberry	Total
	USD000	USD000	USD000	USD000	USD000	USD000	USD000	USD000	USD000
2013									
Change in market value	6,818	20,525	1,274	(49)	995	5,262	200	8,049	43,069
Net cost of permanent plantations and maintenance	2,873	(3,857)	1,272	(242)	(602)	68	(500)	(2,024)	(3,012)
Change arising from change In fair value of biological assets	9,691	16,668	2,546	(291)	388	5,330	(300)	6,025	40,057
2012									
Change in market value	(6,019)	42,446	(8,041)	540	2,104	(4,017)	7,260	15,667	49,940
Net cost of permanent plantations and maintenance	4,584	(9,565)	908	(211)	(785)	(392)	(851)	(1,446)	(9,573)
Change arising from change In fair value of biological assets	(1,435)	32,881	(8,949)	329	1,320	(4,409)	6,409	14,221	40,367

The main assumptions used to estimate the fair values of the biological assets were as follows:

Asparagus:
- 53 plots in Agromás, Pur Pur, Mar Verde, Gloria, Agricultor, Aeropuerto, Oasis, San José, Sincromax, Terra and Yakuy Minka. (55 plots in 2012).
- Plots have a useful life of 10 years for 2013 and 2012.
- Each harvest cycle lasts 6 months for 2013 and 2012.
- Assumes reduction of 45% of production in year 2018 due to the “Fenómeno del Niño” for 2013 and 2012.
- Plots have their first harvest after 1 year from planting 2013 and 2012.
- Discount rate of 10.9% for 2013 (10.7% for 2012).

Avocados:
- 56 plots in Frusol, Agromás and Yakuy Minka. (54 plots in 2012).
- Plots have a useful life of 20 years for 2013 and 2012.
- Every harvest cycle lasts 1 year for 2013 and 2012.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” for 2013 and 2012.
- Plots have their first harvest after 3 years from planting 2013 and 2012.
- Discount rate of 11.9% for 2013 (10.7% for 2012).

Mangoes:
- 9 plots in Atypsa, Balfass and Dunas (9 plots in 2012).
- Plots have a useful life of 20 years for 2013 and 2012.
- Every harvest cycle lasts 1 year for 2013 and 2012.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” for 2013 and 2012.
- Plots have their first harvest after 3 years from planting 2013 and 2012
- Discount rate of 10.9% for 2013 (10.7% for 2012).

Grapes:
- 14 plots in Agroalegre (14 plots in 2012).
- The plots have a useful life of 20 years for 2013 and 2012.
- Each harvest cycle last 1 year for 2013 and 2012.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” for 2013 and 2012.
- Plots have their first harvest after 1 year from planting 2013 and 2012.
- Discount rate of 10.9% for 2013 (10.7% for 2012).

Pepper:
- 13 plots lands from Terra (6 plots in 2012).
- The plots have a useful life of 8 months 2013 and 2012.
- Each harvest cycle last 8 months including preparation, maintenance and harvest for 2013 and 2012.
- Discount rate of 10.9% for 2013 (10.7% for 2012).

Blueberry:
- 5 plots in Oro azul and Yakuy Minka (4 plots in 2012).
- The plots have a useful life of 13 years for 2013 and 2012.
- Each harvest cycle last 1 year for 2013 and 2012.
- Assumes reduction of 45% of production in year 2018 due to the “Fenómeno del Niño”.
- Lots have their first harvest after 2 years from planting 2013 and 2012.
- Discount rate of 10.9% for 2013 (10.7% for 2012).

Tangerine:
- 4 lots in Yakuy Minka (2 plots in 2012).
- The plots have a useful life of 20 years for 2013 and 2012.
- Each harvest cycle last 1 year for 2013 and 2012.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño”.
- Plots have their first harvest after 3 years from planting.
- Discount rate of 10.9% for 2013 (10.7% for 2012).

Shrimps:
- 48 shrimp farms that cover an area of 252 Area for 2013 and 2012.
- Each has a useful life of 180 days, approximately 25 weeks for 2013 and 2012.
- Each harvest cycle of shrimps lasts approximately 25 weeks, including preparation, maintenance. and harvest for 2013 and 2012.
- Discount rate of 10.9% for 2013 (10.7% for 2012).

The following table demonstrates the sensitivity to a reasonably possible change in the projected production, with all other variables held constant, on the Group's pre-tax profit:

Increase/ decrease production rate	Effect on profit before tax USD
2013	
+2%	9,403
-2%	(9,402)
2012	
+2%	9,725
-2%	(9,725)

The following table demonstrates the sensitivity to a reasonably possible change in the projected prices for each biological asset, with all other variables held constant, on the Group's pre-tax profit:

Increase/ decrease prices	Effect on profit before tax USD
2013	
+2%	10,398
-2%	(10,398)
2012	
+2%	10,192
-2%	(10,192)

The following table demonstrates the sensitivity to a reasonably possible change in the projected maintenance costs of growing and harvesting, with all other variables held constant, on the Group's pre-tax profit:

Increase/ decrease costs	Effect on profit before tax USD
2013	
+2%	(5,333)
-2%	5,228
2012	
+2%	(5,262)
-2%	5,262

The reconciliation in the fair value of the biological assets within level 3 of the hierarchy is as follows:

	Asparagus USD	Avocados USD	Mangoes USD	Pepper USD	Shrimp USD	Grapes USD	Tangerine USD	Blueberry USD	Total USD
31 December 2013									
Initial balance of fair value	24,681	170,975	6,257	619	5,203	16,086	5,459	16,419	245,699
Harvest	(5,251)	(9,707)	(527)	(708)	(10,938)	(1,861)	(179)	(845)	(30,016)
Price change	17,997	3,784	65	192	686	1,262	1,832	(2,244)	23,574
Change in fair value due to biological transformation	(2,193)	7,663	(1,545)	-	-	10,413	1,873	272	16,483
New plantings	(987)	25,592	-	467	11,242	-	-	10,114	46,428
Final balance of fair value	34,247	198,307	4,250	570	6,193	25,900	8,985	23,716	302,168

	Asparagus USD	Avocados USD	Mangoes USD	Pepper USD	Shrimp USD	Grapes USD	Tangerine USD	Blueberry USD	Total USD
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	9,691	16,668	2,546	(291)	388	5,330	(300)	6,025	40,057
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	15,804	35,985	(1,480)	192	686	11,675	3,705	7,857	74,424
31 December 2012									
Initial balance of fair value	33,448	135,336	11,017	79	3,099	24,655	1,526	-	209,160
Harvest	(6,548)	(4,639)	(1,574)	(550)	(6,812)	(1,620)	(29)	-	(21,772)
Price change	3,201	27,673	(6,356)	79	2,142	903	7,278	-	34,920
Change in fair value due to biological transformation	(1,302)	10,157	(119)		-	(3,300)	11	-	5,447
New plantings	(1,370)	9,215	8	1,011	6,774	-	-	15,667	31,316
Final balance of fair value	27,429	177,782	2,976	619	5,203	20,638	8,786	15,667	259,100
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	(1,435)	32,881	(8,949)	329	1,320	(4,409)	6,409	14,221	40,367
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	1,899	45,050	(6,475)	1,090	2,142	(2,397)	7,289	-	48,598

Valuation processes of the Group

The Group's finance department includes a team that performs the valuations of biological assets required for financial reporting purposes, including level 3 fair values.

This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

At 31 December 2013 and 2012 valuation inputs for biological assets correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

The following unobservable inputs were used to measure the Group's biological assets:

Description	Fair value at 31 December 2013 USD	2012 USD	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Asparagus plantation	34,247	27,429	Discounted cash flows	Crop yield - tonnes Per hectare (white)	4.1 - 7.7 (7.3) per year	The higher the crop yield, the higher the fair value
				Crop yield - tonnes Per hectare (green)	2.7 - 6.4 (5.7) per year	The higher the market price, the higher the fair value
				White asparagus price	1,402 - 1,163 per tonne	The higher the market price, the higher the fair value
				Green asparagus price	901 per tonne	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value

Description	Fair value at 31 December 2013 USD	2012 USD	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Avocados plantation	198,307	177,782	Discounted cash flows	Crop yield - tonnes Per hectare	3.7 – 18.2 (11) per year	The higher the crop yield, the higher the fair value
				Avocados price	1.231 - 0.951 per tonne	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (11.9%)	The higher the discount rate, the lower the fair value
Mangoes plantation	4,250	2,976	Discounted cash flows	Crop yield - tonnes Per hectare	3.5 – 25 (23.1) per year	The higher the crop yield, the higher the fair value
				Mangoes price	433 - 392 per tonne	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Pepper plantation	570	619	Discounted cash flows	Crop yield - tonnes Per hectare	30 per year	The higher the crop yield, the higher the fair value
				Pepper price	456 - 480 (468) per tonne	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Shrimp plantation	6,193	5,203	Discounted cash flows	Crop yield - tonnes Per hectare	2,343 per year	The higher the crop yield, the higher the fair value
				Shrimp price	5,483 - 5,765 (5,624)	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Grapes plantation	25,900	20,638	Discounted cash flows	Crop yield - tonnes Per hectare	12.5 - 25 (25) per year	The higher the crop yield, the higher the fair value
				Grapes price	1,273 - 1,303 per tonne	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Tangerine plantation	8,382	5,458	Discounted cash flows	Crop yield - tonnes Per hectare	10 - 60 (21.5) per year	The higher the crop yield, the higher the fair value
				Tangerine price	561 per tonne	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Blueberry plantation	23,716	15,667	Discounted cash flows	Crop yield - tonnes Per hectare	1.4 - 15 (0.4) per year	The higher the crop yield, the higher the fair value
				Blueberry price	5,995 – 4,561 (5,910) per tonne	The higher the market price, the higher the fair value
				Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value

10 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the statement of financial position as of 31 December 2013 and 2012 are as follows:

	Loans and receivables USD
2013	
Trade accounts receivable (Note 14)	55,170
Other accounts receivable (excluding prepayments and statutory obligations) (Note 13)	2,573
Cash and cash equivalents (Note 15)	27,240
	84,983
2012	
Trade accounts receivable (Note 14)	40,479
Other accounts receivable (excluding prepayments and statutory obligations) (Note 13)	1,648
Cash and cash equivalents (Note 15)	28,523
	70,650

Financial liabilities as per the consolidated financial position as of 31 December 2013 and 2012 are as follow:

	Other financial liabilities USD
2013	
Trade accounts payable (Note 20)	60,655
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	13,462
Bank loans (Note 22)	26,025
Long-term debt (Note 19)	137,577
	237,719
2012	
Trade accounts payable (Note 20)	51,288
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	13,459
Bank loans (Note 22)	29,880
Long-term debt (Note 19)	135,111
	229,738

11 CREDIT QUALITY OF FINANCIAL ASSETS

The Group assesses the credit quality of its trade accounts receivable by reference to historical information about the counterparties' default rates as follows:

	2013 USD	2012 USD
Trade accounts receivable		
New costumers (less than 6 months as a costumer)	2,171	-
Existing customers (more than 6 months) without non-compliance experience in the past	50,216	39,191
Existing customers (more than 6 months) with some non-compliance experience in the past	1,912	374
	54,299	39,565
Other accounts receivable		
Existing customers (more than 6 months) without non-compliance experience in the past	4,053	3,348

See credit quality of deposits in banks in Note 15.

12 INVENTORIES

	2013 USD	2012 USD
Finished products:		
- Artichokes	6,305	6,997
- Asparagus	17,309	10,621
- Peppers	6,725	11,272
- Shrimp	1,758	467
- Avocados	935	1,387
- Mangoes	1,268	1,140
- Grapes	2,536	1,175
Product in process	715	1,154
Supplies	9,517	7,611
Packs	12,108	7,772
Seeds, seedlings and others	1,953	2,081
In-transit raw material and supplies	2,046	2,052
Other	775	451
	63,950	54,180
Provision for obsolescence of inventories	(868)	(1,484)
	63,082	52,696

As of 31 December 2013 and 2012 inventories are free of any pledges as guarantee on liabilities.

The cost of inventories recognized as expense and included in the cost of sales amounted to USD112,670 (2012: USD92,303).

	2013 USD	2012 USD
Movement in the provision for obsolescence of inventories:		
Opening balance	(1,484)	(2,166)
Additions (Notes 28 and 30)	(1,218)	(918)
Recoveries	-	100
Write-off (Note 30)	1,834	1,500
Balance at the end of the year	(868)	(1,484)

13 OTHER ACCOUNTS RECEIVABLE

	2013 USD	2012 USD
Value added tax (IGV in Perú)	3,056	4,778
Custom duties refund - drawback	2,551	2,103
Due from employees	143	145
Prepayments to suppliers	541	630
Related companies (Note 35)	80	35
Loans to third parties	880	746
Subsidies	193	209
Doubtful accounts	609	786
Claims to third parties	163	41
Accounts receivable for services rendered to third parties	274	98
Other	840	374
	9,330	9,945
Less:		
Provision for impairment of other accounts receivable	(609)	(786)
	8,721	9,159

The movement of the provision for impairment of other accounts receivable is as follows:

	2013 USD	2012 USD
Opening balance	(786)	(766)
Write-Off	145	-
Reclassification	32	(20)
Balance at the end of the year	609	(786)

Other accounts receivables are current and are not impaired.

The drawback (custom duties refund) recovered during the year 2013 amounted to USD7,675 (USD7,057 in 2012). Receivables from employees are not interest-bearing and are unsecured.

14 TRADE ACCOUNTS RECEIVABLE

	2013 USD	2012 USD
Third parties	60,063	45,480
Less:		
Provision for impairment of trade accounts receivable	(4,893)	(5,001)
	55,170	40,479

Trade accounts receivable mainly comprise invoices for the sale of fresh, preserved and frozen products. Turnover ranges between 90 and 180 days and are not interest-bearing.

Trade accounts receivable in foreign currency amounts to USD14,608 USD59 and USD30 (in 2012 USD6,876, USD72 and USD4,452) in Euros, NOK and Nuevo Sol, respectively. The remaining balances for both years are denominated in US Dollars.

The movement of the provision for impairment of trade accounts receivable is as follows:

	2013 USD	2012 USD
Opening balance	(5,001)	(4,746)
Additions (Notes 28 and 30)	-	(120)
Recoveries (Note 28)	1	22
Write-Off	110	-
Reclassification	(3)	(157)
Balance at the end of the year	(4,893)	(5,001)

The Group does not ask for collaterals to secure the full collection of its trade accounts receivable.

At 31 December 2013 and 2012, the accounts provided for impairment have more than one year past due.

As of 31 December 2013 and 2012, the ageing analysis of trade accounts receivable is as follows:

	Total USD	Current USD	31-90 days USD	91-180 days USD	180-360 days USD	More than 360 days USD
At 31 December 2013	55,170	35,810	17,203	245	1,767	145
At 31 December 2012	40,479	31,451	8,575	79	233	141

As of 31 December 2013, trade accounts receivable amounting to USD145 (USD141 in 2012) although past due for more than one year, are not impaired; therefore, no provision for impairment on these accounts has been accounted for. As of December 31, 2013, trade accounts receivable amounting to USD 4,893 (USD5,001 in 2012) are impaired; for which the Group has recognized a provision for impairment. The individually impaired accounts relate to customers who are in unexpected difficult economic situations or / and under litigation. These accounts are past due for more than a year.

As of 31 December 2013 and 2012 these impaired customers have not pledged any security for their debt.

The fair value of accounts receivable approximates their carrying amounts due to their short-term maturities.

15 CASH AND CASH EQUIVALENTS

	2013 USD	2012 USD
Cash	32	29
Bank current accounts	20,984	9,906
In-transit remittances	-	476
Time deposits	-	5,000
Short-term investments	6,224	13,112
	27,240	28,523

The Group's bank current accounts amounts to USD12,381, USD3,641 and USD4,962 (in 2012 USD5,363, USD3,092 and USD1,451) in U.S. Dollars, Nuevo Sol and Euros, respectively. The 2013 time deposits are denominated in U.S. Dollars.

The time deposits comprise balance in banks with maturities of less than three months. As of 31 December 2013 the time deposits have generated interest for USD36 (USD364 to 31 December 2012) (Note 29).

The short-term investments correspond to a fixed portfolio of debt instruments which bears a short-term market interest rate of 11%. At 31 December 2013 have been generated a negative profitability for USD 623 (positive profitability USD1,187 to 31 December 2012) (Note 29).

Their credit classification is as follows:

	2013 USD	2012 USD
Bank deposits		
Classification Aaa	3,764	2,023
Classification A +	17,606	24,026
Classification A	5,777	1,229
Others	61	740
	27,208	28,018

The balances above do not include the balance of cash in hand.

16 SHAREHOLDERS' EQUITY

Share capital and premium –

The share capital and premium are as follows:

	Number of shares	Share capital	Share premium USD	Treasury shares USD	Total USD
31 December 2011	32,404	507	212,318	-	212,825
Treasury shares	(2,969)	-	-	(11,592)	(11,592)
31 December 2012	29,435	507	212,318	(11,592)	201,233
Treasury shares	2,969	-	-	11,592	11,592
31 December 2013	32,404	507	212,318	-	212,825

In 2012, the total authorized number of ordinary shares is 40,000,000 shares with a par value of €0.01 per share. All shares issued have been fully paid-in.

The Group's 2,570,000 initial shares do not entitled the holder to any voting rights or the right to dividend distribution. These shares correspond to the first capital contribution for purposes of creating the entity.

In April 2008, the Company issued 27,925,070 shares to the shareholders of Camposol AS (Norway) in exchange for an equal number of shares in that company (Note 1-b).

In May 2008, the Company issued 1,908,750 new ordinary shares at a price of 7,859 US dollars per share.

Share premium reserve is not available for distribution.

Treasury shares -

The Group was authorized to acquire own shares up to a maximum of 10% of the issued shares of the Company granted by the Annual General Meeting held on 24 May 2011. As of 31 December 2012, the Group holds 2,968,502 own shares, constituting approximately 9.95% of the issued shares in the Company.

The Group paid a total amount of USD11,592 for the purchase of 2,968,502 of its own shares (total nominal value of 17 US dollars).

On 21 October 2013, the Board of Directors of Camposol Holding PLC unanimously approved the tender of Camposol Holding PLC and Camposol S.A.holding 2,968,502 shares in the Company. The Group received a total amount of USD 12,417 for sale 2,968,502 own shares. The gain on disposal of treasury shares amounted to USD825 is recognized as other reserves in the consolidated statements of changes in equity.

Share-based payments -

In previous years, the Group granted 150,000 share-based payments to a former manager, valued at USD257. The exercise price of these options ranges from NOK 40 to 52 and 1/3 could be exercised in each of the years between 2008 and 2010. As of 31 December 2010, all options expired without being exercised and were reclassified to retained earnings within equity.

In 2008 the Group granted 300,000 share-based payments to Directors and 585,000 options to management. The fair value of the options was estimated at the grant date by an external expert using the Black and Scholes - Merton option pricing formula, at USD561. The exercise price of the options to Directors and management was set at NOK 40 and ¼ can be exercised in each of the years between 2009 and 2012.

During 2010, there were changes in some management positions of the Group, so that 100,000 options granted were terminated. Also, share-based payments granted to replace Directors of the Group remain effective.

The conditions to be met in order to exercise the options are based on the time frame that each person worked as employee of the Group.

Movements in the number of share-based payments outstanding and their related weighted average exercise prices are as follows:

	2013		**2012**	
	Average exercise price in NOK per Share	**Options**	**Average exercise price in NOK per Share**	**Options**
At 1 January	-	-	40	490,000
Forfeited	-	-	40	(490,000)
At 31 December	-	-	40	-
Share-based payments expressed in U.S. Dollars	-	-		-

Share-based payments expired at February 2012.

In calculating the fair value of NOS uses the Black & Scholes - Merton option pricing model. The model uses the following input.

- Issue date share price (Close):

  27.03.2008 and 27.08.2008

- Exercise Price:

The exercise price for the options is NOK 40.00. If the share price exceeds three times the strike price (NOK 120.00), the strike will be adjusted upwards so that the difference between the share price and the strike price would not be greater than NOK 80.00. Effectively, there is a cap on the option gain. This cap is included in the fair value calculation.

- Option Life:

Vesting / Grant Date	27.03.2008	27.08.2008
25%	01.02.2009	01.06.2009
25%	01.02.2010	01.06.2010
25%	01.02.2011	01.06.2011
25%	01.02.2012	01.06.2012

- Volatility: 45% based on similar companies.

- Risk free rate: Rates from Norges Bank on issue date are used (Bonds and Treasury bills).

- Dividend: Expected dividend, if any, should be taken into account when measuring the fair value of the options issued. In this case, no dividends were included as the strike prices of the options are to be adjusted for dividend payouts.

Shareholder -

As of December 31, 2013 Dyer Coriat Holding has the 100% of the shares of the Company.

Non-controlling interest -

The non-controlling interest is related to the change in the shareholding in Marinazul S.A.

17 DEFERRED INCOME TAX

The movement in the deferred income tax liabilities is as follows:

	2013 USD	2012 USD
Opening balance	30,064	23,919
Expense for the year (Note 31)	10,060	6,145
Balance at the end of the year	40,124	30,064

Deferred tax relates to the following items:

	Opening balance USD	Income statement USD	Closing balance USD
2013 -			
Deferred tax assets -			
Tax losses carried-forward	10,646	(3,375)	7,271
Gain on investments in associates	6	(46)	(40)
Provisions	1,555	(807)	748
Others		346	346
	12,207	(3,882)	8,325

	Opening balance USD	Income statement USD	Closing balance USD
Deferred tax liabilities -			
Fair value of biological assets	35,253	6,222	41,475
Fair value of fixed assets at acquisition of subsidiary	6,153	12	6,165
Fair value of customer relationships	640	(320)	320
Differences in depreciation rates	529	(127)	402
Other	(304)	391	87
	42,271	6,178	48,449
	30,064	(10,060)	(40,124)
2012 -			
Deferred tax assets -			
Tax losses carried-forward	8,214	2,432	10,646
Gain on investments in associates	51	(45)	6
Provisions	1,318	237	1,555
	9,583	2,624	12,207
Deferred tax liabilities -			
Fair value of biological assets	24,158	11,222	35,253
Fair value of fixed assets at acquisition of subsidiary	6,388	(235)	6,153
Fair value of customer relationships	959	(319)	640
Differences in depreciation rates	1,175	(646)	529
Other	822	(1,126)	(304)
	33,502	8,769	42,271
	23,919	6,145	30,064

Deferred income tax assets are recognized for tax losses carried-forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of USD510 related to the tax losses carried-forward of Marinasol S.A

The deferred income tax from tax losses carried-forward can be applied to taxable income to be generated in the following years:

	2013 USD	2012 USD
2014	2,607	4,460
2015	1,320	4,566
2016	3,103	1,296
2017	241	324
	7,271	10,646

In Peru, tax losses can be carried forward by choosing one of the two tax-loss offsetting regimes available; by one of them, tax losses may be carried forward over 4 consecutive years after the year in which they have been obtained and then they expire; by the second offsetting regime; tax losses are offset at a 50% of the taxable income obtained year after year and they do not expire. The Group has selected the first regime; and at the reporting date; based on Management's estimate of its future tax losses, no tax loss would expire.

18 WORKERS' PROFIT SHARING

In accordance with Peruvian Legislation Camposol S.A. and Marinazul S.A. shall provide for a workers' profit sharing equivalent to 10% of the taxable income of each year. The amount of the workers' profit sharing must be paid during the second quarter of the following year of its determination (Note 2.23).

19 LONG-TERM DEBT

Creditor and type of debt	Guarantee	Annual interest rate and maturity	2013 USD	2012 USD
Bonds	Camposol Holding PLC, Marinazul S.A. and Campoinca S.A.	9.875% per year with installments payable until 2017	122,303	121,598
Carmine Holding Group for purchase of Nor Agro Perú S.A.C.		with 19 installments due every three month until 2016	555	800
Banco Interbank, to finance Civil works of Stage I frozing plant	-	5.5% per year with 20 installments every three months until 2017	1,126	-
			123,984	122,398
Santander for purchase of a system of irrigation	Property subject to financial lease	7.10 % per year with 12 installments every three months until 2015	2,209	3,845
Banco Interbank for purchase of frozing plant construction	Property subject to financial lease	5.50 % per year with 36 installments every three months until 2018	4,003	3,394
Santander for purchase of asparagus peeler	Property subject to financial lease	7.50 % per year with 60 installments every months until 2016	817	1,060
Santander for purchase of thirty two tractors	Property subject to financial lease	7.10 % per year with 36 monthly installments until 2015	307	571
Banco Interbank for purchase of a asparagus sorter	Property subject to financial lease	7.50 % per year with 12 installments every three months until 2015	331	532
Scotiabank for purchase of a Spectrometer	Property subject to financial lease	4.75 % per year with 12 installments every three months until 2014	36	177
Banco Interbank for purchase of a air vacuum cleaner	Property subject to financial lease	6.18 % per year with 12 installments every three months until 2011	-	135
Banco Interbank for purchase of a air vacuum cleaner	Property subject to financial lease	6.22 % per year with 12 installments every three months until 2011	-	125
Santander for purchase of thirteen tractors	Property subject to financial lease	7.10 % per year with 36 monthly installments until 2015	56	104
Banco Interbank for purchase of a engine, oxygen generator	Property subject to financial lease	6.93 % per year with 12 monthly installments until 2013	11	43
Banco Interbank for purchase of a vehicle	Property subject to financial lease	6.99 % per year with 20 monthly installments until 2014	12	34
Leasing Perú for purchase of a pick up Toyota	Property subject to financial lease	7.05 % per year with 12 installments every three months until 2015	24	34
Banco Interbank for purchase of three truck jack	Property subject to financial lease	7.69 % per year with 12 installments every three months until 2015	21	33
Leasing Perú for purchase of a pick up Hilux	Property subject to financial lease	7.05 % per year with 12 installments every three months until 2015	16	25
Leasing Perú for purchase of a lathe equipment	Property subject to financial lease	7.05 % per year with 12 installments every three months until 2015	12	22
Banco Interbank for purchase of a vehicle	Property subject to financial lease	6.89 % per year with 20 monthly installments until 2014	9	17
Banco Interbank for purchase of a air vacuum cleaner	Property subject to financial lease	6.18 % per year with 12 installments every three months until 2011	-	17
Banco Interbank for purchase of a electronic boards	Property subject to financial lease	6.89 % per year with 20 monthly installments until 2014	6	14
Banco Interbank for purchase of termociclador equipment	Property subject to financial lease	7.69 % per year with 12 installments every three months until 2015	6	6
Banco Interbank for purchase of six tractors	Property subject to financial lease	5.50 % per year with 12 installments every three months until 2016	380	-
Banco Interbank for purchase of truck Dodge	Property subject to financial lease	5.50 % per year with 12 installments every three months until 2016	27	-
Banco Interbank for purchase of a cutter Urschell machine	Property subject to financial lease	5.50 % per year with 20 installments every three months until 2018	73	-
Banco Interbank for purchase of line of avocado Roda	Property subject to financial lease	5.45 % per year with 20 installments every three months until 2018	1,457	-
Scotiabank for purchase of gauge avocado	Property subject to financial lease	5.80 % per year with 13 installments every three months until 2016	473	-
Leasing Perú for purchase of ten tractors	Property subject to financial lease	6.36 % per year with 12 installments every three months until 2016	462	-
Leasing Perú for purchase of four tunnels ripening of mangoes	Property subject to financial lease	6.14 % per year with 15 installments every three months until 2017	695	-
Santander for purchase of construction of storm drainage	Property subject to financial lease	6.65 % per year with 20 installments every three months until 2018	428	-
Banco Interbank for purchase of truck Dongfeng	Property subject to financial lease	7.68 % per year with 36 installments every months until 2016	12	-
Banco Interbank for purchase of bioreactor system, genetic analizer	Property subject to financial lease	7.69 % per year with 11 installments every three months until 2015	54	-
			11,937	10,188
Ferreyros to finance capital expenditure	Domingo Rodas S.A. fixed assets	3.00 % per year with 26 installments payable every six months until 2018	1,656	2,525
			137,577	135,111
Less- current portion			(4,250)	(2,759)
			133,327	132,352

All loans are denominated in United States Dollars.

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of long-term borrowings for the years ended 31 December 2013 and 2012:

	Other borrowings USD	Bonds USD	Bank borrowings USD	Finance lease liabilities USD	Total long-term debt USD
Balances as of 1 January 2012	4,519	-	57,649	2,575	64,743
Cash transactions					
Repayment of long-term borrowings	(742)	-	(58,524)	(1,405)	(60,671)
Proceeds from long-term borrowings	-	-	-	8,566	8,566
Bonds	-	125,000	-	-	125,000
Transaction costs	-	(3,987)	-	-	(3,987)
Non-cash transactions					
Proceeds from long-term borrowings	-	-	-	452	452
Accrued interest	-	585	875	-	1,460
Debt forgiveness	(452)	-	-	-	(452)
Balance as of 31 December 2012	3,325	121,598	-	10,188	135,111
Balance as of 1 January 2013	3,325	121,598	-	10,188	135,111
Cash transactions					
Repayment of long-term borrowings	(1,114)	-	(174)	(2,138)	(3,426)
Proceeds from long-term borrowings	-	-	1,300	3,887	5,187
Non-cash transactions					
Proceeds Long-term borrowings	-	-	-	-	-
Accrued interest	-	705	-	-	705
Balance as of 31 December 2013	2,211	122,303	1,126	11,937	137,577

The maturity of the non - current portion of long - term debt is as follows:

	2013 USD	2012 USD
1 year	3,527	4,688
2 year	1,446	1,395
3 years	126,968	295
More than 3 years	1,386	125,974
	133,327	132,352

Fair values -

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2013 USD	2012 USD	2013 USD	2012 USD
Bank borrowings	884	-	838	
Bonds	123,085	122,303	112,023	111,311
Finance lease liabilities	7,694	7,255	7,262	6,819
Other borrowings	1,664	2,794	1,616	2,729
	133,327	132,352	121,739	120,859

a) Bonds -

USD125,000 9.875% Senior Notes due 2017

On 26 January 2012, Camposol S.A. and its guarantors Camposol Holding PLC, Marinazul S.A. and Campoinca S.A. agreed with Credit Suisse Securities (USA) LLC and Santander Investment Securities Inc., as representatives of several purchasers, to issue and sell to the several purchasers, USD125,000 of the principal of its 9.875% Senior Notes due in 2017 to be issued under an indenture dated 2 February 2012, signed between Camposol S.A., the Guarantors, and Wells Fargo Bank, National Association, as trustee, guaranteed on an unsecured senior basis by Camposol Holding PLC, Marinazul S.A. and Campoinca S.A. Coupons bear a 9.875% interest and are payable on a semi-annual basis. Cash proceeds are to be used to pay the long term debt obtained to finance capital expenditures and for general corporate uses. The bonds are listed on the Luxembourg Stock Exchange.

The issue of these bonds includes certain restrictive covenants.

If during any period of time the Notes obtains Investment Grade Ratings from two Rating Agencies and no payment default or Event of Default has occurred and is continuing, the Issuer, the Parent Guarantor and its Restricted Subsidiaries will not be subject to the following provisions of the Indenture:

i) Change of control: Putable at 101% of principal plus accrued and unpaid interest.

ii) Limitation on indebtedness and Disqualified Stock:

   a. The Leverage Ratio is less than (i) 3.5 to 1.0 during the period from the Original Issue Date through June 30, 2013 and (ii) 3.25 to 1.0 from July 1, 2013 through the Maturity Date.
   b. Working capital shall not to exceed 25% of net sales
   c. Other Indebtedness shall not to exceed the greater of USD 20,000 and 5% of the total assets.

iii) Limitation on Restricted Payments:

   a. Declare or pay any dividend or make any distribution
   b. Purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock.
   c. Dividends up to USD 10,000 for fiscal year up to 2010.
   d. Year 2011, 50% of net income if leverage is equal or greater than 1.5 to 1
   e. 75% of net income is lower than 1.5 to 1
   f. Other restricted payments no to exceed USD 15,000 since the original issue date.

iv) Limitation on Issuances of Guarantees by Restricted Subsidiaries

   a. Loans and advances to officers, directors and employees of the Parent Guarantor or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding USD 2,000 at any time.

v) Limitation on Liens

   a. Not to exceed 10% of the total assets

vi) Limitation on Asset Sales

a. At least 75% is paid in cash or temporary cash investments

vii) Limitation on Business Activities

a. Only permitted Businesses

According to the income tax regime currently in force in Peru, Camposol S.A. has to withhold from the payment of coupons a 4.99% as the income tax of non-domiciled entities. Since the bonds purchase agreement does not complete the payment of the withholding tax by the holders, Camposol S.A. will assume it as its own expense.

At 31 December 2013 and 2012 there is not exist any default.

b) Finance leases -

The future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	2013		2012	
	Minimum payments USD	**Present value of payments USD**	**Minimum payments USD**	**Present Value of payments USD**
Within one year	4,788	4,494	3,313	3,097
After one year but no more than five years	8,306	7,443	7,494	7,091
Total minimum lease payments	13,094	11,937	10,807	10,188
Less amounts representing finance charges	(1,157)		(619)	
Present value of minimum lease payments	11,937		10,188	

c) Syndicated loan -

In June 2010, Camposol S.A. signed a loan agreement with a syndicate of banks led by Banco Interbank for a total amount of USD60,000 to be repaid by June 2016, at a fixed interest rate of 8.65%. Interest are payable monthly and amortization of the principal will be performed during the loan term as established in the repayment schedule attached to the credit agreement. Part of this loan was used to pay the entire loan received from Credit Suisse AS of USD50,900 and to pay the debt termination fee of USD3,700 (Note 29). The balance of the funds received was used in investments in new plantations.

The Syndicate loan was fully repaid during 2012 with the funds received from the bond issue served to pay long term debt, to finance capital expenditures and in general corporate uses. The repaid amount was USD58,500, plus a debt termination fee of USD407.

20 TRADE ACCOUNTS PAYABLE

	2013 USD	2013 USD
Suppliers	48,588	41,490
Bills of exchange payable	11,904	9,384
Payables to related parties (Note 35)	163	414
	60,655	51,288

Payables to suppliers are mainly in US dollars, are due within 12 months and are not interest-bearing.

Bills of exchange in U.S. dollars and Nuevo Sol, amounts to USD6,330 and USD 5,574 respectively (In 2012 USD4,692 each currency), which are due within 3 months and bear interest at an annual average rate of 9%.

The average payment terms of trade payables are between 30 to 60 days.

21 OTHER ACCOUNTS PAYABLE

	2013 USD	2012 USD
Vacations and other payables to employees	5,406	5,390
Provisions (Note 34)	2,477	1,877
Taxes payable	971	510
Board remuneration	49	-
Pension fund	533	1,136
Interest	5,648	5,780
Deferred gain on sale and leaseback	943	1,664
Accrual of unbilled services	384	352
Prepayment received	958	542
Others	1,442	801
	18,811	18,052

Other accounts payable are due within 12 months and are not interest-bearing and are mainly denominated in new Peruvian soles.

	2013 USD	2012 USD
Movement of provisions:		
Opening balance	1,877	3,091
Additions (Note 28)	600	-
Deductions	-	(1,214)
Balance at the end of the year	2,477	1,877

22 BANK LOANS

	2013 USD	2012 USD
Loans -		
Banco Interbank (Peru)	2,500	6,000
Banco Scotiabank (Peru)	9,380	14,380
Banco de Comercio (Peru)	-	1,500
Banco Continental (Peru)	10,000	5,000
Multibank, Inc (Panama)	4,145	3,000
	26,025	29,880

For purposes of reconciliation with the information provided in the consolidated statement of cash flows, following is the movement of bank loans for the years ended 31 December:

	2013 USD	2012 USD
Initial balance	29,880	25,797
Bank loans proceeds	101,495	59,370
Bank loans payments	(105,350)	(55,287)
Final balance	26,025	29,880

Loans represent promissory notes with maturities up to 180 days, which were obtained for working capital. These loans bear fixed annual interest rates that are between 3.05 per cent and 6.27 per cent (between 3.50 per cent and 6 per cent in 2012).

23 REVENUE

Revenue represents the sale of fresh, preserved and frozen biological products.

For the years ended 31 December, comprise the following (Note 5):

	2013 USD	2012 USD
Asparagus	69,955	68,078
Avocado	49,244	31,436
Pepper	18,730	15,299
Mango	18,689	14,722
Shrimp	26,629	21,149
Grapes	21,245	18,178
Artichoke	12,772	9,837
Blueberry	8,638	-
Other	5,339	4,482
Total	231,241	183,181

24 COST OF SALES

	2013 USD	2012 USD
Cost of inventories recognized as expenses	112,670	92,303
Personnel expenses (Note 27)	44,342	46,351
Depreciation (Note 6)	8,184	6,838
Custom duties refund	(8,316)	(7,193)
	156,880	138,299

In Peru, Camposol S.A and Marinazul S.A. are beneficiaries of a simplified procedure for custom duties refunding (Drawback), at a rate of 5.0% of FOB value of exports.

The cost of inventories recognized as expenses include amortization of software by USD8 (USD 7 for 2012) (Note 8).

25 SELLING EXPENSES

Selling expenses for the years ended December 31 comprise the following:

	2013 USD	2012 USD
Freight	11,712)	11,681
Custom duties	6,761)	4,535
Amortization of customer relationships (Note 8)	2,132)	2,132
Personnel expenses (Note 27)	1,300)	1,184
Selling commissions	674)	946
Consulting services	624)	818
Travel and business expenses	907)	561
Insurances	598)	382
Subscriptions to associations	373)	411
Other expenses	1,093)	311
	26,174)	22,961

26 ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31 are comprised of the following:

	2013 USD	2012 USD
Personnel expenses (Note 27)	10,544	9,818
Professional fees	3,464	3,213
Statutory auditors' remuneration	71	64
Audit services	225	210
Depreciation (Note 6)	762	759
Travel and business expenses	727	963
Transport and telecommunications	924	757
Directors' remuneration (Note 27)	389	400
Renting of machinery and equipment	1,332	1,035
Amortization of computer software (Note 8)	469	416
Share-based payments (Note 27)	-	5
Materials and supplies	928	873
Maintenance	739	522
Insurances	133	93
Utilities	82	61
Taxes other than income tax	98	79
Other expenses	1,502	847
	22,389	20,115

No non-audit services were provided in 2013 and 2012 by the statutory audit firm.

27 PERSONNEL EXPENSES

	2013 USD	2012 USD
Salaries and wages	49,230	50,034
Vacations	1,698	1,978
Other employees' benefits	4,950	4,949
Share-based payments (Note 26)	-	5
Other expenses	697	787
	56,575	57,753

Personnel expenses are allocated as follows:

	2013 USD	2012 USD
Cost of sales (Note 24)	44,342	46,351
Selling expenses (Note 25)	1,300	1,184
Administrative expenses (Note 26)	10,544	9,818
Directors' remuneration - Administrative expenses (Note 26)	389	400
	56,575	57,753

28 OTHER INCOME AND EXPENSES

	2013 USD	2012 USD
Other income -		
Condoned debt	-	452
Recovery of written-off accounts receivable (Note 14)	1	22
Gain on sale of property, plant and equipment (Note 30)	246	227
Indemnity of insurance	126	108
Services to third parties	441	283
Other	520	53
	1,334	1,145
Other expenses -		
Obsolescence of inventories (Notes 12)	(1,218)	(918)
Contingencies	(600)	-
Donations and samples	(236)	(236)
Impairment of accounts receivable (Notes 13 and 14)	-	(120)
Write-off of plots of pepper	(500)	-
Default interest and fines	(304)	(103)
Other	(557)	(359)
	(3,415)	(1,736)

29 FINANCIAL INCOME AND COSTS

	2013 USD	2012 USD
Income -		
Interest (note 15)	36	364
Profitability of investment funds (Note 15)	-	1,187
Other finance income	45	6
	81	1,557
Costs -		
Interest on bank loans	(14,526)	(14,690)
Interest on finance leases	(3,241)	(2,339)
Tax on financial transactions	(747)	(821)
Interest on accounts payable to suppliers	(161)	(29)
Loss in investment funds (Note 15)	(623)	-
Other finance costs	(167)	-
	(19,465)	(17,879)

30 CASH GENERATED FROM OPERATIONS

	Note	2013 USD	2012 USD
Reconciliation of profit for the year to net cash from (used in) operating activities:			
Profit before income tax		41,945	23,284
Depreciation	6	8,946	7,597
Amortization	8	2,609	2,555
Transference to biological assets	9	5,296	4,915
Impairment of trade accounts receivable	13 and 14	-	120
Obsolescence of inventories	12	1,218	918
Recovery of doubtful accounts	13 and 14	(1)	(22)
Fair value of biological assets	9	(43,069)	(49,940)
Gain / (loss) on sale of property, plant and equipment	28	(246)	(227)
Share-based payments expense	27	-	5
Gain attributable to associate	7	(305)	(66)
Deferred income tax	31	10,060	6,145
Net exchange difference		(299)	349
Write down off trade accounts receivable	13 and 14	(255)	-
Write down off inventories	12	(1,834)	(1,500)
Increase (decrease) of cash flows from operations due to changes in assets and liabilities:			
Trade accounts receivable		(15,497)	(10,391)
Other accounts receivable		4,269	(5,333)
Inventories		(9,770)	(7,665)
Prepaid expenses		(209)	(9)
Trade accounts payable		9,367	11,214
Other accounts payable		(6,971)	3,504
Net cash generated from operating activities		5,254	(14,547)

31 INCOME TAX EXPENSE

a) According to the Peruvian tax legislation in force the income tax is determined on separate basis. Management has determined the taxable income under the general income tax regime, which requires adding to and deducting from the result derived from the accounting records maintained in Nuevo Sol is those items considered as taxable and non-taxable, respectively.

As established under Law No.27360 dated 30 October 2000, that amends the Income Tax Law of individuals and legal persons engaged in the growing of crops and /or cattle as well as in industrial agriculture, the applicable income tax rate is 15%. This income tax regulations is applicable until 31 December 31 2021.

The standard rate of Cyprus income tax for 2013 and 2012 is 10% and for the Peruvian subsidiaries it ranges between 30% and 15%.

	2013 **USD**	**2012** **USD**
Current income tax	371	139
Deferred income tax (Notes 17 and 30)	10,060	6,145
Income tax expense	10,431	6,284

b) For the years 2013 and 2012 the income tax credited to income differs from the theoretical amount that would arise using the tax rate applicable to profit before workers' profit sharing and income tax as follows:

	2013 **USD**	**2012** **USD**
Profit before income tax	41,945	23,284
At Peruvian statutory income tax rate at 15%	6,292	3,493
Revenue not subject to tax	(840)	(1,000)
Expenses not deductible for tax purposes	2,250	1,905
Tax loss expiration	4,600	-
Adjustments	-	124
Other	(1,871)	1,762
Income tax expense / (credit)	10,431	6,284

Profit before income tax only corresponds to Peruvian subsidiaries; therefore taxation charge in the consolidated statement of comprehensive income corresponds to the Peruvian tax rate of 15%.

According to tax Peruvian Legislation, there are two systems to offset net losses arising from 2004:

- Offsetting the total tax loss against the future taxable profits to be obtained in the four years from the fiscal year following the year in which the tax loss was generated; after those four years have elapsed, any remaining tax loss that has not been offset, will not be able to be offset against future taxable profits.

- Offsetting 50% of the annual taxable profits until they are exhausted.

The Company has chosen the first system to offset tax losses.

At December 31, 2013, deferred income tax assets have been impaired due to the maturity of tax losses which amount to USD4,600.

c) The Peruvian Tax Authority may review and, if required, amend the income tax or the tax loss carry forward determined by the Company and its subsidiaries in the last four years, as from January 1 of the following year in which the tax return of the corresponding income tax was filed (years open to examination). Since discrepancies may arise over the proper interpretation of the tax law applicable to the Group, it is not possible to anticipate at this date whether additional tax liabilities will arise as a result of eventual examinations. Additional tax, fines and interest, if any, will be recognized in results of the period in which the disagreement with the Peruvian tax authorities is resolved. Management considers that no significant liabilities will arise as a result of any eventual tax examinations.

The following table shows the income tax and value-added tax returns subject to review by the Tax Authority corresponding to the Company and its subsidiaries.

	Years open to tax review	
Company	**Income Tax**	**Value Added Tax**
Camposol Holding PLC	2009-2013	2008-2013
Camposol S.A.	2009-2013	2009-2013
Preco Precio Economico S.A.C.	2009-2013	2009-2013
Sociedad Agricola Las Dunas S.R.L.	2009-2013	2009-2013
Prodex S.A.C.	2009-2013	2009-2013
Belfast S.A.	2009-2013	2009-2013
Vegetales del Norte S.A.C.	2009-2013	2009-2013
Muelles y Servicios Paita S.A.C.	2009-2013	2009-2013
Nor Agro Perú S.A.	2009-2013	2012-2013
Marinasol S.A.	2009-2013	2009-2013
Marinazul S.A.	2009-2013	2009-2013
Grainlens Ltd.	2009-2013	2009-2013
Blacklocust Ltd.	2009-2013	2009-2013
Siboure Holding Ltd.	2009-2013	2009-2013
Madoca Corp.	2009-2013	2009-2013
Camposol Europa S.L.	2009-2013	2009-2013
Campoinca S.A.	2009-2013	2009-2013
Camposol Fresh B.V.	2010-2013	2010-2013
Domingo Rodas S.A.	2009-2013	2009-2013
Camarones S.A.C.	2009-2013	2009-2013

32 DISCONTINUED OPERATIONS

In January 2010, the Board decided to discontinue operations of Marinasol S.A. which was devoted to fishing and harvesting of fish for human consumption. The result from operations of this company is shown under discontinued operations in the statement of comprehensive income of loss of USD147 in 2012).

A summary of the results of Marinasol S.A. is shown below:

	2012 USD
Profit and loss	
Other income	1
Other expenses	(202)
Operating loss	(201)
Financial expenses	(1)
Currency translation differences	14
Loss before income tax	(188)
Deferred income tax	41
Loss for the year from discontinued operations	(147)
Cash flows	
Operating activities	58
Investing activities	-
Financing activities	-
	58

During the 2013 Marinasol S.A. did not generate relevant results

33 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share -

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Note 16)

	2013	2012
Profit for the year from continuing operations (USD)	31,514	17,000
Loss for the period from discontinued operations (USD)	-	(147)
Profit for the year	31,514	16,853
Weighted average number of ordinary outstanding shares (thousands)	27,313	27,828
From continuing operations (expressed in dollars per share)	1.154	0.611
From discontinued operations (expressed in dollars per share)	-	(0.005)
Basic earnings per share (USD)	1.154	0.606

The Company was incorporated on July 9, 2007. One class of 2,570,000 initial shares does not grant the voting rights or participation in dividend distributions and are not taken into account for the purposes of determining earnings per share.

Share capital was increased through the exchange of shares with Camposol S.A. shareholders in March 2008 compresing 27,925,070 shares and a private placement with Fondo de Inversion Agroindustrial (FIDAF) of 1,908,750 shares.

Diluted earnings per share -

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has granted Share-based payments which are dilutive. The Group determines the number of potential shares using the average market share price of the Group's shares for the year. However, since during 2013 and 2012 the exchange value of the potential shares was greater than the fair value of the shares, the Group did not consider any potential ordinary shares for determination of the dilutive earnings per share; the dilutive earnings per share being the same as the basic earnings per share.

34 CONTINGENT LIABILITIES

As of 31 December 2013, the Group has several labor-related contingencies and other claims amounting to USD 1,600 (USD1,000 in 2012), which is included in the balance of USD2,477 (USD1,877 in 2012) shown as provisions in other accounts payable (Note 21).

As of 31 December 2013, the Group has labor-related and other claims contingencies amounting to USD571. No provision has been made since legal advice indicates that it is not probable that a significant liability will arise. No contingencies arose in 2012.

35 TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES

a) Transactions -

The main transactions carried out between the Group and its related parties are as follows:

	2013 USD	2012 USD
i) Associate -		
Empacadora de Frutos Tropicales S.A.C. -		
Sale of services	1	-
Purchase of services	1,881	1,633
ii) Entities related to Directors -		
Apoyo Consultoría S.A.C. -		
Purchase of services	24	7
Gestion del Pacifico S.A.C -		
Sales of services	27	1
Purchase of services and others	1,546	1,255
Purchase of fixed assets	311	187

b) Amounts due from/to related parties –

Other accounts receivable (Note 13)

	2013	2012
j) Entities related to Directors		
Empacadora de Frutos Tropicales S.A.C.	77	-
Gestión del Pacífico S.A.C. (*)	3	-
	80	-

	2013 USD	2012 USD
Trade payables (Note 20)		
i) Associates		
Empacadora de Frutos Tropicales S.A.C.	143	308
ii) Entities related to Directors		
Gestión del Pacífico S.A.C. (*)	17	103
Apoyo Consultoría S.A.C. (**)	3	3
	163	414

(*) A manager of the Group is a shareholder of Gestión del Pacífico S.A.C.
(**) The legal representative of Apoyo Consultoría S.A.C. was Director of the Group until November 2013.

The transactions during the year with related companies correspond to purchase of consulting, legal services, cash loans for working capital and purchase of raw materials.
These balances have no schedule date for collection or payment and do not bear interest; however, the effect on results, if interest would be charged, is not significant.

Other transactions with related parties correspond to share-based payments (granted to Directors and management), the details of which are provided in Note 16 and their balances are shown in the consolidated statement of equity.

c) Compensation of the Group key management

	2013 USD	2012 USD
Salaries of key management	2,296	2,631
Remuneration of Directors (all of which are non - executives)	389	400

36 COMMITMENTS AND GUARANTEES

a) Commitments and guarantees in respect of the bonds are set out in Note 19.

b) On October, 2008, Camposol S.A. signed an agreement with Peru Land & Farming LLC (PL&F) by means of which the Company gives first option to purchase avocado production from a designated area of 800 Ha to be sold in the United States of America. When the US market opens for Peruvian avocado, PL&F will have the right to purchase 100% of the production from that area. The option will gradually decrease over ten years, after which it will maintain a lifetime option for 30% of the production in the designated area. The transactions will be settled at market price. At the reporting date, no changes in the agreement with PL&F have occurred.

37 EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the end of the financial year.

Independent auditor's report on pages 5 to 6.