PESQUERA EXALMAR S.A.A.

SEPARATE FINANCIAL STATEMENTS
AS OF MARCH 31ST 2014 AND MARCH 31ST 2013

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US$ = U.S. Dollar
S/. = Nuevo sol

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FINANCIAL SITUATION STATEMENTS
AS OF MARCH 31, 2014 AND MARCH 31, 2013
(Expressed in thousands of dollars (US$000))

	Notes	31/03/2014 US$000	31/03/2013 US$000
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	6,242	6,920
Trade Account Receivable (Net)	7	25,736	17,159
Inventories (Net)	8	21,549	55,294
Account Receivable form Related Entities	9	3,365	3,347
Other Assetsd (Net)	10	50,269	48,254
Total Current Assets		107,161	130,974
NON-CURRENT ASSETS			
Financial Investments	11	1,045	1,045
Properties, Plant and Equipment (Net)	12	207,730	206,670
Intngible Assets (Net)	13	100,758	100,794
Goodwill	14	88,719	88,719
Total Non-Current Assets		398,252	397,228
TOTAL ASSETS		505,413	528,202

	Notes	31/03/2014 US$000	31/03/2013 US$000
LIABILITIES AND QUITY			
CURRENT LIABILITIES			
Short-Term Borrowings	15	39,465	65,244
Trade Account Payables	16	15,086	21,103
Account Payables from Related Entities	9	170	168
Other Liabilities	16	7,737	11,278
Total Current Liabilities		62,458	97,793
NON-CURRENT LIABILITIES			
Long-Term Borrowings	15	194,736	198,630
Deferred Tax	17	5,304	5,304
Provisions	16	7,457	3,602
Total Non-Current Liabilities		207,497	207,536
Total Liabilities		269,955	305,329
EQUITY			
Issue Share Capital		88,565	88,565
Share Premium		69,721	69,721
Other Capital Reserve		3,609	3,609
Retained Earnings		73,563	60,978
Total Equity		235,458	222,873
TOTAL EQUITY AND LIABILITIES		505,413	528,202

The attaches notes are part of the Financial Staments

PESQUERA EXALMAR S.A.A.

STATEMENT OF COMPREHENSIVE RESULTS
AS OF MARCH 31, 2014 (UNAUDITED) AND MARCH 31, 2013
(Expressed in thousands of dollars (US$000))

	Notes	31/03/2014 US$000	31/03/2013 US$000
Net Revenues	19	86,974	31,043
Cost of Sales	20	(50,940)	(20,705)
Ban Expenses	21	(8,393)	(7,745)
GROSS PROFIT		40,922	2,593
Sales Expenses	22	(3,812)	(1,704)
Administration Expenses	23	(1,603)	(1,503)
Other Income	24	715	338
Other Expenses	24	(576)	(721)
OPERATING INCOME		18,016	(997)
Financial Income	25	-	182
Financial Expenses	25	(4,223)	(3,966)
Net Exchange Difference	3-a-i	(107)	717
PROFIT BEFORE TAX		18,035	(4,064)
Income Tax Expense	26	(5,450)	1,626
NET PROFIT		12,585	(2,438)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		12,585	(2,438)
Basic and diluted earning per Share (In U.S. Dollars)	27	0.042	(0.008)

The attaches notes are part of the Financial Staments

PESQUERA EXALMAR S.A.A.

STATEMENT OF CHANGE IN EQUITY
AS OF MARCH 31, 2014 (UNAUDITED) AND MARCH 31, 2013
(Expressed in thousands of dollars (US$000))

	Share Capital US$000 (Note 17(a))	Shares in custody US$000	Share Premium US$000	Other Reserves US$000 (Note 17(b))	Retained Earnings US$000 (Note 17(c))	Total Equity US$000
Balance at Jannuary 1, 2013	90,336	(1,771)	69,721	3,609	72,334	234,229
Changes in Equity:						
Comprehensive Income:						
Net Profit	-	-	-	-	(2,438)	(2,438)
Total Comprehensive Income	90,336	(1,771)	69,721	3,609	69,896	231,791
Total Changes in Equity	-	-	-	-	(8,918)	(8,918)
Balance at Jannuary 1, 2014	90,336	(1,771)	69,721	3,609	60,978	222,873
Changes in Equity:						
Comprehensive Income:						
Net Profit	-	-	-	-	12,585	12,585
Total Comprehensive Income	-	-	-	-	12,585	12,585
Cash Dividends Declared	-	-	-	-		-
Total Changes in Equity	-	-	-	-		12,585
Balance at March 31, 2014	90,336	(1,771)	69,721	3,609	73,563	235,458

The attaches notes are part of the Financial Staments

PESQUERA EXALMAR S.A.A.

STATEMENTS OF CASH FLOWS
AS OF MARCH 31, 2014 (UNAUDITED) AND MARCH 31, 2013
(Expressed in thousands of dollars (US$000))

	31/03/2014 US$000	31/03/2013 US$000
OPERATING ACTIVITIES		
Receipts For:		
Cash generates form Operations	78,398	22,994
Other Cash Inflow from Operations	715	338
Payments To:		
Suppliers of good and services	(32,121)	(28,525)
Payments Made to, or on Behalf of the Employee	(5,513)	(9,506)
Income Tax Paid	(1,595)	(1,726)
Other Cash Outflow from Operations	(4,929)	(3,781)
Net Cash generated from Operating Activities	**34,955**	**(20,206)**
INVESTING ACTIVITIES		
Receipts For:		
Sales of Property, Plant and Equipment	-	-
Payments To:		
Purchase of Investments	-	-
Purchase od Investments	-	-
Purchase of Property, Plant and Equipment	(5,519)	(11,800)
Other Cash Outflow from Investing Activities	(441)	(956)
Net Cash used in investing Activities	**(5,960)**	**(12,756)**
FINANCING ACTIVITIES		
Receipts For:		
Long-Term Borrowings Received	39,651	215,590
Payments To:		
Long-Term Borrowings Paid	(69,324)	(166,631)
Buy-back of Shares	-	-
Dividends Paid	-	-
Net Cash (Used in) generated form financing activities	**(29,673)**	**48,959**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(678)**	**15,997**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**6,920**	**14,956**
CAHS AND CASH EQUIVALENTS AT END OF THE YEAR	**6,242**	**30,953**

The attaches notes are part of the Financia

(Expressed in thousands of dollars (US$000) except as otherwise indicated)

1 GENERAL INFORMATION

a) Constitution and Economic Activity -

Pesquera Exalmar S.A.A. (hereinafter "The Company"), is a subsidiary from Caleta de Oro Holding S.A., company domiciled in Panama, which owns 60.62% to the social capital shares. The Company was constituted in Peru on November 25, 1997. The Company's legal domicile, where its administrative offices are, is Av. Victor Andres Belaunde 210, San Isidro - Lima, Peru.

The Company are mainly dedicated to the extraction, transformation, marketing and export of hydro-biological products for direct human consumption (DHC) and indirect human consumption (IHC), as well as the import of raw material for the activities of its line of business, wholesale purchase/sale of said products, their representation and other related activities, such as the production of fishmeal and fish oil.

The Company operates 6 plants of fishmeal and fish oil production located along the Peruvian coastline (in the cities of Tambo de Mora, Chimbote, Chicama, Callao, Huacho and Paita in the regions of Ica, Ancash, La Libertad, Lima and Piura) and 2 frozen plants, dedicated to process hydro-biological products related to direct human consumption (DHC), located in the cities of Paita and Tambo de Mora.

Plants produces, through indirect drying systems (Steam Dried – SD), fishmeal from a variety of qualities, such as "Prime", "Super Prime", "Taiwan", "Thai" and "Standard" and fish oil.

The capacity of the line of production of each plant is the follow:

	Capacity	
Plants	**IHC**	**DHC**
	MT/Hour	**MT/Day**
1.- Tambo de Mora	100	575
2.- Chimbote	90	-
3.- Chicama	60	-
4.- Callao	50	-
5.- Paita	50	38
6.- Huacho	84	-

As of March 31st 2014, the Company owns 59 fishing vessels with storage capacity of 13,192 mt^3, and a fishing quota of 6.45%.

The Company currently operates an average of 22 vessels (the same vessels in 2013), due the management is making use of the company's fleet be more efficient.

In 2013, the company processed 466,380 MT of raw material. The company's fleet extracted 268,015 MT and 198,365 MT were purchased from third parties.

In 2013, the company's production reached 106,266 MT of fishmeal and 17,143 MT of fish oil.

b) Operating Regulation -

The industrial activities of the Company are mainly regulated by Decree Law Nº 25977 – General Fishing Law dated November 7, 1992 and its Regulation, Supreme Decree Nº 012-2001-PE dated March 13, 2001, Law Nº 28611 – General Law on Environment dated June 23, 2005 and Legislative Decree Nº 1084 – Law on Maximum Limits of Catch by Vessel dated June 28, 2008 and its Regulation, Supreme Decree Nº 021-2008-PRODUCE dated December 12, 2008, which set the rules for the fishing activity with the purpose of promoting its sustainable development as a source of nourishment, employment and income and ensuring a responsible exploitation of the hydro-biological resources, optimizing the economic benefits, in harmony with the preservation of the environment and the conservation of biodiversity. Likewise, it establishes the exigency to supervise the protection and preservation of the environment, demanding that the necessary measures be adopted to prevent and reduce the damages and contamination risks in the marine, land and atmospheric environment.

The administration and control of the fishing activity nationwide corresponds to the Ministry of Production, which sets forth during the year, based on the information provided by IMARPE, the biological bans of the fishing resources to preserve some marine species such as anchovy, white anchovy and hake. These bans are established during the reproductive stages of the corresponding species or when the annual extraction quota assigned is reached. The ban periods affect the operations of the Company since they limit the catch of marine species used in the production of fishmeal and fish oil.

The General Fishing Law establishes that the fishing permits (fishing licenses) are those specific rights that the Ministry of Production grants to engage in fishing activities. The fishing permits are granted in relation to each specific fishing vessel and, in accordance with the current legislation, have no defined term.

The above-mentioned legislation additionally establishes that in case the vessel suffers an accident the causes its total loss or scrapping, the owner of the vessel has the right to obtain an authorization from the Ministry of Production for the construction of another vessel of identical hold capacity. The legislation does not establish limitations for the exercise of this right regarding the construction characteristics of the new vessel and the deadlines for the construction.

Consequently, Management deems that fishing licenses are intangible assets of an undetermined useful life.

On June 28 and December 12, 2008, the Law and Regulations on Maximum Catch Limits per Vessel (LMCE due to its initials in Spanish), were approved, respectively, which are in effect as of the first fishing season of 2009. The allocation of the LMCE was done based on the greater participation percentage in the annual national fishing and the authorized capacity in the fishing permit in a proportion of 60% and 40%, respectively, for the industrial fleet and only based on the best fishing year for the wooden vessels. The years considered for the determination of the greater percentage of each vessel were 2004 to 2007 inclusive. This rule establishes the possibility that the holders of fishing permits can execute Permanence Guarantee Covenants of the LMCE Regime with the Ministry of Production to guarantee the in-effect period of the regime up to 10 renewable years.

The Company limited the extractive activities of the fishing resource in each fishing season to the amount on the LMCE that have been allocated to it, being able to use one or more vessels with valid fishing permits at the time of publication of the Law for the extraction of the fishing resource.

The Company's Management considers it has complied with the rules and regulations that apply to it and that no contingency related to their compliance shall arise.

c) Operations -

i) Fishmeal and Fish Oil -

Since 2009, the Company operated under the regime of the Law on Maximum Catch Limits per Vessel (LMCE), through which each vessel of a shipbuilder or fishing company was granted an aliquot to determine the volume of fishing permitted per vessel. As of March 31st 2014 the Company has had 31 days of production and 59 days of plant stoppage (31 and 59 days of production and plant stoppage respectively as of March 31st 2013). Also, as of March 31st 2014, the ban periods generated operating costs for the Company for US$ 8,393 thousand (US$ 7,745 thousand as of March 31st 2013)

ii) Direct Human Consumption -

As of March 31st 2014 regard to production for direct human consumption have been captured 3,152 MT of mackerel and jack mackerel. The Company also has purchased the following raw material from third parties: 4,574 MT of Giant Squid, 352 MT of Mahi Mahi (1,528 MT and 66 MT of Giant Squid and Mahi Mahi respectively in 2013), of which it has obtained a production of 2,363 MT of Giant Squid and 174 MT of Mahi Mahi (925 MT and 50 MT of giant squid and mahi mahi in 2013)

Finally, local sales represent 5% and export sales represent 95% of the total of frozen production.

d) Environmental Regulation –

The General Fishing Law requires that an Environmental Impact Study be made before initiating any fishing activity.

According to Decree Law N° 25977 – General Fishing Law, Article 6 and its Regulation as per Supreme Decree N° 01-94-PE, for the protection and preservation of the environment, it is required and necessary measures be adopted to prevent and reduce pollution damages and risks to the land, sea and atmospheric environments.

The Company's operations are carried out protecting public health and the environment and they comply with all the applicable regulations.

As of March 31st 2014, the Company has executed works in its several locations, related to the environmental protection for US$ 4,654 thousand (US$ 4,061 thousand in 2013) such as the construction of solid-residues collection centers, acquisitions of boilers, pumps and stern dryers. There are no liabilities for environmental obligations as of March 31st 2014.

e) Approval of the Financial Statements -

The separate Financial Statements for the year ended as of March 31st 2014 have been authorized for issuance by the Company's Management. The separate Financial Statements as of December 31st 2013 were approved by the Annual Mandatory Shareholders Meeting held on April 15, 2014.

2 SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies used by the Company in the preparation and presentation of the financial statements are the following:

2.1 Basis of Preparation and Presentation -

The separate Financial Statements have been prepared according to the International Financial Reporting Standards (hereinafter "IFRS"), issued by the International Accounting Standards Board (IASB). The separate Financial Statements also are prepared to comply with presentation requirements about financial information in force in Peru, and reflect the activity of the Company excluding the effects of the use of the equity method in its financial statements of economic interest for the Company under joint control Corporacion del Mar S.A.. The Company prepares and presents financial statements of economic interest, which are presented separately.

The information contained in these financial statements is the responsibility of de Company's Management, who expressly confirm that in its preparation have been applied all the principles and criteria is in accordance with the IFRS issued by the IASB.

The financial statements arising from the accounting records of the company and have been prepared on the historic costs basis as modified for financial assets available for sales and derivate financial instruments are recognized at fair value. The financial statements are presented in thousands of U.S. Dollars (U.S. $000) except when a different monetary expression was indicated.

The financial statements preparation accordance to IFRS requires the use of certain critical accounting estimates. It also requires the Company's Management exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 4.

2.2 Changes in Accounting Polices and Disclosures -

New norms and modification of norms adopted for the Company -

The following norm effective for financial statements for the annual period began on January 1st 2013 and was adopted for the Company:

- IFRS 11, "Joint Arrangements".

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement whereby two or more companies have joint control should be classified. SIC 13 Jointly Controlled Entities - No monetary contributions by participants has been withdrawn in connection with the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the agreement. In addition, joint ventures under IFRS 11 must be accounted for using the equity method, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method or proportionate consolidation.

The Company analyzed and concluded that participation in jointly controlled business qualifies as business under common (joint venture) so that, for purposes of its financial statements of economic interest, their recognition under the equity value does not differ from accounting treatment required by this standard.

As prescribed by IAS 27, “Separate Financial Statements”, paragraph 10, The Company records its investment in business under common control cost in its separate financial statements (Note 2.12).

This standard has not impact on the accounting policies applied in previous years. There aren´t other IFRS o IFRIC in force for the first time in 2013 applicable to the activities of the Company.

New standards, amendments and interpretations applicable for financial statements for annual periods beginning on or after January 1st 2014 and have not been early adopted.

- IFRS 9, “Financial Instruments”.

It constitutes the first rule that is part of a wider project to replace IAS 39. IFRS 9 retains, but simplifies the model measurement of financial instruments and requires that financial assets are classified into two measurement categories: those who are measured at fair value and those measured at amortized cost. The basis for the classification depends on the business model of the entity and the contractual cash flow characteristics of the financial assets. The guidelines of IAS 39 in respect of the impairment of financial assets and hedging contracts continue to apply.

- Amendment to IAS 32, “Financial Instruments, presentation on compensation of assets and liabilities”

These modifications are made to the application guidance of IAS 32, “Financial Instruments: Presentations”, and clarify some of the requirements for offsetting financial assets and liabilities in the statements of financial position.

- Amendment to IAS 36, “Impairment of Assets”.

This modification is related to the disclosure regarding the recoverable amount of impaired assets if such amount is based or fair value less costs to retirement.

- Financial Instruments: Recognition and Measurement Amendment to IAS 39 “Novation derivatives”

This modification provides facilities to suspend accounting hedging instruments when the novation of a hedging instrument to a central counterparty meets specific criteria.

- IFRIC 21, “Liens”, establishes the accounting treatment of an obligation to pay that is not Income tax. The interpretation describes the event giving rise to the obligation to pay a charge and when it should recognize a liability / obligation.

- Amendments to IFRS 10, IAS 12 and 27 on consolidation of investment companies.

According to these changes many funds and similar entities are exempt from consolidating most of its subsidiaries; instead, they are going to be measured at fair value through profit or loss. The amendments make an exception for entities that meet the definition of “investment entity” and presenting specific characteristics. There have also been changes to IFRS 12 relating to disclosures that an investments entity should present.

The Company is in the process of evaluating the impact of these standards in the preparation of its financial statements. It is not expected that others IFRS or IFRIC interpretations that are not yet in effect may have an significant impact on the financial statements of the Company.

2.3 Segment Information -

Operating segment information is presented in a manner consistent with the internal reporters provided to the change of making operational decisions. Responsible for making operational decisions, this is responsible for allocating resources and assessing performance of the operating segments, has been identified as the General Manager, responsible for strategic decision making.

2.4 Foreign Currency Translation -

Functional currency and presentation currency -

Accounts included in the financial statements of the Company are in US Dollars which is the currency of the primary economic environment the entity operates (functional currency). The financial statements are presented in US Dollars which is the functional currency and the presentation currency of the Company.

Transactions and balances -

Transactions in foreign currency are translates into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when items are remeasured. The exchange rates used are those published by the Superintendencia de Banca, Seguros y AFP (Note 3.1-a)

Gains and losses from exchange differences resulting from the collection and / or payment of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency at the exchange rate of the closing of the year recognized in the statement of comprehensive income in under “Exchange Difference, net”.

2.5 Financial Assets -

Classification -

The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets held to maturity, loans and receivables and financial assets available for sales. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the date of initial recognition. As of March 31st 2014 and December 31st 2013, the Company only has loans and receivables and financial assets available for sale, the characteristics and treatment are discussed below.

a) Loans and Receivables -

Loans and receivables are non-derivate financial assets that entitle fixed or determinable that are not quoted in an active market. They are included in current assets; except for maturities greater than 12 months from the date of statement financial position.

These are classified as non-current assets. Loans and receivables comprise the Company "Cash and cash equivalents", "Trade accounts receivable" and "Other receivables" in the statement of financial position (Notes 2.9 and 2.10). Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost by the effective interest method less impairment estimation (Note 2.7).

The trade receivables are amounts due for the sale of products to clients in the ordinary course of business. The trade receivables have an average recovery of about 45 days. Non-significant amounts of sales that depart from the usual credit conditions, why has not identified any financial component in product sales.

b) Financial Assets available for sale -

Financial assets available for sale are non-derivatives financial assets that are either designed in this category or not classified to be described in any other of the other categories. These assets are included in non-current assets unless management intends to dispose of the asset within 12 months from the date of the statement of financial position.

Recognition and Measurement-

Purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not at fair value through profit and loss. Investments are derecognized when the rights to receive cash flows from the investments expire or are transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets available for sale are subsequently carried at fair value. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost by the effective interest method less impairment estimation.

Derecognition of financial assets -

Financial assets are derecognized when the rights to receive cash flows from the investments expire or are transferred and the Company has transferred substantially all risks and rewards of ownership.

2.6 Compensation of financial instruments-

Financial assets and liabilities are compensated and the net amount is reported in the statement of financial position when legally required right to compensate the recognized amounts exits and if there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.7 Impairment of financial assets –

Assets carried at amortized cost -

The Company evaluates at the end of each period whether there is objective evidence of impairment of a financial asset or group of financial assets. If there is impairment of a financial asset or group of financial assets, an impairment loss is recognized 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 a impact on the estimated of 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 financial difficulties, failure or delay in the payment of interest or principal on its debts, the probability of falling into bankruptcy or other financial reorganization and when objectively observable data indicating that there has been a measurable decrease in the estimated of future cash flows, such as changes in arrears or economic conditions that are correlated with defaults cash.

For the category of loans and receivables, the amount of the impairment loss is measured as the difference between the carrying value of assets and the present value of the estimated of future cash flows (excluding future credit losses that have not incurred and considering the guarantees received from customers if applicable) discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement

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

2.8 Derivate financial instruments and hedging activities -

Derivative financial instruments are initially recognized at fair value at the date the derivative contract is held and are subsequently remeasured at fair value. The method of recognizing the resulting gain or loss from changes in fair value of derivatives depends on whether they are designated as hedging instruments, and if so, the nature of the item being hedged.

The Company documents, at the beginning of the transaction, the relationship between hedging instruments and hedged items, as well as their objectives and risk management strategy that support hedging transactions. The Company also documents its evaluation, both at the beginning as at the date of each subsequent statement of financial position, whether the derivatives used in hedging transactions are highly effective in compensating changes in fair values or cash flows cash of hedged items.

The total fair value of derivatives used for hedging purposes are classified as active or non-current liability when the remaining maturity of the hedged item is more than 12 months and is classified as a current asset or liability when the maturity is less than 12 months. Derivatives held for trading are classified as current assets or liabilities.

Cash flow hedges-

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognized as other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income under “Other expenses” or “Other income”. Amounts accumulated in equity are recognized in the statement of comprehensive income in the periods in which the hedged item affects results.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for applying hedge accounting, any gain or loss accumulated in equity at that time remains in equity and will be reversed to income when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecasted transaction is not expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

2.9 Cash and cash equivalents -

In the statement of cash flows, prepared under the indirect method, cash and cash equivalents include cash on hand, time deposits and demand deposits in banks with original maturities of three months or less.

2.10 Accounts Receivables -

The trade receivables are amounts due from customers for the sale of fishmeal and fish oil and frozen products in the normal course of business. If receivables are expected in one year or less are classified as current assets. Otherwise, are presented as non-current assets. The trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment (Note 2.7).

2.11 Inventories -

Inventories are recorded at cost or net realizable value, whichever is lower. Cost is determined using the weighted average cost method, except in the case of inventories to be received which is determined using the specific identification method. The cost of finished goods and products includes the costs of raw materials, direct labor, other direct costs (based on normal operating capacity), including also those incurred in bringing the inventories to their present location and condition current. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to put in stocks and condition of sale to the market. By reductions in the book value of inventories to their net realizable value, an estimate is made for impairment of inventories charged to earnings of the year.

The estimate for obsolescence of materials and spare parts in stock is determined based on the slow-rotation accounts.

2.12 Joint Ventures -

The Company applies IFRS 11 sets to all agreements and after analyzing the nature of those has determined which are businesses under common control (joint venture).

The participation of the Company’s businesses under common control are recognized at cost in the separate financial statements in accordance with the requirements of IAS 27.

Dividends are recognized in income when the right to receive payment is established.

2.13 Property, plan and equipment -

Property, fishing boats, fleet equipment and machinery and equipment are stated at historical cost less accumulated depreciation and impairment in its carrying amount. The historical cost of an item of property, plant and equipment comprises its purchase price and includes expenditure directly attributable to the acquisition or construction required to bring the asset to the location and condition necessary to be able to operate as expected by the Management.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that is expected to generate future economic benefits to the Company and the cost of these assets can be reasonably measured. Expenditure incurred to replace a component of an item or item of property, plant and equipment are capitalized separately, punishing the carrying amount of the component being replaced. Other disbursements for maintenance and repairs are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other fixed assets is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful life as follows:

	Years
Buildings and other constructions	33
Vessels	2 - 29
Machinery and Equipment	2 - 35
Transport units	5
Furniture and Fixtures	10
Various Equipment and Computers	10

The residual values and useful lives of assets are reviewed and adjusted, if necessary, to the date of each statement of financial position. Any changes in these estimates are adjusted prospectively.

Carrying value of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount (Note 2.16).

Gains and losses arising from the sale or retirement of an item of property, plant and equipment correspond to the difference between the sale value and its carrying amount and are recognized under “Other income” and “Other Expenses” statement of comprehensive income.

2.14 Intangible assets -

Computer programs -

Costs associated with maintaining computer programs (software) are recognized as expenses when incurred. Development costs that are directly attributable to the design and testing of computer programs, unique and identifiable, under control of the Company are recognized as intangible assets when they meet the following criteria:

- it is technically feasible to complete the software product so that it can be used;
- Management intends to complete the software product and use or sell it;
- it has the ability to use or sell the software product;
- it can be demonstrated that the computer program is likely to generate future economic benefits;
- it has the technical, financial and other necessary resources to complete the development of the computer program that allows its use or sale; and
- The expenditure attributable to the software product during its development can be measured reliably.

Costs directly attributable to the cost include: computer software development, employee costs and a portion of relevant costs. Other development costs that do not meet these criteria are recognized in income as incurred. Development costs previously recognized in profit or loss is not recognized as an asset in subsequent periods.

The acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to set in use conditions the specific software. These costs are amortized during their estimated useful lives that not exceeding the 10 years.

Fishing License -

The cost of fishing licenses for anchovy to January 1, 2010, date of transition to IFRS of the Company, is primarily determined using the estimated fair value calculated by independent appraisers (‘deemed cost’). Fishing licenses acquired through business combination are shown in their fair value at the acquisition date determined by independent appraisers. Fishing licenses are intangible assets with indefinite useful life; accordingly they are not amortized and are recorded at cost. The carrying of fishing licenses is reviewed at each balance sheet date. If the fair value of the licenses is estimated to be less than its carrying value corresponding punish their fair value.

2.15 Goodwill -

Goodwill represents the excess of cost of acquisition over the fair value of the participation of the Company in the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. The carrying amount of goodwill is tested annually for impairment and is shown at cost less accumulated impairment losses. The gain or loss on sale of subsidiaries includes the carrying amount of goodwill relating to it.

For purposes of impairments testing, goodwill are allocated to cash-generating units (hereinafter CGU). The distribution is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which the goodwill arose identified according to operating segments.

2.16 Impairment of non-financial assets -

Assets that have an indefinite useful life, such as goodwill and fishing licenses are not subject to amortization and are tested annually for impairment. Assets subject to depreciation or amortization are tested for impairment whenever occur events or circumstances indicate that their carrying amount may not be recoverable. Impairment losses correspond to the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of assets is the greater value between the net amounts that would arise from its sale or its value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which generate identifiable cash flows (Cash Generating Units). The carrying amounts of non-financial assets other than goodwill that have been reduced due to impairment are reviewed at each reporting date to see if there have been reversals of impairment at the reporting date.

If the carrying amount of an asset or Cash Generating Unit exceeds its recoverable value, a provision is recognized in results to adjust the asset to its recoverable amount. An impairment loss is reversed if there has been any change in the estimates used to determine the recoverable amount.

2.17 Financial Liabilities -

The Company classifies its financial liabilities in the following categories: “financial liabilities at fair value through profit or loss” and “other financial liabilities”. The classification depends on the purpose for which is assumed the liabilities and how they are managed. Management determines the classification of its financial assets at the date of initial recognition liabilities. At March 31st, 2014 and December 31st 2013, the liabilities of the category of “other financial liabilities” substantially correspond to bank liabilities and trade payables whose characteristics and treatment are discussed below:

Financial Obligations -

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

The fees you incurred for obtaining credits are recognized as transaction costs to the extent that it is probable that some or the entire loan will be received. In this case the fee is deferred until the loan is received. To the extent that there is no evidence that it is probable that some or all of the loan is received, commissions are capitalized as payments for liquidity services and amortized over the period of the loan to which it relates. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the date of the statement of financial position.

Trade accounts payable -

The trade accounts payable are obligations to pay for goods or services received from suppliers in the normal course of business. Accounts payable are classified as current liabilities if payment is due within one year or less, otherwise they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently, to the extent that the effect of the discount to present value is important, are remeasured at amortized cost using the effective interest method; otherwise they are shown at its nominal value.

2.18 Provisions -

Provisions are recognized when: i) the Company has a present obligation, legal or assumed, resulting from past events; ii) is likely to require an outflow of resources to settle the obligation; and iii) the amount can be estimated reliably. No provisions for future operating losses are recognized.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using an interest rate before tax that reflects current market conditions on the value of money and the risks specific to the obligation.

2.19 Leases -

Leases in which a significant portion of the risks and benefits relating to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement based on the straight-line method over the period of the lease.

Leases of items of property, plant and equipment where the Company assumes substantially all the risks and benefits of ownership are classified as finance leases. Finance leases are capitalized at the beginning of the lease at the lower value by comparing the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The obligations for corresponding lease payments, net of lease finance charges, are included in other long-term payable accounts.

The interest element of the finance cost is charged to the income statement in the period of the lease so that a constant periodic rate of interest on the remaining balance of the liability for each period is obtained. Property, plant and equipment acquired under finance leases are depreciated according to a systematic basis over the period of expected use consistent with the depreciation policy the lessee adopts for depreciable assets that others have. If there is reasonable assurance that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise depreciate the asset will depreciate in the shortest period resulting from comparing the asset’s useful life and the lease term.

2.20 Current Income Tax and deferred Tax -

The expense for income tax for the period comprises the current income tax and deferred tax. The income tax is recognized in the income statement except to the extent that it relates to items recognized as “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 charge for current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the date of statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations tax position in which applicable tax regulation is subject to interpretation. The Company will, where appropriate, makes provisions on the amounts expected to be paid to the tax authorities.

The deferred income tax is recognized in full, using the liability method, recognizing the effect of temporary differences arising between the tax bases of assets and liabilities and the balances shown in the financial statements. However, the passive deferred tax income arising from the initial recognition of goodwill; or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting or taxable profit nor loss, is not accounted for. Deferred tax is determined using tax rates (and laws) in force or substantially in force at the date of the statement of financial position and are expected to apply when the deferred tax asset is realized or the income tax liability rent is paid.

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

The balances of deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities with when the deferred income taxes assets and liabilities relate to the same taxation authority on either same collateral or different taxable entities where there is intention and ability to settle the balances on a net basis entity.

2.21 Employee Benefits -

Holiday -

Annual holiday and other staff absences compensated absences are recognized on an accrual basis. The provision for the estimated liability for annual holiday of staff, which is calculated on the basis of remuneration for every twelve months of services rendered by employees, it is recognized on the date of the statement of financial position.

The Company does not provide post-employment benefits and also operates an equity compensation plan based on shares.

Compensation for time served -

Compensation for time served of staff of the Company relate to their indemnities rights calculated in accordance with the applicable legislation, which is to be deposited in bank accounts designated by the workers in the months of May and November each year. Compensation for length of service of staff is equivalent to average monthly salary in effect on the date of its deposit. The Company has no further payment obligations once made annual fund deposits to which the worker is entitled.

Gratuities -

The Company recognizes a liability and an expense for bonuses to employees based on the laws in force in Peru. Gratuities are two annual remunerations paid in July and December each year.

Participation in earnings -

The Company recognizes a liability and an expense for employee participation in the profits of the Company on the basis of existing legislation. The participation of employees in profits equivalent to 10% of the taxable income determined in accordance with legislation enacted income tax.

2.22 Share Capital -

Common shares are classified as equity when there is no obligation to transfer cash or other asset class. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the amount received, net of taxes.

The own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of equity instruments of the Company. Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received shall be recognized directly in equity.

2.23 Liabilities and Contingent Assets -

Contingent liabilities are not recognized in the financial statements only disclosed in the notes to the financial statements, unless the possibility of the use of resources is remote. Contingent assets are not recognized in the financial statements and are disclosed only when it is probable that an inflow of resources occurs.

2.24 Revenue Recognition -

Revenue is recognized at the fair value of the consideration received or receivable for the sale of goods and services made in the normal course of operations of the Company. Revenue is shown net of sales tax, returns, rebates and discounts.

The Company recognizes revenue when these can be measured reliably, it is probable that future economic benefits will flow to the entity and when transactions meet specific criteria for each of the Company's activities as described below lines.

Sale of fish meal and oil and other products -

The sale of products derived from fishing and other products is recognized when all the following conditions are met:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company doesn´t retains neither continuing managerial involvement in the goods sold, the degree usually associated with ownership nor effective control over them;
- The amount of revenue can be measured reliably; It is likely that the Company receives the economic benefits associated with the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

For each export of fishmeal and fish oil, the Company enters into a forward sale contract at market prices. Delivery of the products are determined case by case.

Interests -

Interests Income is recognized on the basis of the proportion of elapsed time, using the effective interest method. When interest income on loans or investments are impaired, the Company reduces fair value at its recoverable value, it is the same estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as reversing interest income. Interest income from loans and impaired loans is recognized using the original effective interest rate of the instrument.

2.25 Recognition of costs and expenses -

Cost of sales of products is recognized in income on the date the products are delivered simultaneously with the recognition of revenue from its sale. The other costs and expenses are recognized on an accrual basis regardless of when they are paid and, if applicable, in the same period in which the income to which they relate are recognized.

2.26 Distribution of dividends -

Dividend distribution to the Company's shareholders is recognized as liability in the financial statements in the period in which the dividends are approved by the General Meeting of Shareholders.

3 Financial Risk Management

3.1 Financial risk factors -

Company's activities expose it to a variety of financial risks: market risk (including the exchange rate risk, fair value interest rate risk, interest rate on cash flows and price risk) , credit risk and liquidity risk. The overall risk management program of the Company mainly focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Financial Management is responsible for the overall management of risks in specific areas such as the exchange rate risk, fair value interest rate risk, credit risk and liquidity risk areas. The Financial Management identifies, evaluates and hedges financial risks in close cooperation with the operating units of the Company. The principal financial risks to which the Company is exposed are presented:

a) Market risks -

i) Exchange rate risk -

The Company is exposed to the risk of fluctuation in the exchange rate in those items that are maintained in currencies other than the U.S. dollar, primarily the Nuevo Sol (Peruvian currency). Domestic and foreign sales of the Company are denominated and settled mainly in U.S. dollars. The exchange rate risk arising from transactions with suppliers and borrowings that are agreed in that currency

Management minimizes this risk partially through: i) maintaining debit balances in foreign currency, ii) maintaining export volumes and profitability and iii) signing contracts currency forwards (forwards). The Company does not have a specific policy regarding the contracts of foreign currency forwards to hedge the exposure to foreign currency.

As of March 31st 2014 and December 31st 2013, the strategic have been to buy foreign currency in the free foreign exchange market ("spot market"). The Company does not hold any foreign currency contract in force at the date of the financial statements.

Balances in foreign currency (S/) as of March 31st 2014 and as of December 31st 2013 were as follows:

	2014 S/.000	2013 S/.000
Financial Assets		
Cash and Cash Equivalents	5,735	5,365
Trade Accounts Recivables (Net)	187	54
Other Account Receivables (Net)	57,596	8,252
Account Receivable from Related Entities	4,987	69,012
Total	**68,505**	**82,683**
Financial Liabilities		
Financial Obligations	4,984	9,753
Trade Account Payables	28,761	34,872
Other Account Payables	20,390	90
Account Payable to Related Entities	96	41,713
Total	**54,231**	**86,428**
Equity Net	**14,274**	**(3,745)**

As of March 31st 2014, the exchange rates used for the Company for translating foreign currency balances have been US$ 0.356 per S/. 1 for assets and liabilities (US$ 0.358 per S/. 1 for assets and liabilities as of December 31st 2013).

As of March 31st 2014, the Company recorded net foreign exchange losses of US$ 107,000 (foreign exchange gains for US$ 117,000 in 2013); the net amount is included in the category of difference, net in the income statement. The difference is mainly generated instead of finance leases obligations in U.S. dollars.

If, as of March 31st 2014, the Nuevo Sol were revalued / devalued by 10% against the U.S. Dollar, with all other variables held constant, the effect before tax for the year would have been positive / negative by US$ 118,000 (US$ 789,000 in 2013).

ii) Price Risk -

The Company is exposed to the risk of fluctuations in the prices of products sold; international prices of fishmeal and fish oil are subject to change. However, Legislative Decree No.1084 - Law on Maximum Capture Vessel, marked a significant change in the way of marketing the products, allowing companies to conclude supply contracts with key customers, first to agree volumes; and then to agree on both volumes and prices because from the moment the Ministry of Production (PRODUCE) determines the annual fishing quota, every company can determine its minimum production of fishmeal. This production management will allow the Company to mitigate the impact on their income from unexpected price fluctuations. During the period of March 2014, the price of fishmeal was kept in the range of US$ 1,418 / MT - US$ 1,463 / MT (in the range of US$ 1,669 / MT - US $ 1,928 / MT in 2013). However, the Company has no financial instruments exposed to price risk.

iii) Interest rate risk on fair value and cash flows

The interest rate risk on cash flows of the Company is carefully managed. During 2014, the indebtedness of the Company accrues a fixed rate and is referred to in U.S. dollars.

The Company analyzes its exposure to interest rate dynamically. Several scenarios taking into consideration refinancing, renewal of existing positions and alternative financing are simulated. Based on these scenarios, management estimated the impact on the results of a curve defined interest. These settings apply only to the obligations, including bonds, which represent the major interest-generating positions.

b) Credit Risk -

Financial institutions as well as credit exposure to customers, including outstanding accounts receivable balances. With respect to banks and financial institutions, only institutions whose ratings accepts independent risk is at least ‘A’. With respect to trade receivables, the risk is controlled considering that the company sells for cash only on the basis of export letters of credit. If there are no independent risk ratings, the credit and collections area evaluates the credit quality of the customer, taking into account their financial position, past experience and other factors. The Company places its excess cash in reputable financial institutions, provides conservative credit policies and continuously assesses conditions in the market in which it operates. Under these circumstances, management believes that the Company is exposed to limited credit risk.

Credit limits were not exceeded during the reporting period and the Management Company does not expect to incur any loss of performance by counterparties. Additional disclosures about credit risk are disclosed in Note 7.

c) Liquidity Risk -

Finance Area oversees cash flow projections made on the liquidity requirements of the Company to ensure that sufficient cash to meet operational needs while maintaining sufficient bank credit lines (US$ 175 million). These projections take into account the debt financing plans and compliance with the objectives of financial ratios of the statement of financial position.

Excess cash balances and above that required for working capital management are invested primarily in time deposits.

The following table shows an analysis of non-derivative financial liabilities of the Company, which have been classified into maturity groups, based on the period between the date of the statement of financial position and the dates of their contractual maturities. The amounts in the table reflect cash flows including interest accrued over the remaining contractual period and in case of liabilities with variable interest rates, flows were estimated by applying the rate of interest existing at the date the statement of financial position.

As of March 31, 2014	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 3 years US$000	Between 3 and 5 years US$000	Total US$000
Financial Obligations	33,109	1,520	1,933	295,875	332,437
Trade Account Payables	15,086	-	-	-	15,086
Account Payable to Related Entities	170	-	-	-	170
Other Account Payables	7,737	-	-	-	7,737
Total	56,102	1,520	1,933	295,875	355,430

As of December 31, 2013	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 3 years US$000	Between 3 and 5 years US$000	Total US$000
Financial Obligations	58,917	1,886	1,520	295,875	358,198
Trade Account Payables	21,103	-	-	-	21,103
Account Payable to Related Entities	168	-	-	-	168
Other Account Payables	11,278	-	-	-	11,278
Total	91,466	1,886	1,520	295,875	390,747

Management manages the risk associated with the amounts included in each of the above categories, which include maintaining good relations with local banks in order to ensure sufficient credit at all times, as well as solve their working capital with cash flows from operating activities.

3.2 Risk management of the capital structure -

The objectives of the Company at managing capital are to safeguard its ability to continue as a going concern in order to generate returns for shareholders, benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings (including ‘current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

Finance Management considers the cost of capital and the risk associated with each class of capital are adequate to March 31st 2014 and December 31st 2013. The gearing ratios as of December 31st were as follows:

	2014 US$000	2013 US$000
Financial Obligations (Note 15)	234,201	263,874
Less: Cash and Cash Equivalents (Note 6)	(6,242)	(6,920)
Net Debt	227,959	256,954
Total Equity	235,458	222,873
	463,417	479,827
Leverage Ratio (%)	0.49	0.54

3.3 Estimated fair value financial instruments-

The carrying value less estimated impairment of accounts receivable and accounts payable are not significantly different from their fair values. The fair value of financial liabilities for purposes of exposure is made estimating the future contractual cash flows discounted at the interest rates prevailing in the market and available for similar financial instruments of the Company.

The fair value of financial assets and liabilities is determined by reference to quoted market price at the date of the statement of financial position for identical assets or liabilities (level 1). When there is no active market, the Company used as reference prices other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices) (level 2) and using the data for assets and liabilities that are not based on observable market data (ie unobservable data) (level 3).

4 CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Used estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting policies and estimates -

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition will seldom equal the related actual results. Management of the Company does not expect the changes, if any, have a significant effect on the financial statements.

The estimates and assumptions that have a significant risk of causing a material adjustment in balances of assets and liabilities within the next year are presented below.

a) Estimated impairment of goodwill -

The Company tests annually whether goodwill has suffered any impairment in accordance with the accounting policy described in Note 2.15 and 2.16. The recoverable amounts of cash generating units have been determined based on fair value, less estimated costs that would be required for its sale. These calculations require the use of estimates (Note 14).

If the estimated rate of discount, before tax, applied to the discounted cash flows of the cash generating unit, CGU, is each plant and fishing vessel had been 1% higher than the estimates of

Management (eg 7.56% instead of 6.56%), the Company would not have to recognize any additional adjustment against goodwill. To recognize an additional impairment, the discount rate should have been bigger than 11.96%.

b) Useful life and impairment of property, plant and equipment -

Depreciation of fixed assets is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful life. This results in depreciation charges and / or wears proportional to the estimated amortization of assets measured in number of years. The useful life of assets is assessed on the basis of: i) the physical limitations of the asset, and ii) the evaluation of the demand. These calculations require to makes estimates and assumptions about the total demand for the production of the Company and capital expenditures that will be required in the future.

c) Carrying value of fishing licenses -

The Company evaluates the carrying value of licenses each year based on the discounted cash flows determined using the methodology of value in use.

d) Carrying value of property, plant and equipment -

The Company evaluates the carrying value of property, plant and equipment each year on the basis of discounted cash flows to determine fair value less costs that would be required to sell and its value in use. If the asset is not operating, the impairment is determined using fair value to be determined by independent appraisers.

e) Income Tax -

The determination of tax obligations and expenditures requires interpretations of tax legislation applicable in Peru. The Company seeks professional tax advice before making any decisions on tax matters. Although management believes that its estimates on tax matters relating to the calculation of income tax are cautious and conservative, they may cause discrepancies with the tax authorities in the interpretation of rules requiring tax adjustments in the future. The Company recognizes liabilities for situations observed on tax revisions based on estimates of whether the payment of additional taxes. Where the final tax outcome of these situations is different from the amounts that were initially recorded, the differences will impact the current income tax and deferred tax assets and liabilities in the period in which this fact is determined.

The calculation of tax on current income as determined by the Company resulting from the application of existing tax rules and does not include estimated provisions that create differences in the future regarding the tax revisions. In this sense no need to make a disclosure of sensitivity to simulate variations in the calculation being that, if a difference occurs, it would not be material regarding the results of the financial statements.

4.2 Critical judgments in applying accounting policies –

a) Functional currency and presentation currency -

The functional currency of the Company is determined by the currency of the primary economic environment in which it conducts its operations. To determine the functional currency, management uses its judgment to assess the nature of operations of the Company taking into account certain primary indicators in IAS 21 including the currency that influences in sales prices and cost of services and the currency of the country whose competitive forces and regulations mainly determine their selling prices. Additionally, management has used its judgment to determine the functional currency, considering some of the secondary factors referred to in IAS 21 and concluded that the U.S. Dollar is the currency that faithfully represents the economic substance of their business and transactions.

b) Expense allocation to bans and stocks -

Management believes that the production period of the Company corresponds to the calendar year, regardless of periods of ban imposed by the Peruvian fishing authorities. In this regard, management believes that annual production costs of the Company comprise all costs incurred in the calendar year. Consequently, ban costs incurred during the year are allocated to the cost of inventories recognized or charged to income for the year they are incurred on the basis of the actual normal operating capacity of each year; which includes the respective quota allocated to the Company by the regulator in Peru. As of March 31st 2014, ban costs of US$ 8.393 are expensed in the period in the statement of comprehensive income (US$ 7,745 in 2013).

5 FINANCIAL INSTRUMENTS BY CATEGORY.

The classification of financial instruments by category is as follows:

	2014 US$000	2013 US$000
Assets:		
Cash and Cash Equivalents	6,242	6,920
Trade Accounts Receivables (Net)	25,736	17,159
Account Receivables from Related Entities	3,365	3,347
Other Account Receivables (Net)	37,945	31,536
Total	**73,288**	**58,962**
Liabilities:		
Financial Obligations	234,201	263,874
Trade Account Payables	15,086	21,103
Account Payable to Related Entities	170	168
Other Account Payables	7,737	11,278
Total	**257,194**	**296,423**

The credit quality of financial assets that have not expired and have not been impaired is evaluated with historical information on defaults of their counterparts. During the period of March 2014 and December 2013, the accounts receivable from existing customers and new customer were not deteriorated.

6 CASH AND CASH EQUIVALENTS

This item comprises:

	2014 US$000	2013 US$000
Cash and Checkig Accounts(a)	6,242	6,920
Total	6,242	6,920

(a) As of March 31st 2014, the current account are denominated in soles and U.S. dollars by S/. 5,024 thousand and US$ 4,452 thousands, respectively (S/. 6,653 thousand and US$ 4,540 thousand, respectively in 2013). These amounts are held in local banks and their availability is immediate.

7 TRADE ACCOUNTS RECEIVABLES

This item comprises:

	2014 US$000	2013 US$000
Trade Receivables	25,737	17,160
Allowance for doubtful debts	(1)	(1)
Total	25,736	17,159

The carrying amounts of these trade receivables are similar to their fair values due to their short-term maturities. The trade receivables are substantially denominated in U.S. dollars, have current maturities and do not accrue interest.

As of December 31st 2014, approximately 92% of trade accounts receivable from foreign customers are guaranteed mostly letters payable at sight and 8% is subject to bank collections in the form of cash against export documents (“Cash Against Documents”) (approximately 96% and 4% in 2013). No export credits are granted, the term of payment is determined by the delay time of the bank with the documents required by the letter of credit and the time of negotiating the local bank with documents outside, this period may be 45 to 60 days from the date of invoice issue. While the payment of export documents (ownership of the property) is not made, the products are not delivered to the buyer.

The Company assesses the credit limits of their new customers through an internal analysis of your credit history and assigns credit limits by customer. These credit limits are reviewed twice a year.

97% of trade accounts receivable corresponds to customers with balances due and for which no impairment losses are estimated given the credit experience with them. 74% of trade accounts receivable is concentrated in six major customers. No other representing clients individually or in the aggregate, more than 15% of the total balance of trade receivables.

The credit quality of the receivables that are neither past due nor impaired has been assessed on historical information reflecting compliance rates:

	2014 US$000	2013 US$000
Whitin maturity periods	25,012	16,238
Overdue up to 60 days	230	822
Overdue from 61 days to 180 days	469	74
Overdue from 181 days to 360 days	25	25
Overdue over 360 days	1	1
Total	25,737	17,160

The estimate of doubtful accounts is determined in accordance with policies established by Management and is recognized considering, among other factors, the outstanding balance with a length greater than 360 days, their chances of being recovered , and evidence of financial difficulties of the debtor to increase beyond the normal loan losses of the outstanding balance, so that their sum has a level that management considers adequate to cover possible losses on accounts receivable from the date of the statement of financial situation. The amount of the estimate is recognized in the income statement. Subsequent recoveries are recognized with a credit to the income statement. The basic criteria for writing off impaired financial assets against that valuation account are: (i) depletion of collection management, including enforcement of security; and (ii) financial difficulties of the debtor evidencing the inability to enforce the collection of the receivable.

The Company maintains the allowance for impairment of receivables at the level that management believes is adequate according to the potential risk of uncollectible accounts. The aging of accounts receivable and customer status are constantly monitored to ensure the adequacy of the provision in the financial statements. Management of the Company believes that no additional provisions to the allowance for impairment of accounts receivable are required

8 INVENTORIES

This item comprises:

	2014 US$000	2013 US$000
Fishmeal and Fish Oil (IHC)	8,669	45,948
- Fishmeal	2,923	33,248
- Fish Oil	5,746	12,700
Supplies (IHC)	6,512	6,471
Finished Products (HDC)	6,159	2,576
Packages and Packaging	799	889
	22,139	55,884
Allowance for obsolescence of inventories	(590)	(590)
Total	21,549	55,294

As of March 31st 2014, stocks of fishmeal and fish oil amounted to 4,036 MT and 2,472 MT, respectively (38,780 MT and 6,503 MT, respectively, on December 2013).

As of March 31st 2014, the Company has fishmeal or fish oil pledged as collateral for bank loans of US$ 20,435 (Note 15).

During 2013, the Company has considered necessary to increase the provision for impairment of inventories of US$ 217,000 (US$ 0 in 2012). This estimate has been determined according to the assessment made by the operational areas of the Company, identifying those materials that are obsolete. Consequently, the Management of the Company believes that no additional allowances for the impairment of inventories as of March 31st 2014 and December 31st 2013 provisions are required.

9 RELATED COMPANIES

a) Balances receivable from and payable to related parties as of March 31st 2014 and as of December 31st 2013 are as follows:

	2014 US$000	2013 US$000
Receivables		
Corporación Exalmar S.A.	2,001	2,005
Corporación del Mar S.A.	1,389	1,392
Complejo Agroindustrial Beta S.A.	847	851
Compañía Hotelera El Sausal S.A.	523	523
Inmobiliaria Seville S.A.	472	443
Other Related Entities	100	100
Allowance for impaiment of receivables from related entities	(1,967)	(1,967)
	3,365	3,347

	2014 US$000	2013 US$000
Payables		
Inmobiliaria Seville S.A.	135	135
Complejo Agroindustrial Beta S.A.	19	19
C.M.V. Servicios Ejecutivos S.A.	3	3
Other Related Entities	13	11
	170	168

Management estimates that it will recover the receivable balances to its parts related as of March 31st 2014, so the date of the financial statements has not recognized additional allowance. The assessment of the collectability of these accounts is held at the end of each period, which includes examining the financial position of the companies involved.

Los valores en libros de estas cuentas por cobrar y por pagar son similares a sus valores razonables debido a sus vencimientos en el corto plazo. Dichas cuentas no devengan intereses y no cuentan con garantías específicas.

b) The main transactions with related parties, which are held at market value, which become balances receivable and payable comprise:

	2014 US$000	2013 US$000
Invoicing of network services and other	57	171
Expenses for Office rental and others	(2)	(39)
Purchase of Fixed Asstes	-	-

c) Remuneration of key management:

Al 31 de marzo de 2014, las remuneraciones y otros beneficios al personal gerencial, considerado personal clave, ascendió a US$583 mil (US$426 mil en 2013). Asimismo, las remuneraciones al Directorio por concepto de dietas de directorio ascienden a US$30 mil (US$18 mil en marzo de 2013).

10 OTHER RECEIVABLES

This item comprises:

	2014	2013
	US$000	US$000
Advances to shipowners (a)	25,794	20,183
Tax Credits - VAT (b)	1,850	8,761
Personnel and Shareholders (c)	5,655	4,775
Prepaid Expenses	3,812	3,740
Claims to third parties	514	887
Balance in favor of the Income Tax (Note 25(f))	10,474	7,957
Miscellaneous	2,322	2,125
Total	50,421	48,428
Allowance for impaired receivables	(152)	(174)
Total	50,269	48,254

Other accounts receivable of the Company have current maturity.

(a) The accounts receivable are mainly owners fishing funds provided by the Company to perform these maintenance and repair of their boats and grants to meet its working capital needs. These receivables accrue interest monthly at rates between 8% and 10% and no specific guarantees. The Company gets these compensating amounts with the amounts billed shipowners from raw material that they delivered to our production plants during the fishing periods.

(b) Corresponds to the balance in favor of the VAT paid on the acquisition of goods and services tax deductible as applicable to sales of goods and services in the future make the Company and who are taxed on that tax, in the short term and by requesting repayment of the balance in favor of exporting material benefit. As of March 31st 2014, the Company has recovered US$ 5,700 thousand by this concept (US$ 12,160 as of December 31st 2013).

(c) On July 23, 2012, the Company entered into a loan agreement to shareholders in the amount of US$ 7,500 thousand. The loan matures in 2014 and bears interest at the annual rate of 8%. The December 28, 2012, the shareholder made the partial repayment of the loan in the amount of

US$ 5,000 thousand.

11 FINANCIAL INVESTMENTS

As of March 31st 2014 and 2013, this item mainly comprises the value of investments in Corporación del Mar S.A., a jointly controlled entity, which is recorded and displayed in separate cost (Note 2.12) financial statements.

12 PROPERTY, PLANT AND EQUIPMENT

a) Composition of balance-

The movement of the item of property, plant and equipment and related accumulated depreciation for the years ended March 31st 2014 and December 31st 2013, has been as follows:

	Land	Buildings and Other Constructions	Vessels	Machienary and Equipment	Transport Units	Furniture and Fixtures	Miscellaneous Equipment	Work in Progress	Total
	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Year 2013									
Initial net carrying value	8,776	9,591	58,814	68,250	269	74	603	43,350	189,727
Additions	-	-	-	-	-	-	-	38,442	38,442
Withdrawals	-	-	(3,725)	(1,307)	-	-	-	(209)	(5,241)
Transfers and Others	-	4,371	10,961	24,618	260	493	1,047	(41,750)	-
Depreciation charge	-	(554)	(9,518)	(7,637)	(106)	(41)	(145)	-	(18,001)
Impairment charge	-	-	(2,227)	-	-	-	-	-	(2,227)
Payment for depreciation of withdrawals	-	-	3,002	968	-	-	-	-	3,970
Final net carrying value	**8,776**	**13,408**	**57,307**	**84,892**	**423**	**526**	**1,505**	**39,833**	**206,670**
As of December 31, 2013									
Cost	8,776	18,530	183,062	135,245	2,328	908	2,439	39,833	391,121
Accumulated depreciation	-	(5,122)	(125,755)	(50,353)	(1,905)	(382)	(934)	-	(184,451)
Net Carrying Value	**8,776**	**13,408**	**57,307**	**84,892**	**423**	**526**	**1,505**	**39,833**	**206,670**
Year 2014									
Initial net carrying value	8,776	13,408	57,307	84,892	423	526	1,505	39,833	206,670
Additions	-	-	-	-	-	-	-	5,518	5,518
Withdrawals	-	-	(1,952)	(168)	-	-	-	-	(2,120)
Transfers and Others	-	-	-	15	-	-	-	(15)	-
Depreciation charge	-	(180)	(1,855)	(2,312)	(31)	(15)	(70)	-	(4,463)
Payment for depreciation of withdrawals	-	-	1,952	173	-	-	-	-	2,125
Final net carrying value	**8,776**	**13,228**	**55,452**	**82,600**	**392**	**511**	**1,435**	**45,336**	**207,730**
As of March 31, 2014									
Cost	8,776	18,530	181,110	135,092	2,328	908	2,439	45,336	394,519
Accumulated depreciation	-	(5,302)	(125,658)	(52,492)	(1,936)	(397)	(1,004)	-	(186,789)
Net Carrying Value	**8,776**	**13,228**	**55,452**	**82,600**	**392**	**511**	**1,435**	**45,336**	**207,730**

b) Depreciation expense for the years ended March 31st 2014 was distributed in the statement of comprehensive income as follows:

	2014 US$000	2013 US$000
Cost of Sales (Note 20)	1,338	1,238
Ban Period Expenses (Note 21)	3,015	3,076
Sales Expenses (Note 22)	25	-
Administratives Expenses (Note 23)	85	10
Total	4,463	4,324

c) Finance Leases -

Property, vessels, plant and equipment includes assets acquired under finance leases as follows:

	2014 US$000	2013 US$000
Buildings	2,472	2,472
Machinary and Equipment	29,584	28,099
Vessels	20,965	20,212
Others	904	1,438
	53,925	52,221
Less - Accumulated depreciacition	(30,292)	(27,237)
Total	23,633	24,984

d) Impairment testing of property, plant and equipment –

i) Operating -

Management has reviewed the projections of expected results for the remaining years of useful life of fixed assets, and in her opinion the recoverable value of its property, plant and equipment as of March 31st 2014 and December 31st, are greater than their carrying value, so it is not necessary to record an allowance for impairment loss for those operating at the date of the financial statements assets.

- The main assumptions used in the model to determine the value in use and fair value less costs to sell vessels are:

Prices: the model uses 21% of the price of fish considered as raw material because the small fishing companies have increased their bargaining power since the promulgation of the Law of Maximum Catch per Vessel (MLEC) and from the increase of fishmeal prices in the market.

Quota: the model uses the budgeted quota allocated to the Company under law LMCE fishing (6.45% of total quota).

Extraction costs: operating costs, maintenance and ban costs decreased during 2012 and they will decline much more in the future due to the positive effects of the law of MLEC. Staff costs (crew) will decrease as a result of the benefits of term of employment referred to in fisheries law in the case of people who retire early. They consume less fuel since there will be fewer fishing vessels are used for under the conditions established by law LMCE capture. Extraction costs are based on budgeted costs prepared by management.

Discount rate: the model uses an interest rate before tax of 6.56% unadjusted for inflation.

- The main assumptions used in the model to determine the value in use and fair value less costs to sell plants are:

Prices: the model uses the average prices of fishmeal and fish oil from US$ 1,560 / MT and US$ 2,090 / MT, respectively.

Management expects that prices are stable and consistently increase according to the expectations and market demand.

Production costs: the model assumes that the total raw material comprises the catch of own vessels sold to its plants at market prices.

Discount rate: the model uses the interest rate before tax of 6.56% unadjusted for inflation.

Management determined budgeted costs based on past performance and its expectations of the market according to the conditions of the law of MLEC.

ii) No Operating -

In 2013, the Company recognized an impairment of the carrying value of certain assets, according to the operational plan of the Company determined by Management, will no longer be used in production. The Company will maximize the efficiency of its operations, since it will operate at the same output with fewer assets. The impairment loss resulted in a charge to income of US$ 2277 thousand for the impairment of 37 boats that were parked during the past four seasons of fishing.

The recoverable value of these inoperative assets is its fair value less the necessary costs of sale determined by independent appraisers at December 31, 2013.

e) Others -

- Additions to construction in progress at December 31, 2013 comprise mainly investments in processing plants for indirect human consumption for US$ 14,504 thousand (US$ 21,517 thousand in 2012), improved fishing vessels for US$ 4,785 thousand (US$ 8,050 thousand in 2012), implementations in processing plants for direct human consumption by US$ 18,649 thousand (US$ 12,736 thousand in 2012) and administrative implementations of US$ 504,000 (US$ 2,086 thousand in 2012).

- The Company maintains insurance contracts to protect their main asset against fire and all risk, as well as potential claims that might be filed by the exercise of their activity. In Management's opinion, their insurance policies are consistent with international practice applicable to the industry and the risk of potential losses for claims considered in the insurance contract.

- At December 31, 2013, the Company has fully depreciated assets still in use and whose cost amounts to approximately US$ 2,704 thousand (US$ 772 thousand in 2012).

13 INTANGIBLE ASSETS

a) Composición de saldo -

El movimiento del rubro de activos intangibles y el de su correspondiente amortización acumulada, por los años terminados el 31 de marzo de 2014 y 31 de diciembre de 2013, ha sido como sigue:

	SAP Software US$000	License US$000	Total US$000
Year 2013:			
Initial net carrying value	1	97,731	97,732
Additions	1,464	1,680	3,144
Amortitation charge	-82	-	-82
Final net carrying value	**1,383**	**99,411**	**100,794**
As of December 31, 2013			
Cost	2,569	99,411	101,980
Accumulated depreciation	-1,186	-	-1,186
Net Carrying Value	**1,383**	**99,411**	**100,794**
Year 2014:			
Initial net carrying value	1,383	99,411	100,794
Additions	-	-	-
Amortitation charge	-36	-	-36
Final net carrying value	1,347	99,411	100,758
As of March 31, 2014			
Cost	2,569	99,411	101,980
Accumulated depreciation	-1,222	-	-1,222
Net Carrying Value	1,347	99,411	100,758

Fishing licenses correspond to boats and processing plants of fishmeal and fish oil that have been acquired by purchase and business combination.

According to current legislation, fishing licenses are granted by the Ministry of Production to a specific vessel and for a defined time period. This period begins when the Ministry of Production issues it gives rise to the fishing license and ends (for reasons other than that the boat is removed or destroyed) if the holder does not meet present certain documentation required at the beginning of each year calendar (Note 1-b).

Also, the fishing license shall remain in force indefinitely if the Company meets submit the required documentation. In addition,it is prohibited to transfer fishing licences to third parties by any means separately of the respective vessels that were granted. In this sense, each fishing vessel, along with its license, it is considered as a separate cash generating unit.

In Management's opinion, the recoverable value of intangible assets exceeds their book value, so it is not necessary to make a provision for impairment of such assets at the date of the financial statements.

14 GOODWILL

a) Composition of balance-

The movement of goodwill for the years ended March 31st 2014 and December 31st 2013, was as follows:

	2014 US$000	2013 US$000
Cost:		
Balance at the begining of year	88,719	88,719
Total	88,719	88,719

b) Impairment testing of goodwill -

Goodwill is distributed to each generating cash unit (CGU) of the Company. The Company has defined its cash generating units (CGU) correspond to each of its boats and each of its plants. Goodwill is distributed by CGU as follows:

	2014 US$000	2013 US$000
Vessels	70,682	70,682
Plants	18,037	18,037
Total	88,719	88,719

The recoverable amount of a CGU is determined based on the higher value resulting from comparison of its value in use and its fair value less costs necessary to make the sale.

As of March 31st 2014 and December 31st 2013, the calculation of recoverable amount is based on projections of future cash flows which in turn are based on budgets approved by management and covering a horizon of 10 years, annual growth rate of 3.5% to 2015 and the use of a discount rate of 9.6%. The cash flows corresponding to periods longer than five years include perpetuity.

The generation of future economic benefits for the Company is supported by the increase in catch volumes and production that generate acquired businesses.

15 FINANCIAL OBLIGATIONS

This ítem comprises:

	2014	2013
	US$000	US$000
Bonds	198,164	202,015
Bank Notes	27,253	54,500
Financial Leases	5,398	5,608
Bank Overdrafts	1,613	163
Factoring	1,773	1,588
Total	234,201	263,874

	2014	2013
	US$000	US$000
Less current portion of financial obligations:		
Bonds (accrued interest)	-6,595	-6,595
Banks Notes	-27,253	-54,500
Financial Leases	-2,231	-2,398
Bank Overdrafts	-1,613	-163
Factoring	-1,773	-1,588
	-39,465	-65,244

a) Bonds -

In January 2013, the Company completed an international issue of corporate bonds under the format REGS 144A worth US$ 200 million as principal for a period of 7 years and an annual fixed interest rate of 7.375%. The period of interest payment is semi-annual, with an expiration date to January 31, 2020. The cash flows were used to prepay the syndicated loan that the Company kept with Portigon AG, New York Branch for US$ 140 million and the difference in various investments. At December 31, 2013, the principal of the bonds is net of costs directly related to US$ 4,581 thousand and accrued interest amounting to US$ 6,595 thousand.

During the term of the underwriting contract in which (i) the Bonds have Investment Grade rating from two recognized risk rating agencies, and (ii) are not incurred in default or Event of Default is not it has cured (the occurrence of the events described in the preceding clauses (i) and (ii) collectively called the “Event of Suspension of Covenant”), the Company will not be subject to the following provisions (collectively the “Covenants Suspended”) of the underwriting agreement:

- Limitation on Debt and Disqualified Stock;
- Limitation on Restricted Payments;
- Limitation on Restrictions of dividends and others payments which affect the restricted subsidiaries;
- Limitation on Transactions with Affiliates;
- Limitation on Asset Sales;
- Limitation on Business Activities; and
- Limitation on Consolidation, Merger and Sale of Assets.

As of March 31st 2014, the Company has not breached any restriction ('covenants') and expects to meet these requirements over the next 12 months.

b) Bank Notes -

As of March 31st 2014, this item includes notes denominated in U.S. dollars obtained to meet the working capital needs of the Company, bearing interest at an annual effective rate between 0.70% and 2.15% (0.70% and 2.15% in 2013). These notes are secured by stocks 'warrants' in the case of pre shipment and are unsecured when the funds are for working capital, and whose maturity periods not exceeding one year.

c) Financial Leases obligations -

The financial lease obligations are denominated in US dollars and are kept in local financial institutions (Banco de Credito del Peru, BBVA Continental, Interbank and Banco Santander) in order to finance acquisitions of fixed assets; accrue interest at an annual effective rate between 5.27% and 9.23%, guaranteed with the same fixed assets, given the option to the Company to purchase the assets at the end of the lease term and whose maturity periods not exceeding five years.

As of March 31st 2014, the minimum payments to be made and the present value of obligations under finance leases contracts are as follows

	2014	**2013**
	US$000	**US$000**
Up to one year	2,470	2,666
More than one year	3,311	3,403
Total payable including finance charges	5,781	6,069
Finance Charges pending to be applied in Future period income	(383)	(460)
Total	5,398	5,609

The Company granted some boats (Note 12-c) as collateral for the financial leases contracts. As of March 31st 2014, the expense recognized lease payments in the income statement amounted to US$ 660 (US$ 2,919 in 2013).

d) Bank overdrafts -

As of March 31st 2014, this item includes payables denominated in soles and U.S. dollars for US$ 1,613 thousand (US$ 163 thousand in 2013). These balances are held in local banks, bearing an annual interest rate of 4.1% (4.1% in 2013) and have no collaterals.

Maturity of financial liabilities is as follows:

Year	2014 US$000	2013 US$000
2013	-	199
2014	32,870	58,450
From 2015 to 2020	201,331	205,225
Total	234,201	263,874

16 TRADE ACCOUNTS PAYABLE AND OTHER ACOUTBS PAYABLE

This item comprises:

	2014 US$000	2013 US$000
Trade Accounts payable (a)		
Bills payable	8,034	14,298
Notes Payable	570	282
Provision of bills receivable	6,482	6,523
	15,086	21,103
Other Payables		
Taxes	308	863
Remuneration payable	433	981
Vacations payable	1,148	1,228
Social security and pension arrears	123	884
Participation of workers (b)	616	729
Compensation for time served	410	388
Accrued expenses (c)	2,597	4,227
Provisions (d)	5,304	5,304
Advances from customers	487	110
Others	1,615	1,868
	13,041	16,582
Non-current portion	-5,304	-5,304
Current portion	7,737	11,278

(a) Trade accounts payable are principally for purchase of goods and services associated with the fishery. These payables are denominated in soles and U.S. dollars are considered current maturities, do not generate interest and have not provided guarantees for these obligations. The carrying amount of trade payables is similar to its fair value.

(b) The balance of the participation of workers must be paid during the first quarter of 2014.

(c) Accrued expenses relate to services received in previous years, whose billings were not received by the closing date. These expenses are primarily related to insurance, customs charges, certifications and energy.

(d) The provisions primarily include US$ 5,304 thousand (US$ 5,304 thousand in 2013) corresponding to ongoing legal proceedings. The amounts accrued do not include any amount that may result in the event that the counterparty required paying additional penalties.

17 DEFERRED INCOME TAX

The movement in the account tax deferred income for years ended March 31st 2014 and December 31st 2013 is as follows:

	2014 US$000	2013 US$000
Opening Balance	3,602	11,572
Payment to the comprehensive income state	3,855	-6,376
Adjustments	-	-1,594
Closing Balance	7,457	3,602

The movement in deferred tax assets and liabilities during the year, without considering netting is as follows:

As of March 31, 2014		… Additions(deductions)…		
Temporary Differences	Opening Balances US$000	Income/Loss for the period US$000	Other Changes US$000	Closing Balances US$000
Assets:				
Provision for vacation payable	314	(3)	-	311
Ban period expenses	113	-	-	113
Tax Loss	4,704	(4,704)	-	-
Underwritting costs	1,170	-	-	1,170
Other provisions	1,289	-	-	1,289
	7,590	(4,707)	-	2,883
Liabilities:				
Future repairs	(4,389)	724		(3,665)
Assets Revaluation	(4,477)	128	-	(4,349)
Impairment of supplies	(81)	-	-	(81)
Impairment of fixed assets	(668)	-	-	(668)
Deduction on fix assets	(1,577)	-	-	(1,577)
	(11,192)	852	-	(10,340)
Deferred Liabilities (Net)	**(3,602)**	**(3,855)**	**-**	**(7,457)**

As of December 31, 2013		**… Additions(deductions)…**		
	Opening	**Income/Loss**	**Other**	**Closing**
Temporary Differences	**Balances**	**for the period**	**Changes**	**Balances**
	US$000	**US$000**	**US$000**	**US$000**
Assets:				
Provision for vacation payable	331	(17)	-	314
Ban period expenses	-	(1,418)	1,531	113
Tax Loss	-	4,704	-	4,704
Underwritting costs	-	1,170	-	1,170
Other provisions	1,133	93	63	1,289
	1,464	4,532	1,594	7,590
Liabilities:				
Future repairs	(5,796)	1,407		(4,389)
Assets Revaluation	(4,991)	514	-	(4,477)
Impairment of supplies	-	(81)	-	(81)

18 EQUITY

a) Capital -

The authorized, subscribed and paid capital as of March 31st 2014 and December 31st 2013 and 2013, is represented by 296,996,557 common shares at a nominal value of S/.1 each.

As of March 31st 2014 and December 31st 2013, the shareholding structure (in thousands of shares) in the share capital of the Company is as follows:

	2014		**2013**	
Shareholders	**Shares**	**Percentage**	**Shares**	**Percentage**
Caleta de Oro Holding S.A.	180,048	60.62%	180,048	60.62%
Caleta de Oro Holding del Perú S.A.C.	25,000	8.42%	25,000	8.42%
Stafedouble S.L. Sociedad Unipersonal	15,000	5.05%	15,000	5.05%
Others	76,949	25.91%	76,949	25.91%
	296,997	100.00%	**296,997**	100.00%

b) Treasury shares -

As of March 31st 2014 and December 31st 2013, there are 1,460,413 treasury shares at a nominal value of S/.1 each.

c) Share issue premium -

The General Meeting of Shareholders held on October 4, 2010 approved the capital increase of the Company by local and international offering of up to 57,500,000 shares of Class “A” with a nominal value of S/.1 each. The placement in local and international market of S/.57, 500,000 new shares were added to equity of the Company for a market value of S/.4.75 each, representing an increase in capital of US$ 20.584 and recognition a capital grant of US$ 69,721 thousand, net of costs associated with the issuance of US$ 7,467 thousand.

d) Legal reserve -

Under the General Corporations Act, it is requires to constitute a legal reserve with the transfer of not less than 10% of the net annual income up to an amount equivalent to 20% of the paid capital. In the absence of non-distributed earnings or available reserves, legal reserves could be applied to offset accumulated losses, must be replenished with future earnings. This reserve can be capitalized is equally mandatory replacement. At December 31, 2013, the Company has not established a legal reserve profits generated in previous years for $ 6,174 thousand.

e) Distribution of profits -

Dividends distributed to shareholders other than domiciled entities are subject to a 4.1% rate in respect of income tax charge of these shareholders; that tax is withheld and paid by the Company.

General Meeting of Shareholders held on April 15, 2013, approved a dividend distribution for US$ 9,886 thousand and the Board was delegated the power to approve an additional dividend of US$ 4,000 thousand. Also in General Meeting dated April 10, 2012, it distributed US$ 6,937 thousand in dividends

19 SALES

Sales by product type for the years ended March 31st 2014, comprising:

	2014 US$000	2013 US$000
Fishmeal	66,816	22,286
Fish Oil	14,962	3,144
Fish for direct human consumption (frozen)	5,035	2,304
Others	161	3,309
	86,974	31,043

Sales by destination for the years ended March 31st 2014, comprising:

	2014	2013
	US$000	US$000
Exports		
Asia	60,272	22,286
Europe	8,864	3,144
America	2,338	2,304
Oceánia	12	-
Africa	138	692
	71,624	28,426
Local Sales and Others	15,350	2,617
Total	86,974	31,043

The quantities (metric tons) shipped and sold as of March 31st 2014 were as follows:

	2014	2013
	MT	MT
Fishmeal	46,633	13,402
Fish Oil	6,601	1,397
Fish for direct human consumption (frozen)	2,024	4,310
	55,258	19,109

20 COSTS OF SALES

Cost of sales for the years ended March 31st 2014, comprising:

	2014	2013
	US$000	US$000
Beginning inventory of finished products (Note 7)	48,524	19,472
Production Costs:		
Raw Materials, inputs and supplies	11,286	8,258
Personnel cots	2,181	2,389
Manufacturing Expenses	1,840	3,321
Depreciation (Note 12)	1,338	1,238
Finished Products Sinister	-	(35)
Less ending inventory of finished products (Note 8)	(14,229)	(13,938)
Total	50,940	20,705

21 BAN COSTS

Ban costs for the years ended as of March 31st 2014, comprising:

	2014 US$000	2013 US$000
Personnel Charges	1,827	2,011
Comsumption of sundry supplies	781	402
Services from third parties	2,233	1,771
Various chrges of managment	437	388
Taxes	100	97
Depreciation (Note 12)	3,015	3,076
Total	8,393	7,745

22 SELLING EXPENSES

Selling expenses for the years ended March 31st 2014, comprising:

	2014 US$000	2013 US$000
Personnel Charges	284	233
Transport of finished products	1,277	216
Commissions on sale of finished products	109	33
Rental expense	21	26
Safety and security	258	52
Inspection and analysis	316	151
Stowage and packaging	60	25
Services export expenses	1,208	419
Storage of finished products	17	164
Depreciation (Note 12)	25	-
Others	237	385
Total	3,812	1,704

23 ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended March 31st 2014, comprising:

	2014 US$000	2013 US$000
Personnel Charges	834	761
Communications	52	98
Fees	133	201
Maintenance and repairs	27	11
Rental expenses	164	93
Taxes	6	5
Insurance	9	8
Depreciation (Note 12)	85	10
Others	293	316
Total	1,603	1,503

24 OTHER INCOME AND EXPENSES

Other income and expenses for the years ended March 31st 2014, comprising:

	2014 US$000	2013 US$000
Other Income:		
Reversal of provisions	10	-
Income for selling fuels amd materials	46	-
Other minors	659	338
Total	**715**	**338**
Other Expenses:		
Fiscal and taxes penalties assumed	183	613
Indemnization under Legislative Decree N° 1084	38	72
Other minors	355	36
Total	**576**	**721**

25 FINANCIAL INCOME AND EXPENSES

Financial income and expenses for the years ended March 31st 2014, comprising:

	2014 US$000	2013 US$000
Financial Income		
Interest on short-term deposits	-	182
Total	**-**	**182**
Financial Expenses		
Interest on bond, bank loans and averdrafts	3,651	2,931
Loss on derivate financial instruments	-	355
Interest on obligations under finance leases	94	76
Other interests	478	604
Total	4,223	3,966

26 INCOME TAX

a) The expense for income tax shown in the statement of comprehensive income comprises:

	2014 US$000	2013 US$000
Current Income Tax	1,595	-
Income Tax Deferred	3,855	(1,626)
Total	5,450	(1,626)

b) Management of the Company has determined the taxable income under the general income tax according to the tax legislation in Peru, which requires adding and deducting from the result shown in the financial statements, those items that legislation recognizes as taxable and nontaxable, respectively.

The income tax on profit before income tax of the Company differs from the theoretical amount that would result from applying the tax rate to the income of the Company, as follows:

	2014		2013	
	US$000	%	US$000	%
(Loss) Income before income taxes	18,035	100.00	(4,064)	100.00
Tax calculated at the rate 30%	5,411	30.00	(1,219)	30.00
Tax Effect on additions (deductions)				
Permanet differences	39	0.22	(407)	10.01
Income tax for the year	**5,450**	**30.22**	**(1,626)**	**40.01**

c) As of March 31st 2014, the Company had debt balances with Tax Administration related income tax of US$ 10,474 (US$ 7,957 payable in 2013).

d) The Tax Administration has the authority to review and, if necessary, amend the income tax determined by the Company in the last four years, beginning on January 1 of the year following the filing of the statement sworn use tax (years subject to examination). In 2013, the Tax Administration conducted an audit of the income tax corresponding to the periods 2008 and 2009 without no significant observations; In this sense, the years 2010 to 2013 are subject to audit. Because there may be differences in interpretation by the Tax Administration on the rules applicable to the Company, cannot be anticipated at the time if additional revisions as a result of any tax liabilities will arise. Any additional tax, penalties, and interest refills, if they occur, will be recognized in the income year in which the disagreement with the Tax Administration is resolved. Management believes that no significant liabilities will arise as a result of these possible revisions.

e) In accordance with current legislation, for purposes of determining the income tax and general sales tax should be considered for transfer pricing transactions with related parties and / or tax havens, for this purpose should be available documentation and information supporting the methods and valuation criteria applied in their determination. The Tax Authority is entitled to request this information from the taxpayer.

f) Temporary Tax on Net Assets-

This tax applies to generators third category income subject to the general regime of income tax. From the year 2009, the tax rate is 0.4% applicable to the amount of the net assets exceeding S/.1 million. The amount paid may be used as a credit against payments for the General Regime of Income Tax against the payment or adjustment of income tax the tax year to which it relates..

27 EARNINGS PER SHARE

a) Basic -

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of common shares outstanding and to be issued during the year (Note 18-a).

	2014 US$000	2013 US$000
Income (loss) atributable to shareholders of the Company (Expressed in US$000)	12,585	-2,438
Weighted average common shares in circulation (In thousands)	296,997	296,997
Income (loss) per share (S/. Per share)	0.042	-0.008

b) Diluted -

The diluted earnings per share equal basic earnings per share. On March 2014 and December 2013 has not been calculated income (loss) per common share diluted because there were not any potential diluent activities, is, financial instruments or other contracts that give the right to obtain common shares.

28 NON-CASH TRANSACTIONS AND CASH FLOW STATEMENT

The investment and financing activities that do not generate cash disbursements and cash equivalents, which affected assets and liabilities for the years ended March 31st 2014 and December 31st 2013, are summarized as follows

	2014 US$000	2013 US$000
Acquisition of property, plant and equipment through finance leases	-	67

29 COMMITMENTS AND CONTINGENCES

a) Guarantees granted -

As of March 31st 2014, the Company holds securities in financial institutions for US$ 9,071 thousand for the U.S. Tax Administration, US$ 138 thousand for Gas Natural de Lima y Callao S.A. and US$ 2.220 thousand for Produce.

b) Contingencies -

At December 31, 2013, the Company has civil and labor proceedings against the Company for $ 7,924 thousand, and for which there have been corresponding written discharge. In the opinion of Management and its legal counsel, there are sufficient grounds to argue these claims and it is estimated that no significant liabilities will arise or significant effects on the financial statements of the Company.

30 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

In the Mandatory Annual Meeting of Shareholders dated April 15th 2014, it was unanimously agreed to distribute a dividend up to US$ 6’000,000, together with the US$ 4’000,000 corresponding to earnings of 2012, the distribution and payment were delegated to the board by resolution of the Annual Shareholders Obligation of April 15, 2013, making a total of US$ 10’000,000 in dividends.