

Notes to the financial statements (continued)

(a) Current tax expense (continued)

Reconciliation of effective tax rate

		Restated
<i>In thousands of Leones</i>	2015	2014
Profit/ (Loss) before income tax	338,168	(911,714)
Income tax on profit/ (loss) before tax	101,450	(273,514)
Tax impact of permanent difference:		
Tax adjustment	(16,435)	(53,175)
Non-deductible expenses	78,351	109,620
Tax incentives	(1,899)	(1,274)
Deferred tax not recognised	(78,504)	256,417
	<u>82,962</u>	<u>14,396</u>
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(b) Income tax account

		Restated
<i>In thousands of Leones</i>	2015	2014
Balance at 1 January	(67,500)	(30,000)
Tax charge for the year	86,722	-
Payments during the year	(43,125)	(37,500)
Balance at 31 December	<u>23,903</u>	<u>(67,500)</u>
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(c) Deferred tax asset and liabilities

Recognised deferred tax asset and liabilities

	2015	2014		2015	2014
	Asset	liability	Net	Asset	liability
Property plant and equipment		5,950	5,950	-	9,710
End of service provision	(31,985)		(31,985)	(23,678)	-
Tax loss carry forward	(982,648)	-	(982,648)	(1,069,370)	-
Deferred tax asset not recognized	1,014,543	-	1,014,543	1,093,048	-
	<u>-</u>	<u>5,950</u>	<u>5,950</u>	<u>-</u>	<u>9,710</u>
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Movement in temporary differences during the period - 2015

	Opening Closing balance	Recognised in profit and loss	Recognised in equity	balance
Property and equipment	9,710	(3,760)	-	5,950
Employee benefit Provision	(23,678)	(8,218)	-	(31,895)
Tax loss carry forward	(1,069,370)	86,722	-	(982,648)
Deferred tax asset not recognised	1,069,370	(78,504)	-	1,014,543
	<u>9,710</u>	<u>(3,760)</u>	<u>-</u>	<u>5,950</u>
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