valenciaport
Autoridad Portuaria de Valencia

FINANCIAL STATEMENTS 2014

Contents

Port Authority of Valencia Balance Sheet at 31st December 2014 and 2013 (in euros)

ASSETS	NOTE	2014	2013
A) NON-CURRENT ASSETS		1,398,691,258.97	1,442,677,688.27
I. Intangible assets	5	**4,473,562.95**	**5,086,882,56**
1. Intellectual property and other intangible assets		11,463.29	15,183,68
2. Computer software		4,462,099.66	5,071,698,88
II. Property, plant and equipment	6	**1,040,399,130.16**	**1,070,705,188.88**
1. Land and natural properties		120,324,235.54	120,082,221.68
2. Constructions		902,598,623.64	935,840,095.43
3. Plant and equipment		4,527,436.10	4,999,320.93
4. Property, plant and equipment in the course of construction and advances		10,723,407.37	6,991,733.31
5. Other property, plant and equipment		2,225,427.51	2,791,817.53
III. Investment property	7	**259,257,008.25**	**267,255,118.88**
1. Land		180,552,440.51	180,552,440.51
2. Constructions		78,704,567.74	86,702,678.37
IV. Non-current investments in Group and associated companies	9	**85,801,906.73**	**90,410,253.78**
1. Equity instruments		85,801,906.73	90,410,253.78
V. Non-current investments	11	**5,510,087.03**	**5,458,034.16**
1. Equity instruments		408,300.00	408,000.00
2. Loans to third parties		651,285.18	599,532.31
3. Government grants receivable	19	4,450,000.00	4,450,000.00
4. Other financial assets		501.85	501.85
VII. Non-current trade receivables	11	**3,249,563.85**	**3,762,210.01**
B) CURRENT ASSETS		100,175,357.69	81,287,498.24
II. Inventories		**122,896.61**	**140,489.55**
III. Trade and other receivables	11	**41,792,126.33**	**44,710,976.79**
1. Trade receivables for sales and services		33,543,229.19	30,328,221.14
2. Receivable from Group and associated companies		7,622,526.25	9,966,796.03
3. Sundry receivables		493,046.31	493,267.06
5. Other accounts receivable from government	19	133,324.58	3,922,692.56
IV. Current investments in Group and associated companies	11	**69,084.07**	**-**
V. Current investments	11	**3,795.45**	**1,307,880.07**
2. Loans to companies		3,220.57	-
3. Other financial assets		574.88	1,307,880.07
VII. Cash and cash equivalents	13	**58,187,455.23**	**35,128,151.83**
1. Cash		58,147,615.80	35,039,687.74
2. Cash equivalents		39,839.43	88,464.09
TOTAL ASSETS (A+B)		**1,498,866,616.66**	**1,523,965,186.51**

Notes 1 to 26 form an integral part of the 2014 Financial Statements.

Port Authority of Valencia Balance Sheet at 31st December 2014 and 2013 (in euros)

EQUITY AND LIABILITIES	NOTE	2014	2013
A) EQUITY	**14**	**787,245,686.87**	**801,417,978,18**
A-1) SHAREHOLDERS' EQUITY		**675,154,969.05**	**664,484,783,66**
I. Share capital		**325,290,096.83**	**325,290,096,83**
II. Retained earnings		**339,194,686.83**	**332,291,723,25**
III. Profit (loss) for the year		**10,670,185.39**	**6,902,963,58**
A-2) VALUATION ADJUSTMENTS	**12**	**(61,476,910.01)**	**(41,711,293,91)**
II. Hedging operations		**(61,476,910.01)**	**(41,711,293.91)**
A-3) GRANTS, DONATIONS AND BEQUESTS RECEIVED	**15**	**173,567,627.83**	**178,644,488.43**
B) NON-CURRENT LIABILITIES		**655,419,741.50**	**669,062,269.04**
I. Non-current provisions	**16**	**9,624,519.85**	**10,914,832.75**
2. Provision for third-party liabilities		722,179.05	722,179.05
3. Other provisions		8,902,340.80	10,192,653.70
II. Non-current liabilities	**18**	**573,642,148.87**	**582,349,935.45**
1. Bank borrowings		522,126,547.62	549,843,214.29
3. Other		51,515,601.25	32,506,721.16
V. Non-current accruals and prepayments	**7**	**72,153,072.78**	**75,797,500.84**
C) CURRENT LIABILITIES		**56,201,188.29**	**53,484,939.29**
III. Current payables	**18**	**40,676,911.40**	**34,988,268.71**
1. Bank borrowings		27,968,809.43	23,175,714.61
2. Current fixed-asset suppliers		1,123,722.06	1,329,922.87
3. Other financial liabilities		11,584,379.91	10,482,631.23
IV. Payable to Group and associated companies	**18**	**595,062.80**	**1,170,535.12**
V. Trade and other payables	**18**	**14,929,214.09**	**17,326,135.46**
1. Trade and other payables		13,950,682.69	16,318,988.00
3. Other accounts payable to government	19	978,531.40	1,007,147.46
TOTAL EQUITY AND LIABILITIES (A+B+C)		**1,498,866,616.66**	**1,523,965,186.51**

Notes 1 to 26 form an integral part of the 2014 Financial Statements.

Port Authority of Valencia Income Statement for the years ending 31st December 2014 and 2013 (in euros)

	NOTE	(DEBIT) CREDIT 2014	2013
1. **NET REVENUE**	23	**120,933,724.25**	**117,607,950.12**
A. Port charges		**105,849,548.30**	**102,520,269.44**
a) Private use of public port land charge		23,915,811.84	22,763,969.85
b) Special use of port facilities charge		68,311,478.85	66,754,593.78
1. Vessel charge (T1)		26,784,192.35	25,423,776.36
2. Recreational and leisure craft charge (T5)		524,227.14	798,568.24
3. Passenger charge (T2)		1,480,813.50	1,908,636.05
4. Goods charge (T3)		39,304,197.58	38,557,392.86
5. Fishing charge (T4)		33,505.53	24,830.79
6. Special use of transit area charge (T6)		184,542.75	41,389.48
c) Activity charge		12,187,276.79	11,715,630.37
d) Navigational aids charge		1,434,980.82	1,286,075.44
B. Other business revenue		**15,084,175.95**	**15,087,680.68**
a) Amounts additional to charges		1,764,823.60	2,566,171.66
b) Tariffs and others		13,319,352.35	12,521,509.02
3. Own expenses capitalised		**70,572.28**	**81,983.25**
5. Other operating revenue		**7,322,703.42**	**2,162,691.07**
a) Non-core and other current operating revenue		5,073,276.56	426,898.69
b) Operating grants allocated to profit (loss) for the year	15	422,857.28	192,303.08
c) Income transferred to profit (loss) from reverted concessions		1,758,569.58	1,481,489.30
d) Interport Compensation Fund received		68,000.00	62,000.00
6. Staff costs	23	**(18,679,973.11)**	**(18,472,308.22)**
a) Wages, salaries, and similar costs		(13,577,166.53)	(13,501,680.54)
c) Social security contributions		(5,102,806.58)	(4,970,627.68)
7. Other operating expenses	23	**(35,037,872.73)**	**(36,619,421.47)**
a) External services		(20,271,622.61)	(20,658,507.31)
1. Repairs and upkeep		(6,688,929.99)	(6,677,764.60)
2. Independent professional services		(2,992,610.54)	(3,302,181.47)
3. Supplies and materials consumed		(6,901,102.27)	(6,595,770.09)
4. Other external services		(3,688,979.81)	(4,082,791.15)

	NOTE	(DEBIT) CREDIT 2014	2013
b) Taxes other than Corporation Tax		(2,256,107.12)	(2,556,851.31)
c) Losses on, impairment of, and change in provisions for trade receivables	11	(3,716,809.96)	(3,934,243.84)
d) Other current operating expenses		(1,824,522.26)	(2,321,554.53)
e) Contribution to State-owned Ports Body art. 19.1.b) Legislative Royal Decree 2/2011		(4,100,810.78)	(4,032,264.48)
f) Interport Compensation Fund contributed		(2,868,000.00)	(3,116,000.00)
8. Depreciation and amortisation charge	**23**	**(50,761,540.80)**	**(47,919,608.32)**
9. Allocation of non-financial grants and others	**15**	**3,854,568.02**	**2,918,915.54**
10. Overprovisions	**16**	**449,140.71**	**-**
11. Impairment and gains (losses) on disposal of non-current assets		**(194,158.20)**	**577,800.09**
a) Impairment and losses	6	28,144.08	29,369.58
b) Gains (losses) on disposals and others	23	(222,302.28)	548,430.51
Other operating profit (loss)	**26**	**-**	**(18,883.78)**
a) Extraordinary income		-	1,013,579.83
b) Extraordinary expenses		-	(1,032,463.61)
A.1. OPERATING PROFIT (LOSS) (1+3+5+6+7+8+9+10+11)		**27,957,163.84**	**20,319,118.28**
12. Financial income		**907,194.20**	**2,519,335.46**
a) From investments in equity instruments	9	2,073.52	4,417.50
b) From marketable securities and other financial instruments		905,120.68	1,856,109.80
c) Capitalised financial costs	6	-	658,808.16
13. Financial costs		**(3,643,572.93)**	**(5,380,478.37)**
a) On debts to third parties		(3,452,323.04)	(3,744,992.30)
b) Adjustments in provisions		(191,249.89)	(1,635,486.07)
14. Changes in the fair value of financial instruments	**12**	**(9,880,661.20)**	**(8,345,627.88)**
16. Impairment and gains (losses) on the disposal of financial instruments	**9**	**(4,608,347.05)**	**(2,208,009.23)**
a) Impairment and losses		(4,608,347.05)	(2,208,009.23)
A.2. FINANCIAL PROFIT (LOSS) (12+13+14+16)		**(17,225,386.98)**	**(13,414,780.02)**
A.3. PROFIT (LOSS) BEFORE TAX (A.1+A.2)		**10,731,776.86**	**6,904,338.26**
17. Corporation Tax	**19**	**(61,591.47)**	**(1,374.68)**
A.4. PROFIT (LOSS) FOR THE YEAR (A.3+17)		**10,670,185.39**	**6,902,963.58**

Notes 1 to 26 form an integral part of the 2014 Financial Statements.

Port Authority of Valencia Statement of Changes in Equity for the years ending 31st December 2014 and 31st December 2013

A) Recognised Income and Expenses for the years ending 31st December 2014 and 2013 (in euros)

	2014	2013
A) PROFIT (LOSS) PER INCOME STATEMENT	10,670,185.39	6,902,963.58
B) INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (I+II)	(19,229,339.10)	18,494,097.42
I. Hedging of cash flows	(19,765,616.10)	13,697,178.11
II. Grants, donations, and bequests	536,277.00	4,796,919.31
C) TRANSFERS TO THE INCOME STATEMENT (I)	(5,613,137.60)	(4,402,707.48)
I. Grants, donations, and bequests	(5,613,137.60)	(4,402,707.48)
TOTAL RECOGNISED INCOME AND EXPENSES (A+B+C)	(14,172,291.31)	20,994,353.52

Notes 1 to 26 form an integral part of the 2014 Financial Statements.

B) Statement of Changes in Equity for the years ending 31st December 2014 and 2013 (in euros)

	EQUITY	RETAINED EARNINGS	PROFIT (LOSS) FOR THE YEAR	VALUATION ADJUSTMENTS	GRANTS, DONATIONS, AND BEQUESTS RECEIVED	TOTAL
A. ENDING BALANCE 2012	337,843,451.98	311,715,919.72	20,575,803.53	(55,408,472.02)	178,301,682.81	793,028,386.02
I. Adjustments for changes in accounting standards in 2012	-	-	-	-	-	-
II. Adjustments for errors in 2012	-	-	-	-	-	-
B. ADJUSTED BEGINNING BALANCE 2013	337,843,451.98	311,715,919.72	20,575,803.53	(55,408,472.02)	178,301,682.81	793,028,386.02
I. Total recognised income and expenses	-	-	6,902,963.58	13,697,178.11	394,211.83	20,994,353.52
II. Transactions with shareholders or owners	(12,553,355.15)	-	-	-	(51,406.21)	(12,604,761.36)
III. Other changes in equity	-	20,575,803.53	(20,575,803.53)	-	-	-
C. ENDING BALANCE 2013	325,290,096.83	332,291,723.25	6,902,963.58	(41,711,293.91)	178,644,488.43	801,417,978.18
I. Adjustments for changes in accounting standards in 2013	-	-	-	-	-	-
II. Adjustments for errors in 2013	-	-	-	-	-	-
D. ADJUSTED BEGINNING BALANCE 2014	325,290,096.83	332,291,723.25	6,902,963.58	(41,711,293.91)	178,644,488.43	801,417,978.18
I. Total recognised income and expenses	-	-	10,670,185.39	(19,765,616.10)	(5,076,860.60)	(14,172,291.31)
II. Transactions with shareholders or owners	-	-	-	-	-	-
III. Other changes in equity	-	6,902,963.58	(6,902,963.58)	-	-	-
E. ENDING BALANCE 2014	325,290,096.83	339,194,686.83	10,670,185.39	(61,476,910.01)	173,567,627.83	787,245,686.87

(*) Additions to and disposals of assets

Notes 1 to 26 form an integral part of the 2014 Financial Statements.

Port Authority of Valencia Cash Flow Statement for the years ending 31st December 2014 and 2013 (in euros)

HEADING	2014	2013
A) CASH FLOW FROM OPERATING ACTIVITIES (+/-1+/-2+/-3+/-4)	**57,734,977.33**	**47,988,516.42**
1. Profit (loss) for the year before tax	**10,731,776.86**	**6,904,338.26**
2. Adjustments to profit (loss)	**58,255,063.21**	**52,422,453.68**
a) Depreciation and amortisation charge (+)	50,761,540.80	47,919,608.32
b) Valuation adjustments for impairment (+/-)	4,580,202.97	2,178,639.65
c) Changes in provisions (+/-)	70,263.49	503,627.09
d) Allocation of grants (-)	(3,854,568.02)	(2,918,915.54)
e) Gains (losses) on the derecognition or disposal of non-current assets (+/-)	222,302.28	(548,430.51)
g) Financial income (-)	(907,194.20)	(2,519,335.46)
h) Financial expenses (+)	3,643,572.93	5,380,478.37
i) Changes in the fair value of financial instruments (+/-)	9,880,661.20	8,345,627.88
j) Income transferred to profit (loss) from reverted concessions (-)	(1,758,569.58)	(1,481,489.30)
k) Allocation of advances received for sales or services to income statement (-)	(4,383,148.66)	(4,456,240.60)
l) Other income and expenses (+/-)	-	18,883.78
3. Changes in working capital	**2,493,366.91**	**7,181,794.46**
a) Inventories (+/-)	17,592.94	63,488.03
b) Trade and other receivables (+/-)	2,048,451.99	7,648,452.11
c) Other current assets (+/-)	1,307,305.19	28,782.46
d) Trade and other payables (+/-)	(1,044,064.65)	(40,349.48)
e) Other current liabilities (+/-)	224,572.77	(378,731.77)
f) Other non-current assets and liabilities (+/-)	(60,491.33)	(139,846.89)
4. Other cash flows from operating activities	**(13,745,229.65)**	**(18,520,069.98)**
a) Interest paid (-)	(12,708,668.82)	(11,718,562.09)
b) Dividends received (+)	2,073.52	4,417.50
c) Interest received (+)	853,766.84	1,202,720.73
d) Payment of tariff litigation principals and late payment interest (-)	(609,363.50)	(3,831,911.04)
e) Proceeds (payments) from OPPE for payment of tariff litigation principals and late payment interest (+)	183,167.02	(3,955,122.99)
f) Corporation Tax recovered (paid) (+/-)	(61,591.47)	(1,374.68)
g) Other payments (proceeds) (-/+)	(1,404,613.24)	(220,237.41)

HEADING	2014	2013
B) CASH FLOW FROM INVESTMENT ACTIVITIES (7-6)	(11,866,507.26)	(31,719,251.20)
6. Payments due to investments (-)	**(11,866,507.26)**	**(32,647,002.02)**
a) Group and associated companies	(69,084.07)	-
b) Intangible assets	(1,064,503.37)	(1,032,650.27)
c) Property, plant and equipment	(10,668,199.25)	(31,614,351.75)
e) Other financial assets	(64,720.57)	-
7. Proceeds from disposals (+)	**-**	**927,750.82**
c) Property, plant and equipment	-	927,750.82
C) CASH FLOW FROM FINANCIAL ACTIVITIES (+/-9+/-10)	(22,809,166.67)	(22,874,985.26)
10. Proceeds and payments relating to financial liability instruments	**(22,809,166.67)**	**(22,874,985.26)**
b) Refund and repayment of	(22,809,166.67)	(22,874,985.26)
Bank borrowings	(22,809,166.67)	(22,874,985.26)
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C)	23,059,303.40	(6,605,720.04)
Cash and cash equivalents at the beginning of the year	35,128,151.83	41,733,871.87
Cash and cash equivalents at the end of the year	58,187,455.23	35,128,151.83

Notes 1 to 26 form an integral part of the 2014 Financial Statements.

(1) Nature of the PAV, its activities, and composition of the Group

The Port Authority of Valencia (hereinafter the PAV or the Entity) is a public body with its own legal personality, whose equity is also independent from that of the State. It has full capacity to carry out operations in order to fulfil its corporate purpose and is subject to Spanish private legal order.

The PAV is governed by the recast text of the Spanish Law on State-owned Ports and the Merchant Navy passed by Legislative Royal Decree 2/2011, of 5th September, by the applicable provisions of the Spanish General State Budget Law, and additionally by the Spanish Law 6/1997, of 14th April, on the Organisation and Functioning of Central Government.

According to Spanish Law 27/1992, the PAV took over ownership of the equity owned by the Autonomous Port of Valencia, as well as the legal relations of this body. The assets assigned to the Autonomous Port of Valencia were reassigned to the PAV. In accordance with the first final provision of the aforementioned Law, the Entity commenced its operations on 1st January 1993.

Pursuant to the Spanish Law on State-owned Ports and the Merchant Navy, port authorities are responsible for the following:

a) Rendering of general port services and the management and control of port services to assure that these are carried out in optimal conditions of efficiency, economy, productivity, and safety, notwithstanding the competence of other bodies.
b) Organisation of the port service area and port uses, in coordination with the competent government administrations responsible for the organisation of land and urban planning.
c) Planning, project, construction, upkeep, and operation of port works and services, and of the maritime signals assigned thereto, subject to the provisions set out by law.
d) Management of public port land and the maritime signals assigned thereto.
e) Optimisation of the economic management and profitability of the equity and resources assigned thereto.
f) Promotion of the industrial and commercial activities relating to shipping or port traffic.
g) Coordination of operations of the different modes of transport in the port.
h) Organisation and coordination of maritime and land port traffic.

The activity engaged in by the PAV is governed by the aforementioned recast text of the Spanish Law on State-owned Ports and the Merchant Navy, the Spanish General State Budget Law, and the other provisions applicable thereto, and is subject to Spanish private legal order, including its capital purchases and contracts, but excluding its exercise of the public power attributed thereto by law. It shall carry out the functions it has been assigned under the general principle of independent management, notwithstanding the powers attributed to the Spanish State-owned Ports Body (hereinafter OPPE) and its supervision by the Ministry of Development.

The PAV comprises the ports of Valencia, Gandia, and Sagunto. Its financial year commences on 1st January each year.

The PAV's registered office is at Avenida Muelle del Turia, s/n, 46024 Valencia - Spain.

As described in note 9, the PAV has ownership interests in subsidiaries and associated companies. Consequently, the PAV is the parent of a group of companies in accordance with the law in force. Therefore, in accordance with generally accepted accounting principles and standards, it is required to prepare consolidated financial statements which fairly present the Group's financial position, the results of its operations, changes in its equity, and its cash flows. The consolidated financial statements for 2013 were approved by the Board of Directors on 26th June 2014.

(2) Basis of presentation of the financial statements

(a) Fair presentation

The financial statements were prepared from the PAV's accounting records. The 2014 Financial Statements were prepared in accordance with the Spanish corporate and commercial laws in force and the standards contained in the Spanish Chart of Accounts, as well as the guidelines issued by the OPPE and other applicable legislation, and accordingly, present fairly its equity and financial position at 31st December 2014, the results of its operations, changes in its equity and its cash flows in the year then ended.

In accordance with article 39 of the Spanish Law on State-owned Ports and the Merchant Navy, the OPPE shall issue the guidelines relating to the valuation standards, as well as the structure and rules on the preparation of the financial statements of port authorities, in order to guarantee the standardisation of the accounts of the Spanish State-owned Port System.

The PAV Chairman prepared the 2014 Financial Statements on 26th March 2015. However, the PAV Chairman made adjustments to the 2014 Financial Statements on 29th May 2015 in light of the recommendation made by the Spanish National Audit Office, in which financial liabilities arising as a result of hedging operations are now classed as current liabilities (€10,349,583.69), as mentioned in notes 12 and 17 (a). Note 26 of the financial statements has been rewritten and other adjustments have been made to the income statement which do not have any bearing on profit or loss for the year. It is expected that these new financial statements will be approved by the Board of Directors without any significant changes.

For comparative purposes, the 2014 Financial Statements are presented here in addition to the figures for 2013 for each item in the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements. The 2013 figures were part of the 2013 Financial Statements approved by the Board of Directors on 26th June 2014. In these financial statements, the Entity has reclassified current liabilities amounting to €9,880,661.20 from 2013 hedging operations with short-term maturity dates, in order to make them comparable with those of the current year.

(b) Functional currency and currency for presentation purposes

The financial statements are presented in euros since this is the PAV's functional currency and its currency for presentation purposes.

(c) Estimation and relevant judgements in the application of the accounting policies

The preparation of the financial statements requires the application of relevant accounting estimates and the making of judgements, estimates, and assumptions in the process of applying the PAV's accounting policies. The issues which involved a greater degree of judgement or complexity, or cases in which significant assumptions and estimates were made for the purpose of preparing the financial statements, are detailed below.

- The useful life of intangible assets, property, plant and equipment, and investment property.
- The impairment losses of intangible assets, property, plant and equipment, and investment property.
- The PAV performs impairment tests on its investments in the equity of Group and associated companies whenever there is objective evidence that the carrying amount is not recoverable. Determining the recoverable value of the investments in the equity of Group and associated companies involves the use of estimates by the PAV's Finance Department on the basis of economic and financial information furnished by the Group and associated companies.
- Valuation adjustment for customer insolvencies.
- The Entity is subject to legal proceedings and to inspections. These proceedings are related to legal disputes. Where it is probable that an outflow of resources will be required to settle an obligation existing at the end of the year and a reliable estimate can be made of the amount of the obligation, a provision is recognised. Legal proceedings usually involve complex legal issues and are subject to considerable uncertainties. Consequently, the PAV's management plays a significant role in estimating whether the process is likely to result in an outflow of resources and the estimated amount thereof.

Although these estimates were made on the basis of the best information available on the date these statements were drawn up, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. The effect on the financial statements of any changes arising from adjustments to be made in future years will be recognised prospectively.

(3) Distribution of profit

The proposed distribution of the 2014 profit to be submitted to the Board of Directors is as follows:

DISTRIBUTABLE PROFIT	EUROS
Profit for the year	10,670,185.39
PROPOSED ALLOCATION OF PROFIT IN THE FOLLOWING YEAR	
Retained earnings, reserves for accumulated profit for the year	10,670,185.39
TOTAL	**10,670,185.39**

The distribution of the profit for the year ended 31st December 2013, approved by the Board of Directors on 26th June 2014, is as follows:

DISTRIBUTABLE PROFIT	EUROS
Profit for the year	6,902,963.58
PROPOSED ALLOCATION OF PROFIT IN THE FOLLOWING YEAR	
Retained earnings, reserves for accumulated profit for the year	6,902,963.58
TOTAL	**6,902,963.58**

(4) Accounting policies and measurement bases

(a) Capitalisation of financial costs

The PAV includes the financial costs relating to specific financing directly attributable to the acquisition, construction or production of property, plant and equipment in the cost of asset items requiring over one year to be put into conditions of usage, operation or sale.

To the extent that financing was specifically obtained, the amount of the interest to be capitalised is calculated based on the financial costs accrued on such financing. In order to determine the amount of capitalisable interest, if applicable, the adjustments made to financial costs for the effective portion of the hedges arranged by the PAV are taken into consideration.

(b) Intangible assets

Intangible assets are measured at acquisition or production cost. Intangible assets are recognised in the balance sheet at cost less accumulated amortisation and valuation adjustments for impairment.

Intangible assets comprise computer software, which is recognised at the cost incurred, and industrial property. Computer software maintenance expenses are expensed currently.

(i) Useful life and amortisation

Intangible assets with finite useful lives are amortised by allocating the amortisable amount of the asset over its useful life by applying the following criteria:

	AMORTISATION METHOD	YEARS OF ESTIMATED USEFUL LIFE
Industrial property	Straight-line	5
Computer software	Straight-line	5

(ii) Impairment of intangible assets

The PAV assesses and determines the valuation adjustments for impairment and the reversal of losses on the impairment of intangible assets in accordance with the criteria mentioned in section e) of this note.

(c) Property, plant and equipment

(i) Initial recognition

Property, plant and equipment are measured at acquisition or production cost. Production costs are capitalised under the heading "Own expenses capitalised" in the income statement. Property, plant and equipment are recognised in the balance sheet at cost less accumulated depreciation and valuation adjustments for impairment.

The cost of property, plant and equipment includes the estimated dismantling and removal costs, and the costs of restoring the site on which such assets are located, where the Entity is obliged to do so and where restoring and removing such assets is necessary as a consequence of having made use of them.

In accordance with accounting guidelines issued by the OPPE, the value of the bodies of water included in the service area of the ports managed by the port authorities cannot be measured since it is impossible to estimate their initial fair value.

The PAV measures property, plant and equipment in accordance with the following criteria:

- Fair market value

In 1995, a renowned company performed an inventory and new assessment (at fair market value) effective on 1st January 1993. The assets which were assessed, and of which an inventory was taken, were the following:

» Land and natural assets
» Maritime accesses
» Capital dredging in the port entrance area and outside the sheltered area
» Permanent channelling and coastal defence works
» Breakwater and dock works
» Capital dredging
» Breakwaters
» Berthing works
» Masonry quays
» Reinforced concrete and metal quays
» Jetties and pontoons

The additions to this group of property, plant and equipment as from 1st January 1993 are carried at acquisition cost.

- Revalued amount

Certain groups of assets were subject to revaluation until January 1991 under the regulations provided for this purpose by the Directorate General of Ports and Coasts of the Spanish Ministry of Public Works and Urban Planning. The accumulated depreciation of these assets was also revalued. These groups are the following:

» Maritime signals and beacons
» Equipment for the handling of goods
» Ship repair facilities
» Transport equipment
» Buildings
» Workshop equipment
» General facilities
» Furniture and fittings
» Pavements and roads
» Sundry equipment

In these groups, commencing on 1st January 1991, additions have been carried at acquisition cost, and the revalued criterion is practically residual.

Investments in property, plant and equipment are recognised as "Property, plant and equipment in the course of construction" until their final approval and acceptance, following which they are recognised as property, plant and equipment. In the case of complex infrastructures, property, plant and equipment in the course of construction is reclassified when the related infrastructure can generate revenue.

For accounting purposes, the reversion of an asset under concession gives rise to the recognition of an asset in the balance sheet and the related gain will simultaneously be recognised as income in the year in which the reversion is performed. This is recorded under "Income from reverted concessions" in section A-3) Grants, donations and bequests received, in equity on the liability side of the balance sheet. The balance of "Income from reverted concessions" shall be transferred to the income statement in proportion to the depreciation of the reverted asset, or if applicable, upon derecognition, disposal or adjustment in the value of the reverted item.

(ii) Depreciation and amortisation charge

Annual depreciation is calculated by the straight-line method on the basis of the estimated useful life of the different assets. The useful lives of the Port Authority's various items of property, plant and equipment, regulated in the "Manual on the Accounting Treatment of Port System Property, Plant and Equipment" (*Manual de Tratamiento Contable de los Activos Materiales del Sistema Portuario*), are shown in the following table except in the case of certain assets, which were assessed, and of which an inventory was taken by a specialised company, in which technical criteria are applied with respect to their future useful lives.

ASSETS	YEARS OF ESTIMATED USEFUL LIFE	% RESIDUAL VALUE
NAVIGATIONAL AID FACILITIES		
Visual aid facilities	10	0
Radio-electric aid facilities	5	0
Management and operational facilities	5	0
MARITIME ACCESSES		
Capital dredging	50	0
Permanent channelling and coastal defence works	35	0
BREAKWATER AND SEA DEFENCE WORKS		
Breakwater works	50	0
BERTHING WORKS		
Masonry quays	40	0
Reinforced concrete and metal quays	30	0
Fenders and mooring items	5	0
SHIP REPAIR FACILITIES		
Dry docks	30	1
BUILDINGS		
All buildings except small prefabricated structures	35	0
Portable buildings and small prefabricated structures	17	0
GENERAL FACILITIES		
Water pipes, sewers, and supply and provisioning facilities	17	0

ASSETS	YEARS OF ESTIMATED USEFUL LIFE	% RESIDUAL VALUE
PAVEMENTS AND ROADS		
Railways and sorting stations	25	3
Pavements on quays and in handling and storage areas	15	0
Paths, traffic areas, and car parks	15	0
Masonry bridges	45	0
Metal bridges	35	2
EQUIPMENT FOR THE HANDLING OF GOODS		
Special loading platforms and facilities	20	3
Gantry and container cranes	20	3
Forklifts, hoppers, and light equipment	10	3
FLOATING EQUIPMENT		
Service craft	15	0
Common floating navigational aids	15	0
TRANSPORT EQUIPMENT		
Cars and motorcycles	6	5
Trucks and vans	6	5
WORKSHOP EQUIPMENT	**14**	**4**
FURNITURE AND FITTINGS	**10**	**0**
SUNDRY EQUIPMENT	**5**	**0**
COMPUTER HARDWARE	**5**	**0**

Items of property, plant and equipment begin to be depreciated when they can be used.

(iii) Subsequent costs

Subsequent to the initial recognition of the asset, the costs incurred are only capitalised to the extent that they give rise to an increase in capacity or productivity, or to an extension of the useful life of the asset. The carrying amount of the replaced items must be derecognised. In this regard, the costs relating to the daily maintenance of property, plant and equipment are recognised in the income statement as they are incurred.

(iv) Impairment of property, plant and equipment

The PAV assesses and determines the valuation adjustments and reversal of the impairment of property, plant and equipment in accordance with the criteria mentioned in section e) of this note.

(v) Compensation received from third parties

Compensation from third parties is recognised at the agreed (acknowledged or settled by the third party) or estimated amount of the compensation receivable. In the latter case, the receivable amount is recognised for the maximum amount of the loss arising, if any, when there is no doubt that compensation will be received. The compensation of insurance pending settlement is recognised as an account receivable, taking into consideration, if applicable, the financial effect of the discount or the late payment interest receivable.

Compensation from third parties for impaired property, plant and equipment offsets the related loss in the income statement, and any surplus is allocated to the income statement.

In other cases, compensation is recognised as income of the same nature as the expense it offsets. However, if compensation is received for items that did not give rise to an expense for the Entity, it is recognised in the income statement.

(vi) Free transfers to other public authorities

The contribution of property, plant and equipment made through a change in the transfer of public port land to public port bodies or through their recognition as state-owned assets is recognised in the same manner as non-cash contributions, being carried at reasonable value on the date of the contribution, with a balancing entry in equity.

In the reverse process, and in the case of items released from use but still forming part of the Entity's active assets, it is necessary to take into consideration the future use of the released assets to determine how to recognise them appropriately. The return of the asset to the Spanish Central Government is recognised as a decrease in the equity contributed by the Government, which is equal to the carrying value net of impairment and depreciation of the asset returned at the date of the formalisation of its delivery. The same applies when the released asset is transferred at no charge to other public authorities for the purposes of public use or social interest (e.g. through inclusion in the municipality's public land), since this is also considered to be a decision to change the use of assets made by the Spanish Central Government, which is the holder of the Entity's shareholders' equity, whereby it decreases the value of the assets allocated for special use that generate profit, either directly or indirectly, for the aforementioned Entity, withdrawing them from the Entity and assigning them to another public authority in the general interest.

(d) Investment property

Here, the Entity classifies the assets fully or partially aimed at obtaining income relating to the granting of concessions and authorisations to use public port land in the terms provided by the Spanish Law on State-owned Ports and the Merchant Navy, as well as those relating to the lease of state-owned assets.

Assets in the course of construction or development which are to be used as investment property in the future are classified as property, plant and equipment in the course of construction until they are completed. However, the extension or improvement of assets classified as investment property is recognised in the balance of investment property.

The Entity recognises and measures investment property in accordance with the policies set forth for property, plant and equipment.

Investment property is depreciated by the same method as property, plant and equipment.

(e) Impairment of non-financial assets subject to amortisation or depreciation

Impairment losses are recognised in the income statement.

The PAV analyses the existence of impairment in its assets in accordance with what is set out in the Spanish Chart of Accounts, and especially in the Spanish Accounting and Audit Institute Resolution, of 18th September 2013 (Official State Gazette No. 230, of 25th September 2013) which stipulates the accounting policies, measurement bases and information to be included in the financial statements on the impairment of assets. According to what is set out in its first regulation, impairment is applicable to cash-generating assets in all companies, irrespective of their legal status, including public-sector firms.

The Entity assesses whether there are any indications that the non-financial assets subject to amortisation or depreciation may be impaired in order to check whether the carrying amount of the aforementioned assets exceeds their recoverable value, which is understood to be the higher of its value in use or fair value less costs to sell.

Additionally, if the PAV has reasonable doubts regarding the technical success or economic and commercial profitability of computer projects, the amounts stated in the balance sheet are recognised directly as a loss on intangible assets in the income statement, and are not reversible.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit (hereinafter CGU) to which the asset belongs.

However, the Entity determines the individual value of impairment of an asset included in a CGU when:

a) It no longer contributes to the cash flow of the CGU to which it belongs and its recoverable amount is similar to its fair value less costs to sell or, where appropriate, the asset should be derecognised.
b) The book value of the CGU would have gone up by the value of assets that generate independent cash flows, as long as there are indications that the latter may be impaired.

The loss relating to the impairment of the CGU shall be allocated pro rata on the basis of the carrying amount of each asset for the purpose of reducing its assets. However, the carrying amount of each asset shall never be reduced to an amount above the highest of its fair value less costs to sell, its value in use or zero.

At each reporting date, the PAV assesses whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. An impairment loss recognised for other assets shall only be reversed if there has been a change in the estimates used to determine the asset's recoverable amount.

The reversal of the impairment shall be recognised with a credit to the income statement. However, the reversal of the loss cannot increase the carrying amount of an asset above the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised.

The amount of the reversal of an impairment loss for a CGU shall be allocated to the assets of the unit pro rata with the carrying amounts of those assets. However, the carrying amount of an asset shall not be increased above the lower of its recoverable amount and the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised.

After a valuation adjustment is made for an impairment loss or the reversal of an impairment loss, the amortisation or depreciation for subsequent years is adjusted taking into account the new carrying amount.

However, if in view of the specific circumstances relating to assets, there is evidence of loss of an irreversible nature, such loss is recognised directly in "Loss on the disposal of non-current assets" in the income statement.

(f) Concessions, authorisations, and leases

(i) Recognition as the lessor

The Entity assigns the right to use certain assets under lease agreements and under concessions and administrative authorisations.

The lease agreements by which the PAV transfers substantially all the risks and rewards inherent to asset ownership to a third party are classified as financial leases. Otherwise, the lease agreements are classified as operating leases. At 31st December 2014 and 2013, the Entity had no financial leases.

a) Concessions and authorisations

The PAV assigns the right to use certain assets, such as public port land, from which it collects the related charges for the private use of public port land.

In the case of authorisations and concessions for the use of public port land, the risks and rewards incidental to ownership of the property under the concession or authorisation are not transferred to the concession operator since the property is publicly owned, and accordingly, such leases are considered to be operating leases.

The income and expenses arising from concessions and authorisations shall be recognised respectively as income and expenses in the year in which they are accrued and shall be allocated to the income statement.

From the standpoint of revenues, this treatment affects the port charges for the private use of public land and other amounts additional to these charges.

The financing received in advance from concession operators is recognised for the amount delivered under "Advances for sales and services", including the present value of the revenue for services from the years to which the advance relates and the effect of this adjustment.

b) Operating leases

Lease income from operating leases, net of incentives granted, is recognised as income on a straight-line basis over the lease term.

(ii) Recognition as the lessee

Operating lease payments, net of the incentives received, are recognised as an expense on a straight-line basis over the lease term.

Financial leases - Lessee

Lease agreements which start by substantially transferring all the risks and rewards inherent to asset ownership to the Entity, are classified as financial leases.

At the start of the lease term, the PAV recognises an asset and a liability for the lower amount between the fair value of the leased item or the current value of the minimum lease payments. Initial direct costs are included as increasing the value of the asset. Minimum payments are divided between the financial charges and the reduction of the debt pending payment. Financial costs are allocated to the income statement through the application of the effective interest rate method.

Contingent lease payments are registered as an expense when it is likely that they will be incurred.

The accounting principles applied to assets used by the Entity by virtue of the signing of lease agreements classified as financial leases are the same as those set out in sections (c) and (g).

(g) Financial instruments

(i) Classification and separation of financial instruments

Financial instruments are classified on the date on which they are initially recognised as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual agreement and the definitions of financial asset, financial liability or equity instrument.

The PAV classifies the financial instruments into different categories on the basis of their features and the intentions of the Entity's Finance Department at the date of initial recognition.

(ii) Loans and receivables

Loans and receivables comprise trade and non-trade loans with fixed or determinable payments that are not quoted on an active market other than those classified in other categories of financial assets. These assets are initially recognised at fair value, including the transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. However, in the case of financial assets without a fixed interest rate, amounts which mature or are expected to be currently collected or in cases where the effect of an adjustment is not material, the assets are measured at face value.

(iii) Financial assets and liabilities measured at cost

Investments in equity instruments whose fair value cannot be reliably measured and derivatives which are linked to and must be settled by such unquoted equity instruments are measured at cost, less the cumulative amount of valuation adjustments for impairment. However, if the Entity can reliably measure the financial asset or liability at any given time, the financial assets or liabilities are measured at fair value at that time, and the related gains or losses are recognised in accordance with the classification thereof.

(iv) Investments in Group and associated companies

Group companies include entities over which the PAV exercises control either directly or indirectly through subsidiaries, in accordance with article 42 of the Spanish Commercial Code; or companies which are controlled by any means by one or several individuals or legal entities acting jointly, or which are under sole management in accordance with agreements or statutory clauses. Control is the power to govern the company's financial and operating policies so as to obtain benefits from its activities, taking into consideration for this purpose the potential voting rights which can be exercised or which are convertible at the reporting date, held by the PAV or third parties.

Associated companies are entities over which the PAV exercises significant influence directly or indirectly through subsidiaries. Significant influence is the power to participate in the financial policy and operating decisions of a company, but is not control over the company. In the assessment of the existence of significant influence, potential voting rights which can be exercised or are convertible at each reporting date, as well as the potential voting rights held by the PAV or another company, are taken into consideration.

Investments in Group and associated companies are initially recognised at cost, which is equivalent to the fair value of the consideration given, including the transaction costs incurred, and are subsequently measured at cost less the cumulative amount of the valuation adjustments for impairment.

(v) Interest and dividends

Interest is recognised using the effective interest rate method.

Income from dividends arising from investments in equity instruments are recognised when the PAV has the right to receive them. If the dividends paid unequivocally arise from profit generated prior to the acquisition date because amounts exceeding the income generated by the investee as from the acquisition date have been paid, these dividends will reduce the carrying amount of the investment.

(vi) Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Entity has substantially transferred all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, shall be recognised as profit or loss.

(vii) Impairment of financial assets

A financial asset or group of financial assets is impaired and an impairment loss arises where there is objective evidence of impairment as a result of one or more events occurring subsequent to the initial recognition of the assets, and such event or events giving rise to impairment have an effect on the estimated future cash flows of the asset or group of financial assets, which can be reliably estimated.

The PAV follows the criterion of recognising the appropriate valuation adjustments for the impairment of loans and receivables, where there is a reduction or a delay in the estimated future cash flows caused by the debtor's insolvency.

In addition, and pursuant to the instructions issued by the OPPE for the port system, the PAV records a period provision for bad debts on the basis of the age of the debt, and the corresponding type of charge or tariff or type of income.

In response to specific cases in which there is evidence of default, legal proceedings have been initiated or if the debtor is in a state of bankruptcy, the PAV recognises the appropriate provisions to cover insolvency risks.

» Impairment of financial assets measured at amortised cost.

In the case of financial assets measured at amortised cost, the amount of the impairment loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows.

The impairment loss is recognised as an expense and is reversible in subsequent years if the decrease can be objectively related to an event subsequent to its recognition. However, the reversal of the impairment loss is limited to the amortised cost of the assets that would have been recognised had there been no impairment loss.

» Investments in Group and associated companies and equity instruments measured at cost.

Impairment is calculated as the amount by which the carrying amount of the investment exceeds its recoverable amount, which is understood to be the higher of its value in use or fair value less costs to sell. Thus, value in use is calculated on the basis of the PAV's share in the present value of the estimated cash flows from ordinary activities and from the final sale, or of the estimated flows expected to be received from the payment of dividends and the final sale of the investment.

However, and in certain cases, unless there is better evidence of the recoverable amount of the investment, in the estimate of impairment of this kind of assets, the equity of the company in which the PAV has an ownership interest is taken into consideration, and adapted, if appropriate, to the accounting principles generally accepted in Spain, and adjusted by the net underlying capital gains existing at the measurement date.

In subsequent years, reversals of the impairment loss are recognised to the extent that there is an increase in their recoverable value, and shall not exceed the carrying amount of the investment that would have been determined had no impairment been recognised.

The loss or reversal of the impairment loss is recognised in the income statement.

The losses relating to the impairment of equity instruments measured at cost are not reversible, and accordingly, are recognised directly against the value of the asset.

(viii) Financial liabilities

Financial liabilities, including trade and other payables, which are not classified as held for trading or as financial liabilities measured at fair value which affect the income statement, are initially measured at fair cost less, if appropriate, any transaction costs that are directly attributable to the issue of the financial liabilities. Subsequent to initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest rate method. However, financial liabilities for which there is no established interest rate, or which mature or are expected to be currently paid, and for which the effect of an adjustment is not material, are measured at nominal value.

(ix) Guarantees

Guarantees received are measured in accordance with the same criteria as those applied for financial liabilities. The difference between the amount received and fair value is recognised as an advance and is allocated to the income statement in the period that the service is rendered, in accordance with the standard relating to revenue from services rendered. If the difference is not material, it is measured at nominal value.

(x) Derecognition of and changes in financial liabilities

The PAV derecognises a financial liability or a part thereof when the obligation under the related liability is extinguished or is legally discharged from the related liability, either by means of court proceedings or by the creditor.

(h) Hedge accounting

Derivative financial instruments that may be accounted for as hedges are recognised at fair value, plus, where appropriate, the transaction costs directly attributable to the arrangement of the hedges, and less, where appropriate, the transaction costs directly attributable to the issue of the hedges.

At the inception of the hedge, the Entity designates and formally documents the hedging relationship, as well as the objective and strategy for the undertaking of the hedge. Hedges only qualify for hedge accounting where the hedge is expected to be highly effective at the inception of the hedge, and in subsequent years, to offset changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective analysis), and the hedge's real effectiveness, which can be determined reliably and is within the range of 80-125% (retrospective analysis), in accordance with the accounting standards provided in the Spanish Chart of Accounts.

The Entity recognises the gains or losses arising from the measurement at fair value of the hedging instrument which relates to the part identified as an effective hedge in the statement of income and expenses recognised in equity. The part of the hedge considered to be ineffective is recognised in the income statement.

In the hedges of foreseen transactions that give rise to the recognition of a financial asset or liability, the associated losses or gains which have been recognised in equity are reclassified as profit or loss in the same year or years in which the acquired asset or the assumed liability affect profit or loss, in the same heading in the income statement.

(i) Inventories

Inventories are initially measured at acquisition cost.

Acquisition cost includes the amount billed by the seller after deducting any discount, rebate or other similar items, as well as the interest included in the nominal value of the receivables, plus the additional expenses arising until the assets are placed on sale and others directly attributable to the acquisition, and the indirect taxes not recoverable from the tax authorities.

The reductions and reversals in the value of inventories are recognised as a credit under the "Procurements" heading.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand and current bank deposits. Also included are other highly liquid current investments, as long as they are easily convertible into specific cash amounts and originally mature within a period not exceeding three months.

(k) Grants, donations, and bequests

Grants, donations, and bequests are recognised as income and expenses recognised in equity when they are officially granted, the conditions attached to the grant have been complied with, or there is no reasonable doubt regarding whether they will be received.

For grants, donations, and bequests relating to certain property, plant and equipment, the Entity considers the conditions set at the date they were awarded to have been met.

Grants, donations, and bequests of a monetary nature are measured at the fair value of the amount awarded.

In subsequent years, grants, donations, and bequests are allocated to profit or loss on the basis of the subsidised assets.

Capital grants are allocated to profit or loss for the year in proportion to the depreciation of the assets they finance, or when the related assets are sold, derecognised or adjusted for impairment.

In the case of non-depreciable assets, the grant is allocated to profit or loss for the year in which they are sold, derecognised or adjusted for impairment.

The amount of the valuation adjustment equivalent to the subsidised part of the asset is recognised as an irreversible loss of the assets directly against the value thereof.

Grants awarded to finance specific costs are allocated to revenue for the year in which the financed expenses accrue.

In accordance with the instructions provided by the OPPE, the Entity does not discount to present value the non-current loans receivable for grants accrued from the tax authorities.

Financial liabilities, including implicit aid in the form of the application of below market interest rates, are initially recognised at fair value. The difference between this value, adjusted when necessary for the issue costs of the financial liability, and the amount received, is registered as a government grant in accordance with the nature of the grant awarded.

(l) Defined benefit plans

The Entity considers benefit plans to include those financed by means of the payment of insurance premiums in which there is a legal or implicit obligation to directly pay employees the benefits agreed upon when they fall due, or to pay the additional amounts required if the insurer does not disburse the benefits relating to the services provided by the employees in the year or previous years.

(m) Employee benefit liabilities

Any severance for involuntary termination is recognised at the time that there is a formal detailed plan, as well as a valid expectation among the employees affected that the employment relationship will be terminated, either because the plan has begun to be executed or because its main features have been announced.

(n) Provisions

(i) General criteria

Provisions are recognised when the PAV has a present obligation of either a legal, contractual, implicit or underlying nature, as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The financial effect of the provisions is recognised under "Financial costs" in the income statement.

The provisions are reversed against profit or loss when it is not probable that an outflow of resources will be required to settle the obligation.

(o) Revenue from the provision of services

Revenue from the provision of services is recognised at the fair value of the consideration received or to be received from the services and, where applicable, the interest included in the nominal value of the loans shall be recognised as a decrease in this amount.

Revenue from the provision of services is recognised when the actual flow of the services it represents occurs, regardless of when the resulting monetary or financial flow arises. This revenue is recognised taking into account the stage of completion of the transaction at the end of the reporting period, when the amount of revenue, the costs incurred for the transaction and the costs to complete the transaction can all be measured reliably, and it is probable that the economic benefits associated with the services will be received.

(p) Corporation Tax

The special regime for entities partially exempt from Corporation Tax is applied to port authorities for 2000 and subsequent years, in accordance with article 2 and the third final provision of Spanish Law 24/2001, of 27th December, on Tax, Administrative and Social Order Measures, and article 41 of the Spanish Law on State-owned Ports.

The Corporation Tax expense or income comprises both current and deferred tax.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered from the tax authorities, in accordance with the law and the tax rate in force or approved and pending publication at year end.

Current or deferred tax is recognised in profit or loss, unless arising from a transaction or economic event recognised against equity or from a combination of businesses in the same or a different year.

(i) Recognition of taxable temporary differences

Taxable temporary differences are recognised in all cases.

(ii) Recognition of deductible temporary differences

Deferred tax assets from deductible temporary differences are always recognised when it is likely that there will be sufficient future tax benefits available to offset them and they will be reversed in a period of less than ten years. Assets that arise out of the initial recognition of assets or liabilities in a transaction that is not a combination of businesses and does not affect either accounting profit (loss) or taxable profit (loss), at the time of the transaction, are not recognised. Assets that will be reversed in a period of more than ten years are recognised as the financial years finish, as long as it is likely that there will be tax benefits in the future.

Tax planning opportunities shall only be considered in the assessment of recovering assets through deferred tax if the Entity intends to adopt them or is likely to do so.

(iii) Classification

Deferred tax assets and liabilities are recognised in the balance sheet as non-current assets or liabilities, regardless of the date on which they are expected to be realised or settled.

(q) Current and non-current classification of assets and liabilities

The PAV classifies assets and liabilities as current or non-current in the balance sheet in accordance with its normal operating cycle, which does not exceed 12 months.

(r) Environment

The PAV carries out operations, the main aim of which is to prevent, reduce or repair environmental damage caused by its activities. The expenses arising from environmental activities are recognised as "Other operating expenses" in the income statement in the year in which they are incurred. However, if appropriate, the PAV recognises environmental provisions by means of the general criteria set forth in section n) of this note.

Items of property, plant and equipment acquired for use on a lasting basis and whose main purpose is to minimise environmental impact and protect and improve the environment, including the items relating to the reduction or elimination of future pollution, are recognised as assets by means of the application of the measurement, presentation, and disclosure bases mentioned in section c) of this note.

The PAV makes provisions for environmental actions when it is aware of the existence of expenses arising in the year or previous years that are clearly specified as being of an environmental nature, but whose amount or the date on which they may arise is uncertain. These provisions are made on the basis of the best estimate of the expense required to cover the obligation, taking into consideration the financial effect when it is considered to be material. The compensation to be received by the PAV relating to the source of the environmental obligation is recognised as a receivable on the asset side of the balance sheet, as long as there are no doubts that the disbursement will be received, without exceeding the amount of the obligation recognised.

(s) Interport Compensation Fund

Pursuant to article 159 of the Spanish Law on State-owned Ports and the Merchant Navy, the PAV shall make contributions to and receive contributions from the Interport Compensation Fund, as set out in this Law. The Interport Compensation Fund received and contributed each year is recorded in the income statement as operating income or as an operating expense respectively.

(t) Related party transactions

Transactions between Group companies are recognised at the fair value of the consideration delivered or received. The difference between this value and the amount agreed, should it exist, are recorded in accordance with the underlying economic substance.

(5) Intangible assets

The breakdown of and changes in the balances of intangible asset items in 2014 are as follows:

COST	BALANCE AT 31-12-13	ACQUISITIONS (+)	RECLASSIFICATIONS (+)	BALANCE AT 31-12-14
Industrial property	39,709.01	-	-	39,709.01
Computer software	27,470,762.24	1,064,503.37	8,428.80	28,543,694.41
TOTAL	**27,510,471.25**	**1,064,503.37**	**8,428.80**	**28,583,403.42**

ACCUMULATED DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-13	ADDITIONS (+)	BALANCE AT 31-12-14
Industrial property	24,525.33	3,720.39	28,245.72
Computer software	22,399,063.36	1,682,531.39	24,081,594.75
TOTAL	**22,423,588.69**	**1,686,251.78**	**24,109,840.47**
NET CARRYING AMOUNT	5,086,882.56	-	4,473,562.95

The breakdown of and changes in the balances of intangible asset items in 2013 are as follows:

COST	BALANCE AT 31-12-12	ACQUISITIONS (+)	RECLASSIFICATIONS (+)	BALANCE AT 31-12-13
Industrial property	31,806.81	7,902.20	-	39,709.01
Computer software	26,460,004.17	1,024,748.07	(13,990.00)	27,470,762.24
TOTAL	**26,491,810.98**	**1,032,650.27**	**(13,990.00)**	**27,510,471.25**

ACCUMULATED DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-12	ADDITIONS (+)	BALANCE AT 31-12-13
Industrial property	21,463.47	3,061.86	24,525.33
Computer software	20,509,233.94	1,889,829.42	22,399,063.36
TOTAL	**20,530,697.41**	**1,892,891.28**	**22,423,588.69**
NET CARRYING AMOUNT	5,961,113.57	-	5,086,882.56

The cost of intangible assets amortised in full and still in use at 31st December 2014 and 2013, expressed in euros, is as follows:

	2014	2013
Industrial property	21,106.81	21,106.81
Computer software	21,192,802.19	18,829,361.12
TOTAL	**21,213,909.00**	**18,850,467.93**

(6) Property, plant and equipment

The breakdown of and changes in the balances of "Property, plant and equipment" in 2014 are as follows:

HEADING	BALANCE AT 31-12-13	CHANGES IN THE YEAR ADDITIONS (+)	CHANGES IN THE YEAR DISPOSALS (-)	RECLASSIFICATIONS (+/-)	TRANSFER TO/FROM INVESTMENT PROPERTY (+/-)	BALANCE AT 31-12-14
Land and natural properties	**120,082,221.68**	**383,709.50**	**-**	**(141,695.64)**	**-**	**120,324,235.54**
Constructions	**1,290,306,445.81**	**5,888,191.88**	**-**	**141,695.64**	**-**	**1,296,336,333.33**
Maritime accesses	215,317,115.24	23,412.70	-	-	-	215,340,527.94
Breakwater and sea defence works	395,902,417.45	-	-	(55,482.47)	-	395,846,934.98
Berthing works	343,813,150.57	680,485.06	-	197,178.11	-	344,690,813.74
Buildings	33,487,598.02	497,782.14	-	-	-	33,985,380.16
General facilities	131,588,571.56	2,895,086.76	-	-	-	134,483,658.32
Pavements and roads	170,197,592.97	1,791,425.22	-	-	-	171,989,018.19
Plant and equipment	10,887,885.36	84,639.11	-	-	-	10,972,524.47
Navigational aid facilities	2,441,651.42	84,639.11	-	-	-	2,526,290.53
Equipment for the handling of goods	**2,975,401.01**	**-**	**-**	**-**	**-**	**2,975,401.01**
Floating material	4,923,930.00	-	-	-	-	4,923,930.00
Workshop equipment	546,902.93	-	-	-	-	546,902.93
Other property, plant and equipment	**21,505,153.81**	**560,125.32**	**(125,671.67)**	**-**	**-**	**21,939,607.46**
Furniture	3,609,327.19	15,658.60	-	-	-	3,624,985.79
Computer hardware	8,192,885.79	248,173.01	-	-	-	8,441,058.80
Transport equipment	713,243.54	278,171.03	(108,014.64)	-	-	883,399.93
Other property, plant and equipment	8,989,697.29	18,122.68	(17,657.03)	-	-	8,990,162.94
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,442,781,706.66**	**6,916,665.81**	**(125,671.67)**	**-**	**-**	**1,449,572,700.80**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	6,991,733.31	4,081,609.63	(219,717.56)	(8,428.80)	(121,789.21)	10,723,407.37
TOTAL	**1,449,773,439.97**	**10,998,275.44**	**(345,389.23)**	**(8,428.80)**	**(121,789.21)**	**1,460,296,108.17**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-13	ADDITIONS (+)	DERECOGNITION DUE TO SALE AND RETIREMENT/ REVERSAL OF IMPAIRMENT (-)	TRANSFERS TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-14
Constructions	**354,304,691.05**	**39,299,503.39**	**-**	**-**	**393,604,194.44**
Maritime accesses	39,331,498.31	4,519,009.09	-	-	43,850,507.40
Breakwater and sea defence works	58,574,139.38	8,302,854.94	-	-	66,876,994.32
Berthing works	114,608,816.60	11,253,064.89	-	-	125,861,881.49
Buildings	10,679,184.80	1,061,741.21	-	-	11,740,926.01
General facilities	61,605,550.00	7,507,557.55	-	-	69,113,107.55
Pavements and roads	69,505,501.96	6,655,275.71	-	-	76,160,777.67
Plant and equipment	**5.888.564.43**	**556,523.94**	**-**	**-**	**6,445,088.37**
Navigational aid facilities	2,048,402.99	116,411.47	-	-	2,164,814.46
Equipment for the handling of goods	1.054.773.86	133,116.00	-	-	1,187,889.86
Floating material	2,363,953.57	289,998.51	-	-	2,653,952.08
Workshop equipment	421,434.01	16,997.96	-	-	438,431.97
Other property, plant and equipment	**18,713,336.28**	**1,099,361.85**	**(98,518.18)**	**-**	**19,714,179.95**
Furniture	2,616,152.30	297,766.65	-	-	2,913,918.95
Computer hardware	7,226,833.49	439,200.13	-	-	7,666,033.62
Transport equipment	454,080.07	187,006.13	(80,861.15)	-	560,225.05
Other property, plant and equipment	8,416,270.42	175,388.94	(17,657.03)	-	8,574,002.33
TOTAL	**378,906,591.76**	**40,955,389.18**	**(98,518.18)**	**-**	**419,763,462.76**
Impairment in constructions	161,659.33	1,305.25	(29,449.33)	-	133,515.25
NET CARRYING AMOUNT	**1,070,705,188.88**	**-**	**-**	**-**	**1,040,399,130.16**

HEADING	ACQUISITIONS FROM EXTERNAL SUPPLIERS	CAPITALISED FINANCIAL COSTS	REVERTED CONCESSIONS	TRANSFERS FROM PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	TOTAL ADDITIONS IN 2014
Land and natural properties	**378,310.10**	**-**	**-**	**5,399.40**	**383,709.50**
Constructions	**-**	**-**	**536,277.00**	**5,351,914.88**	**5,888,191.88**
Maritime accesses	-	-	-	23,412.70	23,412.70
Breakwater and sea defence works	-	-	-	-	-
Berthing works	-	-	-	680,485.06	680,485.06
Buildings	-	-	492,848.00	4,934.14	497,782.14
General facilities	-	-	43,429.00	2,851,657.76	2,895,086.76
Pavements and roads	-	-	-	1,791,425.22	1,791,425.22
Plant and equipment	**-**	**-**	**-**	**84,639.11**	**84,639.11**
Navigational aid facilities	-	-	-	84,639.11	84,639.11
Equipment for the handling of goods	-	-	-	-	-
Floating material	-	-	-	-	-
Workshop equipment	-	-	-	-	-
Other property, plant and equipment	**278,171.03**	**-**	**-**	**281,954.29**	**560,125.32**
Furniture	-	-	-	15,658.60	15,658.60
Computer hardware	-	-	-	248,173.01	248,173.01
Transport equipment	278,171.03	-	-	-	278,171.03
Other property, plant and equipment	-	-	-	18,122.68	18,122.68
TOTAL PROPERTY, PLANT AND EQUIPMENT	**656,481.13**	**-**	**536,277.00**	**5,723,907.68**	**6,916,665.81**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	**9,805,517.31**	**-**		**(5,723,907.68)**	**4,081,609.63**
TOTAL	**10,461,998.44**	**-**	**536,277.00**	**-**	**10,998,275.44**

The details of the amounts shown in the table of the balances of the year 2014, in the lower column of the year variations, are detailed below:

HEADING	SALES TO EXTERNAL COMPANIES AND RETIREMENT OR DERECOGNITION FROM INVENTORY	SALES TO OTHER PORT AUTHORITIES AND STATE-OWNED PORTS BODY	ELEMENTS SUBSUMED	TRANSFERS TO OTHER PUBLIC BODIES	TOTAL DERECOGNITIONS IN 2014
Other property, plant and equipment	125,671.67	-	-	-	125,671.67
Transport equipment	108,014.64	-	-	-	108,014.64
Other property, plant and equipment	17,657.03	-	-	-	17,657.03
TOTAL PROPERTY, PLANT AND EQUIPMENT	**125,671.67**	**-**	**-**	**-**	**125,671.67**
Advances and property, plant and equipment in the course of construction	219,717.56	-	-	-	219,717.56
TOTAL	**345,389.23**	**-**	**-**	**-**	**345,389.23**

The breakdown of and changes in 2014 in the main investment projects included in the balance of "Property, plant and equipment in the course of construction and advances" are as follows:

NAME OF THE INVESTMENT PROJECT	BALANCE AT 31-12-13	ACQUISITIONS 2014 (+)	TRANSFER TO PROPERTY, PLANT AND EQUIPMENT IN OPERATION (-)	TRANSFER TO INVESTMENT PROPERTY (+/-)	OTHER CHANGES (+/-)	BALANCE AT 31-12-14
New Nautical Services Dock building	1,604,251.86	-	-	-	-	1,604,251.86
Studies and technical assistance for property, plant and equipment in the course of construction	443,335.75	112,080.00	(49,153.85)	-	-	506,261.90
Advance for extending Levante Quay to 235 metres long and -12 metres deep	1,840,960.43	135,200.44	-	-	-	1,976,160.87
Electrification low and medium voltage, Cruise Quay	640,198.53	51,449.15	(691,647.68)	-	-	-
Improvements to access road layout, South Quay 2, Port of Sagunto	549,406.78	250,332.29	(799,739.07)	-	-	-
Minor works and other property, plant and equipment	1,913,579.96	2,922,713.59	(2,455,269.06)	(121,789.21)	(228,146.36)	2,031,088.92
Cruise Quay – Phase I	-	1,462,667.78	(1,462,667.78)	-	-	-
Redesign of the rail tracks on the Levante Quay	-	3,210,665.97	-	-	-	3,210,665.97
New lighthouse on the extension – Communications tower	-	534,816.46	-	-	-	534,816.46
Development of the surface area for the new concessions in the west area of the Port of Valencia	-	622,831.24	-	-	-	622,831.24
Installation of a pumping station with fire safety system	-	265,430.24	(265,430.24)	-	-	-
Construction of a new pumping station with a fire safety system at the Port of Gandia	-	237,330.15	-	-	-	237,330.15
TOTAL	**6,991,733.31**	**9,805,517.31**	**(5,723,907.68)**	**(121,789.21)**	**(228,146.36)**	**10,723,407.37**

The breakdown of and changes in the balances of "Property, plant and equipment" in 2013 are as follows:

		CHANGES IN THE YEAR				
HEADING	BALANCE AT 31-12-12	ADDITIONS (+)	DISPOSALS (-)	RECLASSIFICATIONS (+/-)	TRANSFER TO/FROM INVESTMENT PROPERTY (+/-)	BALANCE AT 31-12-13
Land and natural properties	**81,095,821.33**	**41,359,926.48**	**(2,373,526.13)**	**-**	**-**	**120,082,221.68**
Constructions	**1,064,054,348.96**	**229,600,241.65**	**(3,348,144.80)**			**1,290,306,445.81**
Maritime accesses	213,117,670.45	2,199,444.79	-	-	-	215,317,115.24
Breakwater and sea defence works	201,680,371.75	194,222,045.70	-	-	-	395,902,417.45
Berthing works	323,719,408.83	20,093,741.74	-	-	-	343,813,150.57
Buildings	32,849,239.94	646,274.38	(7,916.30)	-	-	33,487,598.02
General facilities	124,915,280.10	6,890,075.11	(216,783.65)	-	-	131,588,571.56
Pavements and roads	167,772,377.89	5,548,659.93	(3,123,444.85)	-	-	170,197,592.97
Plant and equipment	**10,620,428.90**	**304,107.40**	**(36,650.94)**	**-**	**-**	**10,887,885.36**
Navigational aid facilities	2,439,944.68	17,143.85	(15,437.11)	-	-	2,441,651.42
Equipment for the handling of goods	2,949,646.32	46,968.52	(21,213.83)	-	-	2,975,401.01
Floating material	4,684,481.01	239,448.99	-	-	-	4,923,930.00
Workshop equipment	546,356.89	546.04	-	-	-	546,902.93
Other property, plant and equipment	**21,113,735.57**	**411,248.90**	**(51,820.66)**	**31,990.00**	**-**	**21,505,153.81**
Furniture	3,584,969.66	24,357.53	-	-	-	3,609,327.19
Computer hardware	7,933,267.41	227,628.38	-	31,990.00	-	8,192,885.79
Transport equipment	655,766.68	89,680.25	(32,203.39)	-	-	713,243.54
Other property, plant and equipment	8,939,731.82	69,582.74	(19,617.27)	-	-	8,989,697.29
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,176,884,334.76**	**271,675,524.43**	**(5,810,142.53)**	**31,990.00**		**1,442,781,706.66**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	**254,251,237.32**	**(245,364,106.86)**	**(191,006.21)**	**(18,000.00)**	**(1,686,390,94)**	**6,991,733.31**
TOTAL	**1,431,135,572.08**	**26,311,417.57**	**(6,001,148.74)**	**13,990.00**	**(1,686,390.94)**	**1,449,773,439.97**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-12	ADDITIONS (+)	DERECOGNITION DUE TO SALE AND RETIREMENT/ REVERSAL OF IMPAIRMENT (-)	TRANSFERS TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-13
Constructions	**321,313,087.60**	**36,090,250.24**	**(188,621.05)**	**(2,910,025.74)**	**354,304,691.05**
Maritime accesses	34,842,619.44	4,488,878.87	-	-	39,331,498.31
Breakwater and sea defence works	53,195,659.59	5,378,479.79	-	-	58,574,139.38
Berthing works	103,321,530.11	11,287,286.49	-	-	114,608,816.60
Buildings	9,665,608.96	1,018,987.72	-	(5,411.88)	10,679,184.80
General facilities	54,403,103.03	7,374,024.60	(12,714.21)	(158,863.42)	61,605,550.00
Pavements and roads	65,884,566.47	6,542,592.77	(175,906.84)	(2,745,750.44)	69,505,501.96
Plant and equipment	**5,330,277.03**	**594,301.93**	**(36,014.53)**	**-**	**5,888,564.43**
Navigational aid facilities	1,899,153.03	164,687.07	(15,437.11)	-	2,048,402.99
Equipment for the handling of goods	943,676.43	131,674.85	(20,577.42)	-	1,054,773.86
Floating material	2,084,617.66	279,335.91	-	-	2,363,953.57
Workshop equipment	402,829.91	18,604.10	-	-	421,434.01
Other property, plant and equipment	**17,493,853.40**	**1,262,163.50**	**(34,450.56)**	**(8,230.06)**	**18,713,336.28**
Furniture	2,303,276.72	312,875.58	-	-	2,616,152.30
Computer hardware	6,668,867.72	557,965.77	-	-	7,226,833.49
Transport equipment	411,661.73	65,481.69	(23,063.35)	-	454,080.07
Other property, plant and equipment	8,110,047.23	325,840.46	(11,387.21)	(8,230.06)	8,416,270.42
TOTAL	**344,137,218.03**	**37,946,715.67**	**(259,086.14)**	**(2,918,255.80)**	**378,906,591.76**
Impairment in constructions	191,028.91	-	(29,369.58)	-	161,659.33
NET CARRYING AMOUNT	**1,086,807,325.14**	**-**	**-**	**-**	**1,070,705,188.88**

The breakdown of "Changes in the year – Additions" in 2013 is as follows:

HEADING	ACQUISITIONS FROM EXTERNAL SUPPLIERS	CAPITALISED FINANCIAL COSTS	REVERTED CONCESSIONS	TRANSFERS FROM PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	TOTAL ADDITIONS IN 2013
Land and natural properties	-	-	-	**41,359,926.48**	**41,359,926.48**
Constructions	-	-	**1,578,428.12**	**228,021,813.53**	**229,600,241.65**
Maritime accesses	-	-	-	2,199,444.79	2,199,444.79
Breakwater and sea defence works	-	-	-	194,222,045.70	194,222,045.70
Berthing works	-	-	-	20,093,741.74	20,093,741.74
Buildings	-	-		646,274.38	646,274.38
General facilities	-	-	1,578,428.12	5,311,646.99	6,890,075.11
Pavements and roads	-	-	-	5,548,659.93	5,548,659.93
Plant and equipment	-	-	-	**304,107.40**	**304,107.40**
Navigational aid facilities	-	-	-	17,143.85	17,143.85
Equipment for the handling of goods	-	-	-	46,968.52	46,968.52
Floating material	-	-	-	239,448.99	239,448.99
Workshop equipment	-	-	-	546.04	546.04
Other property, plant and equipment	-	-	-	**411,248.90**	**411,248.90**
Furniture	-	-	-	24,357.53	24,357.53
Computer hardware	-	-	-	227,628.38	227,628.38
Transport equipment	-	-	-	89,680.25	89,680.25
Other property, plant and equipment	-	-	-	69,582.74	69,582.74
TOTAL PROPERTY, PLANT AND EQUIPMENT		**-**	**1,578,428.12**	**270,097,096.31**	**271,675,524.43**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	**24,074,181.29**	**658,808.16**		**(270,097,096.31)**	**(245,364,106.86)**
TOTAL	**24,074,181.29**	**658,808.16**	**1,578,428.12**	**-**	**26,311,417.57**

The breakdown of "Changes in the year – Derecognitions" in 2013 is as follows:

HEADING	SALES TO EXTERNAL COMPANIES AND RETIREMENT OR DERECOGNITION FROM INVENTORY	SALES TO OTHER PORT AUTHORITIES AND STATE-OWNED PORTS BODY	ELEMENTS SUBSUMED	TRANSFERS TO OTHER PUBLIC BODIES	PROPERTY, PLANT & EQUIPMENT OPEN FOR GENERAL USE	TOTAL DERECOGNITIONS IN 2013
a) Land and natural properties	-	-	-	2,373,526.13	-	2,373,526.13
b) Buildings	367,158.70	-	-	2,980,986.10	-	3,348,144.80
Maritime accesses	-	-	-	-	-	-
Breakwater and sea defence works	-	-	-	-	-	-
Berthing works	-	-	-	-	-	-
Buildings	-	-	-	7,916.30	-	7,916.30
General facilities	25,423.00	-	-	191,360.65	-	216,783.65
Pavements and roads	341,735.70	-	-	2,781,709.15	-	3,123,444.85
c) Equipment and plant	36,650.94	-	-	-	-	36,650.94
Navigational aid facilities	15,437.11	-	-	-	-	15,437.11
Equipment for the handling of goods	21,213.83	-	-	-	-	21,213.83
Floating material	-	-	-	-	-	-
Workshop equipment	-	-	-	-	-	-
d) Other property, plant and equipment	43,590.60	-	-	8,230.06	-	51,820.66
Furniture	-	-	-	-	-	-
Computer hardware	-	-	-	-	-	-
Transport equipment	32,203.39	-	-	-	-	32,203.39
Other property, plant and equipment	11,387.21	-	-	8,230.06	-	19,617.27
TOTAL PROPERTY, PLANT AND EQUIPMENT	**447,400.24**	**-**	**-**	**5,362,742.29**	**-**	**5,810,142.53**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	**191,006.21**	**-**	**-**	**-**	**-**	**191,006.21**
TOTAL	**638,406.45**	**-**	**-**	**5,362,742.29**	**-**	**6,001,148.74**

The breakdown of and changes in 2013 in the main investment projects included in the balance of "Property, plant and equipment in the course of construction and advances" are as follows:

NAME OF THE INVESTMENT PROJECT	BALANCE AT 31-12-12	ACQUISITIONS 2013 (+)	TRANSFER TO PROPERTY, PLANT AND EQUIPMENT IN OPERATION (-)	TRANSFER TO INVESTMENT PROPERTY (+/-)	OTHER CHANGES (+/-)	BALANCE AT 31-12-13
Breakwater works for the Port of Valencia's extension	209,535,048.79	63,342.28	(209,598,391.07)			
Additional work on the breakwater work for the Port of Valencia's extension	5,157,117.45		(5,157,117.45)			
New Technical and Nautical Services Dock building	1,460,340.14	143,911.72				1,604,251.86
Additional work 2 on the breakwater works, North Extension	7,155,430.67		(7,155,430.67)			
Studies and technical assistance for property, plant and equipment in the course of construction	6,273,546.64	192,645.50	(6,022,856.39)			443,335.75
Cruise Quay – Phase I	7,765,823.57	13,158,605.64	(20,924,429.21)			
Interest on breakwater works, North Extension, Port of Valencia	5,720,441.81	658,808.16	(6,379,249.97)			
Geotechnical survey, North Extension, Port of Valencia and Port of Sagunto	2,237,890.68		(2,237,890.68)			
Advance for extending Levante Quay to 235 metres long and -12 metres deep	1,701,001.40	139,959.03				1,840,960.43
Crane rail for container crane, North Quay 2	457,096.21	1,120,496.67	(1,577,592.88)			
Electrification low and medium voltage, Cruise Quay		640,198.53				640,198.53
Improvements access road layout, South Quay 2, Port of Sagunto		549,406.78				549,406.78
Minor works and other property, plant and equipment	6,787,499.96	8,065,615.14	(11,044,137.99)	(1,686,390.94)	(209,006.21)	1,913,579.96
TOTAL	**254,251,237.32**	**24,732,989.45**	**(270,097,096.31)**	**(1,686,390.94)**	**(209,006.21)**	**6,991,733.31**

As a result of the "Balcón al Mar" Cooperation Agreement to modernise the Port of Valencia's infrastructure, entered into on 14th October 1997 by the Spanish Ministry of Development, the Valencian Regional Government, the Valencia City Council, and the PAV, by means of the Ministry of Development Order dated 31st May 1999, certain land, facilities and buildings located in the Port of Valencia service area which had been state-owned were released from port public use and legally changed to alienable property. The gross value of the derecognised land and buildings registered in the PAV assets initially amounted to €27.8 million. Based on the Spanish Cabinet Agreement of 25th April 2003, part of the "Balcón al Mar" total area relating to dock buildings 2, 4 and 5, whose adjusted net carrying value amounted to €4.1 million, was transferred at no charge to the Valencia City Council in May 2003.

At 31st December 2012, the net carrying value of the elements affected by the transfer to the Valencia City Council amounted to €12.6 million, corresponding to assets registered as property, plant and equipment and investment property for net amounts of €2.4 million and €10.2 million, respectively.

In order to complete the free transfer arising from the commitments made under the 1997 Cooperation Agreement, at its meeting held on 18th December 2008, the PAV Board of Directors resolved that the remainder of the free transfer would be initiated. This transfer was to be performed in accordance with the law in force, was to respect the scope of the Spanish Cabinet Agreement of 25th April 2003, and was to address the reality resulting from the transformation of the Inner Dock at the Port of Valencia for the 32nd America's Cup 2007.

On 22nd December 2005, in view of the city of Valencia's candidature as the host city for the 32nd America's Cup 2007, the PAV authorised the 2007 Valencia Consortium to occupy certain items of property, plant and equipment. This authorisation was extended until an inter-administrative agreement was signed whereby the 2007 Valencia Consortium was assigned the port spaces used to hold the 32nd America's Cup 2007.

On 8th March 2013, the Spanish Cabinet, in the framework of its competences, authorised the free transfer of derecognised land in the PAV's service area surrounding the Inner Dock to the Valencia City Council, as well as the assignment of certain facilities and buildings existing on this land (see note 4(c)(vi)).

On 24th April 2013, the Port Authority of Valencia's Board of Directors approved the "Agreement to transfer certain assets to the Valencia City Council at no charge", and the "Inter-administrative agreement to make certain assets that are part of the Juan Carlos I Royal Marina available to the 2007 Valencia Consortium", which enabled the transfer of both PAV-registered assets and of the "expectant right" the port authority maintains on other assets built by the Valencia 2007 Consortium and over which this body maintains rights of use based on the aforementioned inter-administrative agreement.

In August 2013, and after the aforementioned transfer had been entered in the land registry on 24th July 2013, the abovementioned assets were derecognised from the PAV's equity for a net carrying amount of €12.6 million, in favour of the Valencia City Council.

Finally, it should be mentioned that as a result of holding the 32nd America's Cup the PAV had to pay for works and services estimated at €23,325. This issue has been presented for comments to the Valencia 2007 Consortium so the PAV can recover this cost. On the date these Financial Statements were prepared, notwithstanding the discrepancy on the administrative procedure to be followed, the Valencia 2007 Consortium was studying the documentation provided by the PAV to process the corresponding administrative dossier.

(a) Capitalised financial costs

In 2014, the PAV did not capitalise any financial costs under property, plant and equipment in the course of construction (€658,808.16 in 2013).

(b) Fully depreciated assets

The cost of property, plant and equipment amortised in full and still in use at 31st December 2014 and 2013, expressed in euros, is as follows:

	2014	2013
Constructions	77,417,844.83	73,492,815.78
Equipment and plant	2,982,163.88	2,391,793.93
Other property, plant and equipment	16,614,011.65	14,421,844.32
TOTAL	**97,014,020.36**	**90,306,454.03**

(c) Government grants received

Certain investment projects were financed in part by a number of grants awarded to the Entity. The projects financed and the grants received are detailed in note 15.

(d) Commitments

The property, plant and equipment purchase commitments at 31st December 2014 amounted to €6.6 million (€9.8 million at 31st December 2013).

These commitments will be financed by means of equity and borrowed funds in accordance with what is stipulated in the Entity's budget, authorised by the OPPE in the PAV's Business Plan, and approved in the Spanish General State Budget.

(e) Insurance

The PAV has taken out several insurance policies to cover the risks to which the items of property, plant and equipment are subject. The coverage of these policies is considered to be sufficient.

(f) Financial leases - Lessee

The PAV has assets consisting of vehicles contracted under financial leases.

The reconciliation between the amount of the minimum future lease payments and their current value is as follows:

	2014
Future minimum lease payments	138,648.37
Unpaid financial expenses	(6,289.82)
Current value	132,358.55

A breakdown of the minimum payments and current value of financial lease liabilities by maturity date is as follows:

	2014	
	FUTURE MINIMUM LEASE PAYMENTS	CURRENT VALUE
Up to one year	86,936.93	82,127.84
From one to five years	51,711.44	50,230.71
TOTAL	**138,648.37**	**132,358.55**

(7) Investment property

The breakdown of and changes in the balances of "Investment property" items in 2014 are as follows:

HEADING	BALANCE AT 31-12-13	REVERTED CONCESSIONS (+)	TRANSFER TO/FROM PROPERTY, PLANT AND EQUIPMENT (+/-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-14
a) Land	180,552,440.51	-	-	-	180,552,440.51
b) Buildings	169,493,577.44		121,789.21	-	169,615,366.65
Berthing works	6,154,084.87	-	-	-	6,154,084.87
Ship repair facilities	1,379,494.48	-	-	-	1,379,494.48
Buildings	41,706,151.29	-	-	-	41,706,151.29
General facilities	38,651,808.42	-	44,642.31	-	38,696,450.73
Pavements and roads	81,602,038.38	-	77,146.90	-	81,679,185.28
TOTAL	**350,046,017.95**	**-**	**121,789.21**	**-**	**350,167,807.16**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-13	ADDITIONS (+)	SALES, RETIREMENTS AND DISPOSALS (-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-14
Berthing works	1,741,352.71	301,560.98	-	-	2,042,913.69
Ship repair facilities	1,365,699.51	-	-	-	1,365,699.51
Buildings	16,493,952.85	1,320,200.76	-	-	17,814,153.61
General facilities	15,150,919.03	2,348,382.46	-	-	17,499,301.49
Pavements and roads	48,038,974.97	4,149,755.64		-	52,188,730.61
TOTAL	**82,790,899.07**	**8,119,899.84**	**-**	**-**	**90,910,798.91**
NET CARRYING AMOUNT	**267,255,118.88**	**-**	**-**	**-**	**259,257,008.25**

The breakdown of and changes in the balances of “Investment property” items in 2013 are as follows:

HEADING	BALANCE AT 31-12-12	REVERTED CONCESSIONS (+)	TRANSFER TO/FROM PROPERTY, PLANT AND EQUIPMENT (+/-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-13
a) Land	**190,533,127.48**	**-**	**-**	**(9,980,686.97)**	**180,552,440.51**
b) Buildings	**166,871,698.59**	**3,218,491.19**	**1,686,390.94**	**(2,283,003.28)**	**169,493,577.44**
Berthing works	5,980,017.87	174,067.00	-	-	6,154,084.87
Ship repair facilities	1,379,494.48	-	-	-	1,379,494.48
Buildings	41,512,230.15	2,116,371.00	52,280.79	(1,974,730.65)	41,706,151.29
General facilities	37,648,438.91	470,679.00	574,755.22	(42,064.71)	38,651,808.42
Pavements and roads	80,351,517.18	457,374.19	1,059,354.93	(266,207.92)	81,602,038.38
TOTAL	**357,404,826.07**	**3,218,491.19**	**1,686,390.94**	**(12,263,690.25)**	**350,046,017.95**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-12	ADDITIONS (+)	SALES, RETIREMENTS AND DISPOSALS (-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-13
Berthing works	1,446,367.51	294,985.20	-	-	1,741,352.71
Ship repair facilities	1,365,699.51	-	-	-	1,365,699.51
Buildings	17,028,471.54	1,269,233.80	-	(1,803,752.49)	16,493,952.85
General facilities	12,905,394.76	2,278,979.24	-	(33,454.97)	15,150,919.03
Pavements and roads	44,068,379.76	4,236,803.13		(266,207.92)	48,038,974.97
TOTAL	**76,814,313.08**	**8,080,001.37**	**-**	**(2,103,415.38)**	**82,790,899.07**
NET CARRYING AMOUNT	**280,590,512.99**	**-**	**-**	**-**	**267,255,118.88**

(a) Fully depreciated assets

The cost of the property investments which were depreciated in full and still in use at 31st December 2014 amounted to €30,028,020.95 (€28,663,648.71 at 31st December 2013).

(b) Income and expenses arising from investment property

The breakdown of income and expenses generated from investment property in 2014 and 2013, expressed in euros, is as follows:

	2014	2013
Income arising from the charge for the private use of public port land, amounts additional to the charge for the private use of public port land and gains on leases	25,312,714.59	23,217,959.80
Operating expenses	(17,366,391.22)	(17,622,917.21)

The balance at 31st December 2014 of advance charges and amounts additional to the advance charges for the private use of public port land amounting to €72,153,072.78 (€75,797,500.84 at 31st December 2013) is included under "Non-current liabilities, non-current accruals and prepayments" in the balance sheet. This amount includes the effect of discounting the balance to present value, which at 31st December 2014 was €738,720.60 (€770,782.02 in 2013). The adjusted amount will be allocated to operating income over the life of the concessions. The interest rate borne will not differ significantly from the market interest rate.

(c) Other disclosures regarding concessions, authorisations, and leases

The figures detailed below show the distribution of revenue arising in 2014 and 2013 from non-cancellable operating leases, in accordance with the terms of the related agreements:

	2014	2013
Up to one year	608,456.15	261,923.54
From one to five years	706,285.55	1,432,834.65
Over five years	23,997,972.89	21,523,201.61
TOTAL	**25,312,714.59**	**23,217,959.80**

Spanish Law 18/2014, of 15th October, on the approval of urgent measures for growth, competitiveness and efficiency, includes increasing the term of public port concessions to a maximum of 50 years.

The aforementioned Law adds a new tenth transitional provision to Spanish Legislative Royal Decree 2/2011, of 5th September, which approved the recast text of the Spanish Law on State-owned Ports and the Merchant Navy, through which the initial term of concessions granted before the coming into force of Royal Decree-Law 8/2014, of 4th July, on urgent measures for growth, competitiveness and efficiency, may be extended by the port authority, if requested by the concessionaire and endorsed by the State-owned Ports Body, when the concessionaire undertakes to fulfil certain obligations included in the aforementioned legislation.

(8) Nature and level of risk arising from financial instruments

(a) Financial risk factors

The PAV's activities are exposed to different financial risks: market risk (including the risk of interest on fair value and price risk), credit risk, liquidity risk, and the risk of interest on cash flows. The PAV's global risk management programme focuses on the uncertainty of the financial markets and attempts to minimise the potential adverse effects on the PAV's financial profitability.

Risk management is controlled by the PAV's Finance Department in accordance with the policies approved by the Board of Directors. This Department identifies, assesses, and covers financial risks in close cooperation with other PAV departments, and provides policies for the management of global risk as well as specific risks such as interest rate risk, liquidity risk, and the investment of surplus cash.

(i) Credit risk

The PAV has policies to assure that services are rendered to customers with an appropriate credit history. Transactions with derivatives and cash transactions are only carried out with financial institutions that have a high credit rating. The Entity has policies to limit the amount of risk with any financial institution.

Valuation adjustments for client insolvencies involve a degree of judgement by the Finance Department and the review of individual balances on the basis of the customers' credit quality, current market trends, and a historical analysis of insolvencies at an aggregate level. In relation to the valuation adjustment arising from the aggregate analysis of the history of default payments, a decrease in the volume of balances implies a decrease in valuation adjustments and vice-versa.

(ii) Liquidity risk

The PAV prudently manages liquidity risk, based on the maintenance of sufficient cash and marketable securities, the availability of financing by means of a sufficient amount of credit facility commitments and sufficient capacity to settle market positions. Given the dynamic nature of underlying businesses, the PAV's Finance Department aims to keep its financing flexible by means of the availability of the credit lines it has contracted.

The breakdown of financial assets and liabilities by contractual maturity date is shown in notes 11 and 18.

(iii) Risk of interest rate on cash flows

Since the PAV does not have significant interest-earning assets, the income and cash flows of the PAV's operating activities are mostly independent with respect to changes in market interest rates.

The PAV's interest rate risk arises from non-current borrowing. The borrowed funds issued at floating rates expose the PAV to the risk of the cash flow's interest rate.

The Entity manages the risk of interest rate on cash flows by means of floating to fixed interest rate swaps. Under interest rate swaps, the PAV commits with other parties to exchange with certain frequency (generally quarterly) the difference between fixed interest and floating interest calculated on the basis of the notional principal amounts contracted.

(9) Investments in equity instruments of Group companies, associated companies and related parties

The breakdown of the investments in the equity instruments of Group and associated companies classified under non-current assets at 31st December 2014 and 2013, as well as the impairment losses recognised and reversed, is as follows:

IV. NON-CURRENT INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES	BALANCE AT 31-12-13	ADDITIONS IN THE YEAR (+)	DISPOSAL OF INVESTMENT (-)	BALANCE AT 31-12-14
Non-current investments in Group companies	130,371,115.24	-	-	130,371,115.24
Disbursements pending on non-current investments in Group companies	(24,149,783.82)	-	-	(24,149,783.82)
Non-current investments in associated companies	102,151.82	-	-	102,151.82
TOTAL GROSS BALANCE	**106,323,483.24**	**-**	**-**	**106,323,483.24**
Impairment of non-current investments in Group and associated companies	15,913,229.46	4,608,347.05	-	20,521,576.51
TOTAL NET BALANCE	**90,410,253.78**	**(4,608,347.05)**	**-**	**85,801,906.73**

IV. NON-CURRENT INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES	BALANCE AT 31-12-12	ADDITIONS IN THE YEAR (+)	DISPOSAL OF INVESTMENT (-)	BALANCE AT 31-12-13
Non-current investments in Group companies	130,371,115.24	-	-	130,371,115.24
Disbursements pending on non-current investments in Group companies	(24,149,783.82)	-	-	(24,149,783.82)
Non-current investments in associated companies	102,151.82	-	-	102,151.82
TOTAL GROSS BALANCE	**106,323,483.24**	**-**	**-**	**106,323,483.24**
Impairment of non-current investments in Group and associated companies	13,705,220.23	2,208,009.23	-	15,913,229.46
TOTAL NET BALANCE	**92,618,263.01**	**(2,208,009.23)**	**-**	**90,410,253.78**

In 2011, the PAV's Board of Directors agreed to allocate €32.2 million to increase the share capital in Valencia Plataforma Intermodal y Logística, S.A. Any pending disbursements must be made within a period of five years from the date the share capital increase was approved (12/12/2011). The amount paid out at the year closing date amounted to €8.05 million.

The information relating to investments in Group and associated companies at 31st December 2014 is as follows:

HEADING	PERCENTAGE OF OWNERSHIP %	TOTAL NOMINAL VALUE OF THE OWNERSHIP INTEREST	TOTAL CARRYING AMOUNT OF THE OWNERSHIP INTEREST	DISBURSEMENTS PENDING ON NON-CURRENT INVESTMENTS	IMPAIRMENT AT REPORTING DATE
GROUP COMPANIES		**130,371,089.30**	**130,371,115.24**	**24,149,783.82**	**20,521,576.51**
Valencia Plataforma Intermodal y Logística, S.A.	98.40	130,371,089.30	130,371,115.24	24,149,783.82	20,521,576.51
ASSOCIATED COMPANIES		**102,153.00**	**102,151.82**	**-**	**-**
EUROPHAR European Economic Interest Group	33.33	12,000.00	12,000.00	-	-
Infoport Valencia, S.A.	26.67	90,153.00	90,151.82	-	-
OTHER RELATED PARTIES		**797,239.26**	**408,300.00**	**-**	**-**
Puerto Seco de Madrid, S.A.	10.20	796,939.26	408,000.00	-	-
Noatum Rail Terminal Zaragoza, S.L.	10.00	300.00	300.00	-	-

At 31st December 2014, the PAV recognised an impairment loss in the value of the group company amounting to €4.6 million (€2.2 million at 31st December 2013).

The information relating to investments in Group and associated companies at 31st December 2013 is as follows:

HEADING	PERCENTAGE OF OWNERSHIP%	TOTAL NOMINAL VALUE OF THE OWNERSHIP INTEREST	TOTAL CARRYING AMOUNT OF THE OWNERSHIP INTEREST	DISBURSEMENTS PENDING ON NON-CURRENT INVESTMENTS	IMPAIRMENT AT REPORTING DATE
GROUP COMPANIES		**130,371,089.30**	**130,371,115.24**	**24,149,783.82**	**15,913,229.46**
Valencia Plataforma Intermodal y Logística, S.A.	98.40	130,371,089.30	130,371,115.24	24,149,783.82	15,913,229.46
ASSOCIATED COMPANIES		**102,153.00**	**102,151.82**	**-**	**-**
EUROPHAR European Economic Interest Group	33.33	12,000.00	12,000.00	-	-
Infoport Valencia, S.A.	26.67	90,153.00	90,151.82	-	-
OTHER RELATED PARTIES		**796,939.26**	**408,000.00**	**-**	**-**
Puerto Seco de Madrid, S.A.	10.20	796,939.26	408,000.00	-	-

The information relating to Group and associated companies at 31st December 2014, in accordance with the latest available financial statements is as follows:

HEADING	ACTIVITY	SHARE CAPITAL AND RESERVES	PROFIT (LOSS)
GROUP COMPANIES			
Valencia Plataforma Intermodal y Logística, S.A. (*)	Complementary shipping services	92,167,541.34	(4,683,212.51)
ASSOCIATED COMPANIES			
EUROPHAR European Economic Interest Group (**)	Safety, environment, port activity	51,170.85	(9,864.25)
Infoport Valencia, S.A. (*)	Management and coordination of port telecommunications	994,683.75	18,798.06

(*) Data obtained from the 2014 Individual Financial Statements.
(**) Data obtained from the 2013 Individual financial Statements.

The information relating to Group and associated companies at 31st December 2013, in accordance with the latest available financial statements, is as follows:

HEADING	ACTIVITY	SHARE CAPITAL AND RESERVES	PROFIT (LOSS)
GROUP COMPANIES			
Valencia Plataforma Intermodal y Logística, S.A. (*)	Complementary shipping services	94,411,421.05	(2,243,879.71)
ASSOCIATED COMPANIES			
EUROPHAR European Economic Interest Group (**)	Safety, environment, port activity	50,010.09	1,160.76
Infoport Valencia, S.A. (*)	Management and coordination of port telecommunications	975,236.53	27,222.92

(*) Data obtained from the 2013 Individual Financial Statements.
(**) Data obtained from the 2012 Individual Financial Statements.

The shares of the companies in which the PAV has an ownership interest are not quoted on the stock market. In 2014, the related dividends accrued amounted to €2,073.52 (€4,417.50 in 2013).

(10) Financial assets by category

(a) Breakdown of financial assets by category

The breakdown of financial assets by category and class at 31st December 2014 and 2013 is as follows:

CATEGORY / CLASS	NON-CURRENT		CURRENT	
	EQUITY INSTRUMENTS 31/12/2014	LOANS, DERIVATIVES AND OTHER 31/12/2014	LOANS, DERIVATIVES AND OTHER 31/12/2014	TOTAL 31/12/2014
Assets measured at fair value through profit or loss	408,300.00	-	-	408,300.00
- Held for trading	-	-	-	-
- Other	408,300.00	-	-	408,300.00
Loans and receivables	-	8,351,350.88	41,865,005.85	50,216,356.73
TOTAL	**408,300.00**	**8,351,350.88**	**41,865,005.85**	**50,624,656.73**

CATEGORY / CLASS	NON-CURRENT		CURRENT	
	EQUITY INSTRUMENTS 31/12/2013	LOANS, DERIVATIVES AND OTHER 31/12/2013	LOANS, DERIVATIVES AND OTHER 31/12/2013	TOTAL 31/12/2013
Assets measured at fair value through profit or loss	408,000.00	-	-	408,000.00
- Held for trading	-	-	-	-
- Other	408,000.00	-	-	408,000.00
Loans and receivables	-	8,812,244.17	46,018,856.86	54,831,101.03
TOTAL	**408,000.00**	**8,812,244.17**	**46,018,856.86**	**55,239,101.03**

The financial assets included under "Loans and receivables" are measured at amortised cost or cost, their fair value being identical or similar to their carrying value.

	ACCOUNT	31/12/2014	31/12/2013
250	Non-current investments in equity instruments	408,300.00	408,000,00
252	Non-current loans	61,200.00	-
254	Non-current loans to employees	590,085.18	599,532.31
256	Non-current government grants receivable	4,450,000.00	4,450,000.00
260	Non-current guarantees given	501.85	501.85
431	Non-current trade receivables	3,249,563.85	3,762,210.01
417	Advances to creditors	7,565.00	8,365.00
430	Trade receivables	38,091,980.01	34,370,227.38
433	Trade receivables from Group companies	3,583.21	4,797.44
434	Trade receivables from associated companies	107.83	-
439	Customer invoices not yet issued	7,920,213.16	5,664,672.58
440	Accounts receivable	269,526.21	260,510.10
442	Receivable from Group companies	7,618,835.21	9,961,998.59
460	Advance compensation	6,891.03	7,166.39
470	Sundry accounts receivable from tax authorities	130,174.58	3,922,692.56
472	Input VAT pending	3,150.00	-
490	Impairment of trade loans	(12,468,963.98)	(9,706,678.82)
532	Current loans to other related parties	69,084.07	-
544	Current loans to employees	209,064.07	217,225.57
547	Current interest on loans	3,220.57	-
565	Current guarantees given	574.88	574.88
566	Current deposits	-	1,307,305.19
	TOTAL	**50.624.656.73**	**55,239,101.03**

(11) Investments and trade receivables

(a) Current investments in Group and associated companies

At 31st December 2014, the PAV's current investments in Group and associated companies stood at €69,084.07.

(b) Investments

The breakdown of investments at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Related		
Equity instruments	408,300.00	-
Loans	-	69,084.07
Non-related		
Loans	651,285.18	3,220.57
Other	501.85	574.88
TOTAL	**1,060,087.03**	**72,879.52**

The breakdown of investments at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Related		
Equity instruments	408,000.00	-
Non-related		
Loans	599,532.31	-
Other	501.85	1,307,880.07
TOTAL	**1,008,034.16**	**1,307,880.07**

Equity instruments relate to the Entity's ownership interest in the company Puerto Seco Madrid, S.A. amounting to €408,000 and representing 10.20% of the company's share capital. This company's registered office is located in Madrid and its business activity consists of the operation of a railway container terminal. Additionally, it includes the shareholding subscribed and paid up by the Entity this year in the company Noatum Rail Terminal Zaragoza, S.L., for €300, which represented 10% of the firm's share capital.

Other current financial assets at 31st December 2014 and 2013 mainly consisted of current deposits.

The PAV had ownership interests in the foundational capital of the following foundations at 31st December 2014 and 2013:

FOUNDATION NAME ACTIVITY	REGISTERED OFFICE	FOUNDATION CAPITAL / RESERVES	% OF PAV OWNERSHIP	PAV STAKEHOLDING
FOUNDATIONS				
THE VALENCIAN REGION STUDY AND COOPERATION PORT INSTITUTE FOUNDATION (FEPORTS) **Date of creation:** 14/07/1998 **Activity:** Promotion of training, research and development within the maritime and port sector	VALENCIA	CAPITAL: 919,909.13 RESERVES: 0.00	35.28%	324,546.53
VALENCIAN REGION VALENCIAPORT FOUNDATION FOR RESEARCH, PROMOTION AND PORT STUDIES **Date of creation:** 23/05/2003 **Activity:** Promotion of marketing, training, research and development within Valenciaport	VALENCIA	CAPITAL: 601,012.10 RESERVES: 0.00	19.50%	117,198.00

In accordance with the instructions received from the OPPE, and given that in the event of a possible liquidation and/or dissolution of these foundations the PAV would not receive the foundational contribution, the PAV's ownership interest in these foundations was derecognised from "Investments".

(c) Other disclosures relating to investments

(i) Main loan features

At 31st December 2014, the PAV had granted non-related and non-current loans to employees amounting to €590,085.18 (€599,532.31 at 31st December 2013).

(d) Trade and other receivables

The breakdown of trade and other receivables at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Group and associated companies		
Trade receivables	-	3,691.04
Other receivables (see note 26)	-	7,618,835.21
	-	**7,622,526.25**
Non-related		
Trade receivables	3,249,563.85	46,012,193.17
Valuation adjustments for impairment	-	(12,468,963.98)
Sundry receivables	-	493,046.31
Government grants receivable	4,450,000.00	-
Other accounts receivable from government	-	133,324.58
	7,699,563.85	**34,169,600.08**
TOTAL	**7,699,563.85**	**41,792,126.33**

The breakdown of trade and other receivables at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Group		
Trade receivables	-	4,797.44
Other receivables (see note 26)	-	9,961,998.59
	-	**9,966,796.03**
Non-related		
Trade receivables	3,762,210.01	40,034,899.96
Valuation adjustments for impairment	-	(9,706,678.82)
Sundry receivables	-	493,267.06
Government grants receivable	4,450,000.00	-
Other accounts receivable from government	-	3,922,692.56
	8,212,210.01	**34,744,180.76**
TOTAL	**8,212,210.01**	**44,710,976.79**

Non-current trade receivables relate to the deferment of debts payable whose recovery is guaranteed by certain assets pledged as security, and which bear interest at market rates. These debts, whose final maturity date is 2020, mature as follows: €0.56 million in 2015, €0.56 million in 2016, and €2.13 million up to the maturity date.

The balance of non-current government grants receivable at 31st December 2014 and 2013 was €4,450,000.00, which correspond to ERDF and Cohesion Funds from different operating frameworks, which are expected to be collected at the end of the operating framework programme (see note 15).

At 31st December 2014, the valuation adjustment for the impairment of receivables amounted to €12,468,963.98 (€9,706,678.82 at 31st December 2013). In 2014 there was a net period provision with regard to valuation adjustments for impairment of receivables amounting to €3.72 million (€3.93 million in 2013) in which there was rational evidence of default arising from uncertainty regarding the continuity of the debtors' operations, a reduction in their future cash flows or their involvement in insolvency proceedings. In 2014, €0.95 million were considered as irrecoverable from doubtful trade receivables from previous years, which the PAV offset directly against the provision balance (€2.2 million in 2013).

(12) Derivative financial instruments

The breakdown of derivative financial instruments at 31st December 2014 is as follows:

	CURRENT NOTIONAL AMOUNT	2014 FAIR VALUES			
		ASSETS		LIABILITIES	
		NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Hedge derivatives					
Cash flow hedges					
Interest rate swaps	334,950,000.00	-	-	51,127,326.32	10,349,583.69
TOTAL HEDGE DERIVATIVES		**-**	**-**	**51,127,326.32**	**10,349,583.69**

The breakdown of derivative financial instruments at 31st December 2013 is as follows:

	CURRENT NOTIONAL AMOUNT	2013 FAIR VALUES			
		ASSETS		LIABILITIES	
		NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Hedge derivatives					
Cash flow hedges					
Interest rate swaps	342,675,000.00	-	-	31,830,632.71	9,880,661.20
TOTAL HEDGE DERIVATIVES		**-**	**-**	**31,830,632.71**	**9,880,661.20**

(a) Interest rate swaps – cash flow hedges

The PAV uses interest rate swaps to manage the exposure of its bank loans to interest rate fluctuations. A description of the interest rate swaps arranged is as follows:

» An interest rate hedge was arranged in 2005 in relation to the EIB loan arranged on 20th June 2005 which amounted to an initial €27 million. The features of this transaction from 2011 involve the PAV paying quarterly amounts from 15th March 2011 to 15th June 2030 which bear interest at a rate of 2.45% plus a variable up to 15th December 2015, of 2.9% plus a variable up to 15th December 2020, and of 3.70% plus a variable up to the final maturity date. The variable is an index referenced to Spanish inflation. The financial institution will pay a quarterly floating rate tied to the DB EUR 3m index. The current notional amount is €21.6 million.

» An interest rate hedge was arranged in 2006 in relation to the loan arranged on 21st July 2006 at the Spanish Official Credit Institute (ICO), which amounted to an initial €33 million, by means of a transaction called TIP TOP, which matures on 16th December 2030. This strategy basically consisted of taking advantage of the interest rates in force when the loan was arranged, in which short-term rates were low and the curve for long-term rates was steeper. The current notional amount is €26.4 million.

» In 2010, the PAV entered into an interest rate swap with the option of a unilateral extension by the financial institution, in relation to a loan transaction in which during a first period, the PAV pays floating interest tied to a six-month Euribor rate every six months on 21st January and 21st July, and the financial institution pays a floating interest rate tied to Euribor at six months plus a spread of 0.5%. The financial institution exercised its unilateral extension option on 19th January 2012. The conditions remain unchanged and the interest rate payable by the PAV is a fixed 3.34% rate up to 21st July 2022. The current notional amount is €54,000,000.

» In 2010, the PAV entered into an interest rate collar relating to a loan transaction in which the PAV receives floating interest tied to a three-month Euribor rate and pays a floating interest rate tied to Euribor with certain limits based on the contract period. Payments are quarterly, starting in March 2012, and the final maturity date is 15th December 2026. The current notional amount is €51,000,000.

» In 2010, the PAV entered into an interest rate swap relating to a loan transaction in which the PAV receives floating interest tied to a three-month Euribor rate, and pays interest at a fixed rate of 0.6%, which was gradually increased to 3.06% as of 2012. Payments are quarterly, and the final maturity date is 30th April 2020. The current notional amount is €61.85 million.

» In 2011, the PAV entered into an interest rate swap relating to a loan transaction in which the PAV receives floating interest tied to a six-month Euribor rate, and pays interest at a fixed rate of 3.74% as of 2012. Payments are every six months, and the final maturity date is 20th April 2021. The current notional amount is €27 million.

» In 2011, the PAV entered into an interest rate swap relating to a loan transaction in which the PAV receives floating interest tied to a six-month Euribor rate, and pays interest at a fixed rate of 3.74% as of 2012. Payments are every six months, and the final maturity date is 20th April 2021. The current notional amount is €35.1 million.

» In 2011, the PAV entered into a floating interest rate swap with a fixed interest rate swap option relating to a loan transaction in which the PAV receives floating interest tied to a three-month Euribor rate and pays a floating interest rate tied to a three-month Euribor rate less a spread, the maturity date of the transaction being 15th June 2013. On 12th June 2013, the financial institution exercised the option of extending the transaction to a swap in which the PAV will pay a fixed interest rate of 3.75%, and will receive a floating rate tied to a three-month Euribor rate. Payments are every six months, and the final maturity date is 15th June 2023. The current notional amount is €58 million.

The fair value of the swaps is based on the equivalent market value of derivative financial instruments at the balance sheet date. All interest rate swaps are effective as cash flow hedges.

At 31st December 2014, the net fair value of the interest rate swaps recognised as a decrease in equity amounted to €61,476,910.01 (€41,711,293.91 at 31st December 2013).

In 2014, the sum of the hedges recognised as a decrease in equity amounted to €19,765,616.10 (€13,697,178.11 increase in 2013).

The total amount of the cash flow hedges recognised under financial loss in the income statement amounted to -€9,880,661.20 in 2014 (-€8,345,627.88 in 2013).

(13) Cash and cash equivalents

The breakdown of the balance of "Cash and cash equivalents" at 31st December 2014 and 2013 in euros is as follows:

	2014	2013
Cash and banks	58,147,615.80	35,039,687.74
Current interest accrued on bank loans	39,839.43	88,464.09
TOTAL	**58,187,455.23**	**35,128,151.83**

(14) Shareholders' equity

The breakdown and movements in equity are presented in the statement of changes in equity.

(15) Grants, donations and bequests received

The changes in the balances of non-refundable grants, donations and bequests received during 2014 are as follows:

HEADING	BALANCE AT 31-12-13	AMOUNT ACCRUED IN THE YEAR (+)	AMOUNT TRANSFERRED TO PROFIT (LOSS) FOR THE YEAR (-)	DERECOGNITION AS A RESULT OF OPENING FOR GENERAL USE, TRANSFER TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-14
ERDF CSF 1994-1999	23,664,659.95	-	(790,896.27)	-	22,873,763.68
ERDF CSF 2000-2006	15,571,080.67	-	(523,501.38)	-	15,047,579.29
Cohesion Funds 2000-2006	16,887,927.97	-	(586,100.40)	-	16,301,827.57
ERDF CSF 2007-2013	13,016,363.40	-	(489,668.09)	-	12,526,695.31
New Technical and Nautical Services Dock	8,976,045.52	-	(348,212.45)	-	8,627,833.07
Remodelling end of South Extension breakwater	2,182,484.01	-	(47,445.24)	-	2,135,038.77
Rail access to East Breakwater area	1,857,833.87	-	(94,010.40)	-	1,763,823.47
Cohesion Funds 2007-2013	73,664,947.70	-	(1,340,209.20)	-	72,324,738.50
Breakwater works for the Port of Valencia's extension	73,664,947.70	-	(1,340,209.20)	-	72,324,738.50
EAGGF, FIFG	1,449,050.47	-	(49,390.44)	-	1,399,660.03
Adaptation of the Port of Valencia's Fish Market (FIFG)	-	-	-	-	-
Adaptation of the Port of Sagunto's Fish Market (FIFG)	10,651.90	-	(905.04)	-	9,746.86
Adaptation of the Port of Gandia's Fish Market (FIFG)	1,438,398.57	-	(48,485.40)	-	1,389,913.17
Other capital grants	1,517,600.41	-	(74,802.24)	-	1,442,798.17
TEN-T Fund (Trans-European Transport Network)	1,512,614.53	-	(73,703.61)	-	1,438,910.92
Spanish Ministry of Industry (Electric vehicle subsidy)	4,985.88	-	(1,098.63)	-	3,887.25
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS	**145,771,630.57**	**-**	**(3,854,568.02)**	**-**	**141,917,062.55**
TOTAL OTHER GRANTS, DONATIONS AND BEQUESTS	**-**	**-**	**-**	**-**	**-**
TOTAL INCOME FROM REVERTED CONCESSIONS	**32,872,857.86**	**536,277.00**	**(1,758,569.58)**	**-**	**31,650,565.28**
Income from reverted concessions	32,872,857.86	536,277.00	(1,758,569.58)	-	31,650,565.28
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS RECEIVED	**178,644,488.43**	**536,277,00**	**(5,613,137.60)**	**-**	**173,567,627.83**

The changes in the balances of non-refundable grants, donations and bequests received during 2013 are as follows:

HEADING	BALANCE AT 31-12-12	AMOUNT ACCRUED IN THE YEAR (+)	AMOUNT TRANSFERRED TO PROFIT (LOSS) FOR THE YEAR (-)	DERECOGNITION AS A RESULT OF OPENING FOR GENERAL USE, TRANSFER TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-13
ERDF CSF 1994-1999	**24,461,184.91**	**-**	**(796,524.96)**	**-**	**23,664,659.95**
ERDF CSF 2000-2006	**16,136,647.53**	**-**	**(565,566.86)**	**-**	**15,571,080.67**
Cohesion Funds 2000-2006	**17,474,028.37**		**(586,100.40)**	**-**	**16,887,927.97**
ERDF CSF 2007-2013	**13,525,982.40**	**-**	**(509,619.00)**	**-**	**13,016,363.40**
New Technical and Nautical Services Dock	9,344,208.88		(368,163.36)		8,976,045.52
Remodelling end of South Extension breakwater	2,229,929.25		(47,445.24)		2,182,484.01
Rail access to East Breakwater area	1,951,844.27		(94,010.40)		1,857,833.87
Cohesion Funds 2007-2013	**74,000,000.00**	**-**	**(335,052.30)**	**-**	**73,664,947.70**
Breakwater works for the Port of Valencia's extension	74,000,000.00		(335,052.30)	-	73,664,947.70
EAGGF, FIFG	**1,551,706.46**	**-**	**(51,249.78)**	**(51,406.21)**	**1,449,050.47**
Adaptation of the Port of Valencia's Fish Market (FIFG)	53,265.55	-	(1,859.34)	(51,406.21)	-
Adaptation of the Port of Sagunto's Fish Market (FIFG)	11,556.94	-	(905.04)		10,651.90
Adaptation of the Port of Gandia's Fish Market (FIFG)	1,486,883.97	-	(48,485.40)		1,438,398.57
Other capital grants	**1,592,402.65**	**-**	**(74,802.24)**	**-**	**1,517,600.41**
TEN-T Fund (Trans-European Transport Network)	1,586,402.65	-	(73,788.12)		1,512,614.53
Spanish Ministry of Industry (Electric vehicle subsidy)	6,000.00		(1,014.12)		4,985.88
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS	**148,741,952.32**	**-**	**(2,918,915.54)**	**(51,406.21)**	**145,771,630.57**
TOTAL OTHER GRANTS, DONATIONS AND BEQUESTS	**2,302.64**	**-**	**(2,302.64)**	**-**	**0.00**
TOTAL INCOME FROM REVERTED CONCESSIONS	**29,557,427.85**	**4,796,919.31**	**(1,481,489.30)**	**-**	**32,872,857.86**
Income from reverted concessions	29,557,427.85	4,796,919.31	(1,481,489.30)	-	32,872,857.86
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS RECEIVED	**178,301,682.81**	**4,796,919.31**	**(4,402,707.48)**	**(51,406.21)**	**178,644,488.43**

1994-1999 ERDF COMMUNITY SUPPORT FRAMEWORK AND THE VALENCIAN REGIONAL GOVERNMENT

On 25th November 1994, the Commission of the European Communities resolved to grant the PAV a subsidy from the European Regional Development Fund (ERDF), as part of the 1994-1999 Community Support Framework, for the project to extend the South Dock and berthing line at the Port of Valencia. The subsidy granted to the Entity by the ERDF in the period from 1994-1999 amounted to €33.155 million, which financed a planned investment for this period of €61.946 million. On 4th May 2001, the Commission of the European Communities approved the reprogramming of the Valencian Region's 1994-1999 Operational Programme, which included an increase in the ERDF subsidy for the PAV of €6,464,924.00.

This project was added to the PAV's fixed assets in December 1997. Subsequent to this date, the subsidy has been charged to profit or loss in proportion to the depreciation of the assets financed with this subsidy.

On 22nd July 2010, the PAV received an official notice from the Spanish Ministry of Economy and Finance of the start of a procedure for the reduction and reimbursement of a subsidy amounting to €3,528,778.47 from the 1994-1999 Operational Programme. In a subsequent official notice from the aforementioned Ministry in 2011, the reimbursement of this amount was agreed partly by compensating the balance to be collected from the Valencian Region's 2000-2006 Operational Programme to the amount of €1,051,775.00, and €2,477,003.47 to be returned to the PAV from the 2007-2013 ERDF Cohesion Fund Operational Programme.

FIFG 1993-1995. ADAPTATION OF FISH MARKETS TO EEC DIRECTIVES

On 15th July 1994, the Commission of the European Communities resolved to provide the Entity with a grant amounting to €140,162.68 funded by the Financial Instrument for Fisheries Guidance (FIFG). This grant was provided to finance the projects for adapting the Valencia and Sagunto fish markets to EEC Directives, and specifically the Directive 91/493/EEC laying down the health conditions for the production and placing on the market of fishery products. The co-financed projects were added to the PAV's fixed assets in 1995. Subsequent to this date, the subsidy has been charged to profit or loss for each year in proportion to the depreciation of the assets financed with this grant.

RESIDER II

Under the agreement entered into in 1998, the Port Authority was provided with a grant of €2,924,819.40 from the RESIDER II Operational Programme which, with the aid of the 1994-1999 ERDF, promoted new economic activities in the regions affected by the economic re-conversion of steel-producing areas hit by industrial restructuring problems, as was the case of the Port of Sagunto. This grant was aimed at financing several investment projects to be carried out in the Port of Sagunto. The co-financed projects were added to the PAV's fixed assets in 1999. Subsequent to this date, the subsidy has been charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

TEN-T TRANS-EUROPEAN TRANSPORT NETWORK

On 17th December 2001, the Commission of the European Communities approved a grant for the PAV and VPI Logística, S.A. from TEN-T funds, which are aimed at providing funding for projects of common interest in the area of trans-European transport networks. This grant was provided to carry out the project 2001/ES/666 "Improvement of the Port of Valencia's access and logistics infrastructure for the promotion of multimodal traffic". The subsidy allocated to both entities amounted to €2,500,000. The portion allocated to the PAV amounted to €2,121,748.85. The co-financed project was added to the PAV's fixed assets in 2004. Subsequent to this date, the subsidy has been charged to profit or loss for each year in proportion to the depreciation of the assets financed with this grant.

2000-2006 ERDF COMMUNITY SUPPORT FRAMEWORK

On 7th March 2001, the Commission of the European Communities resolved to grant the PAV a subsidy from the European Regional Development Fund, as part of the 2000-2006 Community Support Framework, in relation to axis and measurement 6.4., for the works required to expand and improve port infrastructure in public ports. The total subsidy allocated in the operational programme amounted to €21.04 million. This subsidy has been fully received, based on the payments made at 31st December 2002 for the co-financed investment projects which were added to the PAV's fixed assets. The subsidy has been charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

2000-2006 COMMUNITY SUPPORT FRAMEWORK COHESION FUND

On 3rd December 2004, the European Commission granted the PAV a Cohesion Fund subsidy for the project "East Breakwater site and berthing area and the enlargement of the inner Xità Quay at the Port of Valencia". The maximum amount of this grant was €20,205,100. The project was added to the PAV's fixed assets in 2008. The subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

FIFG 2007. ADAPTATION OF THE PORT OF GANDIA'S FISH MARKET

On 15th September 2000 (published in the Valencian Region Official Gazette No. 3846 on 28th September), the Valencian Regional Ministry of Agriculture, Fisheries and Food resolved to provide the Entity with a grant amounting to €1,680,825.52, funded by the Financial Instrument for Fisheries Guidance (FIFG). The grant comes from the project to adapt the Port of Gandia's Fish Market. The project was definitively added to the PAV's property, plant and equipment in 2009. The subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

2007-2013 ERDF COMMUNITY SUPPORT FRAMEWORK

On 16th December 2009, the Commission of the European Communities resolved to grant the PAV a subsidy from the European Regional Development Fund, as part of the Valencian Region's 2007-2013 Operational Programme, in relation to the works required to expand and improve port infrastructure in public ports. The total subsidy allocated to the PAV in the operational programme amounted to €15 million. This subsidy has been fully received, based on the payments made at 31st December 2011 for the co-financed investment projects which were added to the PAV's fixed assets. The subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

2007-2013 COMMUNITY SUPPORT FRAMEWORK COHESION FUND

On 17th June 2009, the Commission of the European Communities resolved to provide the PAV with a grant from the 2007-2013 Community Support Framework Cohesion Fund for the "Port of Valencia's North Extension" project. The Cohesion Fund's contribution to the aforementioned project is €74 million. The funded project was added to the PAV's fixed assets in 2013 and the subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

(i) Operating grants

The breakdown of operating grants received in 2014 is as follows:

AWARDING AUTHORITY	EUROS	PURPOSE
European Union	419,645.83	Environment, logistics and shipping
Spanish Ministry of Economy and Competitiveness	3,211.45	IDAE programme – Investment in energy saving and energy efficiency
	422,857.28	

The breakdown of operating grants received in 2013 is as follows:

AWARDING AUTHORITY	EUROS	PURPOSE
European Union	158,365.45	Safety, logistics, information technology and the environment
Spanish Ministry of Economy and Competitiveness	5,050.13	IDAE programme – Investment in energy saving and energy efficiency
Industrial Technological Development Centre	13,632,50	Security and safety
Valencian Regional Government	15,255.00	Sustainable Mobility Plan
	192,303.08	

(16) Provisions

The breakdown of and changes in other provisions during 2014 are as follows:

I. NON-CURRENT PROVISIONS	BALANCE AT 31-12-13	ALLOCATION TO PROFIT (LOSS) FOR THE YEAR		CURRENT APPLICATION AND TRANSFER	DISCOUNTING BALANCE TO PRESENT VALUE	BALANCE AT 31-12-14
		ADDITIONS (+)	SURPLUS (-)			
Provision for taxes	10,192,653.70	519,404.20	(449,140.71)	(1,404,613.24)	44,036.85	8,902,340.80
Provision for third-party liabilities	722,179.05	-	-	-	-	722,179.05
b) Other tariff/charge litigation (principal and interest)	722,179.05	-	-	-	-	722,179.05
TOTAL	**10,914,832.75**	**519,404.20**	**(449,140.71)**	**(1,404,613.24)**	**44,036.85**	**9,624,519.85**

The breakdown of and changes in other provisions during 2013 are as follows:

I. NON-CURRENT PROVISIONS	BALANCE AT 31-12-12	ALLOCATION TO PROFIT (LOSS) FOR THE YEAR		CURRENT APPLICATION AND TRANSFER	DISCOUNTING BALANCE TO PRESENT VALUE	BALANCE AT 31-12-13
		ADDITIONS (+)	SURPLUS (-)			
Provision for taxes	9,335,625.54	503,627.09	-	(220,237.41)	573,638.48	10,192,653.70
Provision for third-party liabilities	722,179.05	-	-	-	-	722,179.05
b) Other tariff/charge litigation (principal and interest)	722,179.05	-	-	-	-	722,179.05
TOTAL	**10,057,804.59**	**503,627.09**	**-**	**(220,237.41)**	**573,638.48**	**10,914,832.75**

Information relating to provisions is provided in note 26 a).

(17) Financial liabilities by category

(a) Breakdown of financial liabilities by category

The breakdown of financial liabilities by category and class, and the comparison of their fair value and carrying amount at 31st December 2014 and 2013 is as follows:

	NON-CURRENT FINANCIAL LIABILITIES		CURRENT FINANCIAL LIABILITIES		
	BANK BORROWINGS	DERIVATIVES AND OTHER	BANK BORROWINGS	DERIVATIVES AND OTHER	TOTAL
CATEGORY / CLASS	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Accounts payable	522.126.547,62	388.274,93	27.968.809,43	17.882.795,17	568.366.427,15
Hedge derivatives	-	51.127.326,32	-	10.349.583,69	61.476.910,01
TOTAL	**522.126.547,62**	**51.515.601,25**	**27.968.809,43**	**28.232.378,86**	**629.843.337,16**

	NON-CURRENT FINANCIAL LIABILITIES		CURRENT FINANCIAL LIABILITIES		
	BANK BORROWINGS	DERIVATIVES AND OTHER	BANK BORROWINGS	DERIVATIVES AND OTHER	TOTAL
CATEGORY / CLASS	31/12/2013	31/12/2013	31/12/2013	31/12/2013	31/12/2013
Accounts payable	549,843,214.29	676,088.45	23,175,714.61	20,428,563.48	594,123,580.83
Hedge derivatives	-	31,830,632.71	-	9,880,661.20	41,711,293.91
TOTAL	**549,843,214.29**	**32,506,721.16**	**23,175,714.61**	**30,309,224.68**	**635,834,874.74**

The financial liabilities included under "Accounts payable" are measured at amortised cost or cost, their fair value being identical or similar to their carrying value.

The financial liabilities arising from EIB and ICO loans generated financial expenses in the 2014 Income Statement of €2.7 million (€3 million in 2013).

The breakdown of the accounts which made up the financial liabilities at 31st December 2014 and 2013 are as follows:

	ACCOUNT	31/12/2014	31/12/2013
170	Non-current bank borrowings	522,126,547.62	549,843,214.29
171	Non-current liabilities	338,044.22	676,088.45
174	Creditors, financial leasing	50,230.71	-
176	Liabilities relating to financial derivatives	51,127,326.32	31,830,632.71
400	Payable to suppliers	68,914.40	59,227.95
410	Payable for services rendered	4,059,764.16	4,318,707.12
412	Trade payables to Group companies	145,200.00	72,600.00
413	Trade payables to associated companies	222,465.23	249,175.30
415	Payables as a result of unappealable judgements	9,791,852.83	11,903,348.89
465	Remuneration payable	30,151.30	37,704.04
475	Sundry accounts payable to tax authorities	594,201.79	622,098.14
476	Accrued social security contributions payable	384,329.61	385,049.32
511	Payable to related party current fixed asset suppliers	44,230.55	48,116.10
520	Current bank borrowings	27,716,666.66	22,809,166.66
521	Current payables	117,971.80	-
513	Other current loans to related parties	183,167.02	800,643.72
523	Current fixed-asset suppliers	1,123,722.06	1,329,922.87
524	Payables from financial leases	82,127.84	-
527	Current interest on bank borrowings	252,142.77	366,547.95
555	Unallocated items	176,907.89	(45,981.90)
559	Current financial derivatives	10,349,583.69	9,880,661.20
560	Current guarantees received	857,788.69	647,951.93
	TOTAL	**629,843,337.16**	**635,834,874.74**

(18) Financial liabilities and trade payables

(a) Payable to Group and associated companies

The breakdown of the balance payable to Group and associated companies at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Group		
Payable for services received	-	145,200.00
	-	**145,200.00**
Associated companies		
Payable to non-current asset suppliers	-	44,230.55
Payable for services received	-	222,465.23
	-	**266,695.78**
Other related parties	-	183,167.02
TOTAL	**-**	**595,062.80**

"Other related parties" corresponds to advances from the State-owned Ports Body to face the lawsuit payments arising from the court judgements relating to the T-3 tariff.

The breakdown of the balance payable to Group and associated companies at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Group		
Payable for services received	-	72,600.00
	-	**72,600.00**
Associated companies		
Payable to non-current asset suppliers	-	48,116.10
Payable for services received	-	249,175.30
	-	**297,291.40**
Other related parties	-	800,643.72
TOTAL	**-**	**1,170,535.12**

(b) Liabilities

The breakdown of liabilities at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Non-related		
Bank borrowings	522,126,547.62	27,716,666.66
Interest payable	-	252,142.77
	522,126,547.62	**27,968,809.43**
Payable to non-current asset suppliers	-	1,123,722.06
Guarantees, deposits received and other	-	1,234,796.22
	-	**2,358,518.28**
TOTAL	**522,126,547.62**	**30,327,327.71**

The breakdown of liabilities at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Non-related		
Bank borrowings	549,843,214.29	22,809,166.66
Interest payable	-	366,547.95
	549,843,214.29	**23,175,714.61**
Payable to non-current asset suppliers	-	1,329,922.87
Guarantees, deposits received and other	-	601,970.03
	-	**1,931,892.90**
TOTAL	**549,843,214.29**	**25,107,607.51**

(c) Other disclosures on liabilities

(i) Main features of liabilities

The terms and conditions of loans and other payables at 31st December 2014 are as follows:

TRANSACTION TYPE	FINAL MATURITY DATE	INTEREST RATE	LIMIT GRANTED	NON-CURRENT PAYABLES	CURRENT PAYABLES
Loan F European Investment Bank	15-09-28	Variable	10,000,000.00	6,500,000.00	500,000.00
Loan G European Investment Bank	15-09-29	Variable	8,000,000.00	5,333,333.34	380,952.38
Loan H European Investment Bank	15-06-30	Variable	27,000,000.00	19,285,714.28	1,285,714.28
Loan I European Investment Bank	15-12-31	Variable	60,000,000.00	48,000,000.00	3,000,000.00
Loan J European Investment Bank	30-10-33	Variable	61,850,000.00	55,665,000.00	3,092,500.00
Loan K European Investment Bank	27-02-34	Variable	48,150,000.00	45,742,500.00	2,407,500.00
Loan L European Investment Bank	15-06-34	Variable	50,000,000.00	47,500,000.00	2,500,000.00
Loan M European Investment Bank	15-12-34	Variable	58,000,000.00	58,000,000.00	-
Loan 1 Official Credit Institute	16-12-30	Variable	33,000,000.00	24,750,000.00	1,650,000.00
Loan 2 Official Credit Institute	21-07-31	Variable	60,000,000.00	48,000,000.00	3,000,000.00
Loan 3 Official Credit Institute	20-04-32	Variable	200,000,000.00	163,350,000.00	9,900,000.00
Accrued interest payable	----	----	-	-	252,142.77
TOTAL				**522,126,547.62**	**27,968,809.43**

The terms and conditions of loans and other payables at 31st December 2013 are as follows:

TRANSACTION TYPE	FINAL MATURITY DATE	INTEREST RATE	LIMIT GRANTED	NON-CURRENT PAYABLES	CURRENT PAYABLES
Loan F European Investment Bank	15-09-28	Variable	10,000,000.00	7,000,000.00	500,000.00
Loan G European Investment Bank	15-09-29	Variable	8,000,000.00	5,714,285.72	380,952.38
Loan H European Investment Bank	15-06-30	Variable	27,000,000.00	20,571,428.57	1,285,714.28
Loan I European Investment Bank	15-12-31	Variable	60,000,000.00	51,000,000.00	3,000,000.00
Loan J European Investment Bank	30-10-33	Variable	61,850,000.00	58,757,500.00	3,092,500.00
Loan K European Investment Bank	27-02-34	Variable	48,150,000.00	48,150,000.00	-
Loan L European Investment Bank	15-06-34	Variable	50,000,000.00	50,000,000.00	-
Loan M European Investment Bank	15-12-34	Variable	58,000,000.00	58,000,000.00	-
Loan 1 Official Credit Institute	16-12-30	Variable	33,000,000.00	26,400,000.00	1,650,000.00
Loan 2 Official Credit Institute	21-07-31	Variable	60,000,000.00	51,000,000.00	3,000,000.00
Loan 3 Official Credit Institute	20-04-32	Variable	200,000,000.00	173,250,000.00	9,900,000.00
Accrued interest payable	----	----	-	-	366,547.95
TOTAL				**549,843,214.29**	**23,175,714.61**

The full balance of bank borrowings has been secured with the assets of the PAV.

The conditions of unmatured non-current loans, all of which were granted and paid by the European Investment Bank, are as follows in 2014 and 2013:

CONDITIONS	LOAN F GRANTED ON 18/07/2003	LOAN G GRANTED ON 18/07/2003	LOAN H GRANTED ON 20/06/2005	LOAN I GRANTED ON 22/01/2005	LOAN J GRANTED ON 22/12/2005	LOAN K GRANTED ON 22/12/2005	LOAN L GRANTED ON 04/12/2008	LOAN M GRANTED ON 23/12/2008
Principal	10,000,000	8,000,000	27,000,000	60,000,000	61,850,000	48,150,000	50,000,000	58,000,000
Currency	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
Interest rate(s)	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly
Term	25 years	25 years	25 years	25 years	25 years	25 years	25 years	25 years
Disbursement date	25th November 2003	25th November 2004	20th June 2005	15th December 2006	30th October 2008	27th February 2009	15th June 2009	15th December 2009
Payment dates	15th September each year	15th September each year	15th September each year	15th December each year	30th October each year	27th February each year	15th June each year	15th December each year
First repayment of principal	15th September 2009	15th September 2009	15th September 2010	15th December 2012	30th October 2014	27th February 2015	15th June 2015	15th December 2017
Last repayment of principal	15th September 2028	15th September 2029	15th June 2030	15th December 2031	30th October 2033	27th February 2034	15th June 2034	15th December 2034

The PAV had the following unmatured non-current loans from the Spanish Official Credit Institute at 31st December 2014 and 2013:

CONDITIONS	LOAN 1 GRANTED ON 16/12/2005	LOAN 2 GRANTED ON 21/07/2006	LOAN 3 GRANTED ON 20/04/2007	LOAN 4 GRANTED ON 20/04/2007	LOAN 5 GRANTED ON 20/04/2007	LOAN 6 GRANTED ON 20/04/2007	LOAN 7 GRANTED ON 20/04/2007
Principal	33,000,000	60,000,000	30,000,000	20,000,000	50,000,000	65,000,000	33,000,000
Currency	Euro	Euro	Euro	Euro	Euro	Euro	Euro
Interest rate(s)	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months
Term	25 years	25 years	25 years	25 years	25 years	25 years	25 years
Disbursement date	27th December 2005	25th September 2006	20th July 2007	24th December 2007	25th February 2010	27th October 2010	28th February 2011
Payment dates	16th June and 16th December each year	21st July and 21st January each year	20th April and 20th October each year	20th April and 20th October each year	20th April and 20th October each year	20th April and 20th October each year	20th April and 20th October each year
First repayment of principal	16th June 2011	21st January 2012	20th October 2012	20th October 2012	20th October 2012	20th October 2012	20th October 2012
Last repayment of principal	16th December 2030	21st July 2031	20th April 2032	20th April 2032	20th April 2032	20th April 2032	20th April 2032

At 31st December 2014 and 2013, the PAV had no effective credit facilities.

(d) Trade and other payables

The breakdown of trade and other payables at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Non-related		
Payable to suppliers	-	68,914.40
Accounts payable	388,274.93	13,851,616.99
Staff costs	-	30,151.30
Other accounts payable to government	-	978,531.40
TOTAL	**388,274.93**	**14,929,214.09**

The breakdown of trade and other payables at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Non-related		
Payable to suppliers	-	59,227.95
Accounts payable	676,088.45	16,222,056.01
Staff costs	-	37,704.04
Other accounts payable to government	-	1,007,147.46
TOTAL	**676,088.45**	**17,326,135.46**

The accounts payable include the current principal and interest payable as a result of the unappealable judgements handed down by the Court in relation to the litigation over the T-3 tariff (€9,791,852.83 at 31/12/14 and €11,903,348.89 at 31/12/13), (see note 26).

(e) Breakdown by maturity date

The breakdown of financial liabilities by maturity date at 31st December 2014 is as follows:

TRANSACTION TYPE	MATURITY DATE						TOTAL
	2015	2016	2017	2018	2019	2020 AND SUBSEQUENT	
Loan F European Investment Bank	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	4,500,000.00	7,000,000.00
Loan G European Investment Bank	380,952.38	380,952.38	380,952.38	380,952.38	380,952.38	3,809,523.82	5,714,285.72
Loan H European Investment Bank	1,285,714.28	1,285,714.29	1,285,714.29	1,285,714.29	1,285,714.29	14,142,857.12	20,571,428.56
Loan I European Investment Bank	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	36,000,000.00	51,000,000.00
Loan J European Investment Bank	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	43,295,000.00	58,757,500.00
Loan K European Investment Bank	2,407,500.00	2,407,500.00	2,407,500.00	2,407,500.00	2,407,500.00	36,112,500.00	48,150,000.00
Loan L European Investment Bank	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	37,500,000.00	50,000,000.00
Loan M European Investment Bank	-	-	3,222,222.22	3,222,222.22	3,222,222.22	48,333,333.34	58,000,000.00
Loan 1 Official Credit Institute	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	18,150,000.00	26,400,000.00
Loan 2 Official Credit Institute	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	36,000,000.00	51,000,000.00
Loan 3 Official Credit Institute	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	123,750,000.00	173,250,000.00
Interest on current loans	252,142.77	-	-	-	-	-	252,142.77
TOTAL	**27,968,809.43**	**27,716,666.67**	**30,938,888.89**	**30,938,888.89**	**30,938,888.89**	**401,593,214.28**	**550,095,357.05**

The breakdown of financial liabilities by maturity date at 31st December 2013 is as follows:

TRANSACTION TYPE	MATURITY DATE						TOTAL
	2014	2015	2016	2017	2018	2019 AND SUBSEQUENT	
Loan F European Investment Bank	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	5,000,000.00	7,500,000.00
Loan G European Investment Bank	380,952.38	380,952.38	380,952.38	380,952.38	380,952.38	4,190,476.20	6,095,238.10
Loan H European Investment Bank	1,285,714.28	1,285,714.29	1,285,714.29	1,285,714.29	1,285,714.29	15,428,571.41	21,857,142.85
Loan I European Investment Bank	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	39,000,000.00	54,000,000.00
Loan J European Investment Bank	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	46,387,500.00	61,850,000.00
Loan K European Investment Bank	-	2,407,500.00	2,407,500.00	2,407,500.00	2,407,500.00	38,520,000.00	48,150,000.00
Loan L European Investment Bank	-	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	40,000,000.00	50,000,000.00
Loan M European Investment Bank	-	-	-	3,222,222.22	3,222,222.22	51,555,555.56	58,000,000.00
Loan 1 Official Credit Institute	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	19,800,000.00	28,050,000.00
Loan 2 Official Credit Institute	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	39,000,000.00	54,000,000.00
Loan 3 Official Credit Institute	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	133,650,000.00	183,150,000.00
Interest on current loans	366,547.95	-	-	-	-	-	366,547.95
TOTAL	**23,175,714.61**	**27,716,666.67**	**27,716,666.67**	**30,938,888.89**	**30,938,888.89**	**432,532,103.17**	**573,018,928.90**

(19) Tax matters

The breakdown of tax payables at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Assets		
Government grants receivable	4,450,000.00	-
Sundry accounts receivable from tax authorities	-	133,324.58
TOTAL	**4,450,000.00**	**133,324.58**
Liabilities		
VAT payable	-	230,209.34
Income Tax payable	-	363,992.45
Accrued social security contributions payable	-	384,329.61
TOTAL	-	**978,531.40**

The breakdown of tax payables at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Assets		
Government grants receivable	4,450,000.00	-
Sundry accounts receivable from tax authorities	-	3,922,692.56
TOTAL	**4,450,000.00**	**3,922,692.56**
Liabilities		
VAT payable	-	257,257.36
Income Tax payable	-	364,840.78
Accrued social security contributions payable	-	385,049.32
TOTAL	-	**1,007,147.46**

The total balance of "Government grants receivable" at 31st December 2014 and 2013 covers aid receivable from European funds.

At 31st December, the PAV had all taxes applicable to it as from January 2011 open for review by the Spanish tax authorities (except for Corporation Tax which is open for review as from January 2010). The PAV does not expect any additional material liabilities to arise in relation to the years open for inspection.

(a) Corporation Tax

In accordance with the response to the query made to the Directorate General of Taxes on 31st October 2001, and the provisions of article 2 and the third final provision of Spanish Law 24/2001, of 27th December, on Tax, Administrative and Social Order Measures, the special regime for entities partially exempt from Corporation Tax for the financial year 2000 and subsequent years is applicable to port authorities.

In view of the abovementioned response, the discrepancies between the Spanish Treasury and the Ministry of Development (via the OPPE) relating to whether the Entity is exempt from this tax and where this is not the case, to which regime it would be applicable, were resolved in 2001.

As a result of the application of Corporation Tax regulatory standards, the reconciliation of net income and expenses for the years 2014 and 2013 to taxable profit and loss is as follows:

HEADING	2014		
	INCREASES	DECREASES	AMOUNT
Accounting profit or loss after tax			**10,670,185.39**
Permanent differences: relating to 2014 Corporation Tax	61,591.47		61,591.47
Permanent differences: arising in relation to the tax regime for partially exempt entities		(30,204,018.11)	(30,204,018.11)
Permanent differences: arising in relation to excess and application of provisions on property, plant and equipment in 2014		(29,449.33)	(29,449.33)
Permanent differences: arising from the impairment of investments	4,608,347.05		4,608,347.05
Temporary difference arising from 30% amortisation	15,228,462.24		15,228,462.24
Offset of prior years' tax losses		(82,261.81)	(82,261.81)
Taxable profit or loss			**252,856.90**
Gross tax payable: (25% tax rate on taxable profit or loss)			**63,214.23**
Double taxation tax credit pending from 2013			**1,104.38**
Double taxation tax credit 2014			**518.38**
Net Corporation Tax payable			**61,591.47**

The permanent difference amounting to €4,608,347.05 (€2,208,009.23 in 2013) is related to the impairment of financial assets for which a provision was recognised in 2014. This is considered to be permanent because it is uncertain whether it will have an effect on future tax charges.

The temporary difference of €15,228,462.24 corresponds to 30% of the depreciation of the property, plant and equipment, intangible assets, and investment property recorded during the year (€14,375,882.50 in 2013), which is considered to be temporary because the amount not deducted in this year could be depreciated on a straight-line basis over a period of ten years, or optionally during the useful life of the asset, as from 2015. Despite the nature of these temporary differences, no tax credit has been registered given that, in spite of the Entity's partial exemption from Corporation Tax, and of the negative adjustments in determining taxable profit or loss, which are expected to continue in the future, it is estimated that these tax credits will not effectively materialise in an actual Corporation Tax payment.

In 2014, the PAV fully offset the tax loss carryforwards incurred in 2013 amounting to €82,261.81, given that they did not exceed 25% of the previous taxable profit. There are now no tax loss carryforwards.

The double taxation credit generated in 2013 of €1,104.38 was applied in 2014. There are no further deductions to be applied for double taxation credit in future years.

The income to which the tax credit was applicable given the reinvestment of extraordinary profit arising from the sale of non-current assets in 2006 amounted to €4,557,101.35. In 2006, €5,804,838.97 was reinvested in the enlargement of the quay area alongside the former riverbed of the River Turia.

The PAV has not availed itself of any tax credits relating to investments in measures to reduce the environmental impact of its operations.

Spanish Law 27/2014, of 27th November, on Corporation Tax, eliminated the time limit to offset tax losses set for 2014 at 18 years, but added a limitation in terms of their application at 60% of the previous taxable income for the year for 2016 and 70% from 2017, with a minimum of €1 million being permitted in any event.

HEADING	2013		
	INCREASES	DECREASES	AMOUNT
Accounting profit or loss after tax			**6,902,963.58**
Permanent differences: relating to 2013 Corporation Tax	1,374.68		1,374.68
Permanent differences: arising in relation to the tax regime for partially exempt entities		-23,641,122.22	-23,641,122.22
Permanent differences: arising in relation to excess and application of provisions on property, plant and equipment in 2013		-29,369.58	-29,369.58
Permanent differences: arising from the impairment of investments	2,208,009.23		2,208,009.23
Permanent difference: arising from fines and penalties	100,000.00		100,000.00
Temporary difference arising from 30% amortisation	14,375,882.50		14,375,882.50
Taxable profit or loss			**-82,261.81**
Gross tax payable: (25% tax rate on taxable profit or loss)			**0.00**
Double taxation tax credit 2013			**1,104.38**
Net Corporation Tax payable			**0.00**

(20) Environmental information

In terms of the environmental programmes implemented in 2014 as part of the PAV's strategic priorities, and more particularly, its environmental sustainability priority, the PAV took an active role in the following projects and initiatives:

- » The PAV continued to take part in the ECOPORT II project, which aims to encourage participating port community companies to implement a certified environmental management system. In 2014, several working meetings were held within the framework of this project, and work continued on setting common environmental objectives for reducing the amount of waste and greenhouse gas emissions generated, the use of natural resources, and increasing energy efficiency.
- » The GREENCRANES project, funded by the EU through the TEN-T Transport Network programme. The project's objective is to prove the viability of new technologies and alternative fuels by implementing pilot projects in public container terminals in order to contribute reasoned criteria and recommendations which enable European policies to be drawn up and facilitate decision-making in the logistics and port industry. The project finished in May 2014.
- » The GREENBERTH project, Promotion of Port Communities SMEs role in Energy Efficiency and GREEN technologies for BERTHING operations, an initiative funded by the European Commission under the MED programme, and led by the Port Authority of Valencia, along with another eight partners from six Mediterranean countries. The partners include six port authorities, and three research organisations. The port authorities are Valencia, Marseilles (France), Leghorn (Italy), Venice (Italy), Koper (Slovenia), and Rijeka (Croatia), whilst the technological partners are the University of Cadiz, the Hellenic Institute of Transport, Centre for Research and Technology Hellas (Greece), and FEPORTS (Valencian Region Port Institute for Economic Studies and Cooperation). The project is scheduled to finish in June 2015.

In addition to the project consortium, there is also a very active external committee which takes part in the different initiatives and is made up of EUROPHAR, ANAVE, and NOATUM.

- » The MONALISA 2.0 project, the main objective of which is to promote Motorways of the Sea (MoS) by implementing a series of measures in line with EU shipping policies.The PAV participates in this project on two levels, in shipping and in ports, in order to coordinate both areas in the case of possible accidents or incidents on large passenger vessels, in addition to other vessels or facilities which may be at risk. MONALISA 2.0 includes partners from the following EU member states: Sweden, Finland, Denmark, Germany, United Kingdom, Spain, Italy, Malta, and Greece. The consortium is made up of partners from the public and private sectors, as well as from academia. The project is funded by the EC through the Trans-European Transport Network Executive Agency (50% of financing) and has a budget of €24,317,000. The project is scheduled to finish in December 2015.
- » The SEATERMINALS PROJECT, "Smart, Energy Efficient and Adaptive Port Terminals – Seaterminals", co-funded by the European Commission's Ten-T Programme. The general objective of Seaterminals is to speed up the transition of the port industry towards more efficient operating models, integrating energy as a key factor for improvement in port container terminals (PCTs). The PAV and Noatum are participating in the project together with another seven European partners. The project started in December 2014 and is set to finish in December 2015.
- » Participation in the EUROPHAR EEIG.

The PAV has been a member of the EUROPHAR European Economic Interest Group since 1997. The Group's members include the port authorities of Marseilles and Genoa, as well as other Spanish, French and Italian companies and organisations which promote safety and environmental protection in ports. The EUROPHAR consortium is an exceptional way to disseminate and promote the PAV's policies on the international stage, and is also a cooperation tool for the development of R&D&I projects. EUROPHAR has taken part in a variety of projects, such as the ECOPORTS project in 2005 and the SIMPYC Project which was completed in 2008. In addition, the FEPORTS Foundation took over the General Secretariat of EUROPHAR in December 2010, thus encouraging the Group's research and development activities via the consortium's participation in several R&D&I projects in the field of environmental protection and port safety.

In 2014, EUROPHAR was a member of the advisory board for the SUPPORT and TERASCREEN projects in the field of security as well as taking part in environmental projects, such as GREENBERTH. EUROPHAR is also taking part in the MEDUSA project on physical security and the ICT of critical infrastructures. Thus, EUROPHAR has become an international benchmark in the fields of European environmental protection and port safety.

Environmental management systems

In 2014, the PAV continued to develop its own environmental management system, and maintained its ISO 14001 certification, obtained on 28th April 2006 for "Service and infrastructure management in the ports of Sagunto, Valencia, and Gandia". It also renewed its registration in the Valencian Region's EMAS (E/CV(000023), which it first obtained in 2008, thus certifying its compliance with the requirements of the European Commission's Eco-Management and Audit Scheme (EMAS).

As part of its environmental management system, the PAV uses control networks to monitor different environmental aspects related to port activities, such as atmospheric emissions, quality control of its waters, supervision of weather variables, and control of the noise produced by operations.

It also monitors the PAV's consumption of water, fuel, electricity and paper in order to reduce them year after year through best environmental practice.

In 2002, the Port Authority of Valencia supported the construction of a Waste Transfer Centre (CTR) to manage its own waste, the waste generated at the Valencia, Sagunto, and Gandia port facilities, and by concessionaires. The CTR is privately run and aims to make it easy for concession and authorised companies to manage both their hazardous and non-hazardous waste quickly, easily, and efficiently, thus ensuring that this waste is correctly handled according to applicable legislation. Through the CTR, the PAV offers companies which operate in the port facilities it manages all the necessary means to achieve environmental management which is compatible with the sustainable development it pursues.

The PAV is responsible for being aware of and controlling the status of the subsoil at the ports of Valencia, Sagunto, and Gandia, in accordance with the applicable legislation (Spanish Law 22/2011, of 28th July, on waste and polluted soil, and Spanish Royal Decree 9/2005, of 14th January, which sets out the list of potentially soil-polluting activities, as well as the criteria and standards for declaring soil to be polluted).

In addition, the PAV has monitored the work on the North Extension at the Port of Valencia, which got underway in 2008, in accordance with the EIS published by the Spanish Ministry of Agriculture, Food and the Environment.

More detailed information about the type of waste generated and the different waste management systems is given in the Environmental Report that the Entity publishes every year.

Training

As stated in its environmental policy, the PAV aims to provide suitable training and environmental awareness on environmental issues. Training is understood not only as a way to improve staff knowledge, but also as the means to acquire new skills and abilities which make the ports of Sagunto, Valencia and Gandia more competitive. Thus, training courses and sessions are scheduled every year to enhance knowledge in line with the environmental activities carried out. As far as possible, and as set out in the Ecoport II project, these activities are carried out in conjunction with the rest of the port community.

The Ecoport II project training plan has included the creation of different training documents on environmental issues. In September 2014, the environmental aspects document on bulk goods was presented to all the companies in the Ecoport group.

Communication and publications

One of the PAV's objectives is to enable access to information for the largest possible number of professionals and organisations in the areas it works in.

Communication

The PAV uses different communications channels to make this information available to the different stakeholders. These include the following:

The Port Authority of Valencia's web site

The PAV's web site (www.valenciaport.com) continues to be one of the organisation's main public communications platforms in different areas, including the environment.

Ecoport II project web site

The Ecoport II project's web site (www.ecoport.valenciaport.com) targets port community companies and exchanges information about initiatives related to improving environmental performance as well as sharing tools promoted by the PAV to improve the performance of the interested parties.

Environmental insight sessions

The PAV was in permanent contact with institutions, customers and other stakeholders about the environmental activities of our ports in 2014.

Cooperation and participation in forums and seminars

In 2014, the PAV took part in a considerable number of national and international congresses and symposia about the environment in relation to ports. These included:

- First Mid-term Conference, Greenberth Project (Venice, Italy, March 2014)
- Second Mid-term Conference, Greenberth Project (Rijeka, Croatia, October 2014)
- Monalisa II Project Conference (Barcelona, November 2014)

Different publications in 2014

2013 Environmental Report

As a key element of environmental information, the Port Authority of Valencia once again published the Environmental Report which details the environmental actions carried out in 2013.

Other information tools in 2014

Environmental newsletters

The PAV began publishing an environmental newsletter three times a year in 1998 which features all the latest national and international news and information of environmental interest in the port industry.

In 2014, the environmental newsletter went from strength to strength, in line with the upward trend of recent years, as one of the port industry's preferred channels to remain up to date with the latest environmental information. The newsletter contains the following information:

Editorial on environmental issues.

Article written by an expert on environmental issues in the shipping-port industry.

Op-ed by a port community company.

News in brief on environmental issues in ports.

Evironmental legislation updates.

Intangible assets and property, plant and equipment.

The breakdown of the PAV's investments in intangible assets and property, plant and equipment relating to the improvement of the environment in 2014 and 2013 is as follows:

ENVIRONMENTAL ASSETS (GROSS AMOUNTS)	31/12/2013	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2014
MARITIME ACCESSES	3,748,162.71	-	-	3,748,162.71
BREAKWATER AND DOCK WORKS	148,247.29	-	-	148,247.29
BERTHING WORKS	91,772.15	-	-	91,772.15
GENERAL FACILITIES	285,057.81	-	-	285,057.81
PAVEMENTS AND ROADS	5,899.45	-	-	5,899.45
FLOATING MATERIAL	126,147.18	-	-	126,147.18
SUNDRY EQUIPMENT	469,527.68	-	-	469,527.68
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
LAND	63,534.43	-	-	63,534.43
TOTAL ENVIRONMENTAL ASSETS	**4,956,527.70**			**4,956,527.70**

DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	31/12/2013	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2014
MARITIME ACCESSES	899,887.57	78,185.16	-	978,072.73
BREAKWATER AND DOCK WORKS	47,539.72	2,969.28	-	50,509.00
BERTHING WORKS	49,063.98	3,068.88	-	52,132.86
GENERAL FACILITIES	114,282.49	16,541.00	-	130,823.49
PAVEMENTS AND ROADS	3,558.93	395.58	-	3,954.51
FLOATING MATERIAL	30,711.90	9,546.18	-	40,258.08
SUNDRY EQUIPMENT	438,098.84	22,080.46	-	460,179.30
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
TOTAL DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	**1,601,322.43**	**132,786.54**		**1,734,108.97**

ENVIRONMENTAL ASSETS	31/12/2012	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2013
MARITIME ACCESSES	3,748,162.71	-	-	3,748,162.71
BREAKWATER AND DOCK WORKS	148,247.29	-	-	148,247.29
BERTHING WORKS	91,772.15	-	-	91,772.15
GENERAL FACILITIES	285,057.81	-	-	285,057.81
PAVEMENTS AND ROADS	5,899.45	-	-	5,899.45
FLOATING MATERIAL	126,147.18	-	-	126,147.18
SUNDRY EQUIPMENT	469,527.68	-	-	469,527.68
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
LAND	**63,534.43**	-	-	**63,534.43**
TOTAL ENVIRONMENTAL ASSETS	**4,956,527.70**			**4,956,527.70**

DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	31/12/2012	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2013
MARITIME ACCESSES	821,702.41	78,185.16	-	899,887.57
BREAKWATER AND DOCK WORKS	44,570.44	2,969.28	-	47,539.72
BERTHING WORKS	45,995.10	3,068.88	-	49,063.98
GENERAL FACILITIES	97,738.82	16,543.67	-	114,282.49
PAVEMENTS AND ROADS	3,163.35	395.58	-	3,558.93
FLOATING MATERIAL	21,165.72	9,546.18	-	30,711.90
SUNDRY EQUIPMENT	399,726.01	38,372.83	-	438,098.84
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
TOTAL DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	**1,452,240.85**	**149,081.58**		**1,601,322.43**

List of investment projects with an environmental impact statement

Information is provided below about the status of works and their implementation at 31st December 2014 and 2013 with respect to the investment projects that required an environmental impact statement.

PROJECT DESCRIPTION	WORKS STATUS
Extension of the South Dock and berthing line at the Port of Valencia	Work finished and terminals in operation
Sea defence works at the Port of Sagunto, breakwater, outer sea wall and regasification site	Work finished and terminals in operation
East Breakwater site and berthing area and the extension of the inner Xità Quay at the Port of Valencia	Work finished and terminals in operation
North Extension at the Port of Valencia	Work finished

Environment-related sales, income and rebates

The environmental aspects envisaged in the Spanish Law on State-owned Ports and the Merchant Navy are:

» Rebates contemplated to promote best environmental practices. These rebates are to be applied to the vessel charge.

» The activities to collect vessel-generated waste and, when necessary, its storage, sorting and handling, are regulated, as is its transport to treatment facilities authorised by the administration (article 63). The service is regulated according to the contents of the Directive 2000/59/EC by which the fixed tariff the port authority must demand of all vessels which call into its port is stipulated. Moreover, an additional tariff, collected by the port authority, for not using the service, is also envisaged.

» Environmental and safety issues are regulated in Title IV of the Law (articles 62 to 65). This sets out the prevention and treatment of procedures that may have effects on the environment such as spills and reception of vessel-generated waste, and emergency and safety plans for dangerous goods. Each port authority puts together its own Internal Emergency Plan and must be responsible for waste from vessels and from dredging works in ports.

The rebates mentioned in the aforementioned Law amounted to €499,968.20 in 2014 (€519,285.61 in 2013).

The amount paid for not using the vessel-generated waste collection service, and for using the vessel-generated waste collection service, stood at €5,445,943.82 in 2014 (€5,205,031.95 in 2013).

Costs and expenses relating to the environment

The breakdown of PAV costs and expenses relating to environmental improvements in 2014 and 2013 is as follows:

HEADING	FINANCIAL YEAR 2014	FINANCIAL YEAR 2013
STAFF COSTS	250,282.47	242,240.85
OTHER OPERATING EXPENSES	707,430.38	671,008.51
Repairs and upkeep	366,878.40	403,902.87
Independent professional services	183,096.53	116,854.32
Supplies and materials consumed	11,501.18	9,751.26
Other services and other expenses	145,954.27	140,500.06
DEPRECIATION AND AMORTISATION CHARGE	296,892.94	283,653.21
TOTAL ENVIRONMENTAL EXPENSES AND COSTS	**1,254,605.79**	**1,196,902.57**

Provisions relating to the environment

The PAV has not recorded any provisions to cover environmental risks, has no contingencies relating to the protection and improvement of the environment, and has not received any type of environmental grants which might be considered material in relation to its equity, financial position and result of operations.

(21) Related party balances and transactions

(a) Related party balances

The breakdown of balances receivable from and payable to Group companies, associated companies and related parties, including senior management and directors, and the features thereof are presented in notes 11, 18 and 22.

(b) Related party transactions

The balances of PAV transactions with related parties in 2014 are as follows:

	GROUP COMPANIES	ASSOCIATED COMPANIES	TOTAL
Income			
Net sales	10,870.46	61,241.56	72,112.02
Expenses			
Net service-provision and purchases	720,000.00	2,209,513.43	2,929,513.43

The balances of PAV transactions with related parties in 2013 are as follows:

	GROUP COMPANIES	ASSOCIATED COMPANIES	TOTAL
Income			
Net sales	13,087.32	60,985.33	74,072.65
Expenses			
Net service-provision and purchases	720,000.00	2,317,269.50	3,037,269.50

(22) Disclosures relating to members of the Board of Directors and senior management

The members of the PAV Board of Directors were paid attendance fees in 2014 amounting to €37,600 (€52,000 in 2013) and had remuneration receivable at 31st December 2014 amounting to €6,400 (€6,400 at 31st December 2013).

The PAV's senior management were paid wages and salaries in 2014 amounting to €220,683.90 (€220,184.24 in 2013), and no remuneration was outstanding at 31st December 2014 and 2013.

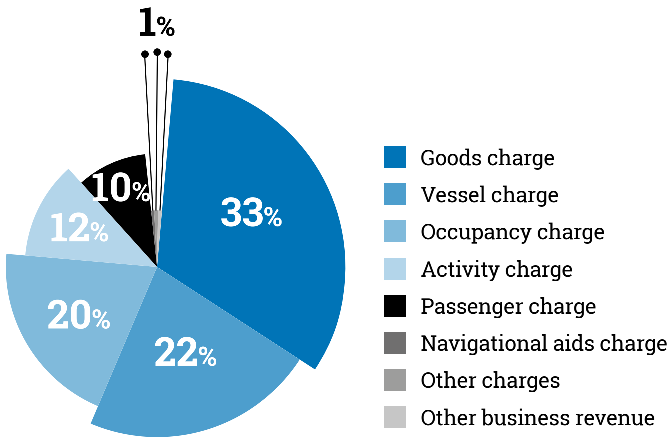
The PAV did not grant any advances or loans to members of the Board of Directors or senior management, did not assume any guarantee obligations on their behalf and had no pension or life insurance commitments with former or current members of the Board of Directors or senior management.

In 2014 and 2013, the members of the Board of Directors and senior management of the PAV did not perform any transactions not relating to the ordinary course of business or which were not performed on an arm's length basis.

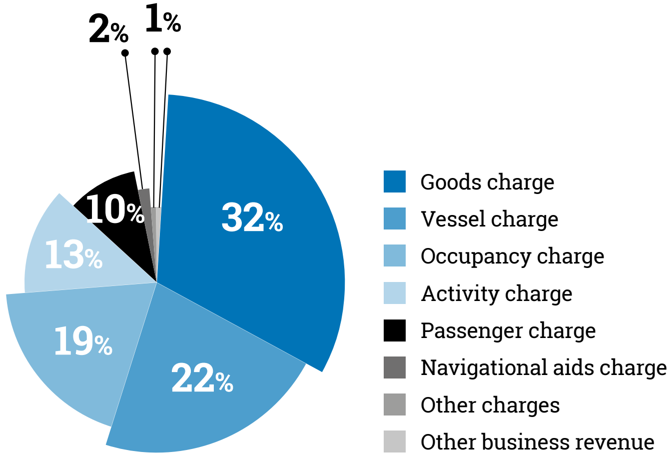
(23) Revenue and expenses

(a) Net revenue

The percentage breakdown of net revenue in 2014 is as follows:



The percentage breakdown of net revenue in 2013 is as follows:



The PAV performed all its business activity in the Spanish market in 2014 and 2013.

(b) Operating expenses

The breakdown of operating expenses in 2014 and 2013 is as follows:

HEADING	FINANCIAL YEAR 2014	FINANCIAL YEAR 2013
STAFF COSTS	**(18,679,973.11)**	**(18,472,308.22)**
Wages and salaries	(13,577,166.53)	(13,501,680.54)
Employer social security contributions	(4,347,110.11)	(4,269,468.19)
Other employee benefit costs	(755,696.47)	(701,159.49)
OTHER OPERATING EXPENSES	**(35,037,872.73)**	**(36,619,421.47)**
Leases	(40,003.85)	(223,075.32)
Repairs and upkeep	(6,688,929.99)	(6,677,764.60)
Independent professional services	(2,992,610.54)	(3,302,181.47)
Insurance premiums	(215,019.30)	(224,525.54)
Advertising, publicity and public relations	(1,265,026.41)	(1,238,762.66)
Supplies and materials consumed	(6,901,102.27)	(6,595,770.09)
Losses on, impairment of and change in provisions for trade receivables	(3,716,809.96)	(3,934,243.84)
Taxes other than Corporation Tax	(2,256,107.12)	(2,556,851.31)
Other current operating expenses	(1,824,522.26)	(2,321,554.53)
Contribution to State-owned Ports Body art. 19.1.b) Legislative Royal Decree 2/2011	(4,100,810.78)	(4,032,264.48)
Interport Compensation Fund contributed	(2,868,000.00)	(3,116,000.00)
Other external services and other operating expenses	(2,168,930.25)	(2,396,427.63)
DEPRECIATION AND AMORTISATION CHARGE	**(50,761,540.80)**	**(47,919,608.32)**
IMPAIRMENT AND PROFIT (LOSS) ON THE DISPOSAL OF ASSETS	**(194,158.20)**	**577,800.09**
OTHER OPERATING PROFIT (LOSS)	**-**	**(18,883.78)**
TOTAL OPERATING EXPENSES	**(104,673,544.84)**	**(102,452,421.70)**

The 1.12% rise in staff costs in 2014 was mainly due to an increase in employer's social security contributions.

The 4.3% reduction in "Other operating expenses" was mainly the result of the continued application of the austerity plan and measures to restrict spending.

The balance of the "Depreciation and amortisation charge" increased by €2.84 million, mainly as a result of the addition of the North Extension at the Port of Valencia, which was amortised over the whole of the 2014 financial year, whilst in the previous year, it was only added in October 2013.

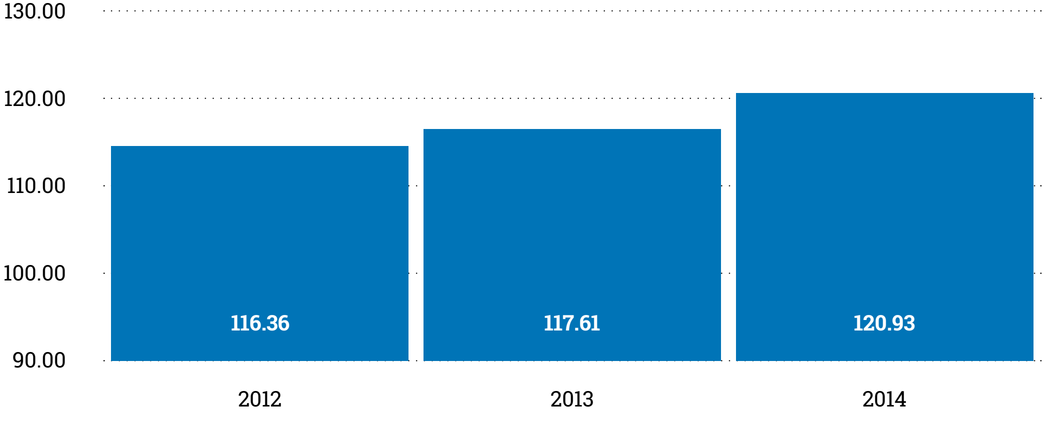
In 2014, no amount was registered under "Other operating profit (loss)" whilst in 2013, extraordinary income amounted to €1,013,580 and extraordinary expenditure to €1,032,460. Both corresponded to T-3 tariff litigation, and generated a loss of €18,880.

(c) Gains (losses) on the disposal of non-current assets

The breakdown of losses on the disposal of non-current assets at 31st December 2014 and 2013 in euros is as follows:

	2014	2013
Gains (losses)		
Property, plant and equipment	(222,302.28)	548,430.51
TOTAL	**(222,302.28)**	**548,430.51**

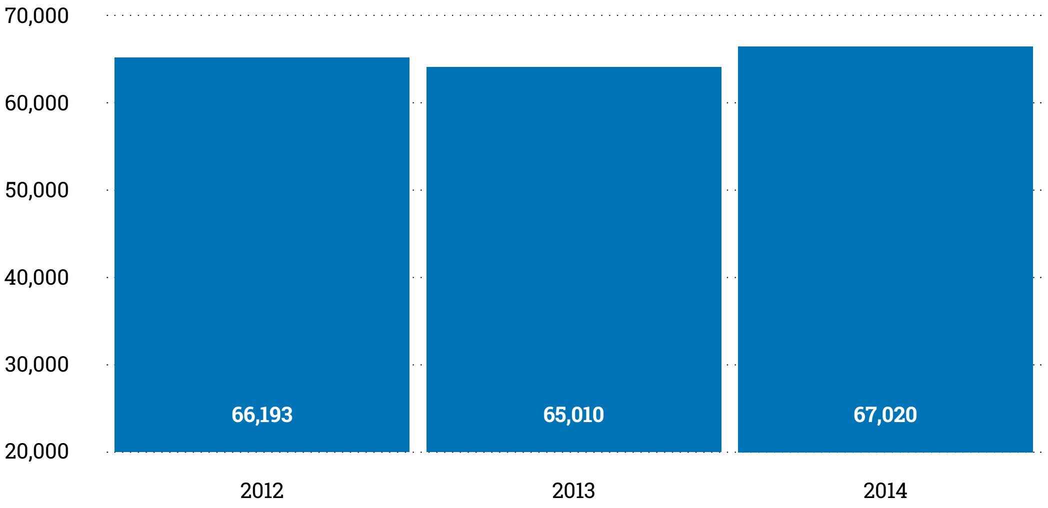
Net revenue



The increase in net revenue in 2014 was mainly a result of an increase in the private use of public port land charge, the goods charge, the vessel charge, and the activity charge.

Total port traffic rose by 3.1% to 67.02 million tonnes (65.01 million tonnes in 2013). The following graph shows the changes in total port traffic over the past three years.

Total traffic (thousand tonnes)



The breakdown of operating expenses was provided in section b) of this note.

Non-core and other current operating revenue included the settlement of an obligation of €2.29 million which had been recognised in previous years, in accordance with a court ruling in the PAV's favour.

Operating profit for 2014 rose to €27.96 million compared to €20.32 million in the previous year.

Financial losses amounted to -€17.23 million in 2014 (-€13.41 million in the previous year). Both years included impairments registered in investments in subsidiaries to the value of €4.61 million in 2014, and €2.21 million in 2013.

Corporation Tax in 2014 stood at €61,600 (€1,400 in the previous year).

Thus, profit for 2014 stood at €10.67 million (€6.90 million in 2013).

(24) Disclosures on employees

The average number of PAV employees in 2014 and 2013, broken down by category, was as follows:

	2014	2013
Senior management	2	2
Other management, specialists and similar	97	98
Clerical and ancillary staff	90	90
Other staff	214	208
TOTAL	**403**	**398**

The distribution by gender of employees at 31st December 2014 was as follows:

	2014	2013
Senior management	-	2
Other management, specialists and similar	18	82
Clerical and ancillary staff	22	69
Other staff	9	202
TOTAL NUMBER OF EMPLOYEES	**49**	**355**

The distribution by gender of employees at 31st December 2013 was as follows:

	2014	2013
Senior management	-	2
Other management, specialists and similar	17	81
Clerical and ancillary staff	24	67
Other staff	10	196
TOTAL NUMBER OF EMPLOYEES	**51**	**346**

In 2014, a decision was made to count jobs that are carried out by two people (the replaced and the replacement) whose part-time working days together make up 100%, as a sole employee. Accordingly, the number of employees for 2013 has been adjusted to comply with the same criterion.

At 31st December 2014, there were a total of 13 people on the PAV Board of Directors, two of which were women and 11 were men (three women and 11 men in 2013).

In January 2015, the Entity included a sum of €188,000 in its staff's wages to pay back part of their December 2012 Christmas bonus, as set out in the twelfth additional provision of Spanish Law 36/2014, of 26th December 2014, and in the Joint Resolution of the Secretaries of State for Budgets, Expenditure and Public Administrations, of 29th December 2014.

(25) Disclosures on the deferral of payments – Spanish Law 15/2010 of 5th July

Disclosures on the deferral of payments to suppliers and creditors in accordance with additional provision three of Spanish Law 15/2010, of 5th July, are as follows:

In relation to the contracts entered into, or by default the invoices issued, after Spanish Law 15/2010, of 5th July, came into force, the balances payable to suppliers of goods and services included under current liabilities on the balance sheet at 31st December 2014 that were overdue by more than the maximum payment period provided in said Law (60 days) amounted to €73,765.48 (€79,215.69 at 31st December 2013).

In 2014 and 2013, the instalment payments made to non-current asset suppliers and for operating expenses incurred in the year were as follows:

	AVERAGE PAYMENT PERIOD (IN DAYS)	PAYMENTS MADE IN 2014 (THOUSAND EUROS)	
		NO. OF PAYMENTS	TOTAL AMOUNT
Investments	31.52	368	10,681
Operating expenses	31.40	3,470	23,802

	AVERAGE PAYMENT PERIOD (IN DAYS)	PAYMENTS MADE IN 2013 (THOUSAND EUROS)	
		NO. OF PAYMENTS	TOTAL AMOUNT
Investments	30.87	544	24,602
Operating expenses	31.97	4,027	26,568

The average payment period is calculated in days divided by the total payments made, weighted by the transaction amounts. The number of payment days for each transaction is calculated as the difference between the date of payment and the date of the invoice or work certification.

At 31st December 2014 and 2013, the transactions pending payment to non-current asset suppliers and for operating expenses were as follows:

	AVERAGE OUTSTANDING PAYMENT PERIOD (IN DAYS)	TRANSACTIONS PENDING PAYMENT AT 31.12.14 (THOUSAND EUROS)	
		NO. OF PAYMENTS	TOTAL AMOUNT
Investments	9.21	51	1,176
Operating expenses	12.97	375	3,095

	AVERAGE OUTSTANDING PAYMENT PERIOD (IN DAYS)	TRANSACTIONS PENDING PAYMENT AT 31.12.13 (THOUSAND EUROS)	
		NO. OF PAYMENTS	TOTAL AMOUNT
Investments	8.27	53	1,381
Operating expenses	14.30	273	1,163

The average outstanding payment period is calculated in days divided by the total number of transactions pending payment, weighted by the transaction amounts. The number of outstanding payment days for each transaction is calculated as the difference between the year closing date and the date of the invoice or work certification.

(26) Other disclosures

(a) Litigation in process

The court and administrative and judicial review proceedings brought by and against the PAV, which amount to over €150,000, are as follows:

1. There are lawsuits in progress to contest G-3 and T-3 tariffs which at 31st December 2014 amounted to a principal of €4.98 million (€6.22 million at 31st December 2013).

   In judgement numbers 116/2009, of 18th May; 146/2009 of 15th June and 161/2009 of 29th June, the Spanish Constitutional Court declared paragraphs 1 and 2 of the thirty-fourth additional provision of Spanish Law 55/1999 of 29th December on Tax, Administrative and Social Order Measures to be unconstitutional. Their purpose was to establish a mechanism for the rebilling/payment of principal and interest accrued by means of new port tariffs which had been declared void by unappealable judgements handed down in accordance with the law in force at the time the corresponding services were provided to users.

   In view of the above, numerous appeals have been filed at various court levels since 1996 against the charges made by the port authorities on the grounds that these were private prices. The amounts charged as from 1993 have been appealed and these appeals have systematically been allowed, with subsequent judgements being handed down by the Courts by which the port tariffs were declared to be void and both the principal and the related late payment interest were required to be refunded.

   In 2010, the Spanish Central Government authorised the implementation of a Contingency Fund as well as the granting of an extraordinary loan to pay the principal and interest relating to the T-3 tariffs declared void in the unappealable judgements handed down by the Court. This gives rise to a source of funds which offsets the amounts payable as a result of the aforementioned judgements.

   The amount awarded to the PAV in relation to judgements handed down on T-3 tariffs at 31st December 2014 amounted to €7.6 million (€9.9 million in 2013) and was recognised under "Receivable from Group and associated companies" in the accompanying balance sheet.

   In 2014, €0.61 million were paid (€0.32 million in principal and €0.29 million in interest) in relation to these items as a result of the enforcement of final judgements (€7.10 million in principal and €2.93 million in interest in 2013) based on the most updated information available at the closing date.

   In 2014, surplus provisions of €1.65 million were made (€0.92 million in principal and €0.73 million in interest). No surplus provisions were made in 2013.

   In accordance with the court judgements handed down against it, the Port Authority of Valencia was ordered to refund the principal and interest paid in relation to charges made from 1993 to 2003. The estimated total amount of the principal at 31st December 2014 was €4.98 million (€6.2 million at 31st December 2013) whilst the late payment interest was €4.81 million, of which €0.15 million was recognised as being discounted to present value in 2014 (€5.69 million, of which €1 million was recognised as being discounted to present value at 31st December 2013). These amounts had been recognised under current liabilities on the PAV balance sheet at 31st December 2014 and 2013 (see note 16 and 18d).

2. A lawsuit has been filed by a company requesting exemption from payments of the non-use of the vessel-generated waste collection service as well as the refund of €722,179.05. The Entity has recognised a provision for this amount (see note 16).

3. Administrative appeal for review and economic-administrative claims against the cadastral value calculations relating to property tax from 2014 to 2006, amounting to an accumulated total of €8,902,340.80 (€10,192,653.70 in 2013). The Entity has recognised a provision for this amount (see note 16).

4. As discussed in note 15 "Grants, Donations and Bequests Received", a procedure was initiated in July 2010 by the Spanish Ministry of Economy and Finance, for the reduction and reimbursement of financial assistance amounting to €3,528,778.47 from the European Regional Development Fund (ERDF 1994-1999) for the Valencian Region's Operational Programme Objective 1, pursuant to the Decision of the Commission of the European

Community C (2010) 337, of 28th January 2010, which became effective in 2011 by offsetting amounts to be received from other operating programmes. On 28th July 2010, the PAV put forward pleas indicating the following: a) the PAV managed the ERDF 1994-1999 in accordance with applicable law, and in subsequent audits performed on the management of these funds, no errors or breaches were found leading to any financial adjustment; b) the PAV does not consider the criterion of the argument made at the initiation of the proceedings to be admissible given the extrapolation of errors committed by other beneficiaries of these funds; c) the Kingdom of Spain has brought action against the aforementioned decision handed down by the Commission.

5. An administrative complaint was brought against the PAV by a concessionaire for an approximate amount of €35 million. Neither the PAV nor its legal counsel expect any contingent liabilities as a result of the aforementioned complaint given that, in the interested party's opinion, this amount represents 100% of the final price of the works to be paid by the PAV in the event of the termination of the concession that is being sought as a consequence of the dissolution of the concessionaire company, which is involved in voluntary bankruptcy proceedings. Since the dissolution situation has arisen through an abuse of law by the tender awardee and sole partner of the concessionaire company using Commercial and Bankruptcy law concepts to sidestep an essential obligation of the concession, it is understood, under the doctrine of lifting the veil, that there are no grounds for terminating the concession, and instead that this should continue to be operated, no longer by the company being dissolved, which was incorporated ad hoc according to Condition 6 of the terms and conditions of the public tender, but by its awardee. Accordingly, no sum would be payable and, in addition, the awardee would be required to comply with the aforementioned Condition 6 once more.

(b) Guarantees

At 31st December 2014, the PAV had been provided with guarantees by the contractors of works and services, shipping agents, stevedores, concessionaires and other Port Authority users to cover their payment obligations to the PAV amounting to €49,552,828.05 (€50,796,395.48 at 31st December 2013).

Similarly, at 31st December 2014 and 2013, the Entity had provided guarantees to third parties through financial institutions amounting to €439,746.09, related to the normal activity engaged in by the Entity. Commissions and other expenses arising from these bank guarantees amounted to €2,683.44 in 2014 and 2013.

(c) Subsequent events

On 20th April 2015, a guarantee of €0.80 million was returned to a concessionaire. This guarantee was considered as being in force at the end of the 2014 financial year. Therefore, the Port Authority of Valencia registered the effect of returning this amount by making the corresponding provision for insolvency of €0.8 million in April 2015.

Audit Report of the 2014 Financial Statements

I. Introduction

The Spanish National Audit Office, through the Valencian Region branch in Valencia, in accordance with the powers given to it in article 168 of the General State Budget Law, has audited the Port Authority of Valencia's financial statements, which include the balance sheet at 31st December 2014, the income statement, the statement of changes in equity, the cash flow statement, and the annual report for the financial year then ended.

The Chairman of the Port Authority of Valencia is responsible for preparing the Entity's financial statements in accordance with the financial information framework given in note 26 of the attached report, and especially in accordance with the corresponding accounting principles and criteria. He is also responsible for the internal control considered necessary to make sure that the preparation of the aforementioned financial statements is free of material misstatement.

The financial statements referred to in this report were prepared by the Chairman of the Port Authority of Valencia on 29th May 2015, and were made available to the Valencian Region branch of the Spanish National Audit Office on the same date.

The Port Authority of Valencia initially prepared these financial statements on 26th March 2015, and made them available to the Valencian Region branch of the Spanish National Audit Office on the same date. They were subsequently amended on the date indicated in the aforementioned paragraph.

The information on the financial statements is contained in file NF0946_2014_F_150529_102308_Cuentas.zip, the electronic summary of which, 5AE4D8CD181CE57E880100BD02D3048FC8BF8FB5B9F7BA8452FADBAB6495BE0A, has been filed in the Spanish National Audit Office's CICEP.Red application.

II. Purpose and scope of the audit: responsibility of the auditors

Our responsibility is to give an opinion on whether the attached financial statements are a fair presentation, based on the work carried out in accordance with public sector auditing standards. These standards require that we plan and carry out the audit in order to obtain reasonable, though not absolute, assurance that the financial statements are free of material misstatement.

An audit involves the application of procedures to obtain suitable and sufficient evidence of the amounts and the information contained in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements. In assessing these risks, the auditor considers internal control relevant in the preparation and fair presentation of the financial statements by the management, in order to design audit procedures that are appropriate in the circumstances, and not to give an opinion of the efficiency of the Entity's internal control. An audit also includes assessing the appropriateness of accounting criteria and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We consider that the audit evidence obtained is sufficient and appropriate to provide our audit opinion.

III. Opinion

In our opinion, the attached financial statements fairly present, in all material aspects, the equity and financial position of the Port Authority of Valencia at 31st December 2014, and the results of its operations and cash flows for the year then ended, in accordance with the applicable legal framework on financial information, and especially with the accounting principles and criteria contained herein.

IV. Report on other legal and statutory requirements

In accordance with the provisions of article 129.3 of the General State Budget Law, the Port Authority of Valencia is obliged to present a report on its compliance with the financial and economic obligations it assumes as a public-sector body.

Our report has centred on verifying that the report has been drawn up in accordance with regulatory standards and that the accounting information contained therein coincides with the information presented in the audited financial statements.

This audit report has been electronically signed through the Spanish National Audit Office's CICEP.RED application by the Resident Auditor General of the Jucar Water Authority and the Regional Auditor General, in Valencia, on 3rd June 2015.

valenciaport
Autoridad Portuaria de Valencia

CONSOLIDATED FINANCIAL STATEMENTS 2014

Contents

Port Authority of Valencia and its subsidiaries and associated companies Consolidated Balance Sheet at 31st December 2014 and 2013 (in euros)

ASSETS	NOTE	2014	2013
A) NON-CURRENT ASSETS		**1,388,930,64.90**	**1,439,230,21.13**
I. Intangible assets	**6**	**4,473,56.95**	**5,088,43.92**
1. Intellectual property and other intangible assets		11,46.29	15,18.68
2. Computer software		4,462,09.66	5,073,25.24
II. Property, plant and equipment	**7**	**1,042,777,04.17**	**1,073,086,16.85**
1. Land and natural properties		120,324,23.54	120,082,22.68
2. Constructions		902,598,62.64	935,840,09.43
3. Plant and equipment		4,527,43.10	4,999,32.93
4. Property, plant and equipment in the course of construction and advances		13,098,41.76	9,366,73.70
5. Other property, plant and equipment		2,228,34.13	2,797,79.11
III. Investment property	**8**	**332,588,21.77**	**345,493,99.40**
1. Land		253,883,65.03	258,791,32.03
2. Constructions		78,704,56.74	86,702,67.37
IV. Non-current investments in Group and associated companies	**10**	**285,71.51**	**281,09.39**
1. Equity instruments		285,71.51	281,09.39
V. Non-current investments	**13**	**5,556,53.65**	**11,518,30.56**
1. Equity instruments	11	408,30.00	408,00.00
2. Loans to third parties		696,87.61	658,94.52
3. Government grants receivable	22	4,450,00.00	4,450,00.00
4. Other financial assets		1,36.04	6,001,36.04
VI. Non-current trade and other receivables	**13**	**3,249,56.85**	**3,762,21.01**
B) CURRENT ASSETS		**136,478,25.64**	**111,738,58.29**
II. Inventories		**122,89.61**	**140,48.55**
III. Trade and other receivables	**13**	**42,083,76.37**	**47,152,69.04**
1. Trade receivables for sales and services		33,543,22.19	30,328,22.14
2. Receivable from Group and associated companies		7,618,94.04	9,961,99.59
3. Sundry receivables		511,13.35	2,759,21.61
5. Other accounts receivable from government	22	410,45.79	4,103,26.70
V. Current investments	**13**	**31,177,41.17**	**6,420,85.46**
3. Other financial assets		31,177,41.17	6,420,85.46
VII. Cash and cash equivalents	**15**	**63,094,18.49**	**58,024,54.24**
1. Cash		61,054,34.06	47,936,08.15
2. Cash equivalents		2,039,83.43	10,088,46.09
TOTAL ASSETS (A+B)		**1,525,408,90.54**	**1,550,968,80.42**

Notes 1 to 31 form an integral part of the 2014 Consolidated Financial Statements.

Port Authority of Valencia and its subsidiaries and associated companies Consolidated Balance Sheet at 31st December 2014 and 2013 (in euros)

EQUITY AND LIABILITIES	NOTE	2014	2013
A) EQUITY		**789,214,348.53**	**803,456,884.16**
A-1) Shareholders' equity	**16**	**675,394,104.33**	**664,719,298.71**
I. Share capital		**325,290,096.83**	**325,290,096.83**
II. Retained earnings		**339,429,201.88**	**332,518,687.06**
1. Reserves for accumulated profit		355,052,523.47	345,943,894.64
2. Reserves at fully consolidated companies		(15,800,187.62)	(13,600,175.76)
3. Reserves at companies accounted for using the equity method		176,866.03	174,968.18
III. Profit (loss) for the year		**10,674,805.62**	**6,910,514.82**
A-2) Valuation adjustments		**(61,476,910.01)**	**(41,711,293.91)**
II. Hedging operations	**14**	**(61,476,910.01)**	**(41,711,293.91)**
A-3) Grants, donations and bequests received	**18**	**173,567,627.83**	**178,644,488.43**
A-4) Minority interests	**17**	**1,729,526.38**	**1,804,390.93**
B) NON-CURRENT LIABILITIES		**675,936,467.96**	**689,581,584.63**
I. Non-current provisions	**19**	**9,624,519.85**	**10,914,832.75**
2. Provision for third-party liabilities		722,179.05	722,179.05
3. Other provisions		8,902,340.80	10,192,653.70
II. Non-current liabilities	**21**	**594,158,875.33**	**602,869,251.04**
1. Bank borrowings		522,126.547.62	549,843,214.29
3. Other		72,032,327.71	53,026,036.75
V. Non-current accruals and prepayments	**8**	**72,153,072.78**	**75,797,500.84**
C) CURRENT LIABILITIES		**60,258,085.05**	**57,930,335.63**
III. Current payables	**21**	**44,777,074.53**	**39,088,431.84**
1. Bank borrowings		27,968,809.43	23,175,714.61
2. Current fixed-asset suppliers		5,223,885.19	5,430,086.00
3. Other financial liabilities		11,584,379.91	10,482,631.23
IV. Payable to Group and associated companies	**21**	**449,862.80**	**1,097,935.12**
V. Trade and other payables	**21**	**15,031,147.72**	**17,743,968.67**
1. Trade and other payables		13,950,682.69	16,318,988.00
4. Staff costs		30,151.30	37,704.04
3. Other accounts payable to government	22	1,040,786.38	1,387,740.75
TOTAL EQUITY AND LIABILITIES (A+B+C)		**1,525,408,901.54**	**1,550,968,804.42**

Notes 1 to 31 form an integral part of the 2014 Consolidated Financial Statements.

Port Authority of Valencia and its subsidiaries and associated companies
Consolidated Income Statement for the years ending 31st December 2014 and 2013 (in euros)

	NOTE	(DEBIT) CREDIT 2014	2013
1. **Net revenue**	**26**	**120,933,724.25**	**117,607,950.12**
A. Port charges		**105,849,548.30**	**102,520,269.44**
a) Private use of public port land charge		23,915,811.84	22,763,969.85
b) Special use of port facilities charge		68,311,478.85	66,754,593.78
1. Vessel charge (T1)		26,784,192.35	25,423,776.36
2. Recreational and leisure craft charge (T5)		524,227.14	798,568.24
3. Passenger charge (T2)		1,480,813.50	1,908,636.05
4. Goods charge (T3)		39,304,197.58	38,557,392.86
5. Fishing charge (T4)		33,505.53	24,830.79
6. Special use of transit area charge (T6)		184,542.75	41,389.48
c) Activity charge		12,187,276.79	11,715,630.37
d) Navigational aids charge		1,434,980.82	1,286,075.44
B. Other business revenue		**15,084,175.95**	**15,087,680.68**
a) Amounts additional to charges		1,764,823.60	2,566,171.66
b) Tariffs and other		13,319,352.35	12,521,509.02
3. Own expenses capitalised		**70,572.28**	**81,983.25**
5. Other operating revenue		**7,311,832.96**	**2,149,603.75**
a) Non-core and other current operating revenue		5,062,406.10	413,811.37
b) Operating grants allocated to profit (loss) for the year	18	422,857.28	192,303.08
c) Income transferred to profit (loss) from reverted concessions		1,758,569.58	1,481,489.30
d) Interport Compensation Fund received		68,000.00	62,000.00
6. Staff costs	**26**	**(19,238,156.02)**	**(19,042,748.14)**
a) Wages, salaries, and similar costs		(14,008,409.37)	(13,933,152.78)
c) Social security contributions		(5,229,746.65)	(5,109,595.36)
7. Other operating expenses	**26**	**(34,705,080.07)**	**(36,619,421.47)**
a) External services		(19,805,097.67)	(20,658,507.31)
1. Leases and concession fees		(68,662.36)	(252,111.47)
2. Repairs and upkeep		(6,691,137.289)	(6,679,953.30)
3. Independent professional services		(3,023,901.82)	(3,382,812.67)
4. Supplies and materials consumed		(6,901,102.27)	(6,595,770.09)
5. Other external services		(3,120,293.94)	(3,353,468.07)

	NOTE	(DEBIT) CREDIT 2014	2013
b) Taxes other than Corporation Tax		(2,389,839.40)	(2,719,483.19)
c) Losses on, impairment of, and change in provisions for trade receivables		(3,716,809.96)	(3,934,243.84)
d) Other current operating expenses		(1,824,522.26)	(2,321,554.53)
e) Contribution to State-owned Ports Body art. 19.1.b) Legislative Royal Decree 2/2011		(4,100,810.78)	(4,032,264.48)
f) Interport Compensation Fund contributed		(2,868,000.00)	(3,116,000.00)
8. Depreciation and amortisation charge	**6, 7 and 8**	**(50,767,794.35)**	**(47,926,173.84)**
9. Allocation of non-financial grants and others	**18**	**3,854,568.02**	**2,918,915.54**
10. Overprovisions		**449,140.71**	**-**
11. Impairment and gains (losses) on disposal of non-current assets	**7 and 8**	**(5,101,828.20)**	**(2,485,454.93)**
a) Impairment and losses		(4,879,525.92)	(3,033,885.44)
b) Gains (losses) on disposals and others	26	(222,302.28)	548,430.51
Other operating profit (loss)	**26**	**15,588.08**	**169,502.73**
a) Extraordinary income		15,588.08	1,201,966.34
b) Extraordinary expenses		-	(1,032,463.61)
A.1. OPERATING PROFIT (LOSS) (1+3+5+6+7+8+9+10+11)		**27,822,567.66**	**17,085,916.84**
12. Financial income		**1,356,504.35**	**3,504,239.69**
b) From marketable securities and other financial instruments		2,073.52	4,417.50
c) Capitalised financial costs		-	658,808.16
13. Financial costs		**(3,643,572.93)**	**(5,380,478.37)**
a) On debts to third parties		(3,452,323.04)	(3,744,992.30)
b) Adjustments in provisions		(191,249.89)	(1,635,486.07)
14. Changes in the fair value of financial instruments	**14**	**(9,880,661.20)**	**(8,345,627.88)**
A.2. FINANCIAL PROFIT (LOSS) (12+13+14+16)		**(12,167,729.78)**	**(10,221,866.56)**
17. Share of the profit (loss) of companies accounted for using the equity method		6,694.66	3,971.37
A.3. CONSOLIDATED PROFIT (LOSS) BEFORE TAX (A.1+A.2+17)			
17. Corporation Tax	**22**	**(61,591.47)**	**(1,374.68)**
A.4. PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS AND CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (A.3+18)		**10,599,941.07**	**6,866,646.97**
19. Profit (loss) attributable to minority interests	26	(74,864.55)	(43,867.85)
A.4. PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE PARENT COMPANY (A.4+19)		**10,674,805.62**	**6,910,514.82**

Notes 1 to 31 form an integral part of the 2014 Consolidated Financial Statements.

Port Authority of Valencia and its subsidiaries and associated companies

Statement of Changes in Consolidated Net Equity for the years ending 31st December 2014 and 2013

A) Statement of Consolidated Recognised Income and Expenses for the years ending 31st December 2014 and 2013

	31/12/2014	31/12/2013
A. Consolidated profit (loss) for the year	**10,599,941.07**	**6,866,646.97**
B. Income and expenses recognised directly in equity	**(19,229,339.10)**	**18,494,097.42**
I. Hedging of cash flows	(19,765,616.10)	13,697,178.11
II. Grants, donations, and bequests	536,277.00	4,796,919.31
C. Transfers to the income statement	**(5,613,137.60)**	**(4,402,707.48)**
I. Grants, donations, and bequests	(5,613,137.60)	(4,402,707.48)
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSES (A + B + C)	**(14,242,535.63)**	**20,958,036.91**
INCOME AND EXPENSES ATTRIBUTABLE TO THE PARENT COMPANY	**(14,167,671.08)**	**21,001,904.76**
INCOME AND EXPENSES ATTRIBUTABLE TO MINORITY INTERESTS	**(74,864.55)**	**(43,867.85)**

Notes 1 to 31 form an integral part of the 2014 Consolidated Financial Statements.

Port Authority of Valencia and its subsidiaries and associated companies

Statement of Changes in Consolidated Net Equity for the years ending 31st December 2014 and 2013

	EQUITY	RETAINED EARNINGS	PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE PARENT COMPANY	VALUATION ADJUSTMENTS	GRANTS, DONATIONS, AND BEQUESTS RECEIVED	MINORITY INTERESTS	TOTAL
E. ENDING BALANCE 2012	**337,843,451.98**	**311,879,124.26**	**20,639,562.80**	**(55,408,472.02)**	**178,301,682.81**	**1,848,258.78**	**795,103,608.61**
I. Adjustments for changes in accounting standards in 2012	-	-	-	-	-	-	-
II. Adjustments for errors in 2012	-	-	-	-	-	-	-
D. ADJUSTED BEGINNING BALANCE 2013	**337,843,451.98**	**311,879,124.26**	**20,639,562.80**	**(55,408,472.02)**	**178,301,682.81**	**1,848,258.78**	**795,103,608.61**
I. Total recognised income and expenses	-	-	6,910,514.82	13,697,178.11	394,211.83	(43,867.85)	20,958,036.91
II. Transactions with shareholders or owners	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-
Changes in minority interests	-	-	-	-	-	-	-
Other changes (*)	(12,553,355.15)	-	-	-	(51,406.21)	-	(12,604,761.36)
III. Other changes in equity	-	20,639,562.80	(20,639,562.80)	-	-	-	-
E. ENDING BALANCE 2013	**325,290,096.83**	**332,518,687.06**	**6,910,514.82**	**(41,711,293.91)**	**178,644,488.43**	**1,804,390.93**	**803,456,884.16**
I. Adjustments for changes in accounting standards in 2013	-	-	-	-	-	-	-
II. Adjustments for errors in 2013	-	-	-	-	-	-	-
D. ADJUSTED BEGINNING BALANCE 2014	**325,290,096.83**	**332,518,687.06**	**6,910,514.82**	**(41,711,293.91)**	**178,644,488.43**	**1,804,390.93**	**803,456,884.16**
I. Total recognised income and expenses	-	-	10,674,805.52	(19,765,616.10)	(5,076,860.60)	(74,864.55)	(14,242,535.63)
II. Transactions with shareholders or owners	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-
Changes in minority interests	-	-	-	-	-	-	-
Other changes (*)	-	-	-	-	-	-	-
III. Other changes in equity	-	6,910,514.82	(6,910,514.82)	-	-	-	-
E. ENDING BALANCE 2014	**325,290,096.83**	**339,429,201.88**	**10,674,805.62**	**(61,476,910.01)**	**173,567,627.83**	**1,729,526.38**	**789,214,348.53**

(*) Addtions to and disposals of assets
Notes 1 to 31 form an integral part of the 2014 Consolidated Financial Statements.

Port Authority of Valencia and its subsidiaries and associated companies

Consolidated Cash Flow Statement for the years ending 31st December 2014 and 2013

HEADING	2014	2013
A) CASH FLOW FROM OPERATING ACTIVITIES (+/-1+/-2+/-3+/-4)	**59,735,711.76**	**48,699,541.16**
1. Profit (loss) for the year before tax	**10,661,532.54**	**6,868,021.65**
2. Adjustments to profit (loss)	**58,104,634.90**	**52,295,389.39**
a) Depreciation and amortisation charge (+)	50,767,794.35	47,926,173.84
b) Valuation adjustments for impairment (+/-)	4,879,525.92	2,918,915.54
c) Changes in provisions (+/-)	70,263.49	503,627.09
d) Allocation of grants (-)	(3,854,568.02)	(2,918,915.54)
e) Gains (losses) on the derecognition or disposal of non-current assets (+/-)	222,302.28	(548,430.51)
g) Financial income (-)	(1,356,504.35)	(3,504,239.69)
h) Financial expenses (+)	3,643,572.93	5,380,478.37
i) Share of the profit (loss) of companies accounted for using the equity method, net of dividends	9,880,661.20	8,345,627.88
j) Changes in the fair value of financial instruments (+/-)	(1,758,569.58)	(1,481,489.30)
k) Income transferred to profit (loss) from reverted concessions (-)	(4,383,148.66)	(4,456,240.60)
l) Allocation of advances received for sales or services to income statement (-)	-	18,883.78
3. Changes in working capital	**4,254,945.56**	**7,313,431.94**
a) Inventories (+/-)	17,592.94	63,488.03
b) Trade and other receivables (+/-)	4,275,927.64	7,575,312.88
c) Other current assets (+/-)	1,307,305.19	28,782.46
d) Trade and other payables (+/-)	(1,511,223.25)	(161,433.52)
e) Other current liabilities (+/-)	225,834.37	(378,731.77)
f) Other non-current assets and liabilities (+/-)	(60,491.33)	(136,853.18)
4. Other cash flows from operating activities	**(13,285,401.24)**	**(17,777,301.82)**
a) Interest paid (-)	(12,708,668.82)	(11,718,562.09)
b) Payment of tariff litigation late payment interest (-)	-	(3,831,911.04)
c) Dividends received (+)	2,073.52	4,417.50
d) Interest received (+)	1,313,595.25	1,945,488.89
e) Payment of tariff litigation principals and late payment interest (-)	(609,363.50)	-

HEADING	2014	2013
f) Proceeds (payments) from OPPE for payment of tariff litigation principals and late payment interest (+)	183,167.02	(3,955,122.99)
g) Corporation Tax recovered (paid) (+/-)	(61,591.47)	(1,374.68)
h) Other payments (proceeds) (-/+)	(1,404,613.24)	(220,237.41)
B) CASH FLOW FROM INVESTMENT ACTIVITIES (7-6)	**(31,854,318.71)**	**(22,655,414.76)**
6. Payments due to investments (-)	**(31,854,318.71)**	**(32,648,636.34)**
a) Group companies, net of cash acquired from consolidated companies	(69,084.07)	-
b) Intangible assets	(1,064,503.37)	(1,032,650.27)
c) Property, plant and equipment	(10,669,833.48)	(31,615,986.07)
e) Other financial assets	(20,050,897.79)	-
7. Proceeds from disposals (+)	-	**993,221.58**
c) Property, plant and equipment	-	927,750.82
g) Other assets	-	9,065,470.76
C) CASH FLOW FROM FINANCIAL ACTIVITIES (+/-9+/-10)	**(22,811,755.80)**	**(22,877,574.39)**
10. Proceeds and payments relating to financial liability instruments	**(22,811,755.80)**	**(22,877,574.39)**
b) Refund and repayment of	(22,811,755.80)	(22,874,985.26)
1. Bank borrowings (-)	(22,809,166.67)	(22,874,985.26)
3. Other payables (+)	(2,589.13)	(2,589.13)
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C)	**5,069,637.25**	**(3,166,552.01)**
Cash and cash equivalents at the beginning of the year	58,024,545.24	54,857,993.23
Cash and cash equivalents at the end of the year	63,094,182.49	58,024,545.24

Notes 1 to 31 form an integral part of the 2014 Consolidated Financial Statements.

Port Authority of Valencia and its subsidiaries and associated companies
Notes to the Consolidated Financial Statements

(1) Nature and activity of the Parent Company

The Port Authority of Valencia (hereinafter the Parent Company or PAV) is a public body with its own legal personality, whose equity is also independent from that of the State. It has full capacity to carry out operations in order to fulfil its corporate purpose and is subject to Spanish private legal order.

At 31st December 2014, the PAV was governed by the recast text of the Spanish Law on State-owned Ports and the Merchant Navy passed by Legislative Royal Decree 2/2011, of 5th September, by the applicable provisions of the Spanish General State Budget Law, and additionally by Spanish Law 6/1997, of 14th April, on the Organisation and Functioning of Central Government.

According to Spanish Law 27/1992, the PAV took over ownership of the equity owned by the Autonomous Port of Valencia, as well as the legal relations of this body. The assets assigned to the Autonomous Port of Valencia were reassigned to the PAV. In accordance with the first final provision of the aforementioned Law, the Entity commenced its operations on 1st January 1993.

Pursuant to the Spanish Law on State-owned Ports and the Merchant Navy, port authorities are responsible for the following:

a) Rendering of general port services and the management and control of port services to assure that these are carried out in optimal conditions of efficiency, economy, productivity, and safety, notwithstanding the competence of other bodies.
b) Organisation of the port service area and port uses, in coordination with the competent government administrations responsible for the organisation of land and urban planning.
c) Planning, project, construction, upkeep, and operation of port works and services, and of the maritime signals assigned thereto, subject to the provisions set out by law.
d) Management of public port land and the maritime signals assigned thereto.
e) Optimisation of the economic management and profitability of the equity and resources assigned thereto.
f) Promotion of the industrial and commercial activities relating to shipping or port traffic.
g) Coordination of operations of the different modes of transport in the port.
h) Organisation and coordination of maritime and land port traffic.

The activity engaged in by the Parent Company is governed by the aforementioned Law on Spanish State-owned Ports, the Spanish General State Budget Law, and the other provisions applicable thereto and is subject to Spanish private legal order, including its capital purchases and contracts, but excluding its exercise of the public power attributed thereto under law. It shall carry out the functions it has been assigned under the general principle of independent management, notwithstanding the powers attributed to the Spanish State-owned Ports Body (hereinafter OPPE) and its supervision and taxation by the Ministry of Development.

The Port Authority of Valencia is made up of the ports of Valencia, Gandia, and Sagunto. Its financial year commences on 1st January each year.

The Port Authority of Valencia's registered office is at Avenida Muelle del Turia, s/n, 46024 Valencia - Spain.

(2) Subsidiaries and associated companies

(a) Subsidiaries

The subsidiary included in the scope of consolidation at 31st December 2014 is as follows:

- **Valencia Plataforma Intermodal y Logística, S.A.**, whose registered office is at Avenida Muelle del Turia, s/n, in the Port of Valencia. In 2014 and 2013, the Parent Company had an ownership interest of €106.2 million in this company which accounted for 98.40% of its share capital in 2014 and 2013.

The consideration of this company as a subsidiary is based on the Parent Company holding the majority of the voting rights in the aforementioned company.

The activities undertaken by Valencia Plataforma Intermodal y Logística, S.A. are, in line with its articles of association, to set up and manage areas to provide goods storage and distribution services in which added value activities are carried out, to create a logistics platform to concentrate and distribute international trade flows, and cater for logistics operations carried out by European and international shipping operators.

The subsidiary's financial year commences on 1st January each year.

(b) Associated companies

The associated companies included in the scope of consolidation at 31st December 2014 are as follows:

- **Infoport Valencia, S.A.**, whose registered office is at Avda. Muelle del Turia, s/n, Edificio Auxiliar de la APV, 2ª Planta, at the Port of Valencia. The Parent Company had an ownership interest of €90,151.82 in this company in 2014 and 2013, which accounted for 26.67% of its share capital.
- **Europhar EEIG**, whose registered office is in the Port Authority of Valencia building at the Avda. del Muelle del Turia s/n, in the Port of Valencia. The Parent Company had an ownership interest of €12,000.00 in this company in 2014 and 2013 which accounted for 33.33% of its share capital.

The activities undertaken by Infoport Valencia, S.A., in line with its articles of association, are the management and coordination of port telecommunications.

The activities undertaken by Europhar EEIG, in line with its articles of association, are related to safety and the environment in port activities.

The associated companies' financial year commences on 1st January each year.

(3) Basis of presentation of the consolidated financial statements

(a) Fair presentation

The 2014 consolidated financial statements were prepared in accordance with the Spanish commercial laws in force and the standards contained in the Spanish Chart of Accounts, as well as the guidelines issued by the OPPE and the standards for the preparation of consolidated financial statements, and accordingly, present fairly its consolidated equity and consolidated financial position at 31st December 2014, the consolidated results of its operations, changes in its consolidated equity and its consolidated cash flows in the year then ended.

In accordance with article 39 of the Spanish Law on State-owned Ports and the Merchant Navy, the OPPE shall issue the guidelines relating to the valuation standards, as well as the structure and rules on the preparation of the financial statements of port authorities, in order to guarantee the standardisation of the accounts of the Spanish State-owned Port System.

The Chairman of the PAV estimates that the 2014 consolidated financial statements, which were prepared on 5th June 2015, will be approved by the Board of Directors without any significant changes.

For comparison purposes, the figures for 2013, which were part of the 2013 financial statements approved by the Board of Directors on 26th June 2014, are presented here in addition to the figures for 2014 for each item in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated financial statements. In these consolidated financial statements, current liabilities amounting to €9,880,661.20 from 2013 hedging operations with short-term maturity dates have been reclassified, in order to make them comparable with those of the current year.

(b) Functional currency and currency for presentation purposes

The consolidated financial statements are presented in euros since this is the PAV's functional currency and its currency for presentation purposes.

(c) Estimation and relevant judgements in the application of the accounting policies

The preparation of the consolidated financial statements requires the application of relevant accounting estimates and the making of judgements, estimates and assumptions in the process of applying the Group's accounting policies. The issues which involved a greater degree of judgement or complexity or cases in which significant assumptions and estimates were made for the purpose of preparing the consolidated financial statements are detailed below.

- The useful life of intangible assets, property, plant and equipment, and investment property.
- The impairment losses of intangible assets, property, plant and equipment, and investment property.
- The Group classed the land purchased in the previous years in the Port of Valencia's Logistics Activities Area and in the Parc Sagunt I area at the Port of Sagunto as investment property, which will be leased to third parties.
- The Group assessed the impairment of the assets consisting of advances made for land purchase and investment property at the Port of Valencia's Logistics Activities Area based on the accounting policies defined in these consolidated financial statements.
- The Group asked independent experts to assess the impairment of property investments located in the logistics activities areas in Valencia and Sagunto, given the current situation and uncertainties affecting the real estate market some of the registered assets come under. These experts used the standardised method, hypotheses and parameters to carry out these valuations. In the case of assets for which no specific values have been obtained, internal valuations have been used to determine the recoverable value of property investments. These are based on estimates of future cash flows, expected returns and other variables and hypotheses. The estimates, including the methodology used, may have a significant impact on values and on the impairment loss.
- Valuation adjustment for customer insolvencies.
- The Entity is subject to legal proceedings and to inspections. These proceedings are related to legal disputes. Where it is probable that an outflow of resources will be required to settle an obligation existing at the end of the year and a reliable estimate can be made of the amount of the obligation, a provision is recognised. Legal proceedings usually involve complex legal issues and are subject to considerable uncertainties. Consequently, the Group's management plays a significant role in determining whether the process is likely to result in an outflow of resources and the estimated amount thereof.

Although these estimates were made on the basis of the best information available at 31st December 2014 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. The effect on the consolidated financial statements of any changes arising from adjustments to be made in future years will be recognised prospectively.

(4) Distribution of profit

The proposed distribution of the 2014 profit the Parent Company has submitted to the Board of Directors is as follows:

DISTRIBUTABLE PROFIT	EUROS
Profit for the year	10,670,185.39
PROPOSED ALLOCATION OF PROFIT IN THE FOLLOWING YEAR	
Retained earnings, reserves for accumulated profit for the year	10,670,185.39
TOTAL	**10,670,185.39**

The distribution of Parent Company profit for the year ended 31st December 2013, approved by the Board of Directors on 26th June 2014, was as follows:

DISTRIBUTABLE PROFIT	EUROS
Loss for the year	6,902,963.58
PROPOSED ALLOCATION OF PROFIT IN THE FOLLOWING YEAR	
Retained earnings, reserves for accumulated profit for the year	6,902,963.58
TOTAL	**6,902,963.58**

(5) Accounting policies and measurement bases

(a) Subsidiaries

Subsidiaries include those entities over which the Parent Company exercises control either directly or indirectly, in accordance with article 42 of the Spanish Commercial Code.

For presentation and breakdown purposes only, Group companies are companies which are controlled by any means by one or several individuals or legal entities acting jointly, or companies which are under sole management in accordance with agreements or statutory clauses.

Subsidiaries were fully consolidated.

The subsidiaries' income, expenses and cash flow are included in the consolidated financial statements as from the acquisition date, which is taken as the date the Group took effective control over them. Subsidiaries are excluded from consolidation as from the date control was lost.

Balances and transactions with subsidiaries and unrealised gains and losses were eliminated in the consolidation process. However, the unrealised losses were considered to be an indicator of impairment in the value of the transferred assets.

The subsidiaries' accounting policies have been adapted to the Group's accounting policies for transactions and other events which have taken place in similar circumstances.

The subsidiaries' financial statements used in the consolidation process refer to the same presentation date and same period of time as the Parent Company.

(b) Minority interests

The minority interests in subsidiaries acquired prior to the transition date are recognised at the percentage of ownership interest in the subsidiaries' equity at the date of first-time consolidation. Minority interests are carried separately from equity attributable to the Parent Company under consolidated equity in the consolidated balance sheet. The minority interests' share of the profit or loss for the year is also carried separately in the consolidated income statement.

After taking into consideration the adjustments and eliminations arising from consolidation, both the Group's share and the minority interests' share of subsidiaries' profit or loss and of the changes in the subsidiaries' equity, are determined based on the percentages of ownership existing at year end.

The excess of the losses attributable to minority interests, which cannot be allocated to them since they exceed the minority interest in the equity of the relevant subsidiary, are recognised as a decrease in the Parent Company's consolidated equity as long as the minority interests limit the Parent Company's liability to the amounts attributed and there are no agreements relating to additional contributions. The profit subsequently earned by the Group is assigned to the Parent Company until it has recovered the amount of the minority's share of losses absorbed in previous accounting periods.

(c) Associated companies

Associated companies are entities over which the Parent Company exercises significant influence directly or indirectly. Significant influence is the power to participate in the financial policy and operating decisions of a company, but is not control over the company.

Investments in associated companies are accounted for using the equity method from the date on which they exercise a significant influence up to the date on which the Parent Company can no longer continue justifying the existence of such influence.

The Group's share of the profit or loss of associated companies obtained as from the acquisition date are recognised as an increase or decrease in the value of the investments with a credit or charge to "Share of the profit or loss of companies accounted for using the equity method" in the consolidated income statement. Additionally, the Group's share of the total recognised income and expenses of the associated companies acquired as from the acquisition date is recognised as an increase or decrease in the value of the investments in the associated companies, and a balancing entry is recognised in consolidated equity. Dividends paid are recognised as decreases in the value of investments. To determine the Group's share of profit or loss, including the impairment losses recognised by the associated companies, the income and expenses arising from the use of the acquisition method are taken into consideration.

The Group's share of the profit or loss of associated companies and of the changes in equity is determined based on its ownership interest in the company at year end.

The Group's share of the profit or loss of associated companies is recognised after adjusting for dividends, whether agreed or not, relating to the outstanding cumulative preference shares that have been classified as equity.

The Group's losses on associated companies are limited to the value of the net investment, except where the Group has incurred legal or constructive obligations, or has made payments on behalf of the associated companies. For the purposes of recognising losses on associated companies, the net investment is considered to be equal to the carrying amount under the equity method together with any other items that, in substance, form part of the investment in the associated companies. The profits subsequently reported by the associated companies in which the recognition of losses has been limited to the value of the investments are recorded to the extent that they exceed the losses not previously recognised.

Profit and loss not realised in transactions performed between the Group and associated companies are only recognised to the extent that they relate to investments of other unrelated investors. This criterion was not applied to the recognition of unrealised losses which constitute evidence of the impairment of the transferred asset.

(d) Capitalisation of financial costs

The Group includes the financial costs relating to specific financing directly attributable to the acquisition, construction or production of property, plant and equipment in the cost of asset items requiring over one year to be put into conditions of usage, operation or sale.

To the extent that financing was specifically obtained, the amount of the interest to be capitalised is calculated based on the financial costs accrued on such financing. In order to determine the amount of capitalisable interest, if applicable, the adjustments made to financial costs for the effective portion of the hedges arranged by the Group are taken into consideration.

(e) Intangible assets

Intangible assets are measured at acquisition or production cost. Intangible assets are recognised in the consolidated balance sheet at cost less accumulated amortisation and valuation adjustments for impairment.

Intangible assets comprise computer software, which is recognised at the cost incurred, and industrial property. Computer software maintenance expenses are expensed currently.

(i) Useful life and amortisation

Intangible assets with finite useful lives are amortised by allocating the amortisable amount of the asset over its useful life by applying the following criteria:

	AMORTISATION METHOD	YEARS OF ESTIMATED USEFUL LIFE
Industrial property	Straight-line	5
Computer software	Straight-line	5

(ii) Impairment of intangible assets

The Group assesses and determines the valuation adjustments for impairment and the reversal of losses on the impairment of intangible assets in accordance with the criteria mentioned in section h) of this note.

(f) Property, plant and equipment

(i) Initial recognition

Property, plant and equipment are measured at acquisition or production cost. Production costs are capitalised under the heading "Own expenses capitalised" in the consolidated income statement. Property, plant and equipment are recognised in the consolidated balance sheet at cost less accumulated amortisation and valuation adjustments for impairment.

The cost of property, plant and equipment includes the estimated dismantling and removal costs and the costs of restoring the site on which such assets are located, where the Group is obliged to do so and where dismantling and removing such assets is necessary as a consequence of having made use of them.

In accordance with accounting guidelines issued by the OPPE, the value of the bodies of water included in the service area of the ports managed by the port authorities cannot be measured since it is impossible to estimate their initial fair value.

The Group measures property, plant and equipment in accordance with the following criteria:

Fair market value

In 1995, a renowned company performed an inventory and new assessment (at fair market value) effective on 1st January 1993. The assets which were assessed, and of which an inventory was taken, were the following:

- » Land and natural assets
- » Maritime accesses
- » Capital dredging in the port entrance area and outside the sheltered area
- » Permanent channelling and coastal defence works
- » Breakwater and dock works
- » Capital dredging
- » Breakwaters
- » Berthing works
- » Masonry quays
- » Reinforced concrete and metal quays
- » Jetties and pontoons

The additions to this group of property, plant and equipment as from 1st January 1993 are carried at acquisition cost.

Revalued amount

Certain groups of assets were subject to revaluation until January 1991 under the regulations provided for this purpose by the Directorate General of Ports and Coasts of the Spanish Ministry of Public Works and Urban Planning. The accumulated depreciation of these assets was also revalued. These groups are the following:

- » Maritime signals and beacons
- » Ship repair facilities
- » Buildings
- » General facilities
- » Pavements and roads
- » Equipment for the handling of goods
- » Transport equipment
- » Workshop equipment
- » Furniture and fittings
- » Sundry equipment

In these groups, commencing on 1st January 1991, additions have been carried at acquisition cost, and the revalued criterion is practically residual.

Investments in property, plant and equipment are recognised as “Property, plant and equipment in the course of construction" until their final approval and acceptance, following which they are recognised as property, plant and equipment. In the case of complex infrastructures, property, plant and equipment in the course of construction is reclassified when the related infrastructure can generate revenue.

For accounting purposes, the reversion of an asset under concession gives rise to the recognition of an asset in the consolidated balance sheet and the related gain will simultaneously be recognised as income in the year in which the reversion is performed, and recorded under "Income from reverted concessions" in section A-3) Grants, donations and bequests received, in equity on the liability side of the consolidated balance sheet. The balance of "Income from reverted concessions" shall be transferred to the income statement in proportion to the depreciation of the reverted asset, or if applicable, upon derecognition, disposal or adjustment in the value of the reverted item.

(ii) Depreciation and amortisation charge

Annual depreciation is calculated by the straight-line method on the basis of the estimated useful life of the different assets. The useful lives of the port authority's various items of property, plant and equipment, regulated in the “Manual on the Accounting Treatment of Port System Property, Plant and Equipment” (*Manual de Tratamiento Contable de los Activos Materiales del Sistema Portuario*), are shown in the following table except in the case of certain assets, which were assessed, and of which an inventory was taken by a specialised company, in which technical criteria are applied with respect to their future useful lives.

ASSETS	YEARS OF ESTIMATED USEFUL LIFE	% RESIDUAL VALUE
NAVIGATIONAL AID FACILITIES		
Visual aid facilities	10	0
Radio-electric aid facilities	5	0
Management and operational facilities	5	0
MARITIME ACCESSES		
Capital dredging	50	0
Permanent channelling and coastal defence works	35	0
BREAKWATER AND SEA DEFENCE WORKS		
Breakwater works	50	0
BERTHING WORKS		
Masonry quays	40	0
Reinforced concrete and metal quays	30	0
Fenders and mooring items	5	0
SHIP REPAIR FACILITIES		
Dry docks	30	1
BUILDINGS		
All buildings except small prefabricated structures	35	0
Portable buildings and small prefabricated structures	17	0
GENERAL FACILITIES		
Water pipes, sewers, and supply and provisioning facilities	17	0
PAVEMENTS AND ROADS		
Railways and sorting stations	25	3
Pavements on quays and in handling and storage areas	15	0
Paths, traffic areas, and car parks	15	0
Masonry bridges	45	0
Metal bridges	35	2
EQUIPMENT FOR THE HANDLING OF GOODS		
Special loading platforms and facilities	20	3
Gantry and container cranes	20	3
Forklifts, hoppers, and light equipment	10	3
FLOATING EQUIPMENT		
Service craft	15	0
Common floating navigational aids	15	0
TRANSPORT EQUIPMENT		
Cars and motorcycles	6	5
Trucks and vans	6	5
WORKSHOP EQUIPMENT	**14**	**4**
FURNITURE AND FITTINGS	**10**	**0**
SUNDRY EQUIPMENT	**5**	**0**
COMPUTER HARDWARE	**5**	**0**

Items of property, plant and equipment begin to be depreciated when they can be used.

(iii) Subsequent costs

Subsequent to the initial recognition of the asset, the costs incurred are only capitalised to the extent that they give rise to an increase in capacity or productivity, or to an extension of the useful life of the asset. The carrying amount of the replaced items must be derecognised. In this regard, the costs relating to the daily maintenance of property, plant and equipment are recognised in the income statement as they are incurred.

(iv) Impairment of property, plant and equipment

The Group assesses and determines the valuation adjustments and reversal of the impairment of property, plant and equipment in accordance with the criteria mentioned in section h) of this note.

(v) Compensation received from third parties

Compensation from third parties is recognised at the agreed (acknowledged or settled by the third party) or estimated amount of the compensation receivable. In the latter case, the receivable amount is recognised for the maximum amount of the loss arising, if any, when there is no doubt that compensation will be received. The compensation of insurance pending settlement is recognised as an account receivable, taking into consideration, if applicable, the financial effect of the discount or the late payment interest receivable.

Compensation from third parties for impaired property, plant and equipment offsets the related loss in the consolidated income statement, and any surplus is allocated to the consolidated income statement.

In other cases, compensation is recognised as income of the same nature as the expense it offsets. However, if compensation is received for items that did not give rise to an expense for the Group, it is recognised in the income statement.

(vi) Free transfers to other public authorities

The contribution of property, plant and equipment made through a change in the transfer of public port land to public port bodies or through their recognition as state-owned assets is recognised in the same manner as non-cash contributions, being carried at reasonable value on the date of the contribution, with a balancing entry in equity.

In the reverse process and in the case of items released from use but still forming part of the Group's active assets, it is necessary to take into consideration the future use of the released assets to determine how to recognise them appropriately. The return of the asset to the Spanish Central Government is recognised as a decrease in the equity contributed by the Government, which is equal to the carrying value net of impairment and depreciation of the asset returned at the date of the formalisation of its delivery. The same applies when the released asset is freely transferred to other public authorities for the purposes of public use or social interest (e.g. through inclusion in the municipality's public land), since this is also considered to be a decision to change the use of assets made by the Spanish Central Government, which is the holder of the Entity's shareholders' equity, in decreasing the value of the assets allocated for special use. Therefore, the aforementioned bodies directly or indirectly earn economic profit and given the higher general interest, decide to remove the asset from the corresponding entity and transfer it to another public authority.

(g) Investment property

The Group classifies the assets fully or partially aimed at obtaining income relating to the granting of concessions and authorisations for the use of public port land in the terms provided by the Spanish Law on State-owned Ports and the Merchant Navy, as well as those relating to the lease or sale of state-owned assets in the ordinary course of the group companies' operations.

Assets in the course of construction or development which are to be used as investment property in the future are classified as property, plant and equipment in the course of construction until they are completed. However, the extension or improvement of assets classified as investment property is recognised in the balance of investment property.

The Group recognises and measures investment property in accordance with the policies set forth for property, plant and equipment.

Investment property is depreciated by the same method as property, plant and equipment.

(h) Impairment of non-financial assets subject to amortisation or depreciation

Impairment losses are recognised in the consolidated income statement.

The Group analyses the existence of impairment in its assets in accordance with what is set out in the Spanish Chart of Accounts, and especially in the Spanish Accounting and Audit Institute Resolution, of 18th September 2013 (Official State Gazette No. 230, of 25th September 2013) which stipulates the accounting policies, measurement bases and information to be included in the consolidated financial statements on the impairment of assets. According to what is set out in its first regulation, impairment is applicable to cash-generating assets in all companies, irrespective of their legal status, including public-sector firms.

The Group assesses whether there are any indications that the non-financial assets subject to amortisation or depreciation may be impaired in order to check whether the carrying amount of the aforementioned assets exceeds their recoverable value, which is understood to be the higher of its value in use or fair value less costs to sell.

Additionally, if the Group has reasonable doubts regarding the technical success or economic and commercial profitability of computer projects, the amounts stated in the consolidated balance sheet are recognised directly as a loss on intangible assets in the consolidated income statement, and are not reversible.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit (hereinafter CGU) to which the asset belongs.

However, the Group determines the individual value of impairment of an asset included in a CGU when:

- It no longer contributes to the cash flow of the CGU to which it belongs and its recoverable amount is similar to its fair value less costs to sell or, where appropriate, the asset should be derecognised.
- The book value of the CGU would have gone up by the value of assets that generate independent cash flows, as long as there are indications that the latter may be impaired.

The loss relating to the impairment of the CGU shall be allocated pro rata on the basis of the carrying amount of each asset for the purpose of reducing its assets. However, the carrying amount of each asset shall never be reduced to an amount above the highest of its fair value less costs to sell, its value in use or zero.

At each reporting date, the Group assesses whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. An impairment loss recognised for other assets shall only be reversed if there has been a change in the estimates used to determine the asset's recoverable amount.

The reversal of the impairment shall be recognised with a credit to the consolidated income statement. However, the reversal of the loss cannot increase the carrying amount of an asset above the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised.

The amount of the reversal of an impairment loss for a CGU shall be allocated to the assets of the unit pro rata with the carrying amounts of those assets. However, the carrying amount of an asset shall not be increased above the lower of its recoverable amount and the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised.

After a valuation adjustment is made for an impairment loss or the reversal of an impairment loss, the amortisation or depreciation for subsequent years is adjusted taking into account the new carrying amount.

However, if in view of the specific circumstances relating to assets, there is evidence of loss of an irreversible nature, such loss is recognised directly in "Loss on the disposal of non-current assets" in the consolidated income statement.

(i) Concessions, authorisations, and leases

(i) Recognition as the lessor

The Group has assigned the right to use certain assets under lease agreements and under concessions and administrative authorisations.

The lease agreements by which the Group transfers substantially all the risks and rewards incidental to ownership to a third party are classified as financial leases. Otherwise, the lease agreements are classified as operating leases. At 31st December 2014 and 2013, the Group had no financial leases.

Concessions and authorisations

The Group assigns the right to use certain assets, such as public port land, from which it collects the related charges for the private use of said land.

In the case of authorisations and concessions for the use of public port land, the risks and rewards incidental to ownership of the property under the concession or authorisation are not transferred to the concession operator since the property is publicly owned, and accordingly, such leases are considered to be operating leases.

The income and expenses arising from concessions and authorisations shall be recognised as income and expenses respectively in the year in which they are accrued and shall be allocated to the consolidated income statement.

From the standpoint of revenues, this treatment affects the port charge for the private use of public land and other amounts additional to this charge.

The financing received in advance from concession operators is recognised for the amount delivered under "Advances for sales and services", including the present value of the revenue for services from the years to which the advance relates and the effect of their adjustment.

Operating leases

Lease income from operating leases, net of incentives granted, is recognised as income on a straight-line basis over the lease term.

(ii) Recognition as the lessee

Operating lease payments, net of the incentives received, are recognised as an expense on a straight-line basis over the lease term.

Financial leases - Lessee

Lease agreements which start by substantially transferring all the risks and rewards inherent to asset ownership to the Group, are classified as financial leases.

At the start of the lease term, the Group recognises an asset and a liability for the lower amount between the fair value of the leased item or the current value of the minimum lease payments. Initial direct costs are included as increasing the value of the asset. Minimum payments are divided between the financial charges and the reduction of the debt pending payment. Financial costs are allocated to the income statement through the application of the effective interest rate method.

Contingent lease payments are registered as an expense when it is likely that they will be incurred.

The accounting principles applied to assets used by the Entity by virtue of the signing of lease agreements classified as financial leases are the same as those set out in sections (f) and (j).

(j) Financial instruments

(i) Classification and separation of financial instruments

Financial instruments are classified on the date on which they are initially recognised as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual agreement and the definitions of financial asset, financial liability or equity instrument.

The Group classifies the financial instruments into different categories on the basis of their features and the intentions of the Finance Department at the date of initial recognition.

(ii) Loans and receivables

Loans and receivables comprise trade and non-trade loans with fixed or determinable payments that are not quoted in an active market other than those classified in other categories of financial assets. These assets are initially recognised at fair value, including the transaction costs incurred, and are subsequently measured at amortised cost using the effective interest-rate method. However, in the case of financial assets without a fixed interest rate, amounts which mature or are expected to be currently collected or in cases where the effect of an adjustment is not material, the assets are measured at face value.

(iii) Financial assets and liabilities measured at cost

Investments in equity instruments whose fair value cannot be reliably measured and derivatives which are linked to and must be settled by such unquoted equity instruments are measured at cost, less the cumulative amount of valuation adjustments for impairment. However, if the Group can reliably measure the financial asset or liability at any given time, the financial assets or liabilities are measured at fair value at that time, and the related gains or losses are recognised in accordance with the classification thereof.

(iv) Interest payable

Interest is recognised using the effective interest rate method.

(v) Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has substantially transferred all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, shall be recognised as profit or loss.

(vi) Impairment of financial assets

A financial asset or group of financial assets is impaired and an impairment loss arises when there is objective evidence of impairment as a result of one or more events occurring subsequent to the initial recognition of the assets, and such event or events giving rise to impairment have an effect on the estimated future cash flows of the asset or group of financial assets, which can be reliably estimated.

The Group follows the criteria of recognising the appropriate valuation adjustments for the impairment of loans and receivables, where there is a reduction or a delay in the estimated future cash flows caused by the debtor's insolvency.

In addition, and pursuant to the instructions issued by the OPPE for the Port System, the Parent Company records a period provision for bad debts on the basis of the age of the debt, and the corresponding type of charge or tariff or type of income.

In response to specific cases in which there is evidence of default, legal proceedings have been initiated or the debtor is in a state of bankruptcy, the Group recognises the appropriate provisions to cover insolvency risks.

» Impairment of financial assets measured at amortised cost.

In the case of financial assets measured at amortised cost, the amount of the impairment loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows.

The impairment loss is recognised as an expense and is reversible in subsequent years if the decrease can be objectively related to an event subsequent to its recognition. However, the reversal of the impairment loss is limited to the amortised cost of the assets that would have been recognised had there been no impairment loss.

» Investments in equity instruments measured at cost

Impairment is calculated as the amount by which the carrying amount of the investment exceeds its recoverable amount, which is understood to be the higher of its value in use or fair value less costs to sell. In this connection, value in use is calculated on the basis of the share of the Group in the present value of the estimated cash flows from ordinary activities and from the final sale or of the estimated flows expected to be received from the payment of dividends and the final sale of the investment.

However and in certain cases, unless there is better evidence of the recoverable amount of the investment in the estimate of impairment of this kind of assets, the equity of the company in which the Parent Company has an ownership interest is taken into consideration and adapted, if appropriate, to the accounting principles generally accepted in Spain, and adjusted by the net underlying capital gains existing at the measurement date.

In subsequent years, reversals of the impairment loss are recognised to the extent that there is an increase in their recoverable value, and shall not exceed the carrying amount of the investment that would have been determined had no impairment been recognised.

The loss or reversal of the impairment loss is recognised in the income statement.

The losses relating to the impairment of equity instruments measured at cost are not reversible, and accordingly, are recognised directly against the value of the asset.

(vii) Financial liabilities

Financial liabilities, including trade and other payables, which are not classified as held for trading or as financial liabilities measured at fair value that affect the consolidated income statement, are initially measured at fair cost less, if appropriate, any transaction costs that are directly attributable to the issue of the financial liabilities. Subsequent to initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest rate method. However, financial liabilities for which there is no established interest rate, or which mature or are expected to be currently paid, and for which the effect of an adjustment is not material, are measured at nominal value.

(viii) Guarantees

Guarantees received are measured in accordance with the same criteria as those applied for financial liabilities. The difference between the amount received and fair value is recognised as an advance and is allocated to the consolidated income statement in the period that the service is rendered, in accordance with the standard relating to revenue from services rendered. If the difference is not material, it is measured at nominal value.

(ix) Derecognition of and changes in financial liabilities

The Group derecognises a financial liability or a part thereof when the obligation under the related liability is extinguished or it is legally discharged from the related liability either by means of court proceedings or by the creditor.

(k) Hedge accounting

Derivative financial instruments that may be accounted for as hedges are recognised at fair value, plus, where appropriate, the transaction costs directly attributable to the arrangement of the hedges, and less, where appropriate, the transaction costs directly attributable to the issue of the hedges.

At the inception of the hedge, the Group designates and formally documents the hedging relationship, as well as the objective and strategy for the undertaking of the hedge. Hedges only qualify for hedge accounting when the hedge is expected to be highly effective at the inception of the hedge, and in subsequent years, to offset changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective analysis), and the hedge's real effectiveness, which can be determined reliably and is within the range of 80-125% (retrospective analysis), in accordance with the accounting standards provided in the Spanish Chart of Accounts.

The Group recognises the gains or losses arising from the measurement at fair value of the hedging instrument which relates to the part identified as an effective hedge in the consolidated statement of income and expenses recognised in equity. The part of the hedge considered to be ineffective is recognised in the consolidated income statement.

In the hedges of foreseen transactions that give rise to the recognition of a financial asset or liability, the associated gains or losses which have been recognised in consolidated equity are reclassified as profit or loss in the same year or years in which the asset acquired or the liability assumed affect profit or loss and in the same heading in the consolidated income statement.

(l) Inventories

Inventories are initially measured at acquisition cost.

Acquisition cost includes the amount billed by the seller after deducting any discount, rebate or other similar items, as well as the interest included in the nominal value of the receivables, plus the additional expenses arising until the assets are placed on sale and others directly attributable to the acquisition, and the indirect taxes not recoverable from the tax authorities.

The reductions and reversals in the value of inventories are recognised as a credit under the "Procurements" heading.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and current bank deposits. Also included are other highly liquid current investments, as long as they are easily convertible into specific cash amounts and originally mature within a period not exceeding three months.

(n) Grants, donations, and bequests

Grants, donations, and bequests are recognised as income and expenses recognised in equity when they are officially granted, the conditions attached to the grant have been complied with, or there is no reasonable doubt regarding whether they will be received.

For grants, donations, and bequests relating to certain property, plant and equipment, the Group considers the conditions set at the date they were awarded to have been met.

Grants, donations, and bequests of a monetary nature are measured at the fair value of the amount awarded.

In subsequent years, grants, donations, and bequests are allocated to profit or loss on the basis of the subsidised assets.

Capital grants are allocated to profit or loss for the year in proportion to the depreciation of the assets they finance, or when the related assets are sold, derecognised or adjusted for impairment.

In the case of non-depreciable assets, the grant is allocated to profit or loss for the year in which they are sold, derecognised or adjusted for impairment.

The amount of the valuation adjustment equivalent to the subsidised part of the asset is recognised as an irreversible loss of the assets directly against the value thereof.

Grants awarded to finance specific costs are allocated to revenue for the year in which the financed expenses accrue.

In accordance with the instructions provided by the OPPE, the Group does not discount the non-current loans receivable for grants accrued from the tax authorities to present value.

Financial liabilities, including implicit aid in the form of the application of below market interest rates, are initially recognised at fair value. The difference between this value, adjusted when necessary for the issue costs of the financial liability, and the amount received, is registered as a government grant in accordance with the nature of the grant awarded.

(o) Defined benefit plans

The Group considers benefit plans to include those financed by means of the payment of insurance premiums in which there is a legal or implicit obligation to directly pay employees the benefits agreed upon when they fall due or to pay the additional amounts required if the insurer does not disburse the benefits relating to the services provided by the employees in the year or previous years.

(p) Employee benefit liabilities

Any severance for involuntary termination is recognised at the time that there is a formal detailed plan, as well as a valid expectation among the employees affected that the employment relationship will be terminated, either because the plan has begun to be executed or because its main features have been announced.

(q) Provisions

(i) General criteria

Provisions are recognised when the Group has a present obligation of either a legal, contractual, implicit or underlying nature, as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The financial effect of the provisions is recognised under "Financial costs" in the income statement.

The provisions are reversed against profit or loss when it is not probable that an outflow of resources will be required to settle the obligation.

(r) Revenue from the provision of services

Revenue from the provision of services is recognised at the fair value of the consideration received or to be received from the services and, where applicable, the interest included in the nominal value of the loans shall be recognised as a decrease in this amount.

Revenue from the provision of services is recognised when the actual flow of the services it represents occurs, regardless of when the resulting monetary or financial flow arises. This revenue is recognised taking into account the stage of completion of the transaction at the end of the reporting period, when the amount of revenue, the costs incurred for the transaction and the costs to complete the transaction can all be measured reliably, and it is probable that the economic benefits associated with the services will be received.

(s) Corporation Tax

The special regime for entities partially exempt from Corporation Tax is applied to port authorities for 2000 and subsequent years, in accordance with article 2 and the third final provision of Spanish Law 24/2001, of 27th December, on Tax, Administrative and Social Order Measures, and article 41 of the Spanish Law on State-owned Ports.

The Corporation Tax expense or income comprises both current and deferred tax.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered from the tax authorities, in accordance with the law and the tax rate in force or approved and pending publication at year end.

Current or deferred tax is recognised in profit or loss, unless arising from a transaction or economic event recognised against consolidated equity in the same or a different year, or from a combination of businesses.

(i) Recognition of taxable temporary differences

Taxable temporary differences are recognised in all cases.

(ii) Recognition of deductible temporary differences

Deferred tax assets from deductible temporary differences are always recognised when it is likely that there will be sufficient future tax benefits available to offset them and they will be reversed in a period of less than ten years. Assets that arise out of the initial recognition of assets or liabilities in a transaction that is not a combination of businesses and does not affect either accounting profit (loss) or taxable profit (loss), at the time of the transaction, are not recognised. Assets that will be reversed in a period of more than ten years are recognised as the financial years finish, as long as it is likely that there will be tax benefits in the future.

Tax planning opportunities shall only be considered in the assessment of recovering assets through deferred tax if the Group intends to adopt them or is likely to do so.

(iii) Classification

Deferred tax assets and liabilities are recognised in the consolidated balance sheet as non-current assets or liabilities, regardless of the date on which they are expected to be realised or settled.

(t) Current and non-current classification of assets and liabilities

The Group classifies assets and liabilities as current or non-current in the consolidated balance sheet in accordance with its normal operating cycle, which does not exceed 12 months.

(u) Environment

The Group carries out operations, the main aim of which is to prevent, reduce or repair environmental damage caused by its activities. The expenses arising from environmental activities are recognised as “Other operating expenses” in the consolidated income statement in the year in which they are incurred. However, if appropriate, the Group recognises environmental provisions by means of the general criteria set forth in section q) of this note.

Items of property, plant and equipment acquired to be used on a lasting basis and whose main purpose is to minimise environmental impact and protect and improve the environment, including items relating to the reduction or elimination of future pollution, are recognised as assets by means of the application of the measurement, presentation and disclosure bases mentioned in section f) of this note.

The Group makes provisions for environmental actions when it is aware of the existence of expenses arising in the year or previous years clearly specified as being of an environmental nature, but whose amount or the date on which they arose is uncertain. These provisions are made on the basis of the best estimate of the expense required to cover the obligation, taking into consideration the financial effect when it is considered to be material. The compensation to be received by the Group relating to the source of the environmental obligation is recognised as a receivable on the asset side of the consolidated balance sheet, as long as there are no doubts that the disbursement will be received, without exceeding the amount of the obligation recognised.

(v) Interport Compensation Fund

Pursuant to article 159 of the Spanish Law on State-owned Ports and the Merchant Navy, the Parent Company shall make contributions to and receive contributions from the Interport Compensation Fund, as set out in this Law. The Interport Compensation Fund received and contributed each year is recorded in the consolidated income statement as operating income or as an operating expense respectively.

(w) Related party transactions

Transactions between related parties are recognised at the fair value of the consideration delivered or received. The difference between this value and the amount agreed, should it exist, are recorded in accordance with the underlying economic substance.

(6) Intangible assets

The breakdown of and changes in the balances of intangible asset items in 2014 are as follows:

INTANGIBLE ASSETS	BALANCE AT 31-12-13	ACQUISITIONS (+)	RECLASSIFICATIONS (+)	BALANCE AT 31-12-14
Industrial property	44,054.36	-	-	44,054.36
Computer software	27,503,332.79	1,064,503.37	8,428.80	28,576,264.96
TOTAL	**27,547,387.15**	**1,064,503.37**	**8,428.80**	**28,620,319.32**

ACCUMULATED AMORTISATION OF INTANGIBLE ASSETS	BALANCE AT 31-12-13	ACQUISITIONS (+)	RECLASSIFICATIONS (+)	BALANCE AT 31-12-14
Industrial property	28,870.68	3,720.39	-	32,591.07
Computer software	22,430,077.55	1,684,087.75	-	24,114,165.30
TOTAL	**22,458,948.23**	**1,687,808.14**	**-**	**24,146,756.37**
NET CARRYING AMOUNT	**5,088,438.92**	**(623,304.77)**	**8,428.80**	**4,473,562.95**

The breakdown of and changes in the balances of intangible asset items in 2013 are as follows:

INTANGIBLE ASSETS	BALANCE AT 31-12-12	ACQUISITIONS (+)	RECLASSIFICATIONS (+)	BALANCE AT 31-12-13
Industrial property	36,152.16	7,902.20	-	44,054.36
Computer software	26,492,574.72	1,024,748.07	(13,990.00)	27,503,332.79
TOTAL	**26,528,726.88**	**1,032,650.27**	**(13,990)**	**57,547,387.15**

ACCUMULATED AMORTISATION OF INTANGIBLE ASSETS	BALANCE AT 31-12-12	ACQUISITIONS (+)	RECLASSIFICATIONS (+)	BALANCE AT 31-12-13
Industrial property	25.808,82	3.061,86	-	28.870,68
Computer software	20.538.629,41	1.891.448,14	-	22.430.077,55
TOTAL	**20.564.438,23**	**1.894.510,00**	**-**	**22.458.948,55**
NET CARRYING AMOUNT	**5.964.288,65**	**(861.859,73)**	**(13.990,00)**	**5.088.438,92**

The cost of intangible assets amortised in full and still in use at 31st December 2014 and 2013 is as follows:

	2014	2013
Industrial property	25,452.13	25,452.13
Computer software	21,225,372.77	18,855,706.14
TOTAL	**21,250,824.90**	**18,881,158.27**

(7) Property, plant and equipment

The breakdown of and changes in the balance of "Property, plant and equipment" in 2014 are as follows:

HEADING	BALANCE AT 31-12-13	CHANGES IN THE YEAR: ADDITIONS (+)	CHANGES IN THE YEAR: DISPOSALS (-)	RECLASSIFICATIONS (+/-)	TRANSFER TO / FROM INVESTMENT PROPERTY (+/-)	BALANCE AT 31-12-14
Land and natural properties	**120,082,221.68**	**383,709.50**	**-**	**(141,695.64)**	**-**	**120,324,235.54**
Buildings	**1,290,306,445.81**	**5,888,191.88**	**-**	**141,695.64**	**-**	**1,296,336,333.33**
Maritime accesses	215,317,115.24	23,412.70	-	-	-	215,340,527.94
Breakwater and sea defence works	395,902,417.45	-	-	(55,482.47)	-	395,846,934.98
Berthing works	343,813,150.57	680,485.06		197,178.11	-	344,690,813.74
Buildings	33,487,598.02	497,782.14	-	-	-	33,985,380.16
General facilities	131,588,571.56	2,895,086.76		-	-	134,483,658.32
Pavements and roads	170,197,592.97	1,791,425.22	-	-	-	171,989,018.19
c) Equipment and plant	**10,887,885.36**	**84,639.11**	**-**	**-**	**-**	**10,972,524.47**
Navigational aid facilities	2,441,651.42	84,639.11	-	-	-	2,526,290.53
Equipment for the handling of goods	2,975,401.01	-	-	-	-	2,975,401.01
Floating material	4,923,930.00	-	-	-	-	4,923,930.00
Workshop equipment	546,902.93	-	-	-	-	546,902.93
Other property, plant and equipment	**21,648,296.19**	**561,759.55**	**(125,671.67)**	**-**	**-**	**22,084,384.07**
Furniture	3,680,220.52	15,658.60	-	-	-	3,695,879.12
Computer hardware	8,265,915.84	249,807.24	-	-	-	8,515,723.08
Transport equipment	713,243.54	278,171.03	(108,014.64)	-	-	883,399.93
Other property, plant and equipment	8,988,916.29	18,122.68	(17,657.03)	-	-	8,989,381.94
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,442,924,849.04**	**6,918,300.04**	**(125,671.67)**	**-**	**-**	**1,449,717,477.41**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	9,366,737.70	4,081,609.63	(219,717.56)	(8,428.80)	(121,789.21)	13,098,411.76
TOTAL	**1,452,291,586.74**	**10,999,909.67**	**(345,389.23)**	**(8,428.80)**	**(121,789.21)**	**1,462,815,889.17**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-13	ADDITIONS (+)	DERECOGNITION DUE TO SALE AND RETIREMENT / REVERSAL OF IMPAIRMENT (-)	TRANSFERS TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-14
Constructions	**354,304,691.05**	**39,299,503.39**	**-**	**-**	**393,604,194.44**
Maritime accesses	39,331,498.31	4,519,009.09	-	-	43,850,507.40
Breakwater and sea defence works	58,574,139.38	8,302,854.94	-	-	66,876,994.32
Berthing works	114,608,816.60	11,253,064.89		-	125,861,881.49
Buildings	10,679,184.80	1,061,741.21	-	-	11,740,926.01
General facilities	61,605,550.00	7,507,557.55		-	69,113,107.55
Pavements and roads	69,505,501.96	6,655,275.71		-	76,160,777.67
Plant and equipment	**5,888,564.43**	**556,523.94**	**-**	**-**	**6,445,088.37**
Navigational aid facilities	2,048,401.99	116,411.47	-	-	2,164,813.46
Equipment for the handling of goods	1,054,773.86	133,116.00	-	-	1,187,889.86
Floating material	2,363,954.57	289,998.51	-	-	2,653,953.08
Workshop equipment	421,434.01	16,997.96	-	-	438,431.97
Other property, plant and equipment	**18,850,503.08**	**1,104,059.04**	**(98,518.18)**	**-**	**19,856,043.94**
Furniture	2,681,517.35	300,554.73	-	-	2,982,072.08
Computer hardware	7,299,222.62	441,109.24	-	-	7,740,331.86
Transport equipment	454,080.07	187,006.13	(80,861.15)	-	560,225.05
Other property, plant and equipment	8,415,683.04	175,388.94	(17,657.03)	-	8,573,414.95
TOTAL	**379,043,758.56**	**40,955,389.18**	**(98,518.18)**	**-**	**419,905,326.75**
Impairment in constructions	161,659.33	1,305.25	(29,449.33)	-	133,515.25
NET CARRYING AMOUNT	**1,073,086,168.85**	**-**	**-**	**-**	**1,042,777,047.17**

The breakdown of "Changes in the year – Additions" in 2014 is as follows:

HEADING	ACQUISITIONS FROM EXTERNAL SUPPLIERS	CAPITALISED FINANCIAL COSTS	REVERTED CONCESSIONS	TRANSFERS FROM PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	TOTAL ADDITIONS IN 2014
Land and natural properties	**378,310.10**	**-**	**-**	**5,399.40**	**383,709.50**
Constructions	**-**	**-**	**536,277.00**	**5,351,914.88**	**5,888,191.88**
Maritime accesses	-	-	-	23,412.70	23,412.70
Breakwater and sea defence works	-	-	-	680,485.06	680,485.06
Berthing works	-	-	492,848.00	4,934.14	497,782.14
Buildings	-	-	43,429.00	2,851,657.76	2,895,086.76
General facilities	-	-	-	1,791,425.22	1,791,425.22
Pavements and roads	-	-	-	84,639.11	84,639.11
Plant and equipment	**-**	**-**	**-**	**84,639.11**	**84,639.11**
Navigational aid facilities	279,805.26	-	-	281,954.29	561,759.55
Other property, plant and equipment	**-**	**-**	**-**	**15,658.60**	**15,658.60**
Furniture	1,634.23	-	-	248,173.01	249,807.24
Computer hardware	278,171.03	-	-	-	278,171.03
Transport equipment	-	-	-	18,122.68	18,122.68
Other property, plant and equipment	658,115.36	-	536,277.00	5,723,907.68	6,918,300.04
TOTAL PROPERTY, PLANT AND EQUIPMENT	**9,805,517.31**	**-**	**-**	**(5,723,907.68)**	**4,081,609.63**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	**10,463,632.67**	**-**	**536,277.00**	**-**	**10,999,909.67**
TOTAL	**10,461,998.44**	**-**	**536,277.00**	**-**	**10,998,275.44**

The breakdown of “Changes in the year – Derecognitions" in 2014 is as follows:

HEADING	SALES TO EXTERNAL COMPANIES AND RETIREMENT OR DERECOGNITION FROM INVENTORY	SALES TO OTHER PORT AUTHORITIES AND STATE-OWNED PORTS BODY	IMPAIRMENT AND LOSSES ON ADVANCES	TRANSFERS TO OTHER PUBLIC BODIES	TOTAL DERECOGNITIONS IN 2014
Other property, plant and equipment	**125,671.67**	-	-	-	**125,671.67**
Transport equipment	108,014.64	-	-	-	108,014.64
Other property, plant and equipment	17,657.03	-	-	-	17,657.03
TOTAL PROPERTY, PLANT AND EQUIPMENT	**125,671.67**	-	-	-	**125,671.67**
ADVANCES AND PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	**219,717.56**	-	-	-	**219,717.56**
TOTAL	**345,389.23**	-	-	-	**345,389.23**

The breakdown of and changes in 2014 in the main investment projects included in the balance of “Property, plant and equipment in the course of construction and advances" are as follows:

INVESTMENT NAME	BALANCE AT 31-12-13	ACQUISITIONS 2014 (+)	TRANSFER TO PROPERTY, PLANT AND EQUIPMENT IN OPERATION (-)	TRANSFER TO INVESTMENT PROPERTY (+/-)	OTHER CHANGES (+/-)	BALANCE AT 31-12-14
New Technical and Nautical Services Dock building	1,604,251.86	-	-	-	-	1,604,251.86
Studies and technical assistance for property, plant and equipment in the course of construction	443,335.75	112,080.00	(49,153.85)	-	-	506,261.90
Advance for extending Levante Quay to 235 metres long and -12 metres deep	1,840,960.43	135,200.44	-	-	-	1,976,160.87
Electrification low and medium voltage, Cruise Quay	640,198.53	51,449.15	(691,647.68)	-	-	-
Improvements to access road layout, South Quay 2, Port of Sagunto	549,406.78	250,332.29	(799,739.07)	-	-	-
Minor works and other property, plant and equipment	1,913,579.96	2,922,713.59	(2,455,269.06)	(121,789.21)	(228,146.36)	2,031,088.92
Cruise Quay – Phase I	-	1,462,667.78	(1,462,667.78)	-	-	-
Redesign of the rail tracks on the Levante Quay	-	3,210,665.97	-	-	-	3,210,665.97
New lighthouse on the extension – Communications tower	-	534,816.46	-	-	-	534,816.46
Development of the surface area for the new concessions in the west area of the Port of Valencia	-	622,831.24	-	-	-	622,831.24
Installation of a pumping station with fire safety system	-	265,430.24	(265,430.24)	-	-	-
Construction of a new pumping station with a fire safety system at the Port of Gandia	-	237,330.15	-	-	-	237,330.15
Purchase of plots at the Port of Valencia's Logistics Activities Area	2,375,004.39	-	-	-	-	2,375,004.39
TOTAL	**9,366,737.70**	**9,805,517.31**	**(5,723,907.68)**	**(121,789.21)**	**(228,146.36)**	**13,098,411.76**

The breakdown of and changes in the balances of "Property, plant and equipment" in 2013 are as follows:

		CHANGES IN THE YEAR				
HEADING	BALANCE AT 31-12-12	ADDITIONS (+)	DISPOSALS (-)	RECLASSIFICATIONS (+/-)	TRANSFER TO / FROM INVESTMENT PROPERTY (+/-)	BALANCE AT 31-12-13
Land and natural properties	**81,095,821.33**	**41,359,926.48**	**(2,373,526.13)**	**-**	**-**	**120,082,221.68**
Buildings	**1,064,054,348.96**	**229,600,241.65**	**-**	**-**	**-**	**1,290,306,445.81**
Maritime accesses	213,117,670.45	2,199,444.79	-	-	-	215,317,115.24
Breakwater and sea defence works	201,680,371.75	194,222,045.70	-	-	-	395,902,417.45
Berthing works	323,719,408.83	20,093,741.74	-	-	-	343,813,150.57
Buildings	32,849,239.94	646,274.38	(7,916.30)	-	-	33,487,598.02
General facilities	124,915,280.10	6,890,075.11	(216,783.65)	-	-	131,588,571.56
Pavements and roads	167,772,377.89	5,548,659.93	(3,123,444.85)	-	-	170,197,592.97
Equipment and plant	**10,620,428.90**	**304,107.40**	**(36,650.94)**	**-**	**-**	**10,887,885.36**
Navigational aid facilities	2,439,944.68	17,143.85	(15,437.11)	-	-	2,441,651.42
Equipment for the handling of goods	2,949,646.32	46,968.52	(21,213.83)	-	-	2,975,401.01
Floating material	4,684,481.01	239,448.99	-	-	-	4,923,930.00
Workshop equipment	546,356.89	546.04	-	-	-	546,902.93
Other property, plant and equipment	**21,255,243.63**	**412,883.22**	**(51,820.66)**	**31,990.00**	**-**	**21,648,296.19**
Furniture	3,655,862.99	24,357.53	-	-	-	3,680,220.52
Computer hardware	8,004,663.14	229,262.70	-	31,990.00	-	8,265,915.84
Transport equipment	655,766.68	89,680.25	(32,203.39)	-	-	713,243.54
Other property, plant and equipment	8,938,950.82	69,582.74	(19,617.27)	-	-	8,988,916.29
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,77,025,842.82**	**271,677,158.75**	**(5,810,142.53)**	**31,990.00**	**-**	**1,442,924,849.04**
Advances and property, plant and equipment in the course of construction	**261,478,795.71**	**(245,364,106.86)**	**(3,254,261.22)**	**(1,807,298.99)**	**(1,686,390.84)**	**9,366,737.70**
TOTAL	**1,438,504,638.53**	**26,313,051.89**	**(9,064,403.75)**	**(1,775,308.99)**	**(1,686,390.94)**	**1,452,291,586.74**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-12	ADDITIONS (+)	DERECOGNITION DUE TO SALE AND RETIREMENT / REVERSAL OF IMPAIRMENT (-)	TRANSFERS TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-13
Constructions	**321,313,087.60**	**36,090,250.24**	**(188,621.05)**	**(2,910,025.74)**	**354,304,691.05**
Maritime accesses	34,842,619.44	4,488,878.87	-	-	39,331,498.31
Breakwater and sea defence works	53,195,659.59	5,378,479.79	-	-	58,574,139.38
Berthing works	103,321,530.11	11,287,286.49		-	114,608,816.60
Buildings	9,665,608.96	1,018,987.72	-	(5,411.88)	10,679,184.80
General facilities	54,403,103.03	7,374,024.60	(12,714.21)	(158,863.42)	61,605,550.00
Pavements and roads	65,884,566.47	6,542,592.77	(175,906.84)	(2,745,750.44)	69,505,501.96
Plant and equipment	**5,330,277.03**	**594,301.93**	**(36,014.53**	**-**	**5,888,564.43**
Navigational aid facilities	1,899,153.03	164,686.07	(15,437.11)	-	248,401.99
Equipment for the handling of goods	943,676.43	131,674.85	20,577.42	-	1,054,773.86
Floating material	2,084,617.66	279,336.91	-	-	2,363,954.57
Workshop equipment	402,829.91	18,604.10	-	-	421,434.01
Other property, plant and equipment	**17,626,073.40**	**1,267,110.30**	**(34,450.56)**	**(8,230.06)**	**18,850,503.08**
Furniture	2,368,641.77	312,875.58	-	-	2,681,517.35
Computer hardware	6,736,310.05	562,912.57	-	-	7,299,222.62
Transport equipment	411,661.73	65,481.69	(23,063.35)	-	454,080.07
Other property, plant and equipment	8,109,459.85	325,840.46	(11,387.21)	8,230.06	8,415,683.04
TOTAL	**344,269,438.03**	**37,951,662.47**	**(259,086.14)**	**-**	**379,043,758.56**
Impairment in constructions	191,028.91	-	(29,369.58)	-	161,659.33
NET CARRYING AMOUNT	**1,094,044,171.59**	**-**	**-**	**-**	**1,073,086,168.85**

The breakdown of "Changes in the year – Additions" in 2013 is as follows:

HEADING	ACQUISITIONS FROM EXTERNAL SUPPLIERS	CAPITALISED FINANCIAL COSTS	REVERTED CONCESSIONS	TRANSFERS FROM PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	TOTAL ADDITIONS IN 2013
Land and natural properties	-	-	-	**41,359,926.48**	**41,359,926.48**
Constructions	-	-	**1,578,428.12**	**228,021,813.53**	**229,600,241.65**
Maritime accesses	-	-	-	2,199,444.79	2,199,444.79
Breakwater and sea defence works			-	194,222,045.70	194,222,045.70
Berthing works	-	-	-	20,093,741.74	20,093,741.74
Buildings	-	-	-	646,274.38	646,274.38
General facilities	-	-	1,578,428.12	5,311,646.99	6,890,075.11
Pavements and roads	-	-	-	5,548,659.93	5,548,659.93
Plant and equipment	-	-	-	**304,107.40**	**304,107.40**
Navigational aid facilities	-	-	-	17,143.85	17,143.85
Equipment for the handling of goods	-	-	-	46,968.52	46,968.52
Floating material	-	-	-	239,448.99	239,448.99
Workshop equipment	-	-	-	546.04	546.04
Other property, plant and equipment	**1,634.32**	-	-	**411,248.90**	**412,883.22**
Furniture	-	-	-	24,357.53	24,357.53
Computer hardware	1,634.23	-	-	227,628.38	229,262.70
Transport equipment	-	-	-	89,680.25	89,680.25
Other property, plant and equipment	-	-	-	69,582.74	69,582.74
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,634.32**	**-**	**1,578,428.12**	**270,097,096.31**	**271,677,158.75**
Advances and property, plant and equipment in the course of construction	**24,074,181.29**	**658,808.16**	**-**	**(270,097,096.31)**	**(245,364,106.86)**
TOTAL	**24,075,815.61**	**658,808.16**	**1,578,428.12**	**-**	**26,313,051.89**

The breakdown of “Changes in the year – Derecognitions" in 2013 is as follows:

HEADING	SALES TO EXTERNAL COMPANIES AND RETIREMENT OR DERECOGNITION FROM INVENTORY	SALES TO OTHER PORT AUTHORITIES AND STATE-OWNED PORTS BODY	IMPAIRMENT AND LOSSES ON ADVANCES	TRANSFERS TO OTHER PUBLIC BODIES	TOTAL DERECOGNITIONS IN 2013
Land and natural properties	**-**	**-**	**-**	**2,373,526.13**	**2,373,526.13**
Constructions	**367,158.70**	**-**	**1,578,428.12**	**2,980,986.10**	**3,348,144.80**
Maritime accesses	-	-	-	-	-
Breakwater and sea defence works			-	-	-
Berthing works	-	-	-	-	-
Buildings	-	-	-	7,916.30	7,916.30
General facilities	25,423.00	-	-	191,360.65	216,783.65
Pavements and roads	341,735.70	-	-	2,781,709.15	3,123,444.85
Plant and equipment	**36,650.94**	**-**	**-**	**-**	**36,650.94**
Navigational aid facilities	15,437.11	-	-	-	15,437.11
Equipment for the handling of goods	21,213.83	-	-	-	21,213.83
Floating material	-	-	-	-	-
Workshop equipment	-	-	-	-	-
Other property, plant and equipment	**43,590.60**	**-**	**-**	**8,230.06**	**51,820.66**
Furniture	-	-	-	-	-
Computer hardware	-	-	-	-	-
Transport equipment	32,203.39	-	-	-	32,203.39
Other property, plant and equipment	11,387.21	-	-	8,230.06	19,617.27
TOTAL PROPERTY, PLANT AND EQUIPMENT	**447,400.24**	**-**	**-**	**5,362,742.29**	**5,810,142.53**
Advances and property, plant and equipment in the course of construction	**191,006.21**	**-**	**3,063,255.01**	**-**	**3,254,261.22**
TOTAL	**638,406.45**	**-**	**3,063,255.01**	**5,362,742.29**	**9,064,403.75**

The breakdown of and changes in 2013 in the main investment projects included in the balance of "Property, plant and equipment in the course of construction and advances" are as follows:

INVESTMENT NAME	BALANCE AT 31-12-12	ACQUISITIONS 2013 (+)	TRANSFER TO PROPERTY, PLANT AND EQUIPMENT IN OPERATION (-)	TRANSFER TO INVESTMENT PROPERTY (+/-)	OTHER CHANGES (+/-)	BALANCE AT 31-12-13
Breakwater works for the Port of Valencia's extension	209,535,048.79	63,342.28	(209,598,391.07)	-	-	-
Work finished on breakwater works for the Port of Valencia's extension	5,157,117.45	-	(5,157,117.45)	-	-	-
New Technical and Nautical Services Dock building	1,460,340.14	143,911.72	-	-	-	1,604,251.86
Additional work 2 on the breakwater works, North Extension	7,155,430.67	-	(7,155,430.67)	-	-	-
Studies and technical assistance for property, plant and equipment in the course of construction	6,273,546.64	192,645.50	(6,022,856.39)	-	-	443,335.75
Cruise Quay – Phase I	7,765,823.57	13,158,605.64	(20,924,429.21)	-	-	-
Interest on breakwater works, North Extension, Port of Valencia	5,720,441.81	658,808.16	(6,379,249.97)	-	-	-
Geotechnical survey, North Extension, Port of Valencia and Port of Sagunto	2,237,890.68	-	(2,237,890.68)	-	-	-
Advance for extending Levante Quay to 235 metres long and -12 metres deep	1,701,001.40	139,959.03	-	-	-	1,840,960.43
Crane rail for container crane, North Quay 2	457,096.21	1,120,496.67	(1,577,592.88)	-	-	-
Electrification low and medium voltage, Cruise Quay	-	640,198.53	-	-	-	640,198.53
Improvements to access road layout, South Quay 2, Port of Sagunto	-	549,406.78	-	-	-	549,406.78
Minor works and other property, plant and equipment	6,787,499.96	8,065,615.14	(11,044,137.99)	(1,686,390.94)	(209,006.21)	1,913,579.96
Purchase of plots at the Port of Valencia's Logistics Activities Area	7,227,558.39	-	-	-	(4,852,554.00)	2,375,004.39
TOTAL	**261,478,795.71**	**24,732,989.45**	**(270,097,096.31)**	**(1,686,390.94)**	**(5,061,560.21)**	**9,366,737.70**

As a result of the "Balcón al Mar" Cooperation Agreement to modernise the Port of Valencia's infrastructure, entered into on 14th October 1997 by the Spanish Ministry of Development, the Valencian Regional Government, the Valencia City Council, and the Parent Company, by means of the Ministry of Development Order dated 31st May 1999, certain land, facilities and buildings located in the Port of Valencia service area which had been state-owned were released from port public use and legally changed to alienable property. The gross value of the derecognised land and buildings registered in the Parent Company's assets initially amounted to €27.8 million. Based on the Spanish Cabinet Agreement of 25th April 2003, part of the "Balcón al Mar" total area relating to dock buildings 2, 4 and 5, whose adjusted net carrying value amounted to €4.1 million, was transferred at no charge to the Valencia City Council in May 2003.

At 31st December 2012, the net carrying value of the elements affected by the transfer to the Valencia City Council amounted to €12.6 million, corresponding to assets registered as property, plant and equipment and investment property for net amounts of €2.4 million and €10.2 million, respectively.

In order to complete the free transfer arising from the commitments made under the 1997 Cooperation Agreement, at its meeting held on 18th December 2008, the PAV Board of Directors resolved that the remainder of the free transfer would be initiated. This transfer was to be performed in accordance with the law in force, was to respect the scope of the Spanish Cabinet Agreement of 25th April 2003, and was to address the reality resulting from the transformation of the Inner Dock at the Port of Valencia for the 32nd America's Cup 2007.

On 22nd December 2005, in view of the city of Valencia's candidature as the host city for the 32nd America's Cup 2007, the PAV authorised the 2007 Valencia Consortium to occupy certain items of property, plant and equipment. This authorisation was extended until an inter-administrative agreement was signed whereby the 2007 Valencia Consortium was assigned the port spaces used to hold the 32nd America's Cup 2007.

On 8th March 2013, the Spanish Cabinet, in the framework of its competences, authorised the free transfer of derecognised land in the PAV's service area surrounding the Inner Dock to the Valencia City Council, as well as the assignment of certain facilities and buildings existing on this land (see note 5(f)(vi)).

On 24th April 2013, the Port Authority of Valencia's Board of Directors approved the "Agreement to transfer certain assets to the Valencia City Council at no charge", and the "Inter-administrative agreement to make certain assets that are part of the Juan Carlos I Royal Marina available to the 2007 Valencia Consortium", which enabled the transfer of both PAV-registered assets and of the "expectant right" the port authority maintains on other assets built by the Valencia 2007 Consortium and over which this body maintains rights of use based on the aforementioned inter-administrative agreement.

In August 2013, and after the aforementioned transfer had been entered in the land registry on 24th July 2013, the abovementioned assets were derecognised from the Group's equity for a net carrying amount of €12.6 million, in favour of the Valencia City Council.

Finally, it should be mentioned that as a result of holding the 32nd America's Cup the PAV had to pay for works and services estimated at €23,325. This issue has been presented for comments to the Valencia 2007 Consortium so the PAV can recover this cost. On the date these consolidated financial statements were prepared, notwithstanding the discrepancy on the administrative procedure to be followed, the Valencia 2007 Consortium was studying the documentation provided by the PAV to process the corresponding administrative dossier.

(a) Capitalised financial costs

In 2014, the Parent Company did not capitalise any financial costs under property, plant and equipment in the course of construction (€658,808.16 in 2013).

(b) Fully depreciated assets

The cost of property, plant and equipment amortised in full and still in use at 31st December 2014 and 2013, expressed in euros, is as follows:

	2014	2013
Constructions	77,417,844.83	73,492,815.78
Equipment and plant	3,093,340.32	2,498,545.85
Other property, plant and equipment	16,614,011.65	14,421,844.32
TOTAL	**97,125,196.80**	**90,413,205.95**

(c) Government grants received

Certain investment projects were financed in part by a number of grants awarded to the Parent Company. The projects financed and the grants received are detailed in note 18.

(d) Commitments

The property, plant and equipment purchase commitments at 31st December 2014 amounted to €35.1 million (€38.30 million at 31st December 2013).

These commitments will be financed by means of equity and borrowed funds in accordance with what is stipulated in the Group's budget, authorised by the OPPE in the Parent Company's Business Plan, and approved in the Spanish General State Budget.

Certain purchase commitments, which amounted to €28.5 million in 2014 and 2013, include a variable amount in their acquisition price which is tied to Euribor, and there are certain conditions subsequent relating to these commitments. Accordingly, in 2013, and mainly based on commercial and economic criteria, the subsidiary decided not to exercise some of the purchase rights it held which, in line with the contracts signed, meant the cancellation of €3,063,255.02 corresponding to the purchase options not taken up. This was recognised in "Impairment and losses" in the 2013 consolidated income statement. In addition, paid advances of €1.8 million were claimed from a third party. These were reclassified to "Trade receivables" in current assets on the 2013 consolidated balance sheet (see note 13(c)). These amounts were collected in February 2014.

(e) Insurance

The Group has taken out several insurance policies to cover the risks to which the items of property, plant and equipment are subject. The coverage of these policies is considered to be sufficient.

(f) Financial leases - Lessee

The Parent Company has assets consisting of vehicles contracted under financial leases.

The reconciliation between the amount of the minimum future lease payments and their current value is as follows:

	2014
Future minimum lease payments	138,648.37
Unpaid financial expenses	(6,289.82)
Current value	132,358.55

A breakdown of the minimum payments and current value of financial lease liabilities by maturity date is as follows:

	2014	
	FUTURE MINIMUM LEASE PAYMENTS	CURRENT VALUE
Up to one year	86,936.93	82,127.84
From one to five years	51,711.44	50,230.71
TOTAL	**138,648.37**	**132,358.55**

(8) Investment property

The breakdown of and changes in the balances of "Investment property" items in 2014 are as follows:

HEADING	BALANCE AT 31-12-13	REVERTED CONCESSIONS (+)	TRANSFER TO / FROM PROPERTY, PLANT AND EQUIPMENT (+/-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-14
Land	**269,915,632.03**	**-**	**-**	**-**	**269,915,632.03**
Buildings	**169,493,577.44**	**-**	**121,789.21**	**-**	**169,615,366.65**
Berthing works	6,154,084.87	-	-	-	6,154,084.87
Ship repair facilities	1,379,494.48	-	-	-	1,379,494.48
Buildings	41,706,151.29	-	-	-	41,706,151.29
General facilities	38,651,808.42	-	44,642.31	-	38,696,450.73
Pavements and roads	81,602,038.38	-	77,146.90	-	81,679,185.28
TOTAL	**439,409,209.47**	**-**	**121,789.21**	**-**	**439,530,998.68**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-13	ADDITIONS (+)	SALES, RETIREMENTS AND DISPOSALS (-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-14
Berthing works	1,741,352.71	301,560.98	-	-	2,042,913.69
Ship repair facilities	1,365,699.51	-	-	-	1,365,699.51
Buildings	16,483,552.63	1,320,200.76	-	-	17,803,753.39
General facilities	15,161,319.25	2,348,382.46	-	-	17,509,701.71
Pavements and roads	48,038,974.97	4,149,755.64		-	52,188,730.61
TOTAL	**82,790,899.07**	**8,119,899.84**	**-**	**-**	**90,910,798.91**

IMPAIRMENT	BALANCE AT 31-12-13	ADDITIONS TO IMPAIRMENT (+)	REVERSAL OF IMPAIRMENT (-)	TRANSFER TO / FROM PROPERTY, PLANT AND EQUIPMENT (+/-)	BALANCE AT 31-12-14
Impairment of land	11,124,312.00	4,907,670.00	-	-	16,031,982.00
TOTAL	**11,124,312.00**	**4,907,670.00**	**-**	**-**	**16,031,982.00**
NET CARRYING AMOUNT	**345,493,998.40**	**(13,027,569.84)**	**121,789.21**	**-**	**332,588,217.77**

The breakdown of and changes in the balances of "Investment property" items in 2013 are as follows:

HEADING	BALANCE AT 31-12-12	REVERTED CONCESSIONS (+)	TRANSFER TO / FROM PROPERTY, PLANT AND EQUIPMENT (+/-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-13
Land	**279,896,319.00**	**-**	**-**	**(9,980,686.97**	**269,915,632.03**
Buildings	**166,871,698.59**	**3,218,491.19**	**1,686,390.84**	**(2,283,003.28)**	**169,493,577.44**
Berthing works	5,980,017.87	174,067.00	-	-	6,154,084.87
Ship repair facilities	1,379,494.48	-	-	-	1,379,494.48
Buildings	41,512,230.15	2,116,371.00	52,280.79	(1,974,730.65)	41,706,151.29
General facilities	37,648,438.91	470,679.00	574,755.22	(42,064.71)	38,651,808.42
Pavements and roads	80,351,517.18	457,374.19	1,059,354.93	(266,207.92)	81,602,038.38
TOTAL	**446,768,017.59**	**3,218,491.19**	**1,686,390.94**	**(12,263,690.25)**	**439,409,209.47**

DEPRECIATION AND AMORTISATION	BALANCE AT 31-12-12	ADDITIONS (+)	SALES, RETIREMENTS AND DISPOSALS (-)	TRANSFER TO OTHER BODIES ADJUSTMENTS TO EQUITY (+/-)	BALANCE AT 31-12-13
Berthing works	1,446,367.51	294,985.20	-	-	1,741,352.71
Ship repair facilities	1,365,699.51	-	-	-	1,365,699.51
Buildings	17,018,071.32	1,269,233.80	-	(1,803,752.49)	16,483,552.63
General facilities	12,915,794.98	2,278,979.24	-	(33,454.97)	15,161,319.25
Pavements and roads	44,068,379.76	4,236,803.13		(266,207.92)	48,038,974.97
TOTAL	**76,814,313.08**	**8,080,001.37**	**-**	**(2,103,415.38)**	**82,790,899.07**

IMPAIRMENT	BALANCE AT 31-12-12	ADDITIONS TO IMPAIRMENT (+)	REVERSAL OF IMPAIRMENT (-)	TRANSFER TO / FROM PROPERTY, PLANT AND EQUIPMENT (+/-)	BALANCE AT 31-12-13
Impairment of land	11,124,312.00	-	-	-	11,124,312.00
TOTAL	**11,124,312.00**	**-**	**-**	**-**	**11,124,312.00**
NET CARRYING AMOUNT	**358,829,392.51**	**(4,861,510.18)**	**1,686,390.94**	**(10,160,274.87)**	**345,493,998.40**

In 2010, one of the subsidiaries and SEPES (the Spanish State Land Agency) signed a deed of sale and purchase options which set out the terms and conditions for the acquisition of 339,990.14 net square metres of the Port of Valencia's Logistics Activities Area, in accordance with the measurements indicated in the approved land division project.

Therefore, in 2010 and 2011 the subsidiary acquired a total of 97,967.61 net square metres and 38,301.04 net square metres, respectively, of the Port of Valencia's Logistics Activities Area. At 31st December 2014 and 2013, the option to purchase 32,013.35 net square metres was maintained, after not exercising some purchase options which could be obtained from SEPES in successive phases based on market demand.

In 2013, there were certain issues over the planning status of the ZAL in Valencia as a result of the quashing of the "Special Plan to Amend the Valencia General Plan, with an approval information package to develop the Port of Valencia's ZAL". The cancellation of this package is not expected to affect the future development of business activities envisaged in the ZAL in Valencia.

In 2011, several plots were acquired by the subsidiary within the framework of the "Parc Sagunt I Partial Plan". The purchase agreement of the aforementioned plot included certain conditions subsequent to the contract of sale in terms of non-compliance with specific obligations and mainly related to the payment of the deferred amount of €20.5 million, obtaining specific planning documents, and start and completion dates for the works needed to carry out the activities, as well as a minimum six-year anti-alienation clause. However, compliance with these obligations may be delayed for a period of time, or their application may be adjusted, especially in the case of the development of the Port of Sagunto. The Group does not foresee any circumstances which might lead to the breach of these obligations.

Despite the above, certain delays have occurred, which can mainly be attributed to the planning status of the abovementioned plot and not to the subsidiary. These have resulted in a delay in the start of the payment schedule agreed in the initial contract. The Group estimates that the amounts classified as current liabilities in the balance sheet above will be settled in the short term.

In 2014, the Group registered €4.9 million for the impairment of property, plant and equipment in the consolidated income statement shown above for the investments linked to the Port of Sagunto's logistics activities area, based on the valuations provided by independent experts. The main reason for this impairment was the decrease in value of the land in this area as a result of the downturn in the property market.

(a) Fully depreciated assets

The cost of the property investments which were depreciated in full and still in use at 31st December 2014 amounted to €30,028,020.95 (€28,663,648.71 in 2013).

(b) Income and expenses arising from investment property

The breakdown of income and expenses generated from investment property in 2014 and 2013, expressed in euros, is as follows:

	2014	2013
Income arising from the charge for the private use of public port land, amounts additional to the charge for the private use of public port land and gains on leases	25,312,714.59	23,217,959.80
Operating expenses	(17,366,391.22)	(17,622,917.21)

The balance at 31st December 2014 of advance charges and amounts additional to the advance charges for the private use of public port land amounting to €72,153,072.78 (€75,797,500.84 at 31st December 2013) is included under "Non-current liabilities, non-current accruals and prepayments" in the consolidated balance sheet. This amount includes the effect of discounting the balance to present value, which at 31st December 2014 was €738,720.60 (€770,782.02 at 31st December 2013). The adjusted amount will be allocated to operating income over the life of the concessions. The interest rate borne will not differ significantly from the market interest rate.

(c) Other disclosures regarding concessions, authorisations, and leases

The figures detailed below show the distribution of revenue arising in 2014 and 2013 from non-cancellable operating leases, whose terms and amounts will decrease in accordance with terms of the related agreements as follows:

	2014	2013
Up to one year	608,456.15	261,923.54
From one to five years	706,285.55	1,432,834.65
Over five years		21,523,201.61
TOTAL	**25,312,714.59**	**23,217,959.80**

Spanish Law 18/2014, of 15th October, on the approval of urgent measures for growth, competitiveness and efficiency, includes increasing the term of public port concessions to a maximum of 50 years.

The aforementioned Law adds a new tenth transitional provision to Spanish Legislative Royal Decree 2/2011, of 5th September, which approved the recast text of the Spanish Law on State-owned Ports and the Merchant Navy, through which the initial term of concessions granted before the coming into force of Royal Decree-Law 8/2014, of 4th July, on urgent measures for growth, competitiveness and efficiency, may be extended by the port authority, if requested by the concessionaire and endorsed by the State-owned Ports Body, when the concessionaire undertakes to fulfil certain obligations included in the aforementioned legislation.

(9) Nature and level of risk arising from financial instruments

(a) Financial risk factors

The Group's activities are exposed to different financial risks: market risk (including the risk of interest on fair value and price risk), credit risk, liquidity risk, and the risk of interest on cash flows. The Group's global risk management programme focuses on the uncertainty of the financial markets and attempts to minimise the potential adverse effects on the Group's financial profitability.

Risk management is controlled by the Finance Departments in the Group's companies in accordance with the policies approved by the Board of Directors. These departments identify, assess and cover financial risks in close cooperation with the Group's operational units. The Board of Directors provides policies for the management of global risk, as well as specific risks, such as interest rate risk, liquidity risk and the investment of surplus cash.

(i) Credit risk

The Group has policies to assure that services are rendered to customers with an appropriate credit history. Transactions with derivatives and cash transactions are only carried out with financial institutions that have a high credit rating.

The Group has policies to limit the amount of risk with any financial institution.

Valuation adjustments for client insolvencies involve a high degree of judgement by the Finance Departments in the Group's companies and the review of individual balances on the basis of the customers' credit quality, current market trends and a historical analysis of insolvencies at an aggregate level. In relation to the valuation adjustment arising from the aggregate analysis of the history of default payments, a decrease in the volume of balances implies a decrease in valuation adjustments and vice-versa.

(ii) Liquidity risk

The Group prudently manages liquidity risk, based on the maintenance of sufficient cash and marketable securities, the availability of financing by means of a sufficient amount of credit facility commitments and sufficient capacity to settle market positions. Given the dynamic nature of underlying businesses, the Finance Departments in the Group's companies aim to keep their financing flexible by means of the availability of the credit lines they have contracted.

The classification of financial assets and liabilities by categories is shown in notes 12 and 20.

(iii) Risk of interest rate on cash flows

The income and cash flows of the Group's operating activities are mostly independent with respect to changes in market interest rates.

The Group's interest rate risk arises from non-current borrowing. The borrowed funds issued at floating rates expose the Group to the risk of the cash flow's interest rate.

The Parent Company manages the risk of interest rates on cash flows by means of floating to fixed interest rate swaps. Under interest rate swaps, the PAV commits with other parties to exchange with certain frequency (generally quarterly) the difference between fixed interest and floating interest calculated on the basis of the notional principal amounts contracted.

(10) Investments in companies accounted for using the equity method

The breakdown of information about and investments in companies accounted for using the equity method in 2014 and 2013 is as follows:

COMPANY	AUDITOR	PERCENTAGE OF OWNERSHIP %	31/12/2014	31/12/2013
Infoport Valencia, S.A.	KPMG Auditores, S.L.	26.67	270,261.81	267,322.52
EUROPHAR European Economic Interest Group	-	33.33	15,450.70	13,768.87
TOTAL INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	**-**	**-**	**285,712.51**	**281,091.39**

(11) Information on investments in other companies

Equity instruments mainly relate to the Group's ownership interest in the company Puerto Seco Madrid, S.A. amounting to €408,000 in 2014 and 2013, and representing 10.20% of the company's share capital. This company's registered office is located in Madrid and its business activity consists of the operation of a railway container terminal.

Additionally, it includes the shareholding subscribed and paid up by the Parent Company this year in the company Noatum Rail Terminal Zaragoza, S.L., for €300, which represented 10% of the firm's share capital.

(12) Financial assets by category

(a) Breakdown of financial assets by category

The breakdown of financial assets by category and class at 31st December 2014 and 2013 is as follows:

CATEGORY / CLASS	NON-CURRENT EQUITY INSTRUMENTS 31/12/2014	NON-CURRENT LOANS, DERIVATIVES AND OTHER 31/12/2014	CURRENT LOANS, DERIVATIVES AND OTHER 31/12/2014	TOTAL 31/12/2014
Assets measured at fair value through profit or loss	408,300.00	-	-	408,300.00
- Other	408,300.00	-	-	408,300.00
Loans and receivables	-	8,397,802.50	73,261,179.54	81,658,982.04
TOTAL	**408,300.00**	**8,397,802.50**	**73,261,179.54**	**82,067,282.04**

CATEGORY / CLASS	NON-CURRENT EQUITY INSTRUMENTS 31/12/2013	NON-CURRENT LOANS, DERIVATIVES AND OTHER 31/12/2013	CURRENT LOANS, DERIVATIVES AND OTHER 31/12/2013	TOTAL 31/12/2013
Assets measured at fair value through profit or loss	408,000.00	-	-	408,000.00
- Other	408,000.00	-	-	408,000.00
Loans and receivables	-	14,872,518.57	53,573,553.50	68,446,072.07
TOTAL	**408,000.00**	**14,872,518.57**	**53,573,553.50**	**68,854,072.047**

The financial assets included under "Loans and receivables" are measured at amortised cost or cost, their fair value being identical or similar to their carrying value.

(13) Investments and trade receivables

(a) Investments

The breakdown of investments at 31st December 2014 and 2013 is as follows:

	2014		2013	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Related				
Equity instruments	408,300.00	-	408,300.00	-
Loans	-	69,084.07	-	-
Non-related				
Loans	696,870.61	3,220.57	658,940.52	-
Other	1,368.04	31,105,108.53	6,001,368.04	6,420,858.46
TOTAL	**1,106,538.65**	**31,177,413.17**	**7,068,308.56**	**6,420,858.46**

Other current financial assets at 31st December 2014 and 2013 mainly consisted of current deposits which bear interest at market rates.

FOUNDATION NAME ACTIVITY	REGISTERED OFFICE	FOUNDATION CAPITAL / RESERVES	% OF PAV OWNERSHIP	PAV STAKEHOLDING
FOUNDATIONS				
THE VALENCIAN REGION STUDY AND COOPERATION PORT INSTITUTE FOUNDATION (FEPORTS) **Date of creation:** 14/07/1998 **Activity:** Promotion of training, research and development within the maritime and port sector	VALENCIA	CAPITAL: 919,909.13 RESERVES: 0.00	35.28%	324,546.53
VALENCIAN REGION VALENCIAPORT FOUNDATION FOR RESEARCH, PROMOTION AND PORT STUDIES **Date of creation:** 23/05/2003 **Activity:** Promotion of marketing, training, research and development within Valenciaport	VALENCIA	CAPITAL: 601,012.10 RESERVES: 0.00	19.50%	117,198.00

In accordance with the instructions received from the OPPE, and given that in the event of a possible liquidation and/or dissolution of these foundations, the Group would not receive the foundational contribution, the Group's ownership interest in these foundations was derecognised.

(b) Other disclosures relating to investments

(i) Main loan features

At 31st December 2014, the Group had granted non-related and non-current loans to employees amounting to €635,670.61 (€658,940.52 at 31st December 2013).

(c) Trade and other receivables

The breakdown of trade and other receivables at 31st December 2014 and 2013 is as follows:

	2014		2013	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Group				
Other receivables (see note 28)	-	7,618,943.04	-	9,961,998.59
Non-related				
Trade receivables	3,249,563.85	46,012,193.17	3,762,210.01	40,034,899.96
Valuation adjustments for impairment	-	(12,468,963.98)	-	(9,706,678.82)
Sundry receivables	-	511,136.35	-	2,759,212.61
Government grants receivable	4,450,000.00	-	4,450,000.00	-
Other accounts receivable from government	-	410,457.79	-	4,103,262.70
TOTAL	**7,699,563.85**	**42,083,766.37**	**8,212,210.01**	**47,152,695.04**

Non-current trade receivables relate to the deferment of debts payable whose recovery is guaranteed by certain assets pledged as security, and which bear interest at market rates. These debts, whose final maturity date is 2020, mature as follows: €0.56 million in 2015, €0.56 million in 2016, and €2.13 million up to the maturity date.

In 2013, the balance of "Sundry receivables" included the reclassification of certain advance payments made in previous years of €1.8 million, as mentioned in note 7(d).

The balance of non-current government grants receivable at 31st December 2014 and 2013 was €4,450,000.00, which correspond to ERDF and Cohesion Funds from different operating frameworks, which are expected to be collected at the end of the operating framework programme.

At 31st December 2014, the valuation adjustment for the impairment of receivables amounted to €12,468,963.98 (€9,706,678.82 at 31st December 2013). In 2014 there was a net period provision with regard to valuation adjustments for impairment of receivables amounting to €3.72 million (€3.93 million in 2013) in which there was rational evidence of default arising from uncertainty regarding the continuity of the debtors' operations, a reduction in their future cash flows or their involvement in insolvency proceedings. In 2014, €0.95 million were considered as irrecoverable from doubtful trade receivables from previous years, which the Group offset directly against the provision balance (€2.2 million in 2013).

(14) Derivative financial instruments

The breakdown of derivative financial instruments at 31st December 2014 is as follows:

		FAIR VALUES			
		ASSETS		LIABILITIES	
	CURRENT NOTIONAL AMOUNT	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Hedge derivatives					
Cash flow hedges					
Interest rate swaps	334,950,000.00	-	-	51,127,326.32	10,349,583.69
TOTAL HEDGE DERIVATIVES		**-**	**-**	**51,127,326.32**	**10,349,583.69**

The breakdown of derivative financial instruments at 31st December 2013 is as follows:

		FAIR VALUES			
		ASSETS		LIABILITIES	
	CURRENT NOTIONAL AMOUNT	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Hedge derivatives					
Cash flow hedges					
Interest rate swaps	342,675,000.00	-	-	31,830,632.71	9,880,661.20
TOTAL HEDGE DERIVATIVES		**-**	**-**	**31,830,632.71**	**9,880,661.20**

(a) Interest rate swaps – cash flow hedges

The Parent Company uses interest rate swaps to manage the exposure of its bank loans to interest rate fluctuations. A description of the interest rate swaps arranged is as follows:

- An interest rate hedge was arranged in 2005 in relation to the EIB loan arranged on 20th June 2005 which amounted to an initial €27 million. In view of the features of this transaction, beginning in 2011, the Parent Company will pay quarterly amounts from 15th March 2011 to 15th June 2030 which bear interest at a rate of 2.45% plus a variable up to 15th December 2015, of 2.9% plus a variable up to 15th December 2020, and of 3.70% plus a variable up to the final maturity date. The variable is an index referenced to Spanish inflation. The financial institution will pay a quarterly floating rate tied to the DB EUR 3m index. The current notional amount is €21.6 million.
- An interest rate hedge was arranged in 2006 in relation to the loan arranged on 21st July 2006 at the Spanish Official Credit Institute (ICO), which amounted to an initial €33 million, by means of a transaction called TIP TOP, which matures on 16th December 2030. This strategy basically consisted of taking advantage of the interest rates in force when the loan was arranged, in which short-term rates were low and the curve for long-term rates was steeper. The current notional amount is €26.4 million.
- In 2010, the Parent Company entered into an interest rate swap with the option of a unilateral extension by the financial institution, in relation to a loan transaction in which during a first period, the PAV pays floating interest tied to a six-month Euribor rate every six months on 21st January and 21st July, and the financial institution pays a floating interest rate tied to Euribor at six months plus a spread of 0.5%. The financial institution exercised its unilateral extension option on 19th January 2012. The conditions remain unchanged and the interest rate payable by the PAV is a fixed 3.34% rate up to 21st July 2022. The current notional amount is €54,000,000.
- In 2010, the Parent Company entered into an interest rate collar relating to a loan transaction in which the Parent Company receives floating interest tied to a three-month Euribor rate and pays a floating interest rate tied to Euribor with certain limits based on the contract period. Payments are quarterly, starting in March 2012, and the final maturity date is 15th December 2026. The current notional amount is €51,000,000.
- In 2010, the Parent Company entered into an interest rate swap relating to a loan transaction in which the Parent Company receives floating interest tied to a three-month Euribor rate, and pays interest at a fixed rate of 0.6%, which will gradually be increased to 3.06% as of 2012. Payments are quarterly, and the final maturity date is 30th April 2020. The current notional amount is €61.85 million.
- In 2011, the Parent Company entered into an interest rate swap relating to a loan transaction in which the Parent Company receives floating interest tied to a six-month Euribor rate, and pays interest at a fixed rate of 3.74% as of 2012. Payments are every six months, and the final maturity date is 20th April 2021. The current notional amount is €27 million.
- In 2011, the Parent Company entered into an interest rate swap relating to a loan transaction in which the Parent Company receives floating interest tied to a six-month Euribor rate, and pays interest at a fixed rate of 3.74% as of 2012. Payments are every six months, and the final maturity date is 20th April 2021. The current notional amount is €35.1 million.
- In 2011, the Parent Company entered into a floating interest rate swap with a fixed interest rate swap option relating to a loan transaction in which the Parent Company receives floating interest tied to a three-month Euribor rate and pays a floating interest rate tied to a 3 month Euribor rate less a spread, the maturity date of the transaction being 15th June 2013. On 12th June 2013, the financial institution had the option of extending the transaction to a swap in which the Parent Company would pay a fixed interest rate of 3.75% and would receive a floating rate tied to three-month Euribor. Payments are every six months, and the final maturity date is 15th June 2023. The current notional amount is €58 million.

The fair value of the swaps is based on the equivalent market value of derivative financial instruments at the balance sheet date. All interest rate swaps are effective as cash flow hedges.

At 31st December 2014, the net fair value of the interest rate swaps recognised as a decrease in consolidated equity amounted to €61,476,910.01 (€41,711,293.91 at 31st December 2013).

In 2014, the sum of the hedges recognised as a decrease in consolidated equity amounted to €19,765,616.10 (€13,697,178.11 increase in 2013).

The total amount of the cash flow hedges recognised under financial loss in the consolidated income statement amounted to €9,880,661.20 in 2013 (€8,345,627.88 under financial loss in 2013).

(15) Cash and cash equivalents

The breakdown of the balance of "Cash and cash equivalents" at 31st December 2014 and 2013 in euros is as follows:

	2014	2013
Cash and banks	61,054,343.06	47,936,081.15
Current bank deposits	2,039,839.43	10,088,464.09
TOTAL	**63,094,182.49**	**58,024,545.24**

(16) Shareholders' equity

The breakdown and movements in consolidated equity are presented in the statement of changes in consolidated equity.

(a) Reserves at fully consolidated companies

The reserves at fully consolidated companies correspond wholly to the subsidiary Valencia Plataforma Intermodal y Logística, S.A.

(b) Reserves at companies accounted for using the equity method

The breakdown of the reserves at companies accounted for using the equity method at 31st December 2014 and 2013 is as follows:

COMPANY	2014	2013
Infoport Valencia, S.A.	175,097.18	169,911.23
EUROPHAR European Economic Interest Group	1,768.85	5,056.95
TOTAL	**176,866.03**	**174,968.18**

(17) Minority interests

The changes in the "Minority interests" balance in 2014 were as follows:

HEADING	31/12/2014
Balance at 1st January	1,804,390.93
Share of profits	(74,864.55)
BALANCE AT 31ST DECEMBER	**1,729,526.38**

Changes in the "Minority interests" balance in 2013 were as follows:

HEADING	31/12/2013
Balance at 1st January	1,848,258.78
Share of profits	(43,867.85)
BALANCE AT 31ST DECEMBER	**1,804,390.93**

The breakdown of the balance of minority interests, by company, at 31st December 2014, is as follows:

HEADING	SHARE CAPITAL	RESERVES AND LOSSES	CHANGES IN THE SCOPE OF CONSOLIDATION	PROFIT (LOSS) FOR 2014	TOTAL
Valencia Plataforma Intermodal y Logística, S.A.	2,118,032.62	(313,641.69)	-	(74,864.55)	1,729,526.38
TOTAL	**2,118,032.62**	**(313,641.69)**	**-**	**(74,864.55)**	**1,729,526.38**

The breakdown of the balance of minority interests, by company, at 31st December 2013, is as follows:

HEADING	SHARE CAPITAL	RESERVES AND LOSSES	CHANGES IN THE SCOPE OF CONSOLIDATION	PROFIT (LOSS) FOR 2013	TOTAL
Valencia Plataforma Intermodal y Logística, S.A.	2,118,032.62	(269,773.69)	-	(43,867.85)	1,804,390.93
TOTAL	**2,118,032.62**	**(269,773.84)**	**-**	**(43,867.85)**	**1,804,390.93**

(18) Grants, donations and bequests received

The changes in the balances of non-refundable grants, donations and bequests received during 2014 are as follows:

HEADING	BALANCE AT 31-12-13	AMOUNT ACCRUED IN THE YEAR (+)	AMOUNT TRANSFERRED TO PROFIT (LOSS) FOR THE YEAR (-)	DERECOGNITION AS A RESULT OF OPENING FOR GENERAL USE, TRANSFER TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-14
ERDF CSF 1994-1999	**23,664,659.95**	**-**	**(790,896.27)**	**-**	**22,873,763.68**
ERDF CSF 2000-2006	**15,571,080.67**	**-**	**(523,501.38)**	**-**	**15,047,579.29**
Cohesion Funds 2000-2006	**16,887,927.97**	**-**	**(586,100.40)**	**-**	**16,301,827.57**
ERDF CSF 2007-2013	**13,016,363.40**	**-**	**(489,668.09)**	**-**	**12,526,695.31**
New Technical and Nautical Services Dock	8,976,045.52	-	(348,212.45)	-	8,627,833.07
Remodelling end of South Extension breakwater	2,182,484.01	-	(47,445.24)	-	2,135,038.77
Rail access to East Breakwater area	1,857,833.87	-	(94,010.40)	-	1,763,823.47
Cohesion Funds 2007-2013	**73,664,947.70**	**-**	**(1,340,209.20)**	**-**	**72,324,738.50**
Breakwater works for the Port of Valencia's extension	73,664,947.70	-	(1,340,209.20)	-	72,324,738.50
EAGGF, FIFG	**1,449,050.47**	**-**	**(49,390.44)**	**-**	**1,399,660.03**
Adaptation of the Port of Valencia's Fish Market (FIFG)	-	-	-	-	-
Adaptation of the Port of Sagunto's Fish Market (FIFG)	10,651.90	-	(905.04)	-	9,746.86
Adaptation of the Port of Gandia's Fish Market (FIFG)	1,438,398.57	-	(48,485.40)	-	1,389,913.17
Other capital grants	**1,517,600.41**	**-**	**(74,802.24)**	**-**	**1,442,798.17**
TEN-T Fund (Trans-European Transport Network)	1,512,614.53	-	(73,703.61)	-	1,438,910.92
Spanish Ministry of Industry (Electric vehicle subsidy)	4,985.88	-	(1,098.63)	-	3,887.25
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS	**145,771,630.57**	**-**	**(3,854,568.02)**	**-**	**141,917,062.55**
TOTAL OTHER GRANTS, DONATIONS AND BEQUESTS	**-**	**-**	**-**	**-**	**-**
TOTAL INCOME FROM REVERTED CONCESSIONS	**32,872,857.86**	**536,277.00**	**(1,758,569.58)**	**-**	**31,650,565.28**
Income from reverted concessions	32,872,857.86	536,277.00	(1,758,569.58)	-	31,650,565.28
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS RECEIVED	**178,644,488.43**	**536,277.00**	**(5,613,137.60)**	**-**	**173,567,627.83**

The changes in the balances of non-refundable grants, donations and bequests received during 2013 are as follows:

HEADING	BALANCE AT 31-12-12	AMOUNT ACCRUED IN THE YEAR (+)	AMOUNT TRANSFERRED TO PROFIT (LOSS) FOR THE YEAR (-)	DERECOGNITION AS A RESULT OF OPENING FOR GENERAL USE, TRANSFER TO OTHER PUBLIC BODIES (-)	BALANCE AT 31-12-13
ERDF CSF 1994-1999	24,461,184.91	-	(796,524.96)	-	23,664,659.95
ERDF CSF 2000-2006	16,136,647.53	-	(565,566.86)	-	15,571,080.67
Cohesion Funds 2000-2006	17,474,028.37		(586,100.40)	-	16,887,927.97
ERDF CSF 2007-2013	13,525,982.40	-	(509,619.00)	-	13,016,363.40
New Technical and Nautical Services Dock	9,344,208.88		(368,163.36)		8,976,045.52
Remodelling end of South Extension breakwater	2,229,929.25		(47,445.24)		2,182,484.01
Rail access to East Breakwater area	1,951,844.27		(94,010.40)		1,857,833.87
Cohesion Funds 2007-2013	74,000,000.00	-	(335,052.30)	-	73,664,947.70
Breakwater works for the Port of Valencia's extension	74,000,000.00		(335,052.30)	-	73,664,947.70
EAGGF, FIFG	1,551,706.46	-	(51,249.78)	(51,406.21)	1,449,050.47
Adaptation of the Port of Valencia's Fish Market (FIFG)	53,265.55	-	(1,859.34)	(51,406.21)	-
Adaptation of the Port of Sagunto's Fish Market (FIFG)	11,556.94	-	(905.04)		10,651.90
Adaptation of the Port of Gandia's Fish Market (FIFG)	1,486,883.97	-	(48,485.40)		1,438,398.57
Other capital grants	1,592,402.65	-	(74,802.24)	-	1,517,600.41
TEN-T Fund (Trans-European Transport Network)	1,586,402.65	-	(73,788.12)		1,512,614.53
Spanish Ministry of Industry (Electric vehicle subsidy)	6,000.00		(1,014.12)		4,985.88
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS	**148,741,952.32**	**-**	**(2,918,915.54)**	**(51,406.21)**	**145,771,630.57**
TOTAL OTHER GRANTS, DONATIONS AND BEQUESTS	**2,302.64**	**-**	**(2,302.64)**	**-**	**0.00**
TOTAL INCOME FROM REVERTED CONCESSIONS	**29,557,427.85**	**4,796,919.31**	**(1,481,489.30)**	**-**	**32,872,857.86**
Income from reverted concessions	29,557,427.85	4,796,919.31	(1,481,489.30)	-	32,872,857.86
TOTAL CAPITAL GRANTS, DONATIONS AND BEQUESTS RECEIVED	**178,301,682.81**	**4,796,919.31**	**(4,402,707.48)**	**(51,406.21)**	**178,644,488.43**

1994-1999 ERDF COMMUNITY SUPPORT FRAMEWORK AND THE VALENCIAN REGIONAL GOVERNMENT

On 25th November 1994, the Commission of the European Communities resolved to grant the PAV a subsidy from the European Regional Development Fund (ERDF), as part of the 1994-1999 Community Support Framework, for the project to extend the South Dock and berthing line at the Port of Valencia. The subsidy granted to the Entity by the ERDF in the period from 1994-1999 amounted to €33,155,000, which financed a planned investment for this period of €61,946,000. On 4th May 2001, the Commission of the European Communities approved the reprogramming of the Valencian Region's 1994-1999 Operational Programme, which included an increase in the ERDF subsidy for the PAV of €6,464,924.00.

This project was added to the PAV's fixed assets in December 1997. Subsequent to this date, the subsidy has been charged to profit or loss in proportion to the depreciation of the assets financed with this subsidy.

On 22nd July 2010, the PAV received an official notice from the Spanish Ministry of Economy and Finance of the start of a procedure for the reduction and reimbursement of a subsidy amounting to €3,528,778.47 from the 1994-1999 Operational Programme. In a subsequent official notice from the aforementioned Ministry in 2011, the reimbursement of this amount was agreed partly by compensating the balance to be collected from the Valencian Region's 2000-2006 Operational Programme to the amount of €1,051,775.00, and €2,477,003.47 to be returned to the PAV from the 2007-2013 ERDF Cohesion Fund Operational Programme.

FIFG 1993-1995. ADAPTATION OF FISH MARKETS TO EEC DIRECTIVES

On 15th July 1994, the Commission of the European Communities resolved to provide the Entity with a grant amounting to €140,162.68 funded by the Financial Instrument for Fisheries Guidance (FIFG). This grant was provided to finance the projects for adapting the Valencia and Sagunto fish markets to EEC Directives, and specifically the Directive 91/493/EEC laying down the health conditions for the production and placing on the market of fishery products. The co-financed projects were added to the PAV's fixed assets in 1995. Subsequent to this date, the subsidy has been charged to profit or loss for each year in proportion to the depreciation of the assets financed with this grant.

RESIDER II

Under the agreement entered into in 1998, the Port Authority was provided with a grant of €2,924,819.40 from the RESIDER II Operational Programme which, with the aid of the 1994-1999 ERDF, promoted new economic activities in the regions affected by the economic re-conversion of steel-producing areas hit by industrial restructuring problems, as was the case of the Port of Sagunto. This grant was aimed at financing several investment projects to be carried out in the Port of Sagunto. The co-financed projects were added to the PAV's fixed assets in 1999. Subsequent to this date, the subsidy has been charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

TEN-T TRANS-EUROPEAN TRANSPORT NETWORK

On 17th December 2001, the Commission of the European Communities approved a grant for the PAV and VPI Logística, S.A. from TEN-T funds, which are aimed at providing funding for projects of common interest in the area of trans-European transport networks. This grant was provided to carry out the project 2001/ES/666 "Improvement of the Port of Valencia's access and logistics infrastructure for the promotion of multimodal traffic". The subsidy allocated to both entities amounted to €2,500,000. The portion allocated to the PAV amounted to €2,121,748.85. The co-financed project was added to the PAV's fixed assets in 2004. Subsequent to this date, the subsidy has been charged to profit or loss for each year in proportion to the depreciation of the assets financed with this grant.

2000-2006 ERDF COMMUNITY SUPPORT FRAMEWORK

On 7th March 2001, the Commission of the European Communities resolved to grant the PAV a subsidy from the European Regional Development Fund, as part of the 2000-2006 Community Support Framework, in relation to axis and measurement 6.4., for the works required to expand and improve port infrastructure in public ports. The total subsidy allocated in the operational programme amounted to €21.04 million. This subsidy has been fully received, based on the payments made at 31st December 2002 for the co-financed investment projects which were added to the PAV's fixed assets. The subsidy has been charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

2000-2006 COMMUNITY SUPPORT FRAMEWORK COHESION FUND

On 3rd December 2004, the European Commission granted the PAV a Cohesion Fund subsidy for the project "East Breakwater site and berthing area and the enlargement of the inner Xità Quay at the Port of Valencia". The maximum amount of this grant was €20,205,100. The project was added to the PAV's fixed assets in 2008. The subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

FIFG 2007. ADAPTATION OF THE PORT OF GANDIA'S FISH MARKET

On 15th September 2000 (published in the Valencian Region's Official Gazette No. 3846 on 28th September), the Valencian Regional Ministry of Agriculture, Fisheries and Food resolved to provide the Entity with a grant amounting to €1,680,825.52 funded by the Financial Instrument for Fisheries Guidance (FIFG). The grant comes from the project to adapt the Port of Gandia's Fish Market. The project was definitively added to the PAV's property, plant and equipment in 2009. The subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

2007-2013 ERDF COMMUNITY SUPPORT FRAMEWORK

On 16th December 2009, the Commission of the European Communities resolved to grant the PAV a subsidy from the European Regional Development Fund, as part of the Valencian Region's 2007-2013 Operational Programme, in relation to the works required to expand and improve port infrastructure in public ports. The total subsidy allocated to the PAV in the operational programme amounted to €15 million. This subsidy has been fully received, based on the payments made at 31st December 2011 for the co-financed investment projects which were added to the PAV's fixed assets. The subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

2007-2013 COMMUNITY SUPPORT FRAMEWORK COHESION FUND

On 17th June 2009, the Commission of the European Communities resolved to provide the PAV with a grant from the 2007-2013 Community Support Framework Cohesion Fund for the "Port of Valencia's North Extension" project. The Cohesion Fund's contribution to the aforementioned project is €74 million. The funded project was added to the PAV's fixed assets in 2013 and the subsidy is being charged to profit or loss in proportion to the depreciation of the assets financed with this grant.

(i) Operating grants

The breakdown of operating grants received in 2014 is as follows:

AWARDING AUTHORITY	EUROS	PURPOSE
European Union	419,645.83	Environment, logistics and shipping
Spanish Ministry of Economy and Competitiveness	3,211.45	IDAE programme – Investment in energy saving and energy efficiency
	422,857.28	

The breakdown of operating grants received in 2013 is as follows:

AWARDING AUTHORITY	EUROS	PURPOSE
European Union	158,365.45	Safety, logistics, information technology and the environment
Spanish Ministry of Economy and Competitiveness	5,050.13	IDAE programme – Investment in energy saving and energy efficiency
Industrial Technological Development Centre	13,632.50	Security and safety
Valencian Regional Government	15,255.00	Sustainable Mobility Plan
	192,303.08	

(19) Provisions

The breakdown of and changes in other provisions during 2014 are as follows:

I. NON-CURRENT PROVISIONS	BALANCE AT 31-12-13	ALLOCATION TO PROFIT (LOSS) FOR THE YEAR		CURRENT APPLICATION AND TRANSFER	DISCOUNTING BALANCE TO PRESENT VALUE	BALANCE AT 31-12-14
		ADDITIONS (+)	SURPLUS (-)			
Provision for taxes	10,192,653.70	519,404.20	(449,140.71)	(1,404,613.24)	44,036.85	8,902,340.80
Provision for third-party liabilities	722,179.05	-	-	-	-	722,179.05
b) Other tariff/charge litigation (principal and interest)	722,179.05	-	-	-	-	722,179.05
TOTAL	**10,914,832.75**	**519,404.20**	**(449,140.71)**	**(1,404,613.24)**	**44,036.85**	**9,624,519.85**

The breakdown of and changes in other provisions during 2013 are as follows:

I. NON-CURRENT PROVISIONS	BALANCE AT 31-12-12	ALLOCATION TO PROFIT (LOSS) FOR THE YEAR		CURRENT APPLICATION AND TRANSFER	DISCOUNTING BALANCE TO PRESENT VALUE	BALANCE AT 31-12-13
		ADDITIONS (+)	SURPLUS (-)			
Provision for taxes	9,335,625.54	503,627.09	-	(220,237.41)	573,638.48	10,192,653.70
Provision for third-party liabilities	722,179.05	-	-	-	-	722,179.05
b) Other tariff/charge litigation (principal and interest)	722,179.05	-	-	-	-	722,179.05
TOTAL	**10,057,804.59**	**503,627.09**	**-**	**(220,237.41)**	**573,638.48**	**10,914,832.75**

Information relating to provisions is provided in note 28.

(20) Financial liabilities by category

(a) Breakdown of financial liabilities by category

The classification of financial liabilities by category and class, and the comparison of their fair value and carrying amount as of 31st December 2014 is as follows:

	NON-CURRENT FINANCIAL LIABILITIES		CURRENT FINANCIAL LIABILITIES		
	BANK BORROWINGS	DERIVATIVES AND OTHER	BANK BORROWINGS	DERIVATIVES AND OTHER	TOTAL
CATEGORY / CLASS	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Accounts payable	522,126,547.62	20,905,001.39	27,968,809.43	20,898,905.55	591,899,263.99
Hedge derivatives	-	51,127,326.32	-	10,349,583.69	61,476,910.01
TOTAL	**522,126,547.62**	**72,032,327.71**	**27,968,809.43**	**31,248,489.24**	**653,376,174.00**

The classification of financial liabilities by category and class, and the comparison of their fair value and carrying amount as of 31st December 2013 is as follows:

	NON-CURRENT FINANCIAL LIABILITIES		CURRENT FINANCIAL LIABILITIES		
	BANK BORROWINGS	DERIVATIVES AND OTHER	BANK BORROWINGS	DERIVATIVES AND OTHER	TOTAL
CATEGORY / CLASS	31/12/2013	31/12/2013	31/12/2013	31/12/2013	31/12/2013
Accounts payable	549,843,214.29	21,195,404.04	23,175,714.61	23,486,219.07	617,700,552.01
Hedge derivatives	-	31,850,632.71	-	9,880,661.20	41,711,293.91
TOTAL	**549,843,214.29**	**53,026,036.75**	**23,175,714.61**	**33,366,880.27**	**659,411,845.92**

The financial liabilities included under "Accounts payable" are measured at amortised cost or cost, their fair value being identical or similar to their carrying value.

The financial liabilities arising from EIB and ICO loans generated financial expenses in the 2014 Consolidated Income Statement of €2.7 million (€3 million in 2013).

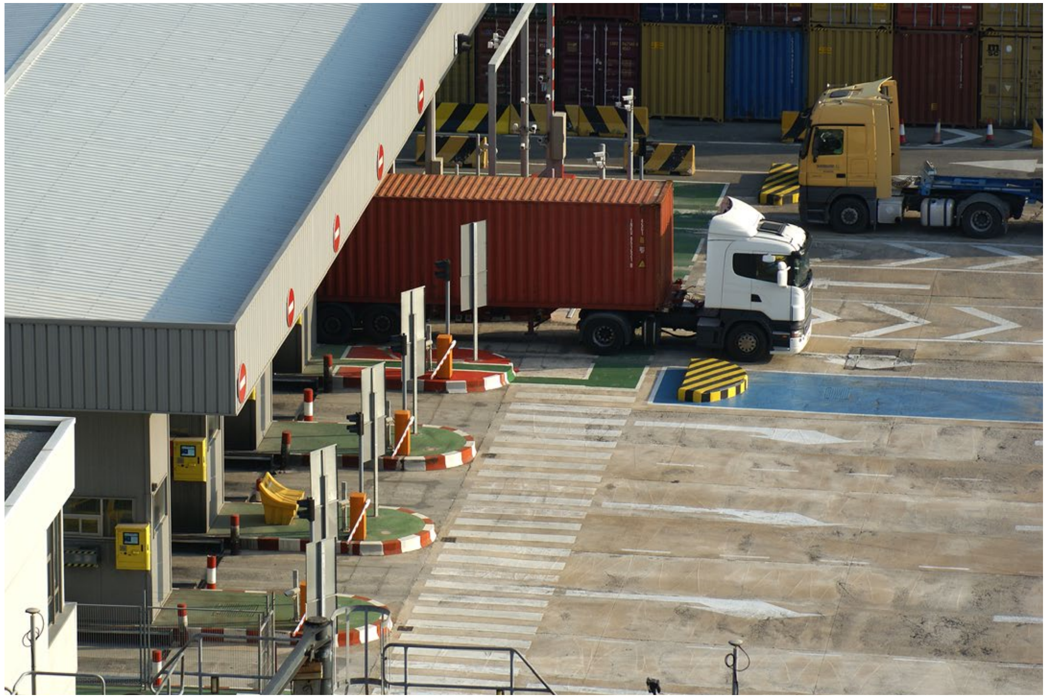
(21) Financial liabilities and trade payables

(a) Payables to companies accounted for using the equity method and other related parties

The breakdown of the balance payable to companies accounted for using the equity method at 31st December 2014 and 2013 is as follows:

	EUROS	
	CURRENT 2014	CURRENT 2013
Accounted for using the equity method		
Payable for services received	222,465.23	249,175.30
Payable to non-current asset suppliers	44,230.55	48,116.10
	266,695.78	**297,291.40**
Other related parties	183,167.02	800,643.72
TOTAL	**449,862.80**	**1,097,935.12**

Other related parties corresponds to advances from the State-owned Ports Body to face the lawsuit payments arising from the court judgements relating to the T-3 tariff.



(b) Liabilities

The breakdown of liabilities at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Non-related		
Bank borrowings	549,843,214.29	22,809,166.66
Interest payable	-	366,547.95
	549,843,214.29	**23,175,714.61**
Payable to non-current asset suppliers	20,488,246.00	5,427,496.87
Guarantees and deposits received	-	601,970.03
Hedge derivatives	31,830,632.71	9,880,661.20
Other	707,158.04	2,589.13
	53,026,036.75	**15,912,717.23**
TOTAL	**602,869,251.04**	**39,088,431.84**

The breakdown of liabilities at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Non-related		
Bank borrowings	522,126,547.62	27,716,666.66
Interest payable	-	252,142.77
	522,126,547.62	**27,968,809.43**
Payable to non-current asset suppliers	20,488,245.98	5,223,885.19
Guarantees and deposits received	-	1,234,796.22
Hedge derivatives	51,127,326.32	10,349,583.69
Other	416,755.41	-
	72,032,327.71	**16,808,265.10**
TOTAL	**594,158,875.33**	**44,777,074.53**

The balance of “Payable to non-current and current fixed asset suppliers” at 31st December 2014 and 2013, which amounted to €20.5 million, includes the amount payable at this date for certain plots acquired (see note 8).

(c) Other disclosures on liabilities

(i) Main features of liabilities

The terms and conditions of loans and other payables at 31st December 2014 are as follows:

TRANSACTION TYPE	FINAL MATURITY DATE	INTEREST RATE	LIMIT GRANTED	NON-CURRENT PAYABLES	CURRENT PAYABLES
Loan F European Investment Bank	15-09-28	Variable	10,000,000.00	6,500,000.00	500,000.00
Loan G European Investment Bank	15-09-29	Variable	8,000,000.00	5,333,333.34	380,952.38
Loan H European Investment Bank	15-06-30	Variable	27,000,000.00	19,285,714.28	1,285,714.28
Loan I European Investment Bank	15-12-31	Variable	60,000,000.00	48,000,000.00	3,000,000.00
Loan J European Investment Bank	30-10-33	Variable	61,850,000.00	55,665,000.00	3,092,500.00
Loan K European Investment Bank	27-02-34	Variable	48,150,000.00	45,742,500.00	2,407,500.00
Loan L European Investment Bank	15-06-34	Variable	50,000,000.00	47,500,000.00	2,500,000.00
Loan M European Investment Bank	15-12-34	Variable	58,000,000.00	58,000,000.00	-
Loan 1 Official Credit Institute	16-12-30	Variable	33,000,000.00	24,750,000.00	1,650,000.00
Loan 2 Official Credit Institute	21-07-31	Variable	60,000,000.00	48,000,000.00	3,000,000.00
Loan 3 Official Credit Institute	20-04-32	Variable	200,000,000.00	163,350,000.00	9,900,000.00
Accrued interest payable	-	-	-	-	252,142.77
TOTAL				**522,126,547.62**	**27,968,809.43**

The terms and conditions of loans and other payables at 31st December 2013 are as follows:

TRANSACTION TYPE	FINAL MATURITY DATE	INTEREST RATE	LIMIT GRANTED	NON-CURRENT PAYABLES	CURRENT PAYABLES
Loan F European Investment Bank	15-09-28	Variable	10,000,000.00	7,000,000.00	500,000.00
Loan G European Investment Bank	15-09-29	Variable	8,000,000.00	5,714,285.72	380,952.38
Loan H European Investment Bank	15-06-30	Variable	27,000,000.00	20,571,428.57	1,285,714.28
Loan I European Investment Bank	15-12-31	Variable	60,000,000.00	51,000,000.00	3,000,000.00
Loan J European Investment Bank	30-10-33	Variable	61,850,000.00	58,757,500.00	3,092,500.00
Loan K European Investment Bank	27-02-34	Variable	48,150,000.00	48,150,000.00	-
Loan L European Investment Bank	15-06-34	Variable	50,000,000.00	50,000,000.00	-
Loan M European Investment Bank	15-12-34	Variable	58,000,000.00	58,000,000.00	-
Loan 1 Official Credit Institute	16-12-30	Variable	33,000,000.00	26,400,000.00	1,650,000.00
Loan 2 Official Credit Institute	21-07-31	Variable	60,000,000.00	51,000,000.00	3,000,000.00
Loan 3 Official Credit Institute	20-04-32	Variable	200,000,000.00	173,250,000.00	9,900,000.00
Accrued interest payable	----	----	-	-	366,547.95
TOTAL				**549,843,214.29**	**23,175,714.61**

The full balance of bank borrowings has been secured with the assets of the Parent Company.

The conditions of unmatured non-current loans, all of which were granted and paid by the European Investment Bank, were as follows in 2014 and 2013:

CONDITIONS	LOAN F GRANTED ON 18/07/2003	LOAN G GRANTED ON 18/07/2003	LOAN H GRANTED ON 20/06/2005	LOAN I GRANTED ON 22/01/2005	LOAN J GRANTED ON 22/12/2005	LOAN K GRANTED ON 22/12/2005	LOAN L GRANTED ON 04/12/2008	LOAN M GRANTED ON 23/12/2008
Principal	10,000,000.00	8,000,000.00	27,000,000.00	60,000,000.00	61,850,000.00	48,150,000.00	50,000,000.00	58,000,000.00
Currency	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
Interest rate(s)	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised quarterly	Variable, revised every six months	Variable, revised every six months
Term	25 years	25 years	25 years	25 years	25 years	25 years	25 years	25 years
Disbursement date	25th November 2003	25th November 2004	20th June 2005	15th December 2006	30th October 2008	27th February 2009	15th June 2009	15th December 2009
Payment dates	15th September each year	15th September each year	15th September each year	15th December each year	30th October each year	27th February each year	15th June each year	15th December each year
First repayment of principal	15th September 2009	15th September 2009	15th September 2010	15th December 2012	30th October 2014	27th February 2015	15th June 2015	15th December 2017
Last repayment of principal	15th September 2028	15th September 2029	15th June 2030	15th December 2031	30th October 2033	27th February 2034	15th June 2034	15th December 2034

The Group had been granted the following unmatured long-term loans from the Spanish Official Credit Institute (ICO) at 31st December 2014 and 2013:

CONDITIONS	LOAN 1 GRANTED ON 16/12/2005	LOAN 2 GRANTED ON 21/07/2006	LOAN 3 GRANTED ON 20/04/2007	LOAN 4 GRANTED ON 20/04/2007	LOAN 5 GRANTED ON 20/04/2007	LOAN 6 GRANTED ON 20/04/2007	LOAN 7 GRANTED ON 20/04/2007
Principal	33,000,000	60,000,000	30,000,000	20,000,000	50,000,000	65,000,000	33,000,000
Currency	Euro	Euro	Euro	Euro	Euro	Euro	Euro
Interest rate(s)	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months	Variable, revised every six months
Term	25 years	25 years	25 years	25 years	25 years	25 years	25 years
Disbursement date	27th December 2005	25th September 2006	20th July 2007	24th December 2007	25th February 2010	27th October 2010	28th February 2011
Payment dates	16th June and 16th December each year	21st July and 21st January each year	20th April and 20th October each year	20th April and 20th October each year	20th April and 20th October each year	20th April and 20th October each year	20th April and 20th October each year
First repayment of principal	16th June 2011	21st January 2012	20th October 2012	20th October 2012	20th October 2012	20th October 2012	20th October 2012
Last repayment of principal	16th December 2030	21st July 2031	20th April 2032	20th April 2032	20th April 2032	20th April 2032	20th April 2032

At 31st December 2014 and 2013, the Group had no effective credit facilities.

(d) Trade and other payables

The breakdown of trade and other payables at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Non-related		
Payable to suppliers	-	68,914.40
Accounts payable	388,274.93	13,891,295.64
Staff costs	-	30,151.30
Other accounts payable to government	-	1,040,786.38
TOTAL	**388,274.93**	**15,031,147.72**

The breakdown of trade and other payables at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Non-related		
Payable to suppliers	-	59,227.95
Accounts payable	676,088.45	16,259,295.93
Staff costs	-	37,704.04
Other accounts payable to government	-	1,387,740.75
TOTAL	**676,088.45**	**17,743,968.67**

The accounts payable mainly include the current principal and interest payable as a result of the unappealable judgements handed down by the Court in relation to the litigation over the T3 tariff (€9,791,852.83 at 31st December 2014 and €11.903.348,89 at 31st December 2013). See note 28.

(e) Breakdown by maturity date

The breakdown of financial liabilities by maturity date at 31st December 2014 is as follows:

	MATURITY DATE						
TRANSACTION TYPE	2015	2016	2017	2018	2019	2020 AND SUBSEQUENT	TOTAL
Loan F European Investment Bank	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	4,500,000.00	7,000,000.00
Loan G European Investment Bank	380,952.38	380,952.38	380,952.38	380,952.38	380,952.38	3,809,523.82	5,714,285.72
Loan H European Investment Bank	1,285,714.28	1,285,714.29	1,285,714.29	1,285,714.29	1,285,714.29	14,142,857.12	20,571,428.56
Loan I European Investment Bank	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	36,000,000.00	51,000,000.00
Loan J European Investment Bank	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	43,295,000.00	58,757,500.00
Loan K European Investment Bank	2,407,500.00	2,407,500.00	2,407,500.00	2,407,500.00	2,407,500.00	36,112,500.00	48,150,000.00
Loan L European Investment Bank	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	37,500,000.00	50,000,000.00
Loan M European Investment Bank	-	-	3,222,222.22	3,222,222.22	3,222,222.22	48,333,333.34	58,000,000.00
Loan 1 Official Credit Institute	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	18,150,000.00	26,400,000.00
Loan 2 Official Credit Institute	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	36,000,000.00	51,000,000.00
Loan 3 Official Credit Institute	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	123,750,000.00	173,250,000.00
Interest on current loans	252,142.77	-	-	-	-	-	252,142.77
TOTAL	**27,968,809.43**	**27,716,666.67**	**30,938,888.89**	**30,938,888.89**	**30,938,888.89**	**401,593,214.28**	**550,095,357.05**

The breakdown of financial liabilities by maturity date at 31st December 2013 is as follows:

TRANSACTION TYPE	MATURITY DATE						TOTAL
	2014	2015	2016	2017	2018	2019 AND SUBSEQUENT	
Loan F European Investment Bank	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	5,000,000.00	7,500,000.00
Loan G European Investment Bank	380,952.38	380,952.38	380,952.38	380,952.38	380,952.38	4,190,476.20	6,095,238.10
Loan H European Investment Bank	1,285,714.28	1,285,714.29	1,285,714.29	1,285,714.29	1,285,714.29	15,428,571.41	21,857,142.85
Loan I European Investment Bank	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	39,000,000.00	54,000,000.00
Loan J European Investment Bank	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	3,092,500.00	46,387,500.00	61,850,000.00
Loan K European Investment Bank	-	2,407,500.00	2,407,500.00	2,407,500.00	2,407,500.00	38,520,000.00	48,150,000.00
Loan L European Investment Bank	-	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	40,000,000.00	50,000,000.00
Loan M European Investment Bank	-	-	-	3,222,222.22	3,222,222.22	51,555,555.56	58,000,000.00
Loan 1 Official Credit Institute	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	19,800,000.00	28,050,000.00
Loan 2 Official Credit Institute	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	39,000,000.00	54,000,000.00
Loan 3 Official Credit Institute	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	9,900,000.00	133,650,000.00	183,150,000.00
Interest on current loans	366,547.95	-	-	-	-	-	366,547.95
TOTAL	**23,175,714.61**	**27,716,666.67**	**27,716,666.67**	**30,938,888.89**	**30,938,888.89**	**432,532,103.17**	**573,018,928.90**

(22) Tax matters

The breakdown of tax payables at 31st December 2014 is as follows:

	2014	
	NON-CURRENT	CURRENT
Assets		
Government grants receivable	4,450,000.00	-
VAT receivable	-	-
Sundry accounts receivable from tax authorities	-	410,457.79
	4,450,000.00	**410,457.79**
Liabilities		
VAT payable	-	256,425.32
Income Tax payable	-	388,467.45
Accrued social security contributions payable	-	395,893.61
Other	-	-
TOTAL	-	**1,040,786.38**

The breakdown of tax payables at 31st December 2013 is as follows:

	2013	
	NON-CURRENT	CURRENT
Assets		
Government grants receivable	4,450,000.00	-
VAT receivable	-	-
Sundry accounts receivable from tax authorities	-	4,103,262.70
	4,450,000.00	**4,103,262.70**
Liabilities		
VAT payable	-	295,057.36
Income Tax payable	-	364,840.78
Accrued social security contributions payable	-	396,137.94
Other	-	331,704.67
TOTAL	-	**1,387,740.75**

The total balance of "Government grants receivable" at 31st December 2014 and 2013 covers aid receivable from European funds.

At 31st December the companies in the Group had all taxes applicable to it as from January 2011 open for review by the Spanish tax authorities (except for Corporation Tax which is open for review as from January 2010). The Parent Company and its subsidiaries do not expect any additional material liabilities to arise in relation to the years open for inspection.

(a) Corporation Tax

In accordance with the response to the query made to the Directorate General of Taxes on 31st October 2001, and the provisions of article 2 and the third final provision of Spanish Law 24/2001, of 27th December, on Tax, Administrative and Social Order Measures, the special regime for entities partially exempt from Corporation Tax for the financial year 2000 and subsequent years is applicable to port authorities.

In view of the abovementioned response, the discrepancies between the Spanish Treasury and the Ministry of Development (via the OPPE) relating to whether the Entity is exempt from this tax and where this is not the case, to which regime it would be applicable, were resolved in 2001.

As a result of the application of Corporation Tax regulatory standards, the reconciliation of net income and expenses for the years 2014 and 2013 to taxable profit and loss is as follows:

	2014		
HEADING	**INCREASES**	**DECREASES**	**AMOUNT**
Accounting profit or loss after tax	-	-	**10,599,941.07**
Permanent differences: relating to Corporation Tax	61,591.47	-	61,591.47
Permanent differences: arising in relation to the tax regime for partially exempt entities	-	(25,593,597.55)	(25,593,597.55)
Permanent differences: arising out of consolidation adjustments	-	**(4,615,041.70)**	**(4,615,041.70)**
Permanent differences: arising in relation to excess and application of provisions on property, plant and equipment in 2014	-	**(29,449.33)**	**(29,449.33)**
Permanent differences: arising from fines and penalties	-	-	-
Temporary differences arising from 30% amortisation	**15,228,462.24**	-	**15,228,462.24**
Offset of prior years' tax losses	-	**(82,261.81)**	**(82,261.81)**
Tax loss carryforwards not recognised during the year	**4,683,212.51**	-	**4,683,212.51**
Taxable profit or loss	-	-	252,856.90
Gross tax payable: (25% tax rate on taxable profit or loss)	-	-	63,214.23
Double taxation tax credit pending from 2013	-	-	1,104.38
Double taxation tax credit 2014	-	-	518.38
Net Corporation Tax payable	-	-	61,591.47

The temporary difference of €15,228,462.24 corresponds to 30% of the depreciation of the property, plant and equipment, intangible assets, and investment property recorded during the year (€14,375,882.50 in 2013), which is considered to be temporary because the amount not deducted in this year could be depreciated on a straight-line basis over a period of ten years, or optionally during the useful life of the asset, as from 2015. Despite the nature of these temporary differences, no tax credit has been registered given that, in spite of the Entity's partial exemption to Corporation Tax, and of the negative adjustments in determining taxable profit or loss, which are expected to continue in the future, it is estimated that these tax credits will not effectively materialise in an actual Corporation Tax payment.

The double taxation credit generated in 2013 of €1,104.38 was applied in 2014. There are no further deductions to be applied for double taxation credit in future years.

The income to which the tax credit was applicable given the reinvestment of extraordinary profit arising from the sale of non-current assets in 2006 amounted to €4,557,101.35. In 2006, €5,804,838.97 was reinvested in the enlargement of the quay area alongside the former riverbed of the River Turia.

The Group has not availed itself of any tax credits relating to investments in measures to reduce the environmental impact of its operations.

Spanish Law 27/2014, of 27th November, on Corporation Tax, eliminated the time limit to offset tax losses set for 2014 at 18 years, but added a limitation in terms of their application at 60% of the previous taxable income for the year for 2016 and 70% from 2017, with a minimum of €1 million being permitted in any event.

	2013		
HEADING	INCREASES	DECREASES	AMOUNT
Accounting profit or loss after tax	**-**	**-**	**6,866,646.97**
Permanent differences: relating to Corporation Tax	1,374.68	-	1,374.68
Permanent differences: arising in relation to the tax regime for partially exempt entities	-	(21,428,695.49)	(21,428,695.49)
Permanent differences: arising out of consolidation adjustments	**-**	**(2,211,980.60)**	**(2,211,980.60)**
Permanent differences: arising in relation to excess and application of provisions on property, plant and equipment in 2013	**-**	**(29,369.58)**	**(29,369.58)**
Permanent differences: arising from fines and penalties	**100,000.00**	**-**	**100,000.00**
Temporary differences arising from 30% amortisation	**14,375,882.50**	**-**	**14,375,882.50**
Offset of prior years' tax losses	**-**	**-**	**-**
Tax loss carryforwards not recognised during the year	**2,243.71**	**-**	**2,243.7**
Taxable profit or loss	-	-	(82,261.81)
Gross tax payable: (25% tax rate on taxable profit or loss)	-	-	-
Double taxation tax credit pending from 2013	-	-	1,104.38
Net Corporation Tax payable	-	-	-

In 2014, the PAV fully offset the tax loss carryforwards incurred in 2013 amounting to €82,261.81, given that they did not exceed 25% of the previous taxable profit.

The tax loss carryforwards recognised by the Group's subsidiary at 31st December 2014 and 2013 are as follows:

YEAR GENERATED	2014 TAX BASE	2013 TAX BASE
2001	277,823.46	277,823.46
2002	454,193.15	454,193.15
2003	515,084.94	515,084.94
2004	557,267.28	557,267.28
2005	356,924.67	356,924.67
2006	86,410.85	86,410.85
2009	198,359.83	198,359.83
2010	261,286.17	261,286.17
2012	11,096,609.39	11,096,609.39
2013	2,243,879.71	2,326,141.52
2014 (provisional)	4,683,212.51	-

Spanish Law 27/2014, of 27th November, on Corporation Tax, eliminated the time limit to offset tax losses set for 2014 at 18 years, but added a limitation in terms of their application at 60% of the previous taxable income for the year for 2016 and 70% for 2017, with a minimum of €1 million being permitted in any event.

(23) Environmental information

In terms of the environmental programmes implemented in 2014 as part of the Parent Company's strategic priorities, and more particularly, its environmental sustainability priority, the Parent Company took an active role in the following projects and initiatives:

» The Parent Company continued to take part in the ECOPORT II project, which aims to encourage participating port community companies to implement a certified environmental management system. In 2014, several working meetings were held within the framework of this project, and work continued on setting common environmental objectives for reducing the amount of waste and greenhouse gas emissions generated, the use of natural resources, and increasing energy efficiency.

» The GREENCRANES project, funded by the EU through the TEN-T Transport Network programme. The project's objective is to prove the viability of new technologies and alternative fuels by implementing pilot projects in public container terminals in order to contribute reasoned criteria and recommendations which enable European policies to be drawn up and facilitate decision-making in the logistics and port industry. The project finished in May 2014.

» The GREENBERTH project, Promotion of Port Communities SMEs role in Energy Efficiency and GREEN technologies for BERTHING operations, an initiative funded by the European Commission under the MED programme, and led by the Port Authority of Valencia, along with another eight partners from six Mediterranean countries. The partners include six port authorities, and three research organisations. The port authorities are Valencia, Marseilles (France), Leghorn (Italy), Venice (Italy), Koper (Slovenia), and Rijeka (Croatia), whilst the technological partners are the University of Cadiz, the Hellenic Institute of Transport, Centre for Research and Technology Hellas (Greece), and FEPORTS (Valencian Region Port Institute for Economic Studies and Cooperation). The project is scheduled to finish in June 2015.

In addition to the project consortium, there is also a very active external committee which takes part in the different initiatives and is made up of EUROPHAR, ANAVE, and NOATUM.

» The MONALISA 2.0 project, whose main objective is to promote Motorways of the Sea (MOS) by implementing a series of measures in line with EU shipping policies.

The Parent Company participates in this project on two levels, in shipping and in ports, in order to coordinate both areas in the case of possible accidents or incidents on large passenger vessels, in addition to other vessels or facilities which may be at risk.

MONALISA 2.0 includes partners from the following EU member states: Sweden, Finland, Denmark, Germany, United Kingdom, Spain, Italy, Malta, and Greece. The consortium is made up of partners from the public and private sectors, as well as from academia. The project is funded by the EC through the Trans-European Transport Network Executive Agency (50% of financing) and has a budget of €24,317,000. The project is scheduled to finish in December 2015.

» SEATERMINALS PROJECT, "Smart, Energy Efficient and Adaptive Port Terminals – SeaTerminals", co-funded by the European Commission's Ten-T Programme. The general objective of Seaterminals is to speed up the transition of the port industry towards more efficient operating models, integrating energy as a key factor for improvement in port container terminals (PCTs). The Parent Company and Noatum are participating in the project together with another seven European partners.

The project started in December 2014 and is set to finish in December 2015.

» Participation in the EUROPHAR EEIG

The Parent Company has been a member of the EUROPHAR European Economic Interest Group since 1997. The Group's members include the port authorities of Marseilles and Genoa, as well as other Spanish, French and Italian companies and organisations which promote safety and environmental protection in ports. The EUROPHAR consortium is an exceptional way to disseminate and promote the Parent Company's policies on the international stage, and is also a cooperation tool for the development of R&D&I projects. EUROPHAR has taken part in a variety of projects, such as the ECOPORTS project in 2005 and the SIMPYC Project which was completed in 2008.

In addition, the FEPORTS Foundation took over the General Secretariat of EUROPHAR in December 2010, thus encouraging the Group's research and development activities via the consortium's participation in several R&D&I projects in the field of environmental protection and port safety.

In 2014, EUROPHAR was a member of the advisory board for the SUPPORT and TERASCREEN projects in the field of security as well as taking part in environmental projects, such as GREENBERTH. EUROPHAR is also taking part in the MEDUSA project on physical security and the ICT of critical infrastructures. Thus, EUROPHAR has become an international benchmark in the fields of European environmental protection and port safety.

Environmental management systems

In 2014, the Parent Company continued to develop its own environmental management system, and maintained its ISO 14001 certification, obtained on 28th April 2006 for "Service and infrastructure management in the ports of Sagunto, Valencia, and Gandia". It also renewed its registration in the Valencian Region's EMAS (E/CV/000023), which it first obtained in 2008, thus certifying its compliance with the requirements of the European Commission's Eco-Management and Audit Scheme (EMAS).

As part of its environmental management system, the Parent Company uses control networks to monitor different environmental aspects related to port activities, such as atmospheric emissions, quality control of its waters, supervision of weather variables, and control of the noise produced by operations.

It also monitors the Parent Company's consumption of water, fuel, electricity and paper in order to reduce them year after year through best environmental practice.

In 2002, the Parent Company supported the construction of a Waste Transfer Centre (CTR) to manage its own waste, the waste generated at the Valencia, Sagunto, and Gandia port facilities, and by concessionaires. The CTR is privately run and aims to make it easy for concession and authorised companies to manage both their hazardous and non-hazardous waste quickly, easily, and efficiently, thus ensuring that this waste is correctly handled according to applicable legislation. Through the CTR, the PAV offers companies which operate in the port facilities it manages all the necessary means to achieve environmental management which is compatible with the sustainable development it pursues.

The Parent Company is responsible for being aware of and controlling the status of the subsoil at the ports of Valencia, Sagunto, and Gandia, in accordance with the applicable legislation (Spanish Law 22/2011, of 28th July, on waste and polluted soil, and Spanish Royal Decree 9/2005, of 14th January, which sets out the list of potentially soil-polluting activities, as well as the criteria and standards for declaring soil to be polluted).

In addition, the PAV has monitored the work on the North Extension at the Port of Valencia, which got underway in 2008, in accordance with the EIS published by the Spanish Ministry of Agriculture, Food and the Environment.

More detailed information about the type of waste generated and the different waste management systems is given in the Environmental Report that the Entity publishes every year.

Training

As stated in its environmental policy, the Parent Company aims to provide suitable training and environmental awareness on environmental issues. Training is understood not only as a way to improve staff knowledge, but also as the means to acquire new skills and abilities which make the ports of Sagunto, Valencia and Gandia more competitive. Thus, training courses and sessions are scheduled every year to enhance knowledge in line with the environmental activities carried out. As far as possible, and as set out in the Ecoport II project, these activities are carried out in conjunction with the rest of the port community.

The Ecoport II project training plan has included the creation of different training documents on environmental issues. In September 2014, the environmental aspects document on bulk goods was presented to all the companies in the Ecoport group.

Communication and publications

One of its objectives is to enable access to information for the largest possible number of professionals and organisations in the areas it works in.

Communication

The Parent Company uses different communications channels to make this information available to the different stakeholders. These include the following:

The Port Authority of Valencia's web site

The Parent Company's web site (www.valenciaport.com) continues to be one of the organisation's main public communications platforms in different areas, including the environment.

Ecoport II project web site

The Ecoport II project's web site (www.ecoport.valenciaport.com) targets port community companies and exchanges information about initiatives related to improving environmental performance as well as sharing tools promoted by the Parent Company to improve the performance of the interested parties.

Environmental insight sessions

The Parent Company was in permanent contact with institutions, customers and other stakeholders about the environmental activities of our ports in 2014.

Cooperation and participation in forums and seminars

In 2014, the Parent Company took part in a considerable number of national and international congresses and symposia about the environment in relation to ports. These included:

- » First Mid-term Conference, Greenberth Project (Venice, Italy, March 2014)
- » Second Mid-term Conference, Greenberth Project (Rijeka, Croatia, October 2014)
- » Monalisa II Project Conference (Barcelona, November 2014)

Different publications in 2014

2013 Environmental Report

As a key element of environmental information, the Parent Company once again published the Environmental Report which details the environmental actions carried out in 2013.

Other information tools in 2014

Environmental newsletters

The PAV began publishing an environmental newsletter three times a year in 1998 which features all the latest national and international news and information of environmental interest in the port industry.

In 2014, the environmental newsletter went from strength to strength, in line with the upward trend of recent years, as one of the port industry's preferred channels to remain up to date with the latest environmental information. The newsletter contains the following information:

Editorial on environmental issues.

Article written by an expert on environmental issues in the shipping-port industry.

Op-ed by a port community company.

News in brief on environmental issues in ports.

Environmental legislation updates.

Intangible assets and property, plant and equipment.

The breakdown of the Parent Company's investments in intangible assets and property, plant and equipment relating to the improvement of the environment in 2014 and 2013 is as follows:

ENVIRONMENTAL ASSETS (gross amounts)	31/12/2013	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2014
MARITIME ACCESSES	3,748,162.71	-	-	3,748,162.71
BREAKWATER AND DOCK WORKS	148,247.29	-	-	148,247.29
BERTHING WORKS	91,772.15	-	-	91,772.15
GENERAL FACILITIES	285,057.81	-	-	285,057.81
PAVEMENTS AND ROADS	5,899.45	-	-	5,899.45
FLOATING MATERIAL	126,147.18	-	-	126,147.18
SUNDRY EQUIPMENT	469,527.68	-	-	469,527.68
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
LAND	63,534.43	-	-	63,534.43
TOTAL ENVIRONMENTAL ASSETS	**4,956,527.70**			**4,956,527.70**

DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	31/12/2013	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2014
MARITIME ACCESSES	899,887.57	78,185.16	-	978,072.73
BREAKWATER AND DOCK WORKS	47,539.72	2,969.28	-	50,509.00
BERTHING WORKS	49,063.98	3,068.88	-	52,132.86
GENERAL FACILITIES	114,282.49	16,541.00	-	130,823.49
PAVEMENTS AND ROADS	3,558.93	395.58	-	3,954.51
FLOATING MATERIAL	30,711.90	9,546.18	-	40,258.08
SUNDRY EQUIPMENT	438,098.84	22,080.46	-	460,179.30
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
TOTAL DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	**1,601,322.43**	**132,786.54**		**1,734,108.97**

ENVIRONMENTAL ASSETS (gross amounts)	31/12/2012	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2013
MARITIME ACCESSES	3,748,162.71	-	-	3,748,162.71
BREAKWATER AND DOCK WORKS	148,247.29	-	-	148,247.29
BERTHING WORKS	91,772.15	-	-	91,772.15
GENERAL FACILITIES	285,057.81	-	-	285,057.81
PAVEMENTS AND ROADS	5,899.45	-	-	5,899.45
FLOATING MATERIAL	126,147.18	-	-	126,147.18
SUNDRY EQUIPMENT	469,527.68	-	-	469,527.68
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
LAND	63,534.43	-	-	63,534.43
TOTAL ENVIRONMENTAL ASSETS	**4,956,527.70**			**4,956,527.70**

DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	31/12/2012	PERIOD ADDITIONS (+)	DISPOSALS (-)	31/12/2013
MARITIME ACCESSES	821,702.41	78,185.16	-	899,887.57
BREAKWATER AND DOCK WORKS	44,570.44	2,969.28	-	47,539.72
BERTHING WORKS	45,995.10	3,068.88	-	49,063.98
GENERAL FACILITIES	97.738.82	16,543.67	-	114,282.49
PAVEMENTS AND ROADS	3,163.35	395.58	-	3,558.93
FLOATING MATERIAL	21,165.72	9,546.18	-	30,711.90
SUNDRY EQUIPMENT	399,726.01	38,372.83	-	438,098.84
COMPUTER SOFTWARE	14,909.00	-	-	14,909.00
INDUSTRIAL PROPERTY	3,270.00	-	-	3,270.00
TOTAL DEPRECIATION AND AMORTISATION OF ENVIRONMENTAL ASSETS	**1,452,240.85**	**149,081.58**		**1,601,322.43**

List of investment projects with an environmental impact statement

Information is provided below about the status of works and their implementation at 31st December 2014 and 2013 with respect to the investment projects that required an environmental impact statement.

PROJECT DESCRIPTION	WORKS STATUS
Extension of the South Dock and berthing line at the Port of Valencia	Work finished and terminals in operation
Sea defence works at the Port of Sagunto, breakwater, outer sea wall and regasification site	Work finished and terminals in operation
East Breakwater site and berthing area and the extension of the inner Xità Quay at the Port of Valencia	Work finished and terminals in operation
North Extension at the Port of Valencia	Work finished

Environment-related sales, income and rebates

The environmental aspects envisaged in the Spanish Law on State-owned Ports and the Merchant Navy are:

- Rebates are contemplated to promote best environmental practices. These rebates are to be applied to the vessel charge.
- The activities to collect vessel-generated waste and, when necessary, its storage, sorting and handling, are regulated, as is its transport to treatment facilities authorised by the administration (article 63). The service is regulated according to the contents of the Directive 2000/59/EC by which the fixed tariff the port authority must demand of all vessels which call into its port is stipulated. Moreover, an additional tariff, collected by the port authority, for not using the service, is also envisaged.
- Environmental and safety issues are regulated in Title IV of the Law (articles 62 to 65). This sets out the prevention and treatment of procedures that may have effects on the environment such as spills and reception of vessel-generated waste, and emergency and safety plans for dangerous goods. Each port authority puts together its own Internal Emergency Plan and must be responsible for waste from vessels and from dredging works in ports.

The rebates mentioned in the aforementioned Law amounted to €499,968.20 in 2014 (€519,285.61 in 2013).

The amount paid for not using the vessel-generated waste collection service, and for the vessel-generated waste collection service, stood at €5,445,943.82 in 2014 (€5,205,031.90 in 2013).

Costs and expenses relating to the environment

The breakdown of costs and expenses relating to the improvement of the environment by the Parent Company in 2014 and 2013 is as follows:

HEADING	FINANCIAL YEAR 2014	FINANCIAL YEAR 2013
STAFF COSTS	**250,282.47**	**242,240.85**
OTHER OPERATING EXPENSES	**707,430.38**	**671,008.51**
Repairs and upkeep	366,878,40	403,902.87
Independent professional services	183,096.53	116,854.32
Supplies and materials consumed	11,501.18	9,751.26
Other services and other expenses	145,954.27	140,500.06
DEPRECIATION AND AMORTISATION CHARGE	**296,892.94**	**283,653.21**
OTHER OPERATING PROFIT (LOSS)	**(15,588.08)**	**(169,502.73)**
TOTAL ENVIRONMENTAL EXPENSES AND COSTS	**1,254,605.79**	**1,196,902.57**

Provisions relating to the environment

The Parent Company has not recorded any provisions to cover environmental risks, has no contingencies relating to the protection and improvement of the environment, and has not received any type of environmental grants which might be considered material in relation to its equity, financial position and result of operations.

(24) Related party balances and transactions

(a) Related party balances

The breakdown of balances receivable from and payable to companies accounted for using the equity method and related parties, and the features thereof are presented in notes 13, 21, and 25.

(b) Group transactions with related parties

The balances of the Group's transactions with companies accounted for using the equity method in 2014 and 2013 are as follows:

	EUROS	
	2014	2013
Income		
Net sales	61,241.56	60,985.33
Expenses		
Net purchases	2,209,513.43	2,317,569.50

(25) Disclosures relating to members of the Board of Directors and senior management

The members of the Parent Company's Board of Directors were paid attendance fees in 2014 amounting to €37,600 (€52,000 in 2013) and had remuneration receivable at 31st December 2014 amounting to €6,400.00 (€6,400.00 at 31st December 2013).

The senior management of the Parent Company was paid wages and salaries amounting to €220,683.90 during 2014 (€220,184.24 in 2013), and no remuneration was outstanding at 31st December 2014 and 2013.

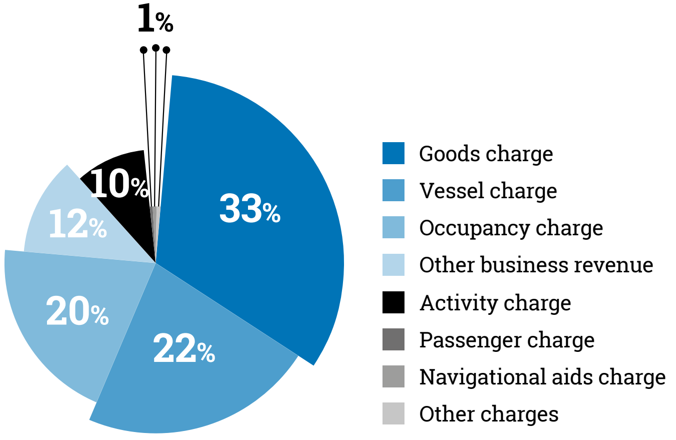
The Parent Company did not grant any advances or loans to members of the Board of Directors or senior management, did not assume any guarantee obligations on their behalf and had no pension or life insurance commitments with former or current members of the Board of Directors or senior management.

In 2014 and 2013, the members of the Board of Directors and senior management of the Parent Company did not perform any transactions not relating to the ordinary course of business or which were not performed on an arm's length basis.

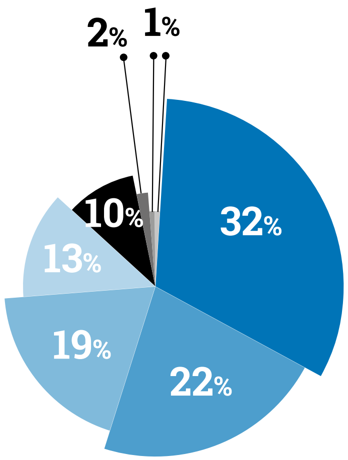
(26) Revenue and expenses

(a) Net revenue

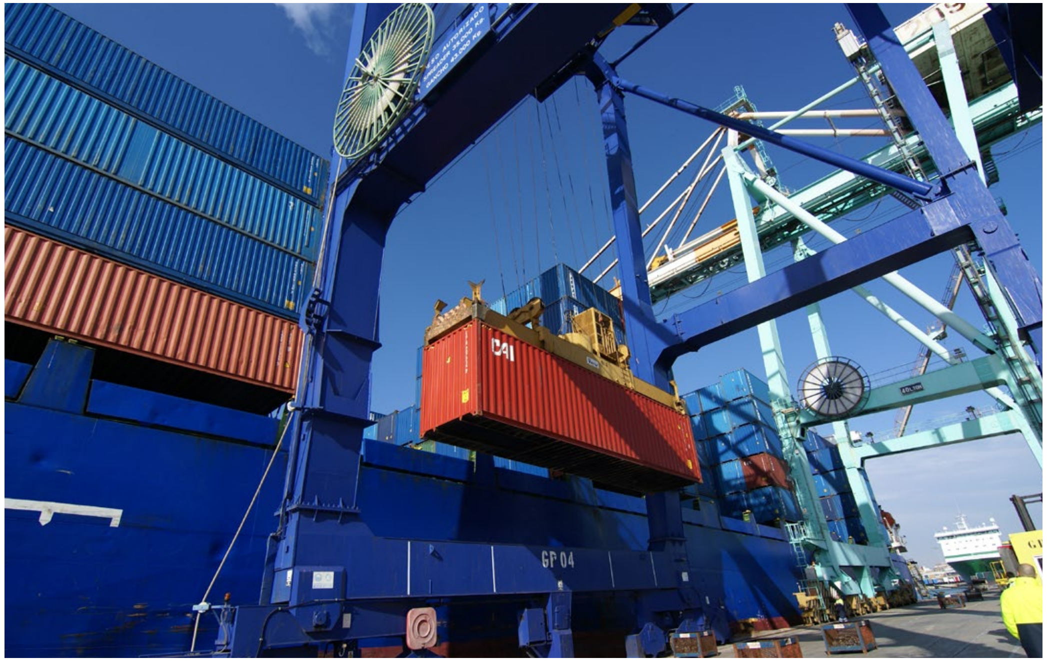
The percentage breakdown of consolidated revenue in 2014 was as follows:



The percentage breakdown of consolidated revenue in 2013 was as follows:



The Group performed all its business activity in the Spanish market in 2014 and 2013.



(b) Operating expenses

The breakdown of operating expenses in 2014 and 2013 is as follows:

HEADING	FINANCIAL YEAR 2014	FINANCIAL YEAR 2013
STAFF COSTS	**19,238,156,02**	**19,042,748,14**
Wages and salaries	14,008,409,37	13,933,152,78
Employer social security contributions	4,460,279,99	4,380,766,56
Other employee benefit costs	769,466,66	728,828,80
OTHER OPERATING EXPENSES	**34,705,080,07**	**36,387,661,64**
Leases	68,662,36	252,111,47
Repairs and upkeep	6,691,137,28	6,679,953,30
Independent professional services	3,023,901,82	3,382,812,67
Insurance premiums	225,305,24	234,795,55
Advertising, publicity and public relations	1,270,591,23	1,244,125,93
Supplies and materials consumed	6,901,102,27	6,595,770,09
Losses on, impairment of and change in provisions for trade receivables	3,716,809,96	3,934,243,84
Taxes other than Corporation Tax	2,389,839,40	2,719,483,19
Other current operating expenses	1,824,522,26	2,321,554,53
Contribution to State-owned Ports Body art. 19.1.b) Legislative Royal Decree 2/2011	4,100,810,78	4,032,264,48
Interport Compensation Fund contributed	2,868,000,00	3,116,000,00
Other external services and other operating expenses	1,624,397,47	1,874,546,59
DEPRECIATION AND AMORTISATION CHARGE	**50,767,794,35**	**47,926,173,84**
IMPAIRMENT AND PROFIT (LOSS) ON THE DISPOSAL OF ASSETS	**5,101,828,20**	**2,485,454,93**
OTHER OPERATING PROFIT (LOSS)	**(15,588,08)**	**(169,502,73)**
TOTAL OPERATING EXPENSES	**109,797,270,56**	**105,672,535,82**

The 1% rise in staff costs in 2014 was mainly due to an increase in the Group's social security contributions.

The 4.6% reduction in "Other operating expenses" was mainly the result of the continued application of the austerity plan and measures to restrict spending.

The balance of the "Depreciation and amortisation charge" increased by €2.84 million, mainly as a result of the addition of the North Extension at the Port of Valencia, which was amortised over the whole of the 2014 financial year, whilst in the previous year, it was only added in October 2013.

In 2014, €15,588.05 in extraordinary income from various concepts was registered under "Other operating profit (loss)". In 2013, extraordinary income amounted to €1,013,580 and extraordinary expenditure to €1,032,460. Both corresponded to T-3 tariff litigation, and generated a loss of €18,880.

(c) Gains (losses) on the disposal of non-current assets

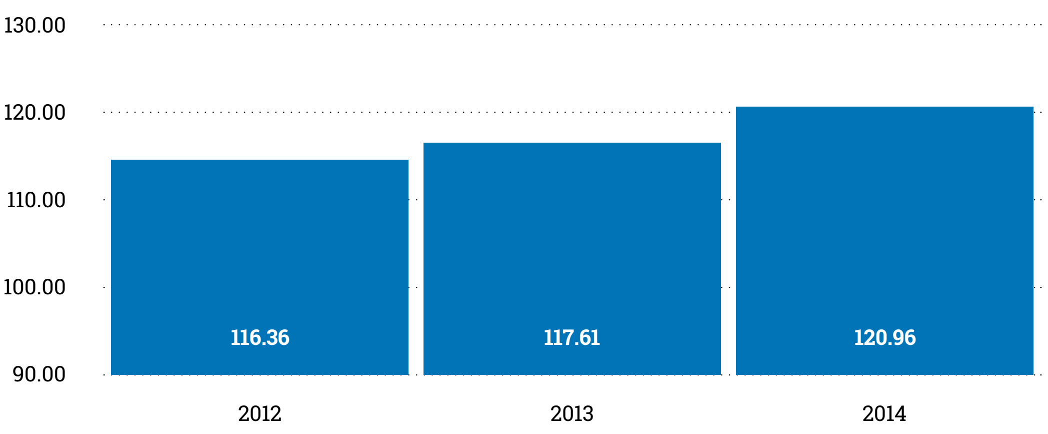
The breakdown of gains or losses on the disposal of non-current and other assets in 2014 and 2013 is as follows:

	2014	2013
Gains (losses)		
Property, plant and equipment	(222,302.28)	548,430.51
TOTAL	**(222,302.28)**	**548,430.51**

(d) Profit (loss) for the year

Consolidated revenue stood at €120.93 million (€117.61 million in the previous year), and was up 2.8% on the previous year. The changes in revenue are shown in the following graph:

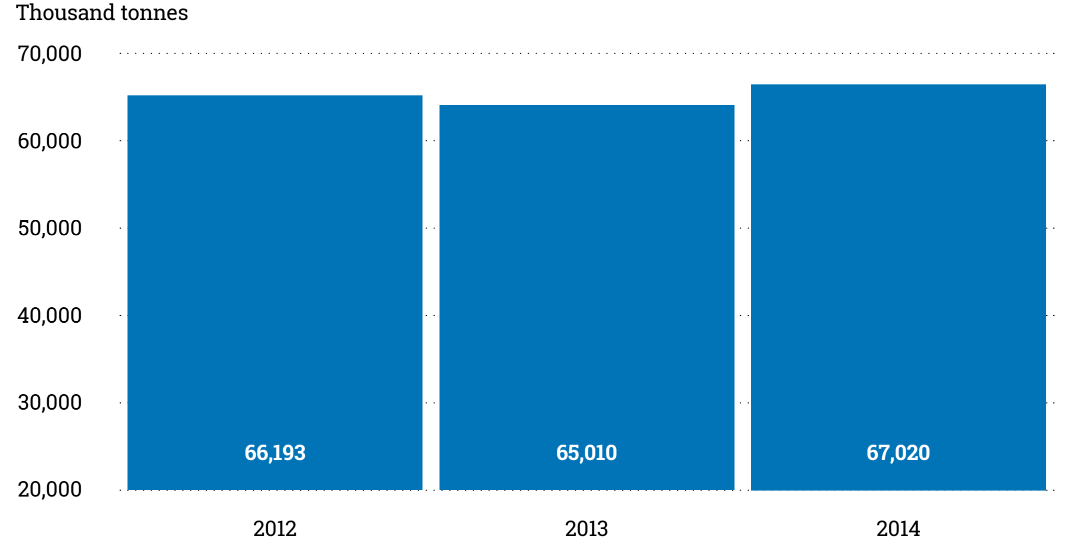
Consolidated net revenue



The increase in consolidated net revenue in 2014 was mainly a result of the increase in the occupancy charge, goods charge, vessel charge and the activity charge.

Total port traffic rose by 3.1% to 67.02 million tonnes (65.01 million tonnes in 2013). The following graph shows the changes in total port traffic over the past four years.

Total traffic (thousand tonnes)



The breakdown of operating expenses was provided in section b) of this note.

Non-core and other current operating revenue included the settlement of an obligation of €2.29 million which had been recognised in previous years, in accordance with a court ruling in the PAV's favour.

Operating profit for 2014 stood at €22.82 million (€17.09 million in the previous year).

Financial losses amounted to -€12.17 million in 2014 (-€10.22 million in the previous year).

Corporation Tax in 2014 stood at €61,590.00 (€1,370.00 in the previous year).

Thus, consolidated profit for 2014 stood at €10.60 million compared to €6.86 million in 2013.

(e) Profit (loss) for the year attributable to the Parent Company

The contribution of each company included in the scope of consolidation of the consolidated profit (loss) for the year, as well as the contribution by minority interests at 31st December 2014, is as follows:

COMPANY	CONSOLIDATED PROFIT (LOSS)	PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS
Port Authority of Valencia	15,276,458.93	
Valencia Plataforma Intermodal y Logística, S.A.	(4,683,212.51)	74,864.55
Infoport Valencia, S.A.	5,012.82	
EUROPHAR European Economic Interest Group	1,681.83	
TOTAL	**10,599,941.07**	**74,864.55**

The contribution of each company included in the scope of consolidation of the consolidated profit (loss) for the year, as well as the contribution by minority interests at 31st December 2013, is as follows:

COMPANY	CONSOLIDATED PROFIT (LOSS)	PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS
Port Authority of Valencia	9,106,555,32	
Valencia Plataforma Intermodal y Logística, S.A.	(2,243,879,71)	43,867.85
Infoport Valencia, S.A.	7,259,44	
EUROPHAR European Economic Interest Group	(3,288.08	
TOTAL	**6,866,646.97**	**43,867.85**

(27) Disclosures on employees

The average number of employees in the Group in 2014 and 2013, broken down by category, is as follows:

	2014	2013
Senior management	2	2
Other management, specialists and similar	104	105
Clerical and ancillary staff	90	90
Other staff	218	212
TOTAL	**414**	**409**

The distribution by gender of the Parent Company's employees and Board of Directors at the end of 2014 was as follows:

	WOMEN	MEN
Senior management	-	2
Other management, specialists and similar	21	86
Clerical and ancillary staff	22	69
Other staff	12	203
TOTAL	**55**	**360**

The distribution by gender of the Parent Company's employees and Board of Directors at the end of 2013 was as follows:

	WOMEN	MEN
Senior management	-	2
Other management, specialists and similar	20	85
Clerical and ancillary staff	24	67
Other staff	13	97
TOTAL	**57**	**351**

In 2014, the Parent Company made a decision to count jobs that are carried out by two people (the replaced and the replacement) whose part-time working days together make up 100%, as a sole employee. Accordingly, the number of employees for 2013 has been adjusted to comply with the same criterion.

At 31st December 2014, the number of Parent Company Directors stood at 13, two of which were women and 11 were men (three women and 11 men in 2013).

In January 2015, the Parent Company included a sum of €188,000 in its staff's wages to pay back part of their December 2012 Christmas bonus, as set out in the twelfth additional provision of Spanish Law 36/2014, of 26th December 2014, and in the Joint Resolution of the Secretaries of State for Budgets, Expenditure and Public Administrations, of 29th December 2014.

In 2014, the average number of employees in the Group with a recognised disability of 33% or higher was 11 people (six men and five women). In 2013, the figure was 11 people (six men and five women).

(28) Other disclosures

(a) Litigation in process

The court and administrative and judicial review proceedings brought by and against the PAV, which amount to over €150,000, are as follows:

1. There are lawsuits in progress to contest G-3 and T-3 tariffs which at 31st December 2014 amounted to a principal of €4.98 million (€6.22 million at 31st December 2013).

In judgement numbers 116/2009, of 18th May; 146/2009 of 15th June and 161/2009 of 29th June, the Spanish Constitutional Court declared paragraphs 1 and 2 of the thirty-fourth additional provision of Spanish Law 55/1999 of 29th December on Tax, Administrative and Social Order Measures to be unconstitutional. Their purpose was to establish a mechanism for the rebilling/payment of principal and interest accrued by means of new port tariffs which had been declared void by unappealable judgements handed down in accordance with the law in force at the time the corresponding services were provided to users.

In view of the above, numerous appeals have been filed at various court levels since 1996 against the charges made by the port authorities on the grounds that these were private prices. The amounts charged as from 1993 have been appealed and these appeals have systematically been allowed, with subsequent judgements being handed down by the Courts by which the port tariffs were declared to be void and both the principal and the related late payment interest were required to be refunded.

In 2010, the Spanish Central Government authorised the implementation of a Contingency Fund as well as the granting of an extraordinary loan to pay the principal and interest relating to the T-3 tariffs declared void in the unappealable judgements handed down by the Court. This gives rise to a source of funds which offsets the amounts payable as a result of the aforementioned judgements.

The amount awarded to the Group in relation to judgements handed down on T-3 tariffs at 31st December 2014 amounted to €7.6 million (€9.9 million in 2013) and was recognised under "Receivable from Group and associated companies" in the accompanying balance sheet.

In 2014, €0.61 million were paid (€0.32 million in principal and €0.29 million in interest) in relation to these items as a result of the enforcement of final judgements (€7.10 million in principal and €2.93 million in interest in 2013) based on the most updated information available at the closing date.

In 2014, surplus provisions of €1.65 million were made (€0.92 million in principal and €0.73 million in interest). No surplus provisions were made in 2013.

In accordance with the court judgements handed down against it, the Port Authority of Valencia was ordered to refund the principal and interest paid in relation to charges made from 1993 to 2003. The estimated total amount of the principal at 31st December 2014 was €4.98 million (€6.2 million at 31st December 2013) whilst the late payment interest was €4.81 million, of which €0.15 million was recognised as being discounted to present value in 2014 (€5.69 million, of which €1 million was recognised as being discounted to present value at 31st December 2013). These amounts had been recognised under current liabilities on the PAV balance sheet at 31st December 2014 and 2013 (see note 21d).

2. A lawsuit has been filed by a company requesting exemption from payments of the non-use of the vessel-generated waste collection service as well as the refund of €722,179.05.

The Parent Company has recognised a provision for this amount (see note 19).

3. Administrative appeal for review and economic-administrative claims against the cadastral value calculations relating to property tax from 2014 to 2006, amounting to an accumulated total of €8,902,340.80 (€10,192,653.70 in 2013). The Parent Company has recognised a provision for this amount (see note 19).

4. As discussed in note 18 "Grants, Donations and Bequests Received", a procedure was initiated in July 2010 by the Spanish Ministry of Economy and Finance, for the reduction and reimbursement of financial assistance amounting to €3,528,778.47 from the European Regional Development Fund (ERDF 1994-1999) for the Valencian Region's Operational Programme Objective 1, pursuant to the Decision of the Commission of the European Community C (2010) 337, of 28th January 2010, which became effective in 2011 by offsetting amounts to be received from other operating programmes. On 28th July 2010, the PAV put forward pleas indicating the following: a) the PAV managed the ERDF 1994-1999 in accordance with applicable law, and in subsequent audits performed on the management of these funds, no errors or breaches were found leading to any financial adjustment; b) the PAV does not consider the criterion of the argument made at the initiation of the proceedings to be admissible given the extrapolation of errors committed by other beneficiaries of these funds; c) the Kingdom of Spain has brought action against the aforementioned decision handed down by the Commission.

5. An administrative complaint was brought against the PAV by a concessionaire for an approximate amount of €35 million. Neither the PAV nor its legal counsel expect any contingent liabilities as a result of the aforementioned complaint given that, in the interested party's opinion, this amount represents 100% of the final price of the works to be paid by the PAV in the event of the termination of the concession that is being sought as a consequence of the dissolution of the concessionaire company, which is involved in voluntary bankruptcy proceedings. Since the dissolution situation has arisen through an abuse of law by the tender awardee and sole partner of the concessionaire company using commercial and bankruptcy law concepts to sidestep an essential obligation of the concession, it is understood, under the doctrine of lifting the veil, that there are no grounds for terminating the concession, and instead that this should continue to be operated, no longer by the company being dissolved, which was incorporated ad hoc according to Condition 6 of the terms and conditions of the public tender, but by its awardee. Accordingly, no sum would be payable and, in addition, the awardee would be required to comply with the aforementioned Condition 6 once more.

6. The subsidiary has net property investments of €48 million in the ZAL Logistics Activities Area at the Port of Valencia, and of €25 million in Parc Sagunt I at the Port of Sagunto, the main purpose of which is to set up logistics areas for foreign trade linked to shipping operators, as well as the operation and marketing of these areas. In March 2013, the High Court of the Valencian Region upheld an administrative court appeal made against the resolution passed on 21st December 2009 by the Valencian Regional Minister of the Environment, Water, Town Planning, and Housing, which definitively approved the Special Plan, thus quashing the so-called "Special Plan to Amend the Valencia General Plan, with an approval information package to develop the Port of Valencia's ZAL".

There are now two judgements about the legal-planning situation, one from the Supreme Court and another from the High Court of the Valencian Region, quashing the Special Plan and the approval information package on which the urban development established its legal basis. However, and although it is not yet final, the definitive approval of the simplified review of the Valencia General Plan would lend support for considering the ZAL land as urban land.

At a board meeting held on 25th April 2013, the subsidiary's Board of Directors decided to commission the full draft of a new Special Plan, in line with the new planning and environmental regulations currently in force. Accordingly, in December 2014, it submitted the documents for the "Application to start the Simplified Strategic Territorial and Environmental Assessment" to the Directorate General of Transport and Logistics as a first necessary step to process the Special Plan, as stipulated in the new Valencian Regional Government Law 5/2014, of 25th July, on Spatial Planning, Town Planning and Landscape (LOTUP), which came into force on 20th August 2014.

Based on the actions carried out and the agreements reached with SEPES, the cancellation of this package is not expected to generate any significant contingencies not included in these consolidated financial statements or to affect the future development of the business activities envisaged in the aforementioned areas.

(b) Subsequent events

On 20th April 2015, the Parent Company returned a guarantee of €0.80 million to a concessionaire. This guarantee was considered as being in force at the end of the 2014 financial year. Therefore, the Port Authority of Valencia registered the effect of returning this amount by making the corresponding provision for insolvency of €0.8 million in April 2015.

(29) Guarantees

At 31st December 2014, the Parent Company had been provided with guarantees by the contractors of works and services, shipping agents, stevedores, concessionaires and other Port Authority users to cover their payment obligations to the Parent Company amounting to €49,552,828.05 (€50,796,395.48 at 31st December 2013).

Similarly, at 31st December 2014 and 2013, the Parent Company had provided guarantees to third parties through financial institutions amounting to €439,746.09, related to the habitual business activities engaged in by the Parent Company. Commissions and other expenses arising from these bank guarantees amounted to €2,683.44 in 2014 and 2013.

(30) Disclosures on the deferral of payments - Spanish Law 15/2010 of 5th July

Disclosures on the deferral of payments to suppliers and creditors in accordance with additional provision three of Spanish Law 15/2010, of 5th July, is as follows:

In relation to the contracts entered into, or by default the invoices issued, subsequent to Spanish Law 15/2010, of 5th July, coming into force, the balances payable to suppliers of goods and services included under current liabilities on the consolidated balance sheet at 31st December 2014 that were overdue by more than the maximum payment period provided in said Law (60 days) amounted to €73,765.48 (€79,215.69 at 31st December 2013).

In 2014 and 2013, the instalment payments made by the Parent Company to non-current asset suppliers and for operating expenses incurred in these years were as follows:

		PAYMENTS MADE IN 2014 (thousand euros)	
	AVERAGE PAYMENT PERIOD (in days)	No. OF PAYMENTS	TOTAL AMOUNT
Investments	31.52	368	10,681
Operating expenses	31.40	3,470	23,802

		PAYMENTS MADE IN 2013 (thousand euros)	
	AVERAGE PAYMENT PERIOD (in days)	No. OF PAYMENTS	TOTAL AMOUNT
Investments	30.87	544	24,602
Operating expenses	31.97	4,027	26,568

The average payment period is calculated in days divided by the total payments made, weighted by the transaction amounts. The number of payment days for each transaction is calculated as the difference between the date of payment and the date of the invoice or work certification.

At 31st December 2014 and 2013, the transactions pending payment by the Parent Company to non-current suppliers and for operating expenses were as follows:

		TRANSACTIONS PENDING PAYMENT AT 31/12/2014 (thousand euros)	
	AVERAGE OUTSTANDING PAYMENT PERIOD (in days)	No. OF PAYMENTS	TOTAL AMOUNT
Investments	9.21	51	1,176
Operating expenses	12.97	375	3,095

	AVERAGE OUTSTANDING PAYMENT PERIOD (in days)	TRANSACTIONS PENDING PAYMENT AT 31/12/2013 (thousand euros)	
		No. OF PAYMENTS	TOTAL AMOUNT
Investments	8.27	53	1,381
Operating expenses	14.30	273	1,163

The average outstanding payment period is calculated in days divided by the total number of transactions pending payment, weighted by the transaction amounts. The number of outstanding payment days for each transaction is calculated as the difference between the year closing date and the date of the invoice or work certification.

(31) Segment information

The Group's business activities all came under the category of port activities in 2014 and 2013.

(32) Management report

CONSOLIDATED MANAGEMENT REPORT OF THE PORT AUTHORITY OF VALENCIA AND ITS SUBSIDIARIES AND ASSOCIATED COMPANIES FOR THE YEAR ENDING 31ST DECEMBER 2014

This Management Report presents the business performance and results of the Parent Company, the Port Authority of Valencia, as well as the financial position and outlook of the Parent Company and its subsidiaries, in accordance with articles 44 and 49 of the Spanish Commercial Code.

Business performance and financial position of the Group

According to the Spanish National Statistics Institute, Spain's gross domestic product rose by 1.1% in 2014 (-1.2% in 2013), whilst exports of goods and services grew by 3.5% (4.9% in 2013). Imports of goods and services increased by 7.7% year-on-year in 2014 (0.4% in the previous year).

In 2014, traffic rose by 4.9% in the Spanish port system as a whole. However, revenue across the port authorities fell by 2.5% compared to the figures for 2013.

Against this background, total port traffic at the Port Authority of Valencia (PAV) went up by 3.1% in 2014 to 67.02 million tonnes (65.01 million in the previous year). Similarly, revenue also rose during the year to €120.44 million (€117.61 million in the previous year), i.e. a 2.4% increase on the previous year.

At 31st December 2014, the PAV's subsidiaries and associated companies were as follows:

» Valencia Plataforma Intermodal y Logística, S.A., in which the Parent Company has a net ownership interest of €85,699,754.91, which accounted for 98.40% of its share capital.

» Infoport Valencia, S.A., in which the Parent Company has an ownership interest of €90,151.82, which accounts for 26.67% of its share capital.

» EUROPHAR EEIG, in which the Parent Company has an ownership interest of €12,000.00, which accounts for 33.33% of its share capital.

The Group did not undertake any research and development (R&D) activities.

The average number of employees in the Group during 2010 was 414, 403 of which worked for the PAV.

The Group has not recorded any provisions to cover environmental risks, has no contingencies relating to the protection and improvement of the environment, and has not received any type of environmental grants which might be considered material in relation to its equity, financial position, and result of operations.

Profit (loss)

Consolidated revenue stood at €120.93 million in 2014 (€117.61 million in the previous year).

In 2014, operating profit stood at €22.82 million (€17.09 million in 2013). Financial losses amounted to -€12.17 million in 2014 (-€10.22 million in the previous year). Consolidated profit before tax stood at €10.66 million in 2014 compared to a profit of €6.87 million in 2013.

Risk policy

The Group's activities are exposed to different financial risks: market risk (including the risk of interest on fair value and price risk), credit risk, liquidity risk, and the risk of interest on cash flows. The Group's global risk management programme focuses on the uncertainty of the financial markets and attempts to minimise the potential adverse effects on the Group's financial profitability.

Risk management is controlled by the Finance Departments in the Group's companies in accordance with the policies approved by the Board of Directors. These Departments identify, assess and cover financial risks in close cooperation with the Group's operational units. The Board of Directors provides policies for the management of global risk, as well as specific risks, such as interest rate risk, liquidity risk and the investment of surplus cash.

(1) Credit risk

The Group has policies to assure that services are rendered to customers with an appropriate credit history. Transactions with derivatives and cash transactions are only carried out with financial institutions that have a high credit rating. The Group has policies to limit the amount of risk with any financial institution.

Valuation adjustments for client insolvencies involve a high degree of judgement by the Finance Departments in the Group's companies and the review of individual balances on the basis of the customers' credit quality, current market trends and a historical analysis of insolvencies at an aggregate level. In relation to the valuation adjustment arising from the aggregate analysis of the history of default payments, a decrease in the volume of balances implies a decrease in valuation adjustments and vice-versa.

(2) Liquidity risk

The Group prudently manages liquidity risk, based on the maintenance of sufficient cash and marketable securities, the availability of financing by means of a sufficient amount of credit facility commitments and sufficient capacity to settle market positions. Given the dynamic nature of underlying businesses, the Finance Departments in the Group's companies aim to keep their financing flexible by means of the availability of the credit lines they have contracted.

(3) Risk of interest rate on cash flows

The income and cash flows of the Group's operating activities are mostly independent with respect to changes in market interest rates.

The Group's interest rate risk arises from non-current borrowing. The borrowed funds issued at floating rates expose the Group to the risk of the cash flow's interest rate.

The Parent Company manages the risk of interest rate on cash flows by means of floating to fixed interest rate swaps. Under interest rate swaps, the PAV commits with other parties to exchange with certain frequency (generally quarterly) the difference between fixed interest and floating interest calculated on the basis of the notional principal amounts contracted.

Subsequent events

The relevant events that occurred after the end of the 2014 reporting period are those mentioned in note 28(b) of the Port Authority of Valencia's Notes to the Consolidated Financial Statements.

Foreseeable future

The main forecasts available for 2015 and 2016 consider that Spain has left the recession behind and envisage positive GDP figures, along the same lines as 2014.

According to European Commission forecasts, Spain's GDP is set to grow by around 2.3% in 2015 and 2.5% in 2016. The Commission estimates that this growth in GDP will stem mainly from an increase in internal demand. These figures for growth in the domestic market should subsequently lead to increases in port traffic.

Audit Report of the 2014 Consolidated Financial Statements

I. Introduction

The Spanish National Audit Office, through the Valencian Region branch in Valencia, in accordance with the powers given to it in article 168 of the General State Budget Law, has audited the consolidated financial statements for the Port Authority of Valencia and its subsidiaries, which include the consolidated balance sheet at 31st December 2014, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement, and notes to the consolidated financial statements for the year then ended.

The Chairman of the Port Authority of Valencia is responsible for preparing the Entity's financial statements in accordance with the financial information framework given in note 1 of the attached report, and especially in accordance with the corresponding accounting principles and criteria. He is also responsible for the internal control considered necessary to make sure that the preparation of the aforementioned financial statements is free of material misstatement.

The consolidated financial statements referred to in this report were prepared by the Port Authority of Valencia on 5th June 2015, and were made available to the Valencian Region branch of the Spanish National Audit Office on the same date.

The information on the financial statements is contained in file GC0946_2014_F_150605_084622_Cuentas.zip, the electronic summary of which, D620438BE5B3FDCC8392E4C6EFD5F3DF924A55B5402276FDEC2ADC3C09F025D7, has been filed in the Spanish National Audit Office's CICEP.Red application.

II. Purpose and scope of the audit: responsibility of the auditors

Our responsibility is to give an opinion on whether the attached consolidated financial statements are a fair presentation, based on the work carried out in accordance with public sector auditing standards. These standards require that we plan and carry out the audit in order to obtain reasonable, though not absolute, assurance that the consolidated financial statements are free of material misstatement.

An audit requires the application of procedures to obtain audit evidence of the amounts and the information contained in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements. In assessing these risks, the auditor considers internal control relevant in the preparation of the consolidated financial statements by the Parent Company management, in order to design audit procedures that are appropriate in the circumstances, and not to give an opinion of the efficiency of the Entity's internal control. An audit also includes assessing the appropriateness of the accounting criteria applied and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Our work did not include an audit of the 2014 financial statements of the company Valencia Plataforma Intermodal y Logística, S.A., in which the PAV has a 98.40% shareholding and in which the net carrying value and the provision made for the portfolio in the attached consolidated financial statements represented 5.61% and 43% of the company's total assets and net profit, respectively. Nor did our work include an audit of Infoport Valencia, S.A., or the Europhar European Economic Interest Group, associated companies which are accounted for using the equity method. The aforementioned financial statements, with the exception of Europhar, were audited by KPMG Auditores, S.L., and our opinion about the consolidated financial statements expressed in this report in terms of the aforementioned shareholdings is based solely on the report prepared by the other auditors.

We consider that the audit evidence obtained is sufficient and appropriate to provide our favourable opinion with qualifications.

III. Audit results: basis of the favourable opinion with qualifications

At 31st December 2013, the subsidiary Valencia Plataforma Intermodal y Logística, S.A. had net investments in land classed as "Investment property" in the logistics activities areas at the ports of Valencia and Sagunto of €78,238,000. As indicated in note 8 of the Consolidated Financial Statements and in the audit report of the subsidiary's financial statements, drawn up by KPMG Auditores, S.L., certain planning issues have appeared which could affect the recoverable value of this investment property. In the light of this situation, in 2014, the company Valencia Plataforma Intermodal y Logística, S.A., asked independent experts for their opinion. Based on this, it registered an impairment of €4.9 million in the 2014 income statement for the assets linked to the Port of Sagunto's logistics activities area. However, these experts have not been able to establish a specific market value for the assets corresponding to the aforementioned logistics areas in Valencia, given the current situation and uncertainties affecting the real estate market the assets registered as investment property come under for a net amount of €47,908,000 at 31st December 2014 and 2013. Accordingly, it has not been possible to quantify the recoverable value of these assets included in "Investment property" on the balance sheet nor the possible effect this would have on the income statement and on the company's equity.

IV. Opinion

In our opinion, based on our audit and on the reports prepared by KPMG Auditores, S.L., with the exception of the fact described in the section "Audit results: basis of the favourable opinion with qualifications", the attached consolidated financial statements fairly present the consolidated equity and consolidated financial position of the Port Authority of Valencia and its subsidiaries at 31st December 2014, and the consolidated results of its operations and consolidated cash flows for the year then ended, in accordance with the applicable legal framework on the financial information, and especially with the accounting principles and criteria contained herein.

V. Report on other legal and statutory requirements

By law, the Port Authority of Valencia has to prepare a management report containing the relevant explanations about the situation of and changes in the port authority and its subsidiaries. This is not part of the consolidated financial statements.

Our report has centred on verifying that the report has been drawn up in accordance with regulatory standards and that the accounting information contained therein coincides with the audited consolidated financial statements.

Similarly, in accordance with the provisions of article 129.3 of the General State Budget Law, the Port Authority of Valencia is obliged to present a report with the consolidated financial statements on its compliance with the financial and economic obligations it assumes as a public-sector body. This report does not contain any information.

This audit report has been electronically signed through the Spanish National Audit Office's CICEP.RED application by the Resident Auditor General of the Jucar Water Authority and the Regional Auditor General, in Valencia, on 15th June 2015.