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Land is not depreciated. Depreciation is calculated following the straight-line method using the following estimated useful lives:

	Years
Buildings	33 to 45
Machinery and equipment	10 to 45
Vehicles	5
Furniture and fixtures	10
Other equipment	4 to 10

Residual values, useful lives and depreciation methods are reviewed at each reporting period, and adjusted prospectively if appropriate.

An item of property, plant and equipment or a significant component is removed upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

Infrastructure assets are controlled by the Company and so are accounted for under IAS 16 Property, plant and equipment rather than under IFRIC 12 Service concession arrangements.

(f) *Intangible assets—*

Intangible assets are recorded at cost and are presented net of accumulated amortization. Amortization is recognized as an expense and is determined using the straight-line method based on estimated useful lives of assets, which has been estimated between 5 and 10 years.

The estimate of the useful life is reviewed periodically to ensure that the amortization period is consistent with the expected pattern of future economic benefits from these assets.

(g) *Leases—*

The Company recognizes finance leases recording assets and liabilities at the beginning of contracts in the statement of financial position for an amount equal to the fair value of the leased asset or, if lower, the present value of the lease asset. Initial direct costs are considered as part of the asset. Lease payments are apportioned between finance charges and reduction of the lease liability. Finance charges are allocated over the term of the lease liability to generate interest expense on the balance of the liability for each period and are recognized as financial expenses in the statement of comprehensive income.

The lease generates depreciation expense for the asset as well as interest expense for each accounting period. The depreciation policy for leased assets is consistent with the policy for other depreciable assets owned by the Company.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased benefits are classified as operating leases. Operating lease payments are recognized as expenses in the statement of comprehensive income based on the straight-line method over the term of the contract.

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