

**EXHIBIT 4
COMPARISON OF THE SOP WITH IAS 16**

	SOP	IAS 16
When does cost capitalization begin?	When the acquisition or construction is likely to occur.	When it is "probable that future economic benefits associated with the asset will flow to the enterprise."
The general cost capitalization rule	Only directly related costs can be capitalized.	Only directly attributable costs can be capitalized.
Exceptions to the general rule?	Property taxes and insurance Demolition costs	None listed, but demolition costs may qualify as site preparation costs.
When does depreciation of the asset begin?	When "substantially complete and ready for its intended service."	When "capable of operating in the manner intended by management."
Is depreciation by component required?	Yes	Yes
How is a component defined?	Set by management policy (cannot combine functional units).	Management's best judgment
What is the accounting for component replacements?	Capitalize new part and expense book value of replaced part.	Capitalize new part and expense book value of replaced part.
Other subsequent costs that can be capitalized	None	Costs that increase the capacity or output quality or reduce the operating costs.