CHARTERED PROFESSIONAL ACCOUNTANTS CANADA

CFE CANDIDATE NUMBER:

Common Final Examination
September 21, 2016 – Day 1
(Booklet #1 – CHEI Case Version 2)

Total examination time: 4 hours.

Further details on the examination can be found on the next page.

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(CONTINUED ON PAGE 2)

Examination Details

The examination consists of:

Booklet #1 – Linked Case (240 minutes) (this booklet)
Booklet #2 – Capstone 1 case and rough notes

The case should be answered in Securexam. Securexam has an answer tab and a spreadsheet tab to input your response. The main body of your response should be in the answer tab. Only supporting calculations should appear in the spreadsheet tab, **under Sheet 1**. You are responsible for clearly explaining all your calculations, as outlined in the Securexam tutorial.

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A tax shield formula and other relevant tax information are available at the end of this booklet.

Common Final Examination, September 2016

Chartered Professional Accountants of Canada
277 Wellington Street West
Toronto, Ontario M5V 3H2

Case **(Suggested time 240 minutes)**

It is now April 23, 2018. There have been no changes in the Board of Directors or shareholdings of CHEI since 2016. CHEI's most recent financial information is provided in Appendix I. Head office costs have been constant since 2015. The company's results, by geography, have been consistent with 2015. The Awani Dam project is progressing on time and on budget. Of the other major opportunities from a year ago, the following occurred: the company did not bid on the Klang Bridge project; it bid low and did not get Highway 507; and it did not buy any major pieces of land in the greater Toronto area. The Heavy Engineering (HE) division has just been awarded its first significant tunnel contract in Alberta.

Canadian and worldwide economies are steady even though the oil and gas sector has been hurt by lower oil prices. Most economic forecasts point to all economies possibly looking stronger in the next one to three years. At the end of the first quarter, the company is on track to meet its consolidated 2018 budget of $615 million in revenues, and pre-tax income of $43 million.

In the heavy engineering industry, companies are under pressure to use staff more efficiently in order to reduce costs, and to use more technology, including engineering tools and software. Two smaller engineering consulting competitors have entered the engineering software market. One of them actually sold off their consulting business in order to focus on software that they had developed. Another industry development is that the fifth- and sixth-largest Canadian heavy engineering companies have recently made purchases of similar European and Asian companies. Acquisitions seem to be a new trend in the industry.

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Board meeting – April 23, 2018

Penelope Navire: Since we will be discussing several new initiatives in this meeting, I have invited CPA, from our team of external consultants, to join us.

As you know, all the shareholders want to realize the value of their shares, and most believe that now might be the right time to sell. Others think we should wait a bit longer. I want us to consider the possibility of selling. Sisi Nagy and I have had preliminary discussions with two potential acquirers (Appendix II). We have not had any serious pricing discussions, although both want to pay only with their company shares. That means the shareholders of CHEI will exchange their shares for X number of shares of the acquiring company. As part of the agreement, CHEI shareholders would not be permitted to sell their shares in the acquiring company until one year after the acquisition. Both of the acquiring companies have indicated that they would provide an additional incentive through a cash earnout clause, which means the selling shareholders would get extra proceeds, based on the future financial results of CHEI. The clause might work something like this: the sellers receive 5% of CHEI's net income for at least one year after the acquisition. Both potential acquiring companies have acquisition criteria that require CHEI to have reached $650 million in revenues, and $50 million in pre-tax profits, in order for the acquisition to happen. We may be required to present our first-quarter 2018 financials to them soon.

We are not yet at the point of needing a detailed valuation of CHEI for sale purposes. CPA, can you help us determine which of the acquiring companies is presenting the best offer? Because of the way the deal may be structured, we want a deal that allows our shares to maintain or increase in value in the year post-acquisition. Are there any other decision factors we should be considering?

Okay, on to other business, all of which will have an important bearing on finalizing the sale of the company.

Sisi Nagy: What is the status of HE's bridge design software that was mentioned at the last board meeting?

James Johnson: We have gathered further information (Appendix III). CPA, your opinion on the strategic fit of the options presented would be helpful. We will have to decide which of these options is most financially beneficial. CPA, can you help us assess the options using the preliminary analysis we received?

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Frank Cessnick: We are a construction company, not a software company. I don't think we should touch this project.

John Higman: On the contrary, if we can make money and help build consistency into our income levels, we should pursue it. I think the entire board would agree that achieving a steady income is critical.

Penelope Navire: Agreed. Let's see what CPA says and then revisit the matter. I wouldn't want to give up a competitive advantage by sharing something we can use ourselves!

Kathy Fernandez: We need to deal with the performance of the Homes division (Homes), particularly if we want to sell.

James Johnson: I think we all agree that Homes has not been performing well. Maybe the Homes district heating proposal will help (Appendix IV). CPA, can you help us assess the risks and opportunities related to the proposal to help us make a decision?

Another key decision facing the board is whether to expand our position in Europe through the purchase of the heavy engineering business, EuroBati (EB) (Appendix V).

Zoe Murphy: I'm not sure if that is a good idea. The European economies are generally stagnant and our French subsidiary has had issues.

Frederick Dale: The question is whether EB is a good prospect and fit with CHEI.

James Johnson: We will be doing a business valuation as part of the next steps, but based on our preliminary review, our offer would likely be around $200 million cash. If this year's dividend is not paid by CHEI, half of our current cash could be used for the purchase. We would have to finance the rest.

Frederick Dale: Ideally, we want to see synergies in the options that we choose to go forward with. CPA, can you look at the financial statements of EB and discuss what might be the specific business risks related to the purchase? Can you advise us as to which areas should be looked at more closely within EB before we proceed further? Please focus on the risks specific to our business.

Frank Cessnik: CPA, please also comment on our financing plans for the acquisition.

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Penelope Navire: Thank you all for your valuable comments. CPA will review the information we have gathered and provide a high-level assessment of all the issues. We need to know if there are any significant factors we have failed to consider, and identify any additional information that is critical for us to obtain before making our decisions. I expect CPA to consider the strategic and operational elements related to each decision, and where there is sufficient information, to suggest a course of action.

CPA, please highlight the changes since our last situational analysis. Regardless of whether we sell, the decisions facing us are interrelated, and we want our financial results to be strong. For now, use the financial projections and other financial information that our staff have prepared. A more detailed analysis will be completed later.

Let's meet again in 10 days' time to review CPA's analyses and recommendations, and make some decisions.

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INDEX TO APPENDICES

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APPENDIX I
FINANCIAL INFORMATION

Canada Heavy Engineering Inc.
Consolidated Income Statement
(in thousands of dollars)

	Q1 2018 (unaudited)	2017 (audited)	2016 (audited)
Revenues	$ 150,901	$ 596,871	$ 574,611
Direct cost of activities	128,101	503,782	493,354
	22,800	93,089	81,257
Expenses			
Sales, general and administration	12,503	49,270	48,773
Interest	589	1,824	1,812
Amortization	351	1,447	1,471
	13,443	52,541	52,056
Income before taxes	9,357	40,548	29,201
Income taxes	(2,526)	(11,102)	(7,902)
Net income	$ 6,831	$ 29,446	$ 21,299

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APPENDIX I (continued)
FINANCIAL INFORMATION

Canada Heavy Engineering Inc.
Consolidated Balance Sheet
(in thousands of dollars)

	Mar. 31, 2018 (unaudited)	Dec. 31, 2017 (audited)	Dec. 31, 2016 (audited)
Assets			
Current assets:			
Cash	$ 39,639	$ 30,473	$ 21,546
Accounts receivable	58,039	57,949	56,892
Inventory	46,789	49,758	51,425
Work in progress	29,786	32,458	33,172
Prepaid expenses	397	407	302
	174,650	171,045	163,337
Property, plant, equipment and land (net)	43,234	42,538	41,431
	$ 217,884	$ 213,583	$ 204,768
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	$ 50,142	$ 56,458	$ 54,849
Deferred revenue	7,978	8,002	8,759
Land loans	15,746	16,789	17,898
Current portion of mortgages	1,946	902	844
	75,812	82,151	82,350
Land loans	8,705	9,805	8,002
Mortgages payable	11,458	6,549	6,784
	95,975	98,505	97,136
Shareholders' equity			
Common shares	10,105	10,105	10,105
Retained earnings	111,804	104,973	97,527
	121,909	115,078	107,632
	$ 217,884	$ 213,583	$ 204,768

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APPENDIX I (continued)
FINANCIAL INFORMATION

Canada Heavy Engineering Inc.
Financial Analysis

	Mar. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Current ratio	2.30	2.08	1.98
Quick ratio	1.29	1.08	0.95
Long-term debt-to-equity	0.17	0.17	0.14
Total debt-to-equity	0.79	0.86	0.90
Annualized:			
Days receivable (days)	35.10	35.44	36.14
Inventory turnover (days)	28.29	30.43	32.67
Days payable (days)	35.72	40.90	40.58
Net margin	4.53%	4.93%	3.71%
Gross profit margin	15.11%	15.60%	14.14%
Pre-tax margin	6.20%	6.79%	5.08%

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APPENDIX I (continued)
FINANCIAL INFORMATION

Canada Heavy Engineering Inc.
Heavy Engineering (HE)
Divisional Income Statement
(in thousands of dollars)

	Q1 2018	2017	2016
Revenues	$ 116,425	$ 462,413	$ 442,489
Direct cost of activities	97,797	385,190	376,558
	18,628	77,223	65,931
Expenses			
Sales, general and administration	8,902	34,999	34,601
Interest	88	147	101
Amortization	161	622	646
	9,151	35,768	35,348
Income before taxes	$ 9,477	$ 41,455	$ 30,583

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APPENDIX I (continued)
FINANCIAL INFORMATION

Canada Heavy Engineering Inc.
Homes
Divisional Income Statement
(in thousands of dollars)

	Q1 2018	2017	2016
Revenues	$ 34,476	$ 134,458	$ 132,122
Cost of homes sold	30,305	118,592	116,796
	4,171	15,866	15,326
Expenses			
Sales, general and administration	1,854	7,602	7,402
Interest	477	1,578	1,604
Amortization	89	399	401
	2,420	9,579	9,407
Income before taxes	$ 1,751	$ 6,287	$ 5,919

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APPENDIX II
INFORMATION ABOUT POTENTIAL ACQUIRERS

RC Corporation

RC Corporation (RC) is a Canadian company comprised of a conglomerate of industrial companies. These include businesses in chemical, farm, oil-refining, natural-gas cogeneration plant, IT services, and road-building equipment. RC's mission statement is:

> *Drawing on our vast experience, our mission is to acquire and increase the profitability of strong industrial businesses that respond well to the changing needs of their clients and markets, and to sustain those businesses with supportive administrative capabilities.*

Each separate business has its own mission and vision statements.

In the last ten years, RC has completed six major acquisitions. With an objective of creating additional profits, RC is known to aggressively cut costs after acquiring a company. The company prefers short earnout periods, and to have a lower percentage of the total price paid in the earnout.

On April 16, 2018, the Toronto Stock Exchange announced an investigation into "certain accounting irregularities" allegedly committed by RC. The company's press release stated that it is cooperating with the investigation. Trading of the shares was not suspended. Share prices dropped from $45.40 to $40.30 after the announcement. Two of the three market analysts covering the stock are still bullish on it and expect the price to rise in the medium- to long-term, despite the investigation.

DNC Maverick Inc.

DNC Maverick Inc. (DNC) is a direct competitor to CHEI. Over 70% of its revenues are derived in international markets. DNC's mission statement is:

> *DNC Maverick Inc. is Canada's largest and best heavy engineering firm, serving satisfied clients in Canada and abroad, in order to maximize returns to its shareholders.*

The main analyst who covers DNC's stock, although not bullish on its future prospects, was impressed that all the company's growth is internal. The analyst had concerns that over 35% of the company's projects would be bad for the environment. However, DNC is known for its ethical conduct with respect to business practices, has a very strong code of conduct, and has never been accused of offering bribes in any jurisdiction. DNC's CEO, Arthur Smith, clashed in the media with James Johnson on certain business issues when DNC won a contract for which CHEI was also competing.

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APPENDIX II (continued)
INFORMATION ABOUT POTENTIAL ACQUIRERS

Information collected

	RC	DNC
Year end	Dec. 31, 2017	Jan. 31, 2018
Share price at year end	$31.50	$31.20
Tax rate	24%	27%
Last fiscal year revenues	$1,402 million	$745 million
Last fiscal year net income	$242 million	$84 million
Last fiscal year earnings per share	$0.62	$0.57
Analyst consensus forecast, earnings per share	$0.64	$0.56
Market capitalization	$12,295 million	$4,598 million
Average daily trading volume	175,424	71,482

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APPENDIX III
INFORMATION ABOUT BRIDGE DESIGN SOFTWARE DEVELOPMENT

The HE division has developed sophisticated software to help with certain aspects of bridge design for its own use. However, if it can be perfected, it will have wide applicability in the industry. The very latest programming technology is used for the software coding. A patent application is currently in process. According to the patent lawyer, obtaining a patent is by no means certain.

The software is not operational yet. It is missing some essential features and capabilities for the user interface. Adding those features should make it a viable commercial product. The user interface needs to be completed, at an estimated cost of $696,000.

A recently conducted market survey suggests there are about 4,000 bridge design firms, or departments within engineering companies, that would be interested in using the software. The firm conducting the survey estimated that a 30-35% market penetration is possible over three years. HE's management believe that the lower end of the range is more realistic. Sales would be promoted by the expenditure, late in the first year, of $6.5 million in marketing. Each bridge design firm or engineering department would be charged a one-time licence fee of $16,000, and an annual maintenance fee. The HE division expects to have $2.99 million of annual costs (software maintenance and administration).

Internal staff prepared the following pre-tax net present value analysis, based on the company's 15% project hurdle rate.

Option 1: Operate a new business

In this option, CHEI will fully develop the software and operate the licensing of the software as a separate business.

	Cash flow	PV factor (rounded)	PV	
Remaining development	$ (696,000)	1.00	$ (696,000)	
Marketing costs	(6,500,000)	0.87	(5,652,174)	
Licence sales	6,400,000	2.28	14,592,000	(equal per year)
Annual maintenance	2,304,000	6.67	15,360,000	
Annual costs	(2,990,000)	6.67	(19,933,333)	
NPV			$ 3,670,493	

The staff assumed that the maintenance revenue will be received into perpetuity.

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APPENDIX III (continued)
INFORMATION ABOUT BRIDGE DESIGN SOFTWARE DEVELOPMENT

Option 2: Jones Engineering Software Solutions USA Inc.

The product manager has also considered using a third-party: after the remaining development is complete, Jones Engineering Software Solutions USA Inc. would be granted the right to license the intellectual property, and CHEI (HE division) would earn, in return, either:

a) $3.2 million lump sum,
b) $2.0 million up front and an 8% royalty on licence sales, nothing on maintenance, or
c) An 18% royalty on licence sales, nothing on maintenance

Option 2a)	Cash flow	PV factor (rounded)	PV
Remaining development	$ (696,000)	1.00	$ (696,000)
Sell after remaining development	3,200,000	0.87	2,782,609
NPV			$ 2,086,609

Option 2b)	Cash flow	PV factor (rounded)	PV
Remaining development	$ (696,000)	1.00	$ (696,000)
Upfront payment	2,000,000	1.00	2,000,000
Royalty on licence sales — 8%	512,000	2.28	1,167,360
NPV			$ 2,471,360

Option 2c)	Cash flow	PV factor (rounded)	PV
Remaining development	$ (696,000)	1.00	$ (696,000)
Royalty on licence sales — 18%	1,152,000	2.28	2,626,560
NPV			$ 1,930,560

Option 3: Sell the software as is

In this option, there will be no further development and the software will be sold, as is, to an interested party for a present value of $1.5 million.

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APPENDIX IV
INFORMATION ABOUT DISTRICT HEAT PROPOSAL

The Valois, a 320 single-home construction project, is being planned in the Homes division. It will be about one-third complete at year end. Francois Valve, a technician, has come up with the idea of building a “district heat” plant to go with this and every future development project.

The HE division would actually do the construction of the heating plant.

Residential district heating is found in Europe, but rarely in North America. District heating works as follows: a small, natural-gas-powered central heating plant, owned and operated by CHEI, would deliver hot water and heat (via hot water) through underground pipes to every home in the project. This process is more energy-efficient than each home having its own heat source.

In order to be successful in Canada, we will need to increase the efficiency of the central heating plant and find ways to further reduce heat loss during delivery of the hot water heating to the homes.

The VP Sales believes that having this heating system in place will make the company’s homes unique and more attractive to buyers. Currently, all homes built by Homes use natural gas for heat and hot water, and their average annual natural gas bills are in the range of $1,600.

The preliminary plan would be to charge each homeowner a fixed amount of $1,100 per year plus the average cost of the water purchased from the city, which is $125. Another pricing option would be to charge based on consumption, which would vary month to month, and charge our actual cost of supply plus a markup of 20% to 25%.

The costs of the project have been estimated. They include $45,000 for land and $398,000 for other property, plant and equipment, as well as $186,000 for annual operating costs. Revenues are estimated to be $1,225 per home. Internal accounting staff prepared the following projections:

Total revenue	$392,000	(320 homes x $1,225)
Operating costs	186,000	
Cash flow	206,000	
Less amortization (over 25 years, excludes land)	15,920	
Net income	190,080	
Average cost per home, including amortization	$631	

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APPENDIX V
INFORMATION ABOUT EUROBATI ACQUISITION

EuroBati (EB) is a division of a French diversified industrial conglomerate, Thaneuf SA (TS). TS has total sales of over $2 billion, and follows international financial reporting standards (IFRS). EB builds roads, bridges and some complex tunnels, primarily in the European Union countries.

TS will soon be publishing an asking price. It does not appear to have any other interested purchasers at this time. TS has offered to finance 30% of the purchase price with a three-year, interest-free vendor take-back loan, and an introduction to a French government-owned bank for the remaining cash.

CHEI's own bank is also willing to finance the acquisition, with a 3% loan, on the condition that a total debt-to-equity ratio of 2:1 is not exceeded.

The key findings noted on a visit to EB by Issa Chewani and three colleagues include the following:

- EB is winning contracts in Africa and is seeking to obtain more there. The division has world-class expertise in tunnelling.

- All non-management EB employees are unionized, and are represented by 17 different unions. EB has not had any strikes in the last 15 years. As is common in France, employees average six weeks of vacation per year. Morale appears to be good.

- EB has a very strong business development group, which sometimes generates more work than the division can handle. However, projects are generally on schedule and on budget.

- According to the unaudited internal financial statements, prepared under IFRS, the profits of EB have been flat for the last four years. Financial statements are presented below. The Canadian dollar-to-euro exchange rates for calendar 2017 and for the year end were close to 1.42 dollars Canadian for one euro.

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APPENDIX V (continued)
INFORMATION ABOUT EUROBATI ACQUISITION

EuroBati Division
Statement of Profit or Loss
For the years ended December 31
(in thousands of CDN dollars)

	2017		2016	
Revenues	$ 133,455	100.0%	$ 134,222	100.0%
Cost of sales	105,696	79.2%	106,049	79.0%
	27,759	20.8%	28,173	21.0%
Expenses				
Administrative and selling	7,456	5.6%	7,551	5.6%
Amortization	1,455	1.1%	1,447	1.1%
	8,911	6.7%	8,998	6.7%
Profit (or loss) before taxes	$ 18,848	14.1%	$ 19,175	14.3%

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APPENDIX V (continued)
INFORMATION ABOUT EUROBATI ACQUISITION

EuroBati Division
Statement of Financial Position
As at December 31
(in thousands of CDN dollars)

	2017		2016	
Assets				
Current assets:				
Trade receivables	$ 18,796	12.9%	$ 19,175	17.0%
Unbilled revenue	24,518	16.8%	17,458	15.5%
Work in progress	19,789	13.5%	19,425	17.2%
Investment in equity	397	0.3%	347	0.3%
	63,500	43.5%	56,405	50.0%
Due from affiliate	75,668	51.8%	48,434	43.0%
Property, plant and equipment (net)	6,916	4.7%	7,889	7.0%
	$ 146,084	100.0%	$ 112,728	100.0%
Liabilities				
Current liabilities:				
Accounts payable	$ 16,953	11.6%	$ 15,485	13.7%
Provisions	16,478	11.3%	8,009	7.1%
Advance billings	21,458	14.7%	16,789	14.9%
Pension indemnities	804	0.5%	902	0.8%
	55,693	38.1%	41,185	36.5%
Net assets of the division	90,391	61.9%	71,543	63.5%
	$ 146,084	100.0%	$ 112,728	100.0%

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APPENDIX V (continued)
INFORMATION ABOUT EUROBATI ACQUISITION

	Dec. 31, 2017	Dec. 31, 2016
Current ratio	1.1	1.4
Quick ratio	0.3	0.5
Total debt-to-equity	0.6	0.6
Total debt-to-assets	0.4	0.4
Asset turnover	7.1	7.0
Days receivable (in days)	51.4	52.1
Days payable (in days)	58.6	53.3

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End of Exam

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CPA COMMON FINAL EXAMINATION REFERENCE SCHEDULE

1. PRESENT VALUE OF TAX SHIELD FOR AMORTIZABLE ASSETS

Present Value of Total Tax Shield from CCA for a New Asset

$$= \frac{CTd}{(d+k)}\left(\frac{2+k}{2(1+k)}\right) = \frac{CdT}{(d+k)}\left(\frac{1+0.5k}{1+k}\right)$$

Notation for above formula:
C = net initial investment
T = corporate tax rate
k = discount rate or time value of money
d = maximum rate of capital cost allowance

2. SELECTED PRESCRIBED AUTOMOBILE AMOUNTS

	2015	**2016**
Maximum depreciable cost — Class 10.1	$30,000 + sales tax	$30,000 + sales tax
Maximum monthly deductible lease cost	$800 + sales tax	$800 + sales tax
Maximum monthly deductible interest cost	$300	$300
Operating cost benefit — employee	27¢ per km of personal use	26¢ per km of personal use
Non-taxable automobile allowance rates		
— first 5,000 kilometres	55¢ per km	54¢ per km
— balance	49¢ per km	48¢ per km

3. INDIVIDUAL FEDERAL INCOME TAX RATES

For 2015

If taxable income is between			Tax on base amount	Tax on excess
$0	and	$44,701	$0	15%
$44,702	and	$89,401	$6,705	22%
$89,402	and	$138,586	$16,539	26%
$138,587	and	any amount	$29,327	29%

For 2016

If taxable income is between			Tax on base amount	Tax on excess
$0	and	$45,282	$0	15%
$45,283	and	$90,563	$6,792	20.5%
$90,564	and	$140,388	$16,075	26%
$140,389	and	$200,000	$29,029	29%
$200,001	and	any amount	$46,316	33%

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4. SELECTED INDEXED AMOUNTS FOR PURPOSES OF COMPUTING INCOME TAX

Personal tax credits are a maximum of 15% of the following amounts:

	2015	**2016**
Basic personal amount	$11,327	$11,474
Spouse, common-law partner, or eligible dependant amount	11,327	11,474
Amount for children under 18	N/A	N/A
Age amount if 65 or over in the year	7,033	7,125
Net income threshold for age amount	35,466	35,927
Canada employment amount	1,146	1,161
Disability amount	7,899	8,001
Infirm dependants 18 & over	6,700	6,788
Net income threshold for infirm dependants 18 & over	6,720	6,807
Adoption expense credit limit	15,255	15,453

Other indexed amounts are as follows:

	2015	**2016**
Medical expense tax credit — 3% of net income ceiling	$2,208	$2,237
Annual TFSA dollar limit	10,000	5,500
RRSP dollar limit	24,930	25,370
Lifetime capital gains exemption on qualified small business corporation shares	813,600	824,176

5. PRESCRIBED INTEREST RATES (base rates)

Year	Jan. 1 – Mar. 31	Apr. 1 – June 30	July 1 – Sep. 30	Oct. 1 – Dec. 31
2016	1	1	1	
2015	1	1	1	1
2014	1	1	1	1

This is the rate used for taxable benefits for employees and shareholders, low-interest loans, and other related-party transactions. The rate is 4 percentage points higher for late or deficient income tax payments and unremitted withholdings. The rate is 2 percentage points higher for tax refunds to taxpayers, with the exception of corporations, for which the base rate is used.

(CONCUDED ON PAGE 24)

6. MAXIMUM CAPITAL COST ALLOWANCE RATES FOR SELECTED CLASSES

Class 1…………………………………	4%	for all buildings except those below
Class 1…………………………………	6%	for new non-residential buildings acquired after March 18, 2007
Class 1…………………………………	10%	for new manufacturing and processing buildings acquired after March 18, 2007
Class 8…………………………………	20%	
Class 10……………………………..	30%	
Class 10.1…………………………...	30%	
Class 12……………………………..	100%	
Class 13……………………………..	Original lease period plus one renewal period (minimum 5 years and maximum 40 years)	
Class 14……………………………..	Length of life of property	
Class 17……………………………..	8%	
Class 29……………………………..	50%	straight-line
Class 43……………………………..	30%	
Class 44……………………………..	25%	
Class 45……………………………..	45%	
Class 50……………………………..	55%	
Class 53……………………………..	50%	

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