Land and buildings at valuation — 30 September 2009:	
Land ($7 million) and building ($36 million) (note (iii))	43,000
Plant and equipment at cost (note (iii))	67,400
Accumulated depreciation plant and equipment — 30 September 2009	13,400

(iii) Non-current assets:

Cavern revalues its land and building at the end of each accounting year. At 30 September 2010 the relevant value to be incorporated into the financial statements is $41.8 million. The building's remaining life at the beginning of the current year (1 October 2009) was 18 years. Cavern does not make an annual transfer from the revaluation reserve to retained earnings in respect of the realisation of the revaluation surplus. Ignore deferred tax on the revaluation surplus.

Plant and equipment includes an item of plant bought for $10 million on 1 October 2009 that will have a 10-year life (using straight-line depreciation with no residual value). Production using this plant involves toxic chemicals which will cause decontamination costs to be incurred at the end of its life. The present value of these costs using a discount rate of 10% at 1 October 2009 was $4 million. Cavern has not provided any amount for this future decontamination cost. All other plant and equipment is depreciated at 12.5% per annum using the reducing balance method.

No depreciation has yet been charged on any non-current asset for the year ended 30 September 2010. All depreciation is charged to cost of sales.