

31 August 2017

Telephone 07 9275342
Facsimile 07 9272761

Attention: David Clark
FAL CONSULTANTS
PO Box 230293
Botany, Auckland 2163

IRD Number [REDACTED]

Reference Number [REDACTED]

Dear David,

[REDACTED]

I refer to recent emails and conversations regarding [REDACTED] ("your client") GST/Income tax claims in regard to their camper van.

We have discussed your client's situation and we propose that the following claims can be made by your clients:

- Vehicle purchase/insurance/depreciation: **58%**
- Vehicle running expenses including fuel, RUC, repairs and maintenance: **85%**
- Sign writing and awning costs: **100%**.

As outlined in your last email, "[REDACTED] consider that any personal costs generally such as food etc, personal time are paid for by themselves and not claimed. As to personal time, they advise that this generates no cost. Only work and travel generate costs, private travel etc is without the motor home."

Therefore, please advise your clients that if they do have a significant private trip in the camper van, the appropriate months fuel/RUC needs to be adjusted to reflect the true business percentage for that period.

Entertainment costs are generally deductible at 50% and these will include taking clients out for meals etc. If your client wishes to claim such expenditure, complete details of whom they entertained, sales that resulted from the entertainment, receipts/invoices must be kept and available to Inland Revenue if required.

This will assist your clients, if in the future they are again reviewed by Inland Revenue.

When Inland Revenue is reviewing a taxpayer's situation, a wide range of resources are reviewed as in some instances what a taxpayer tells Inland Revenue can be quite different from reality. It is acknowledged by both parties that there is a private element in your clients business, and further, it is clear that it is a lifestyle choice by your clients, and by that I refer to the article [REDACTED] where it talks about your clients being on the road for 23 years and the flexibility and spontaneity that this lifestyle enables them.

If you agree with the proposed percentages above, please confirm by return email and make the necessary amendments to the appropriate GST returns, and Income tax returns alike. These can be made through MyIR/efile.

IN CONFIDENCE