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SURVEYORS

CAPITAL ALLOWANCE & TAX DEPRECIATION SCHEDULE

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Executive Summary

Monday, 25 May 2020
The Abhayaratna Family Super Fund
33 Endeavour Street
Red Hill, ACT 2603

re: Capital Allowance & Tax Depreciation Schedule

Dear Sir/Madam,

Thank you for selecting MCG Quantity Surveyors to undertake your Capital Allowance & Tax Depreciation Schedule. We're pleased to report that we have identified significant deductions within the property, which we've detailed in our comprehensive report which follows. The report shows the entire 40 years worth of depreciation deductions using both the diminishing and prime cost methods. The report also utilises accelerated depreciation rates such as the 100% write-off and low cost and low value pooling.

A summary of the deductions is outlined below for your convenience.

Reminder: The total depreciation is the total deductions left to claim over the effective life of the property.

Property Details	
Property Owner(s):	The Abhayaratna Family Super Fund
Property Address	2A Rowan Avenue, Bentleigh East, VIC 3165
Total Available Depreciation:	\$476,234
Diminishing Value Claim Year 1:	\$6,006
Prime Cost Value Claim Year 1:	\$3,397
Construction Date:	17/04/2020
Settlement Date:	17/04/2020
Property Type:	Residential
Date available to produce income:	17/04/2020

This report is prepared for the property owners above and not in any other capacity. If the property changes ownership status, the report becomes void and the new owners should contact MCG for an updated schedule. MCG Quantity Surveyors have applied their interpretation of the current tax legislation in preparing this report. Once again, thank you for doing business with MCG Quantity Surveyors. We look forward to dealing with you in the future and will be happy to assist you with any further tax depreciation matters. If you have any questions regarding the report, please do not hesitate to contact one of our friendly Quantity Surveyors on 1300 795 170.

Kind Regards,

Mike Mortlock B. Con. Mgmt. (Build)
Managing Director
MCG Quantity Surveyors



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Report Summary

This report was prepared for the aforementioned owners and is specific to their purchase details only. For ease of reference, the table below shows an overview of the depreciation claim on both the building structure and plant and equipment items (Division 40) over the first 5 financial years. A full detailed schedule of the 40 yearly claims is also included within this report.

	Diminishing Value Method	Prime Cost Method
Year 1 - 18/04/20 ends - 30/06/20	6,006	3,397
Year 2 - 01/07/20 ends - 30/06/21	22,040	16,022
Year 3 - 01/07/21 ends - 30/06/22	19,192	16,022
Year 4 - 01/07/22 ends - 30/06/23	17,264	15,986
Year 5 - 01/07/23 ends - 30/06/24	16,112	15,841

**Note: These figures include Division 43 (Capital Allowance, or Building Structure) claims.*

MCG recommends you consult with your accountant before selecting either the diminishing or prime cost methods. They are both included in this report.

This report was prepared based on our estimate of the residual value of Division 40 & 43 items where they qualify. Any information regarding construction costs or additions values has been sourced and utilised where available. This report is designed to be used for advice on construction costs, rather than advice on accounting practices, legal matters or taxation. MCG Quantity Surveyors recommend that the property owner consults with their accountant and advisers before relying on the contents provided herein.

MCG Quantity Surveyors have prepared this report in line with our interpretation of the tax commissioners rulings as at the date of this report.

If the property changes owners or ownership status, then the contents of the report are voided and the new owners or owning entity should contact MCG to prepare a new report based on their purchase details. In line with the Tax Agent Services Act (2009), M Consulting Group Pty Ltd (MCG Quantity Surveyors) are registered tax agents. Our registered tax agent number is 09142004.

Disclaimer:

MCG Quantity Surveyors does not accept any contractual, tortious or any other form of liability for any consequences, loss or damage as a result of any other party acting upon of using this report.



Report Methodology

This report has been prepared on the basis of the residual total installed costs, as at the settlement date. Any change to the settlement date may render the report inaccurate due to changes in allowable depreciation returns.

The report shows two alternative methods of claiming the property depreciation entitlements. These are the diminishing value method and the prime cost method.

The diminishing value method uses higher depreciation rates to return a greater proportion of an assets total cost in the earlier years of the report. The prime cost method returns an equal amount of an assets cost each year of the assets total effective life.

Where qualification criteria is met, both depreciation methods include;

Depreciation claims on the plant and equipment items (Division 40). These are assets that have been defined as 'easily' removed from the property without damage, as opposed to assets that are fixed to the building for any reason other than stability. Plant and equipment items can also include electrically operated assets include their control panels, even when fixed.

Depreciation claims on the building structure and capital improvements (Division 43). This includes the building structure itself, and improvements such as hard landscaping, carports and the like. Division 43 returns a depreciable allowance of 2.5% per year where the improvement qualifies.

This report may also include the following depreciation components which accelerate the depreciation claim;

100% write-off: where individual plant and equipment assets open with a value of \$300 or less, the property owner is entitled to claim 100% of the value in the year of acquisition. This legislation is effective after 1/7/2000 and requires that the total cost of these assets fall under \$301 where they are part of a set, or are identical assets. If the value exceeds \$301, they cannot be written off in the year of acquisition.

Low value and low cost pooling: property investors are entitled to utilise a low cost/low value pool where the cost of individual assets acquired after 1/7/2000 are individually under \$1,000 in value. Low cost assets are assets acquired in the current year costing less than \$1,000. Low value assets are existing assets with a value that has fallen under \$1,000 individually over time. Pooling is included within the diminishing value method only and assumes the assets do not qualify for an immediate write-off.

In a low-value pool, the low cost assets are depreciated at 18.75% of their opening value in the first year. This calculation is not based on the number of days owned in the first financial year. All other low-value assets are depreciated at 37.5% of their residual value at the start of each year. If the owner elects to utilise a low-value pool, all low-cost assets acquired must be allocated to the pool. If the owner elects not to utilise a low-value pool, the assets are depreciated using the effective life of the assets. Effective life assets that cannot fall under the 100% write-off or pooling rules utilise the effective life of the individual asset, as prescribed by the commissioner of taxation under tax ruling TR 2018/4 and subsequent addendums.



Report Methodology

The effective lives of each of the assets is shown on the detailed schedule pages. The rate of depreciation for an individual asset acquired prior to the 10th of May 2006 under the diminishing value method is calculated as;

$$\text{Base Value} \times \frac{\text{days held}}{365} \times \frac{150}{\text{effective life}}$$

For assets acquired after the 10th of May 2006 under the diminishing value method, the calculation is;

$$\text{Base Value} \times \frac{\text{days held}}{365} \times \frac{200}{\text{effective life}}$$

For the prime cost method, the calculation for the depreciable rate is;

$$\text{Base Value} \times \frac{\text{days held}}{365} \times \frac{100}{\text{effective life}}$$

The report assumes that the property owner is eligible to claim the identified depreciation allowances, and that no depreciation schedules or construction cost information exist or form a condition of the contract of sale.

In preparing this capital allowance & tax depreciation schedule, the following information was sourced;

Written and verbal information provided by: The Abhayaratna Family Super Fund;

Written and verbal Information provided by: Infotrack Searches;

Site inspection conducted by: MCG Quantity Surveyors.

The report includes the apportionment of preliminaries and consultants fees, and excludes non depreciable components such as land costs, rates and taxes, holding costs, interest costs, non-depreciable improvements such as soft landscaping as well as property improvements claimed as repairs and maintenance. Refer to the Australian Taxation Office or contact MCG Quantity Surveyors for further clarification.



Diminishing Value Method Summary

This report shows 40 years worth of depreciation claims, with a detailed schedule covering the first 20 years. The diminishing value method returns the greatest value of depreciation claim within the first few years of claim, and where applicable, includes the 100% write-off and low value pooling.

Pooled assets within the following pages are shown as bold, and are highlighted in grey. It should be noted that these assets do not utilise the general depreciation rate as shown, rather the pooling rates at 18.75% in the year of acquisition, and 37.5% for each year thereafter.

A summary of the 20 years of detailed diminishing value depreciation claims is included below.

	Effective Life Assets	Pooled Plant Assets	Division 43 Allowance	Total Deductions
Year 1 ending - 30/06/20	\$1,990	\$1,892	\$2,125	\$6,006
Year 2 ending - 30/06/21	\$8,626	\$3,075	\$10,340	\$22,040
Year 3 ending - 30/06/22	\$6,931	\$1,922	\$10,340	\$19,192
Year 4 ending - 30/06/23	\$5,035	\$1,889	\$10,340	\$17,264
Year 5 ending - 30/06/24	\$3,943	\$1,830	\$10,340	\$16,112
Year 6 ending - 30/06/25	\$3,324	\$1,143	\$10,340	\$14,807
Year 7 ending - 30/06/26	\$2,322	\$1,741	\$10,340	\$14,402
Year 8 ending - 30/06/27	\$1,764	\$1,410	\$10,340	\$13,514
Year 9 ending - 30/06/28	\$1,529	\$881	\$10,340	\$12,750
Year 10 ending - 30/06/29	\$1,192	\$925	\$10,340	\$12,457
Year 11 ending - 30/06/30	\$1,033	\$578	\$10,340	\$11,951
Year 12 ending - 30/06/31	\$895	\$361	\$10,340	\$11,596
Year 13 ending - 30/06/32	\$776	\$226	\$10,340	\$11,341
Year 14 ending - 30/06/33	\$672	\$141	\$10,340	\$11,153
Year 15 ending - 30/06/34	\$583	\$88	\$10,340	\$11,011
Year 16 ending - 30/06/35	\$505	\$55	\$10,340	\$10,900
Year 17 ending - 30/06/36	\$438	\$34	\$10,340	\$10,812
Year 18 ending - 30/06/37	\$379	\$22	\$10,340	\$10,740
Year 19 ending - 30/06/38	\$329	\$13	\$10,340	\$10,682
Year 20 ending - 30/06/39	\$285	\$8	\$10,340	\$10,633

Property: 2A Rowan Avenue, Bentleigh East, VIC 3165



Diminishing Value Method - Years 1 to 5

ATO Depreciation Category		Starting Value	Effective Life	Depreciation Rate	Year 1 18-Apr-20 30-Jun-20	Year 2 01-Jul-20 30-Jun-21	Year 3 01-Jul-21 30-Jun-22	Year 4 01-Jul-22 30-Jun-23	Year 5 01-Jul-23 30-Jun-24	Written Down Value as at 01-Jul-24
Plant & Equipment Assets - Division 40										
Unit Specific Assets										
Air Conditioning Assets - Packaged Unit	14,709	15.0	13.3%	398	1,908	1,654	1,433	1,242	8,074	
Air Conditioning Assets - Split Systems	2,966	10.0	20.0%	120	569	455	364	291	1,166	
Automatic Garage Door Controls	168	5.0	100.0%	168	0	0	0	0	0	
Automatic Garage Door Motors	696	10.0	20.0%	131	212	133	83	52	86	
Bathroom Assets - Freestanding Accessories	542	3.0	66.7%	102	165	103	64	40	67	
Exhaust Fans (inc. Light & Heating)	1,316	10.0	20.0%	247	401	251	157	98	163	
Floor Coverings - Carpet	5,084	8.0	25.0%	258	1,206	905	679	509	1,527	
Floor Coverings - Floating Timber Floors	14,158	15.0	13.3%	383	1,837	1,592	1,380	1,196	7,772	
Hot Water Systems - Solar	3,224	15.0	13.3%	87	418	363	314	272	1,770	
Intercom System Assets	903	10.0	20.0%	169	275	172	107	67	112	
Kitchen Assets - Cooktops	3,095	12.0	16.7%	105	498	415	346	281	1,082	
Kitchen Assets - Dishwashers	1,677	8.0	25.0%	85	398	298	336	210	350	
Kitchen Assets - Ovens	4,643	12.0	16.7%	157	748	623	519	433	2,164	
Kitchen Assets - Rangehoods	1,548	12.0	16.7%	290	472	295	184	115	192	
Light Shades, Removable	503	5.0	40.0%	94	153	96	60	37	62	
Security Systems	2,838	5.0	40.0%	230	1,043	626	352	220	367	
Smoke & Heat Alarms	429	6.0	33.3%	81	131	82	51	32	53	
Vacuum Cleaners	774	10.0	20.0%	145	236	147	92	58	96	
Total - Unit Specific Assets	59,273			3,248	10,671	8,209	6,522	5,521	25,102	
Additions										
Window Blinds, Internal - 22/05/20	3,380	10.0	20.0%	634	1,030	644	402	251	419	
Total - Additions	3,380			634	1,030	644	402	251	419	
Total Division 40 - Pooled Assets	62,653			1,892	3,075	1,922	1,889	1,830	25,521	
Total - Plant & Equipment Assets - Division 40	62,653			3,882	11,701	8,853	6,924	5,773	25,521	
Capital Works Allowances - Division 43										
Unit Specific	413,581			2,125	10,340	10,340	10,340	10,340	370,099	
Total Capital Allowances - Division 43	413,581			2,125	10,340	10,340	10,340	10,340	370,099	
Total Depreciation	476,234			6,006	22,040	19,192	17,264	16,112	395,620	

This depreciation schedule prepared for the property owners that engaged MCG Quantity Surveyors and for no other purpose without the written consent of MCG Quantity Surveyors

Where they qualify, all items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method. The pooled assets are shown as bold with a grey fill

All pooled items are shown with their normal depreciation rate, however have been allocated to the low value pool and depreciated at 8.75% in the year of acquisition and 37.5% each year thereafter.



Diminishing Value Method - Years 6 to 10

ATO Depreciation Category	Starting Value 01-Jul-24	Effective Life	Depreciation Rate	Year 6 01-Jul-24 30-Jun-25	Year 7 01-Jul-25 30-Jun-26	Year 8 01-Jul-26 30-Jun-27	Year 9 01-Jul-27 30-Jun-28	Year 10 01-Jul-28 30-Jun-29	Written Down Value as at 01-Jul-29
Plant & Equipment Assets - Division 40									
Unit Specific Assets									
Air Conditioning Assets - Packaged Unit	8,074	15.0	13.3%	1,077	933	809	701	607	3,948
Air Conditioning Assets - Split Systems	1,166	10.0	20.0%	233	350	219	137	85	142
Automatic Garage Door Controls	0	5.0	100.0%	0	0	0	0	0	0
Automatic Garage Door Motors	86	10.0	20.0%	32	20	13	8	5	8
Bathroom Assets - Freestanding Accessories	67	3.0	66.7%	25	16	10	6	4	6
Exhaust Fans (inc. Light & Heating)	163	10.0	20.0%	61	38	24	15	9	16
Floor Coverings - Carpet	1,527	8.0	25.0%	382	286	322	201	126	210
Floor Coverings - Floating Timber Floors	7,772	15.0	13.3%	1,036	898	778	675	585	3,800
Hot Water Systems - Solar	1,770	15.0	13.3%	236	205	177	154	374	624
Intercom System Assets	112	10.0	20.0%	42	26	16	10	6	11
Kitchen Assets - Cooktops	1,082	12.0	16.7%	406	254	158	99	62	103
Kitchen Assets - Dishwashers	350	8.0	25.0%	131	82	51	32	20	33
Kitchen Assets - Ovens	2,164	12.0	16.7%	361	676	423	264	165	275
Kitchen Assets - Rangehoods	192	12.0	16.7%	72	45	28	18	11	18
Light Shades, Removable	62	5.0	40.0%	23	15	9	6	4	6
Security Systems	367	5.0	40.0%	138	86	54	34	21	35
Smoke & Heat Alarms	53	6.0	33.3%	20	12	8	5	3	5
Vacuum Cleaners	96	10.0	20.0%	36	22	14	9	5	9
Total - Unit Specific Assets	25,102			4,311	3,964	3,113	2,372	2,093	9,250
Additions									
Window Blinds, Internal - 22/05/20	419	10.0	20.0%	157	98	61	38	24	40
Total - Additions	419			157	98	61	38	24	40
Total Division 40 - Pooled Assets				1,143	1,741	1,410	881	925	
Total - Plant & Equipment Assets - Division 40	25,521			4,468	4,062	3,174	2,410	2,117	9,290
Capital Works Allowances - Division 43									
Unit Specific	370,099			10,340	10,340	10,340	10,340	10,340	318,401
Total Capital Allowances - Division 43	370,099			10,340	10,340	10,340	10,340	10,340	318,401
Total Depreciation	395,620			14,807	14,402	13,514	12,750	12,457	327,691

This depreciation schedule prepared for the property owners that engaged MCG Quantity Surveyors and for no other purpose without the written consent of MCG Quantity Surveyors

Where they qualify, all items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method. The pooled assets are shown as bold with a grey fill

All pooled items are shown with their normal depreciation rate, however have been allocated to the low value pool and depreciated at 8.75% in the year of acquisition and 37.5% each year thereafter.



Diminishing Value Method - Years 11 to 15

ATO Depreciation Category		Starting Value	Effective Life	Depreciation Rate	Year 11	Year 12	Year 13	Year 14	Year 15	Written Down Value as at
		01-Jul-29			01-Jul-29 30-Jun-30	01-Jul-30 30-Jun-31	01-Jul-31 30-Jun-32	01-Jul-32 30-Jun-33	01-Jul-33 30-Jun-34	01-Jul-34
Plant & Equipment Assets - Division 40										
Unit Specific Assets										
Air Conditioning Assets - Packaged Unit	3,948	15.0	13.3%	526	456	395	343	297	1,930	
Air Conditioning Assets - Split Systems	142	10.0	20.0%	53	33	21	13	8	14	
Automatic Garage Door Controls	0	5.0	100.0%	0	0	0	0	0	0	
Automatic Garage Door Motors	8	10.0	20.0%	3	2	1	1	0	1	
Bathroom Assets - Freestanding Accessories	6	3.0	66.7%	2	2	1	1	0	1	
Exhaust Fans (inc. Light & Heating)	16	10.0	20.0%	6	4	2	2	1	1	
Floor Coverings - Carpet	210	8.0	25.0%	79	49	31	19	12	20	
Floor Coverings - Floating Timber Floors	3,800	15.0	13.3%	507	439	381	330	286	1,858	
Hot Water Systems - Solar	624	15.0	13.3%	234	146	91	57	36	60	
Intercom System Assets	11	10.0	20.0%	4	3	2	1	1	1	
Kitchen Assets - Cooktops	103	12.0	16.7%	39	24	15	9	6	10	
Kitchen Assets - Dishwashers	33	8.0	25.0%	13	8	5	3	2	3	
Kitchen Assets - Ovens	275	12.0	16.7%	103	64	40	25	16	26	
Kitchen Assets - Rangehoods	18	12.0	16.7%	7	4	3	2	1	2	
Light Shades, Removable	6	5.0	40.0%	2	1	1	1	0	1	
Security Systems	35	5.0	40.0%	13	8	5	3	2	3	
Smoke & Heat Alarms	5	6.0	33.3%	2	1	1	0	0	0	
Vacuum Cleaners	9	10.0	20.0%	3	2	1	1	1	1	
Total - Unit Specific Assets	9,250			1,596	1,247	996	810	669	3,931	
Additions										
Window Blinds, Internal - 22/05/20	40	10.0	20.0%	15	9	6	4	2	4	
Total - Additions	40			15	9	6	4	2	4	
Total Division 40 - Pooled Assets	9,290			578	361	226	141	88	4	
Total - Plant & Equipment Assets - Division 40	9,290			1,611	1,257	1,002	814	671	3,935	
Capital Works Allowances - Division 43										
Unit Specific	318,401			10,340	10,340	10,340	10,340	10,340	266,703	
Total Capital Allowances - Division 43	318,401			10,340	10,340	10,340	10,340	10,340	266,703	
Total Depreciation	327,691			11,951	11,596	11,341	11,153	11,011	270,639	

This depreciation schedule prepared for the property owners that engaged MCG Quantity Surveyors and for no other purpose without the written consent of MCG Quantity Surveyors

Where they qualify, all items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method. The pooled assets are shown as bold with a grey fill

All pooled items are shown with their normal depreciation rate, however have been allocated to the low value pool and depreciated at 8.75% in the year of acquisition and 37.5% each year thereafter.



Diminishing Value Method - Years 16 to 20

ATO Depreciation Category		Starting Value	Effective Life	Depreciation Rate	Year 16	Year 17	Year 18	Year 19	Year 20	Written Down Value as at
		01-Jul-34			01-Jul-34 30-Jun-35	01-Jul-35 30-Jun-36	01-Jul-36 30-Jun-37	01-Jul-37 30-Jun-38	01-Jul-38 30-Jun-39	01-Jul-39
Plant & Equipment Assets - Division 40										
Unit Specific Assets										
Air Conditioning Assets - Packaged Unit	1,930	15.0	13.3%	257	223	193	168	145	944	
Air Conditioning Assets - Split Systems	14	10.0	20.0%	5	3	2	1	1	1	
Automatic Garage Door Controls	0	5.0	100.0%	0	0	0	0	0	0	
Automatic Garage Door Motors	1	10.0	20.0%	0	0	0	0	0	0	
Bathroom Assets - Freestanding Accessories	1	3.0	66.7%	0	0	0	0	0	0	
Exhaust Fans (inc. Light & Heating)	1	10.0	20.0%	1	0	0	0	0	0	
Floor Coverings - Carpet	20	8.0	25.0%	8	5	3	2	1	2	
Floor Coverings - Floating Timber Floors	1,858	15.0	13.3%	248	215	186	161	140	908	
Hot Water Systems - Solar	60	15.0	13.3%	22	14	9	5	3	6	
Intercom System Assets	1	10.0	20.0%	0	0	0	0	0	0	
Kitchen Assets - Cooktops	10	12.0	16.7%	4	2	1	1	1	1	
Kitchen Assets - Dishwashers	3	8.0	25.0%	1	1	0	0	0	0	
Kitchen Assets - Ovens	26	12.0	16.7%	10	6	4	2	2	3	
Kitchen Assets - Rangehoods	2	12.0	16.7%	1	0	0	0	0	0	
Light Shades, Removable	1	5.0	40.0%	0	0	0	0	0	0	
Security Systems	3	5.0	40.0%	1	1	0	0	0	0	
Smoke & Heat Alarms	0	6.0	33.3%	0	0	0	0	0	0	
Vacuum Cleaners	1	10.0	20.0%	0	0	0	0	0	0	
Total - Unit Specific Assets	3,931			559	471	400	342	293	1,866	
Additions										
Window Blinds, Internal - 22/05/20	4	10.0	20.0%	1	1	1	0	0	0	
Total - Additions	4			1	1	1	0	0	0	
Total Division 40 - Pooled Assets	3,935			55	34	22	13	8	0	
Total - Plant & Equipment Assets - Division 40	3,935			560	472	401	342	293	1,866	
Capital Works Allowances - Division 43										
Unit Specific	266,703			10,340	10,340	10,340	10,340	10,340	215,006	
Total Capital Allowances - Division 43	266,703			10,340	10,340	10,340	10,340	10,340	215,006	
Total Depreciation	270,639			10,900	10,812	10,740	10,682	10,633	216,872	

This depreciation schedule prepared for the property owners that engaged MCG Quantity Surveyors and for no other purpose without the written consent of MCG Quantity Surveyors

Where they qualify, all items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method. The pooled assets are shown as bold with a grey fill

All pooled items are shown with their normal depreciation rate, however have been allocated to the low value pool and depreciated at 8.75% in the year of acquisition and 37.5% each year thereafter.



Prime Cost Method Summary

This report shows 40 years worth of depreciation claims, with a detailed schedule covering the first 20 years. The prime cost method returns an equal amount of deductions, for each year of the individual assets effective life. The prime cost method includes the 100% write-off for assets or asset groups totalling \$300 or less.

The depreciation rates utilised in the prime cost method, are calculated by dividing the effective life of the asset by 100. The effective lives have been prescribed by the commissioner of taxation, and are shown on the detailed 20 year prime cost depreciation schedules which follow.

A summary of the 20 years of detailed prime cost depreciation claims is included below.

	Effective Life Assets	Division 43 Allowance	Total Deductions
Year 1 ending - 30/06/20	\$1,273	\$2,125	\$3,397
Year 2 ending - 30/06/21	\$5,682	\$10,340	\$16,022
Year 3 ending - 30/06/22	\$5,682	\$10,340	\$16,022
Year 4 ending - 30/06/23	\$5,646	\$10,340	\$15,986
Year 5 ending - 30/06/24	\$5,502	\$10,340	\$15,841
Year 6 ending - 30/06/25	\$5,368	\$10,340	\$15,707
Year 7 ending - 30/06/26	\$4,819	\$10,340	\$15,159
Year 8 ending - 30/06/27	\$4,762	\$10,340	\$15,101
Year 9 ending - 30/06/28	\$4,593	\$10,340	\$14,932
Year 10 ending - 30/06/29	\$3,917	\$10,340	\$14,256
Year 11 ending - 30/06/30	\$3,748	\$10,340	\$14,087
Year 12 ending - 30/06/31	\$2,913	\$10,340	\$13,253
Year 13 ending - 30/06/32	\$2,759	\$10,340	\$13,098
Year 14 ending - 30/06/33	\$2,139	\$10,340	\$12,479
Year 15 ending - 30/06/34	\$2,139	\$10,340	\$12,479
Year 16 ending - 30/06/35	\$1,712	\$10,340	\$12,051
Year 17 ending - 30/06/36	\$0	\$10,340	\$10,340
Year 18 ending - 30/06/37	\$0	\$10,340	\$10,340
Year 19 ending - 30/06/38	\$0	\$10,340	\$10,340
Year 20 ending - 30/06/39	\$0	\$10,340	\$10,340

Property: 2A Rowan Avenue, Bentleigh East, VIC 3165



Prime Cost Method - Years 1 to 5

ATO Depreciation Category	Starting Value 18-Apr-20	Effective Life	Depreciation Rate	Year 1 18-Apr-20 30-Jun-20	Year 2 01-Jul-20 30-Jun-21	Year 3 01-Jul-21 30-Jun-22	Year 4 01-Jul-22 30-Jun-23	Year 5 01-Jul-23 30-Jun-24	Written Down Value as at 01-Jul-24
Plant & Equipment Assets - Division 40									
Unit Specific Assets									
Air Conditioning Assets - Packaged Unit	14,709	15.0	6.7%	196	981	981	981	981	10,590
Air Conditioning Assets - Split Systems	2,966	10.0	10.0%	59	297	297	297	297	1,721
Automatic Garage Door Controls	168	5.0	100.0%	168	0	0	0	0	0
Automatic Garage Door Motors	696	10.0	10.0%	14	70	70	70	70	404
Bathroom Assets - Freestanding Accessories	542	3.0	33.3%	36	181	181	144	0	0
Exhaust Fans (inc. Light & Heating)	1,316	10.0	10.0%	26	132	132	132	132	763
Floor Coverings - Carpet	5,084	8.0	12.5%	127	635	635	635	635	2,415
Floor Coverings - Floating Timber Floors	14,158	15.0	6.7%	189	944	944	944	944	10,194
Hot Water Systems - Solar	3,224	15.0	6.7%	43	215	215	215	215	2,322
Intercom System Assets	903	10.0	10.0%	18	90	90	90	90	524
Kitchen Assets - Cooktops	3,095	12.0	8.3%	52	258	258	258	258	2,012
Kitchen Assets - Dishwashers	1,677	8.0	12.5%	42	210	210	210	210	796
Kitchen Assets - Ovens	4,643	12.0	8.3%	77	387	387	387	387	3,018
Kitchen Assets - Rangehoods	1,548	12.0	8.3%	26	129	129	129	129	1,006
Light Shades, Removable	503	5.0	20.0%	20	101	101	101	101	80
Security Systems	2,838	5.0	20.0%	114	568	568	568	568	454
Smoke & Heat Alarms	429	6.0	16.7%	14	72	72	72	72	129
Vacuum Cleaners	774	10.0	10.0%	15	77	77	77	77	449
Total - Unit Specific Assets	59,273			1,237	5,344	5,344	5,308	5,164	36,877
Additions									
Window Blinds, Internal - 22/05/20	3,380	10.0	10.0%	36	338	338	338	338	1,992
Total - Additions	3,380			36	338	338	338	338	1,992
Total - Plant & Equipment Assets - Division 40	62,653			1,273	5,682	5,682	5,646	5,502	38,869
Capital Works Allowances - Division 43									
Unit Specific	413,581			2,125	10,340	10,340	10,340	10,340	370,099
Total Capital Allowances - Division 43	413,581			2,125	10,340	10,340	10,340	10,340	370,099
Total Depreciation	476,234			3,397	16,022	16,022	15,986	15,841	408,967

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Prime Cost Method - Years 6 to 10

ATO Depreciation Category		Starting Value 01-Jul-24	Effective Life	Depreciation Rate	Year 6 01-Jul-24 30-Jun-25	Year 7 01-Jul-25 30-Jun-26	Year 8 01-Jul-26 30-Jun-27	Year 9 01-Jul-27 30-Jun-28	Year 10 01-Jul-28 30-Jun-29	Written Down Value as at 01-Jul-29
Plant & Equipment Assets - Division 40										
Unit Specific Assets										
Air Conditioning Assets - Packaged Unit	10,590	15.0	6.7%	981	981	981	981	981	981	5,687
Air Conditioning Assets - Split Systems	1,721	10.0	10.0%	297	297	297	297	297	297	237
Automatic Garage Door Controls	0	5.0	100.0%	0	0	0	0	0	0	0
Automatic Garage Door Motors	404	10.0	10.0%	70	70	70	70	70	70	56
Bathroom Assets - Freestanding Accessories	0	3.0	33.3%	0	0	0	0	0	0	0
Exhaust Fans (inc. Light & Heating)	763	10.0	10.0%	132	132	132	132	132	132	105
Floor Coverings - Carpet	2,415	8.0	12.5%	635	635	635	635	635	635	0
Floor Coverings - Floating Timber Floors	10,194	15.0	6.7%	944	944	944	944	944	944	5,475
Hot Water Systems - Solar	2,322	15.0	6.7%	215	215	215	215	215	215	1,247
Intercom System Assets	524	10.0	10.0%	90	90	90	90	90	90	72
Kitchen Assets - Cooktops	2,012	12.0	8.3%	258	258	258	258	258	258	722
Kitchen Assets - Dishwashers	796	8.0	12.5%	210	210	210	210	168	0	0
Kitchen Assets - Ovens	3,018	12.0	8.3%	387	387	387	387	387	387	1,083
Kitchen Assets - Rangehoods	1,006	12.0	8.3%	129	129	129	129	129	129	361
Light Shades, Removable	80	5.0	20.0%	80	0	0	0	0	0	0
Security Systems	454	5.0	20.0%	454	0	0	0	0	0	0
Smoke & Heat Alarms	129	6.0	16.7%	72	57	0	0	0	0	0
Vacuum Cleaners	449	10.0	10.0%	77	77	77	77	77	77	62
Total - Unit Specific Assets	36,877			5,030	4,481	4,424	4,255	4,255	3,579	15,108
Additions										
Window Blinds, Internal - 22/05/20	1,992	10.0	10.0%	338	338	338	338	338	338	302
Total - Additions	1,992			338	338	338	338	338	338	302
Total - Plant & Equipment Assets - Division 40	38,869			5,368	4,819	4,762	4,593	4,593	3,917	15,410
Capital Works Allowances - Division 43										
Unit Specific	370,099			10,340	10,340	10,340	10,340	10,340	10,340	318,401
Total Capital Allowances - Division 43	370,099			10,340	10,340	10,340	10,340	10,340	10,340	318,401
Total Depreciation	408,967			15,707	15,159	15,101	14,932	14,932	14,256	333,811

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Prime Cost Method - Years 11 to 15

ATO Depreciation Category	Starting Value 01-Jul-29	Effective Life	Depreciation Rate	Year 11 01-Jul-29 30-Jun-30	Year 12 01-Jul-30 30-Jun-31	Year 13 01-Jul-31 30-Jun-32	Year 14 01-Jul-32 30-Jun-33	Year 15 01-Jul-33 30-Jun-34	Written Down Value as at 01-Jul-34
Plant & Equipment Assets - Division 40									
Unit Specific Assets									
Air Conditioning Assets - Packaged Unit	5,687	15.0	6.7%	981	981	981	981	981	784
Air Conditioning Assets - Split Systems	237	10.0	10.0%	237	0	0	0	0	0
Automatic Garage Door Controls	0	5.0	100.0%	0	0	0	0	0	0
Automatic Garage Door Motors	56	10.0	10.0%	56	0	0	0	0	0
Bathroom Assets - Freestanding Accessories	0	3.0	33.3%	0	0	0	0	0	0
Exhaust Fans (inc. Light & Heating)	105	10.0	10.0%	105	0	0	0	0	0
Floor Coverings - Carpet	0	8.0	12.5%	0	0	0	0	0	0
Floor Coverings - Floating Timber Floors	5,475	15.0	6.7%	944	944	944	944	944	755
Hot Water Systems - Solar	1,247	15.0	6.7%	215	215	215	215	215	172
Intercom System Assets	72	10.0	10.0%	72	0	0	0	0	0
Kitchen Assets - Cooktops	722	12.0	8.3%	258	258	206	0	0	0
Kitchen Assets - Dishwashers	0	8.0	12.5%	0	0	0	0	0	0
Kitchen Assets - Ovens	1,083	12.0	8.3%	387	387	310	0	0	0
Kitchen Assets - Rangehoods	361	12.0	8.3%	129	129	103	0	0	0
Light Shades, Removable	0	5.0	20.0%	0	0	0	0	0	0
Security Systems	0	5.0	20.0%	0	0	0	0	0	0
Smoke & Heat Alarms	0	6.0	16.7%	0	0	0	0	0	0
Vacuum Cleaners	62	10.0	10.0%	62	0	0	0	0	0
Total - Unit Specific Assets	15,108			3,446	2,913	2,759	2,139	2,139	1,712
Additions									
Window Blinds, Internal - 22/05/20	302	10.0	10.0%	302	0	0	0	0	0
Total - Additions	302			302	0	0	0	0	0
Total - Plant & Equipment Assets - Division 40	15,410			3,748	2,913	2,759	2,139	2,139	1,712
Capital Works Allowances - Division 43									
Unit Specific	318,401			10,340	10,340	10,340	10,340	10,340	266,703
Total Capital Allowances - Division 43	318,401			10,340	10,340	10,340	10,340	10,340	266,703
Total Depreciation	333,811			14,087	13,253	13,098	12,479	12,479	268,415

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Prime Cost Method - Years 16 to 20

ATO Depreciation Category	Starting Value 01-Jul-34	Effective Life	Depreciation Rate	Year 16 01-Jul-34 30-Jun-35	Year 17 01-Jul-35 30-Jun-36	Year 18 01-Jul-36 30-Jun-37	Year 19 01-Jul-37 30-Jun-38	Year 20 01-Jul-38 30-Jun-39	Written Down Value as at 01-Jul-39
Plant & Equipment Assets - Division 40									
Unit Specific Assets									
Air Conditioning Assets - Packaged Unit	784	15.0	6.7%	784	0	0	0	0	0
Air Conditioning Assets - Split Systems	0	10.0	10.0%	0	0	0	0	0	0
Automatic Garage Door Controls	0	5.0	100.0%	0	0	0	0	0	0
Automatic Garage Door Motors	0	10.0	10.0%	0	0	0	0	0	0
Bathroom Assets - Freestanding Accessories	0	3.0	33.3%	0	0	0	0	0	0
Exhaust Fans (inc. Light & Heating)	0	10.0	10.0%	0	0	0	0	0	0
Floor Coverings - Carpet	0	8.0	12.5%	0	0	0	0	0	0
Floor Coverings - Floating Timber Floors	755	15.0	6.7%	755	0	0	0	0	0
Hot Water Systems - Solar	172	15.0	6.7%	172	0	0	0	0	0
Intercom System Assets	0	10.0	10.0%	0	0	0	0	0	0
Kitchen Assets - Cooktops	0	12.0	8.3%	0	0	0	0	0	0
Kitchen Assets - Dishwashers	0	8.0	12.5%	0	0	0	0	0	0
Kitchen Assets - Ovens	0	12.0	8.3%	0	0	0	0	0	0
Kitchen Assets - Rangeshoods	0	12.0	8.3%	0	0	0	0	0	0
Light Shades, Removable	0	5.0	20.0%	0	0	0	0	0	0
Security Systems	0	5.0	20.0%	0	0	0	0	0	0
Smoke & Heat Alarms	0	6.0	16.7%	0	0	0	0	0	0
Vacuum Cleaners	0	10.0	10.0%	0	0	0	0	0	0
Total - Unit Specific Assets	1,712			1,712	0	0	0	0	0
Additions									
Window Blinds, Internal - 22/05/20	0	10.0	10.0%	0	0	0	0	0	0
Total - Additions	0			0	0	0	0	0	0
Total - Plant & Equipment Assets - Division 40	1,712			1,712	0	0	0	0	0
Capital Works Allowances - Division 43									
Unit Specific	266,703			10,340	10,340	10,340	10,340	10,340	215,006
Total Capital Allowances - Division 43	266,703			10,340	10,340	10,340	10,340	10,340	215,006
Total Depreciation	268,415			12,051	10,340	10,340	10,340	10,340	215,006

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Division 43 - Capital Allowances

Division 43 depreciation allowance applies to income producing residential properties which commenced construction from the 16th of September 1987 to the present date.

Where the building and improvements qualify, the depreciation legislation allows for a 2.5% deduction based on the opening value of the Division 43 assets, for 40 years from the installation date.

The original property is eligible for Division 43 Capital Allowance deductions, as per below;

Capital Improvements	Completion Date	Rate	Original Cost
Building First Use	17/04/2020	2.5%	\$413,581

Capital Allowance calculations over the first 10 years;

Financial Period	Division 43 Allowance (\$)
Year 1 ending - 30/06/20	\$2,125
Year 2 ending - 30/06/21	\$10,340
Year 3 ending - 30/06/22	\$10,340
Year 4 ending - 30/06/23	\$10,340
Year 5 ending - 30/06/24	\$10,340
Year 6 ending - 30/06/25	\$10,340
Year 7 ending - 30/06/26	\$10,340
Year 8 ending - 30/06/27	\$10,340
Year 9 ending - 30/06/28	\$10,340
Year 10 ending - 30/06/29	\$10,340



Detailed Projection - 40 Year Summary

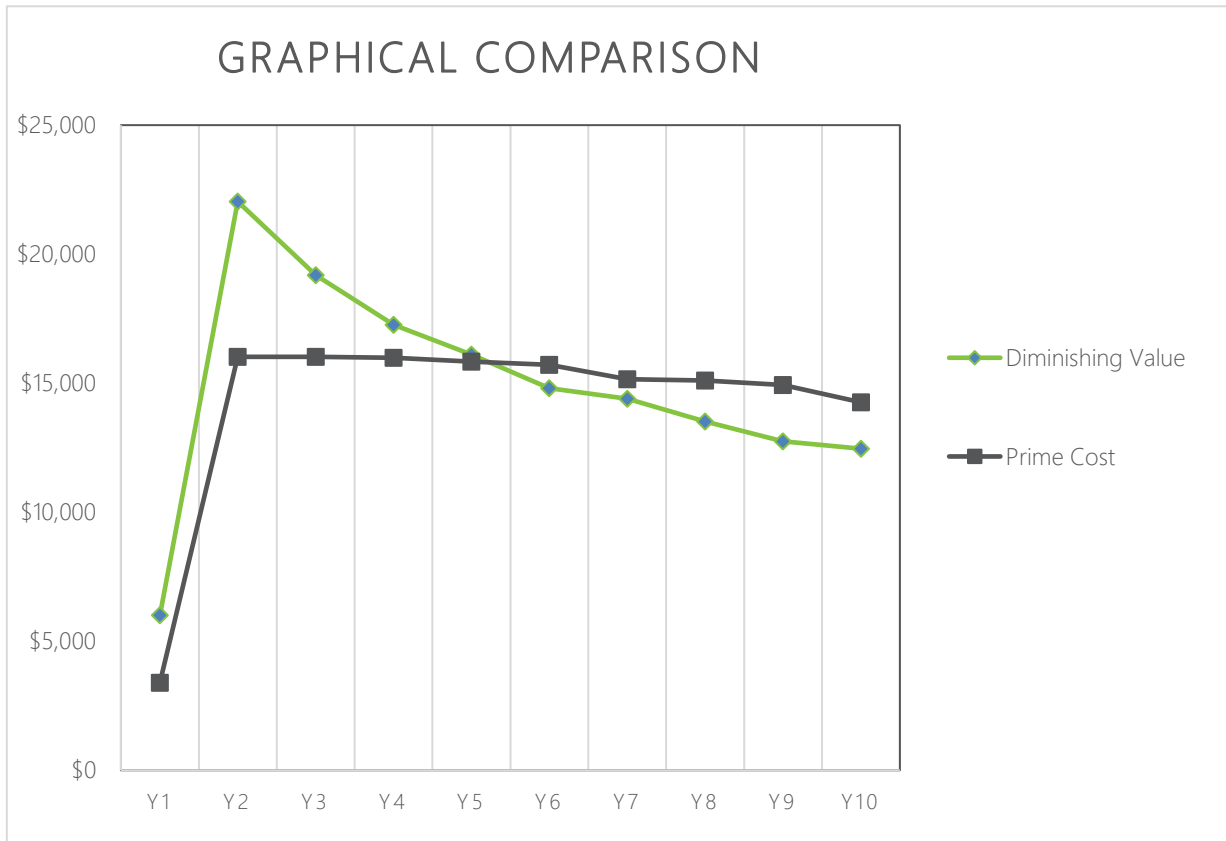
* Note: The schedule results in a residual figure of \$8214.97 in the remaining year(s).

Financial Period	Diminishing Value	Prime Cost	Year
	Method	Method	
18/04/20 - 30/06/20	\$6,006	\$3,397	Year 1
01/07/20 - 30/06/21	\$22,040	\$16,022	Year 2
01/07/21 - 30/06/22	\$19,192	\$16,022	Year 3
01/07/22 - 30/06/23	\$17,264	\$15,986	Year 4
01/07/23 - 30/06/24	\$16,112	\$15,841	Year 5
01/07/24 - 30/06/25	\$14,807	\$15,707	Year 6
01/07/25 - 30/06/26	\$14,402	\$15,159	Year 7
01/07/26 - 30/06/27	\$13,514	\$15,101	Year 8
01/07/27 - 30/06/28	\$12,750	\$14,932	Year 9
01/07/28 - 30/06/29	\$12,457	\$14,256	Year 10
01/07/29 - 30/06/30	\$11,951	\$14,087	Year 11
01/07/30 - 30/06/31	\$11,596	\$13,253	Year 12
01/07/31 - 30/06/32	\$11,341	\$13,098	Year 13
01/07/32 - 30/06/33	\$11,153	\$12,479	Year 14
01/07/33 - 30/06/34	\$11,011	\$12,479	Year 15
01/07/34 - 30/06/35	\$10,900	\$12,051	Year 16
01/07/35 - 30/06/36	\$10,812	\$10,340	Year 17
01/07/36 - 30/06/37	\$10,740	\$10,340	Year 18
01/07/37 - 30/06/38	\$10,682	\$10,340	Year 19
01/07/38 - 30/06/39	\$10,633	\$10,340	Year 20
01/07/39 - 30/06/40	\$11,039	\$10,340	Year 21
01/07/40 - 30/06/41	\$10,777	\$10,340	Year 22
01/07/41 - 30/06/42	\$10,613	\$10,340	Year 23
01/07/42 - 30/06/43	\$10,510	\$10,340	Year 24
01/07/43 - 30/06/44	\$10,446	\$10,340	Year 25
01/07/44 - 30/06/45	\$10,406	\$10,340	Year 26
01/07/45 - 30/06/46	\$10,381	\$10,340	Year 27
01/07/46 - 30/06/47	\$10,366	\$10,340	Year 28
01/07/47 - 30/06/48	\$10,356	\$10,340	Year 29
01/07/48 - 30/06/49	\$10,350	\$10,340	Year 30
01/07/49 - 30/06/50	\$10,346	\$10,340	Year 31
01/07/50 - 30/06/51	\$10,344	\$10,340	Year 32
01/07/51 - 30/06/52	\$10,342	\$10,340	Year 33
01/07/52 - 30/06/53	\$10,341	\$10,340	Year 34
01/07/53 - 30/06/54	\$10,340	\$10,340	Year 35
01/07/54 - 30/06/55	\$10,340	\$10,340	Year 36
01/07/55 - 30/06/56	\$10,340	\$10,340	Year 37
01/07/56 - 30/06/57	\$10,340	\$10,340	Year 38
01/07/57 - 30/06/58	\$10,340	\$10,340	Year 39
01/07/58 - 30/06/59	\$10,340	\$10,340	Year 40
Total	\$468,019	\$468,019	



Diminishing Value vs Prime Cost

This graph compares the depreciation deductions of the diminishing value method to the prime cost method over the first 10 years of claim. MCG Quantity Surveyors recommend consulting with your accountant prior to selecting either method.



About MCG Quantity Surveyors

MCG Quantity Surveyors are experts in the field of property tax depreciation. Our staff have prepared thousands of reports on residential and commercial properties for property investors Australia wide. If you or your accountant have any questions about this report, or tax depreciation deductions in general, please don't hesitate to contact one of our tax depreciation specialists on 1300 795 170 or visit the website at www.mcgqs.com.au.