



11 February 2016

P Kenway and P & M Kenway ATF The Kenway Superannuation Fund
39 Counihan Street
ORMISTON QLD 4160

ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND QLD

BY P KENWAY AND P & M KENWAY ATF THE KENWAY SUPERANNUATION FUND

Thank you for giving us the opportunity to identify Property Tax Allowances for your investment in the above property.

Our findings are summarised on page one of the enclosed report. We are confident you will be as pleased with the results as we are.

DEPPRO are the only company in Australia to specialise 100% in Tax Depreciation and its team of Quantity Surveyors and Plant and Equipment Valuers are dedicated to "adding value to depreciation."

Please visit our web site at www.deppro.com

If you have any queries relating to this report please do not hesitate to contact us.

Yours faithfully,
DEPPRO Pty Ltd

Paul Bennion
BAppSc(Quantity Surveying), AAIQS
Director

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Brisbane

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Sydney

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Melbourne

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Perth

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Adelaide

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Kent Town BC SA 6904

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Understanding your Deppro report



Q1. On the summary page what is difference between the diminishing value and prime cost tables?

A1. Firstly it should be noted that both tables have the same grand total. Therefore the return over the life of the property will be exactly the same. By using the diminishing value method the investor claims a higher return over the first five years.

Q2. Should I use diminishing value or prime cost method?

A2. The method that best suites your individual circumstances should be chosen. You should note that the diminishing value method is a more accelerated form of claiming deductions, (and the most common depreciation method used by investors). However also note that once a method has been chosen it must be used for the duration of the investment.

Q3. Why does the first line of the summary table state a number of days and the remaining lines are stated in years?

A3. Eligible depreciation is calculated from the date of settlement. Therefore the first line reflects the number of days you owned the property for in the first financial year.

Q4. On the plant and article page why are some of the items written off at 100%?

A4. These are individual items valued under \$300 and the ATO legislation allows a full write off in the year the investment property is purchased. The asset must not be one that is part of a set. Example, your property contains four identical blinds, which are valued individually at \$200 each. You cannot claim an immediate deduction for any of these because they form part of a set whose total cost exceeds \$300

Q5. Why do some items in the report exceed \$300 but claimed at 100%

A5. Our report group items together under common asset class headings at the depreciation rate applicable. We do not itemise the individual items, rather we group them together under ATO headings. Therefore there will be occasions where the combined total value of these items will exceed \$300.

Q6. What is low value pooling?

A6. These are items of plant and equipment that are individually valued at less than \$1000. These items are depreciated at 18.75% in the 1st year. Unlike other items the calculation is based on 18.75% for the whole year ***not*** an apportionment for part of the year. In the 2nd, 3rd and 4th years the rate changes to 37.50%. In the last year the remaining residual balance is written off. Note. The set rule does not apply to low value assets.

Q7. Why do some of the low asset pool values appear as more than \$1000?

A7. As with the 100% items we group individual items under a single heading. When grouped together the combined total may exceed \$1000.

Q8. Why does the low asset pool values appear in the Diminishing Value table and not the Prime Cost table?

A8. Low Value pooling is not available to investors using the Prime Cost method of depreciation.

Important.

Tax depreciation is a complex area, if after reading the Q&A that you are unsure or in doubt on a specific point please contact our technical services division on 1300 888 489

SCHEDULE OF PROPERTY TAX ALLOWANCES

FOR THE

ACQUISITION OF

6/32 Middle Street, Cleveland

BY

**P KENWAY AND P & M KENWAY ATF THE KENWAY
SUPERANNUATION FUND**

ACQUIRED:

22 August 2005

SETTLED:

21 September 2005

our ref : 41273-6Comm-1

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Fund's share of deductions:
 Depreciation = \$727 x 34% = \$247
 Capital works = \$4,407 x 34% = \$1,498



**ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
 BY P KENWAY AND P & M KENWAY ATF THE KENWAY SUPERANNUATION FUND**

1.0 SUMMARY OF ENTITLEMENTS

	SUMMARY OF CLAIM BY USING DIMINISHING VALUE METHOD				OR	SUMMARY OF CLAIM BY USING PRIME COST METHOD		
	Depreciation on Plant	Capital Allowances	Yearly Total			Depreciation on Plant	Capital Allowances	Yearly Total
	Low Value Pooling							
Financial Year	\$	\$	\$	\$		\$	\$	\$
22/9/2005 - 2006	4,328 +	554 +	3,405 =	8,286	or	3,844 +	3,405 =	7,249
2006 - 2007	2,162 +	899 +	4,407 =	7,468		1,708 +	4,407 =	6,115
2007 - 2008	1,956 +	562 +	4,407 =	6,925		1,708 +	4,407 =	6,115
2008 - 2009	1,770 +	351 +	4,407 =	6,528		1,708 +	4,407 =	6,115
2009 - 2010	1,602 +	586 +	4,407 =	6,595		1,708 +	4,407 =	6,115
2010 - 2011	1,451 +	0 +	4,407 =	5,858		1,708 +	4,407 =	6,115
2011 - 2012	1,313 +	0 +	4,407 =	5,720		1,708 +	4,407 =	6,115
2012 - 2013	1,190 +	0 +	4,407 =	5,597		1,708 +	4,407 =	6,115
2013 - 2014	1,078 +	0 +	4,407 =	5,485		1,708 +	4,407 =	6,115
2014 - 2015	976 +	0 +	4,407 =	5,383		1,708 +	4,407 =	6,115
2015 - 2016	885 +	0 +	4,407 =	5,292		1,708 +	4,407 =	6,115
2016 - 2017	802 +	0 +	4,407 =	5,209		1,708 +	4,407 =	6,115
2017 - 2018	727 +	0 +	4,407 =	5,134		1,708 +	4,407 =	6,115
2018 - 2019	659 +	0 +	4,407 =	5,066		1,494 +	4,407 =	5,901
2019 - 2020	598 +	0 +	4,407 =	5,005		1,220 +	4,407 =	5,627
2020 - 2021	542 +	0 +	4,407 =	4,949		1,220 +	4,407 =	5,627
2021 - 2022	492 +	0 +	4,407 =	4,899		1,122 +	4,407 =	5,529
2022 - 2023	446 +	0 +	4,407 =	4,853		296 +	4,407 =	4,703
2023 - 2024	405 +	0 +	4,407 =	4,812		296 +	4,407 =	4,703
2024 - 2025	367 +	0 +	4,407 =	4,774		296 +	4,407 =	4,703
2025 - 2026	334 +	0 +	4,407 =	4,741		68 +	4,407 =	4,475
2026 - 2027	303 +	0 +	4,407 =	4,710		1 +	4,407 =	4,408
2027 - 2028	275 +	0 +	4,407 =	4,682		1 +	4,407 =	4,408
2028 - 2029	250 +	0 +	4,407 =	4,657		1 +	4,407 =	4,408
2029 - 2030	227 +	0 +	4,407 =	4,634		1 +	4,407 =	4,408
2030 - 2031	206 +	0 +	4,407 =	4,613		1 +	4,407 =	4,408
2031 - 2032	187 +	0 +	4,407 =	4,594		1 +	4,407 =	4,408
2032 - 2033	170 +	0 +	4,407 =	4,577		1 +	4,407 =	4,408
2033 - 2034	155 +	0 +	4,407 =	4,562		1 +	4,407 =	4,408
2034 - 2035	141 +	0 +	4,407 =	4,548		1 +	4,407 =	4,408
2035 - 2036	128 +	0 +	4,407 =	4,535		1 +	4,407 =	4,408
2036 - 2037	116 +	0 +	4,407 =	4,523		1 +	4,407 =	4,408
2037 - 2038	106 +	0 +	4,407 =	4,513		1 +	4,407 =	4,408
2038 - 2039	96 +	0 +	4,407 =	4,503		1 +	4,407 =	4,408
2039 - 2040	88 +	0 +	4,407 =	4,495		1 +	4,407 =	4,408
2040 - 2041	80 +	0 +	4,407 =	4,487		1 +	4,407 =	4,408
2041 - 2042	73 +	0 +	4,407 =	4,480		1 +	4,407 =	4,408
2042 - 2043	66 +	0 +	4,407 =	4,473		1 +	4,407 =	4,408
2043 - 2044	60 +	0 +	4,407 =	4,467		1 +	4,407 =	4,408
2044 - 2045	634 +	0 +	5,149 =	5,783		16 +	5,149 =	5,165
Total	\$27,441 +	\$2,952 +	\$176,020 =	\$206,413		\$30,393 +	\$176,020 =	\$206,413

**ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
BY P KENWAY AND P & M KENWAY ATF THE KENWAY SUPERANNUATION FUND**

2.0 CERTIFICATION AND DISCLAIMER

It is hereby certified that :

In accordance with the Act, the above named property has been inspected and report calculated and prepared all by a suitably experienced and qualified Quantity Surveyor and Associate Member of the Australian Institute of Quantity Surveyors.

All Plant and Capital Works deductions contained in this report have been calculated fully in accordance with our interpretation of the Income Tax Assessment Act 1997 and associated Acts and Appendages applicable at this time.

This report has been prepared under the understanding that no schedule of Depreciation Allowances form part of the Contract of Sale and that the exclusive ownership of all items of plant listed in this report are to the name or names specified in this report.

This report was prepared for the exclusive use by the name or names specified in this report for the sole purpose of claiming Property Tax Allowances by that name or names for the property specified in this report and is not to be used for any other purpose or to be reproduced without the express permission of the author.

DEPpro Pty Ltd will not accept any liability for events arising as a result of any other person acting upon or using this schedule.

3.0 CAPITAL EXPENDITURE ANALYSED

.01 This report has been calculated and based on the total capital expenditure made up as follows:

Purchase Price (advised) :	\$276,500
Stamp Duty (advised) :	\$8,153

TOTAL CAPITAL EXPENDITURE ANALYSED :	\$284,653
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.02 All figures contained in this report will be eligible to claim commencing the immediate day following the settlement date (advised) :

21-Sep-05

**ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
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4.0 RECONCILIATION OF CAPITAL EXPENDITURE

Total capital expenditure analysed can be broken up as follows :

.01	PLANT	\$30,393
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All plant listed in this report was identified during a site inspection and has been valued as an overall apportionment of the total capital expenditure analysed.

All plant listed and rates used are all in accordance with our interpretation and knowledge of legislation in force current at the date of this report.

Where applicable depreciation rates used in this report are taken from those recommended in legislation at the time of "Acquisition", or signing of the contract as stated on the cover of this report.

Where the acquisition date is unable to be determined, a nominal 30 days prior settlement has been assumed.

.02	CAPITAL WORKS ALLOWANCES	\$176,020
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Capital Works Allowances are based on the written down value of the historical construction cost with the exclusion of plant and ineligible items.

Where it has been unable to obtain the actual construction cost an estimate of works de-escalated to the date of construction has been used.

.03	LAND	\$54,545
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Unless noted above as "N/A", land has been calculated as an overall apportionment of total capital expenditure.

Unless noted above as "N/A", it has been assumed that title is held on the land for this property and was a consideration in the acquisition.

.04	BALANCE OF CAPITAL EXPENDITURE	\$23,694
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This comprises the common apportionment of all capital works ineligible for depreciation or capital allowances.

TOTAL : **\$284,653**

DIVISION 42 ALLOWANCES

DEPRECIABLE PLANT

USING

DIMINISHING VALUE METHOD

Cairns

t 07 4051 9255
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Brisbane

t 07 3420 5755
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Sydney

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**ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
BY P KENWAY AND P & M KENWAY ATF THE KENWAY SUPERANNUATION FUND**

Capital Expenditure Incurred Upon Plant and Articles	Total Cost 21-Sep-05	Diminishing Value Rate	Depreciation Over First 282 Days	Opening W.D.V. 1-Jul-06
	\$	%	\$	\$
Diminishing Value				
Items using effective lives as stated in TR 2006/15				
Air-conditioning :				
* Central type	6,312.00	11.25	548.63	5,763.37
Electrical Machinery and Equipment :				
* Distribution gear	1,931.00	7.50	111.89	1,819.11
Fire Control and Alarm Systems :				
* Water services	72.00	3.00	1.67	70.33
Furniture and Fittings				
* Trade and information signs	119.00	7.50	6.90	112.10
Lifts and Elevators :				
* Electric	15,409.00	9.00	1,071.45	14,337.55
Sewerage and Trade Effluent Plant	1,073.00	7.50	62.18	1,010.82
TOTAL	\$ 24,916.00		\$ 1,802.71	23,113.29

**ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
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Capital Expenditure Incurred Upon Plant and Articles	Total Cost 21-Sep-05	Diminishing Value Rate	Depreciation Over First 282 Days	Opening W.D.V. 1-Jul-06
	\$	%	\$	\$
Low Value Pooling Items				
Items valued under \$1000 depreciated at 18.75% in the first financial year (irrespective of the number of days owned) and at 37.5% for each following year.				
Automatic Entry System and Mechanical Door Closers	55.00	18.75	10.31	44.69
Electrical Machinery and Equipment :				
* Lighting units	1,836.00	18.75	344.25	1,491.75
Fire Control and Alarm Systems :				
* Alarms, hoses and nozzles	608.00	18.75	114.00	494.00
* Fire crowd control equipment	322.00	18.75	60.38	261.63
Furniture and Fittings				
* Furniture, counter fittings, shelving	131.00	18.75	24.56	106.44
TOTAL	\$ 2,952.00		\$ 553.50	2,398.50

**ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
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Capital Expenditure Incurred Upon Plant and Articles	Total Cost 21-Sep-05	Diminishing Value Rate	Depreciation Over First 282 Days	Opening W.D.V. 1-Jul-06
	\$	%	\$	\$
Immediate Write Off Items				
Items valued under \$300 each written off in full in the first financial year of ownership, taking into account the set rule and grouping of like items.				
Automatic Entry System and Mechanical Door Closers	458.00	100.00	458.00	Nil
Blinds	170.00	100.00	170.00	Nil
Electrical Machinery and Equipment :				
* Emergency lighting installation	659.00	100.00	659.00	Nil
* Lighting units	325.00	100.00	325.00	Nil
Fire Control and Alarm Systems :				
* Alarms, hoses and nozzles	487.00	100.00	487.00	Nil
* Fire extinguishers	45.00	100.00	45.00	Nil
Furniture and Fittings				
* Furniture, counter fittings, shelving	248.00	100.00	248.00	Nil
* Trade and information signs	33.00	100.00	33.00	Nil
Garbage Bins and Compactors	21.00	100.00	21.00	Nil
Telephone Installations :				
* General	79.00	100.00	79.00	Nil
TOTAL	\$ 2,525.00		\$ 2,525.00	

DIVISION 42 ALLOWANCES

DEPRECIABLE PLANT

USING

PRIME COST METHOD

Cairns

t 07 4051 9255
f 07 4051 9755

Brisbane

t 07 3420 5755
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Sydney

t 02 9328 3390
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ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
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Capital Expenditure Incurred Upon Plant and Articles	Total Cost 21-Sep-05	Prime Cost Rate	Depreciation Over First 282 Days	Opening W.D.V. 1-Jul-06
	\$	%	\$	\$
Prime Cost				
Items using effective lives as stated in TR 2006/15				
Air-conditioning :				
* Central type	6,312.00	7.50	365.75	5,946.25
Automatic Entry System and Mechanical Door Closers	55.00	7.50	3.19	51.81
Electrical Machinery and Equipment :				
* Distribution gear	1,931.00	5.00	74.59	1,856.41
* Lighting units	1,836.00	5.00	70.92	1,765.08
Fire Control and Alarm Systems :				
* Alarms, hoses and nozzles	608.00	5.00	23.49	584.51
* Fire crowd control equipment	322.00	5.00	12.44	309.56
* Water services	72.00	2.00	1.11	70.89
Furniture and Fittings				Nil
* Furniture, counter fittings, shelving	131.00	7.50	7.59	123.41
* Trade and information signs	119.00	5.00	4.60	114.40
Lifts and Elevators :				Nil
* Electric	15,409.00	6.00	714.30	14,694.70
Sewerage and Trade Effluent Plant	1,073.00	5.00	41.45	1,031.55
TOTAL	\$ 27,868.00		\$ 1,319.44	26,548.56

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Capital Expenditure Incurred Upon Plant and Articles	Total Cost 21-Sep-05	Prime Cost Rate	Depreciation Over First 282 Days	Opening W.D.V. 1-Jul-06
	\$	%	\$	\$
Immediate Write Off Items				
Items valued under \$300 each written off in full in the first financial year of ownership, taking into account the set rule and grouping of like items.				
Automatic Entry System and Mechanical Door Closers	458.00	100.00	458.00	Nil
Blinds	170.00	100.00	170.00	Nil
Electrical Machinery and Equipment :				
* Emergency lighting installation	659.00	100.00	659.00	Nil
* Lighting units	325.00	100.00	325.00	Nil
Fire Control and Alarm Systems :				
* Alarms, hoses and nozzles	487.00	100.00	487.00	Nil
* Fire extinguishers	45.00	100.00	45.00	Nil
Furniture and Fittings				Nil
* Furniture, counter fittings, shelving	248.00	100.00	248.00	Nil
* Trade and information signs	33.00	100.00	33.00	Nil
Garbage Bins and Compactors	21.00	100.00	21.00	Nil
Telephone Installations :				Nil
* General	79.00	100.00	79.00	Nil
TOTAL	\$ 2,525.00		2,525.00	

DIVISION 43 ALLOWANCES

CAPITAL WORKS ALLOWANCES

Cairns

t 07 4051 9255
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Brisbane

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Sydney

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**ACQUISITION OF 6/32 MIDDLE STREET, CLEVELAND
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Capital Expenditure Incurred on Qualifying Building Allowance

	Start & Finish Dates of Construction	Total Historical Cost	Prime Cost Rate	Annual Claim	Opening Residual Value 21-Sep-05	Total Capital Allowance for 282 Days	Opening W.D.V. 1-Jul-06
	Start - Completion	\$	%	\$	\$	\$	\$
1.)	26/5/05 - 1/9/05	175,386	2.50	4,385	175,146	3,388	171,758
	sub-total	175,386		4,385	175,146	3,388	171,758

Capital Expenditure Incurred on Qualifying Structural Improvements

	Start & Finish Dates of Construction	Total Historical Cost	Prime Cost Rate	Annual Claim	Opening Residual Value 21-Sep-05	Total Capital Allowance for 282 Days	Opening W.D.V. 1-Jul-06
	Start - Completion	\$	%	\$	\$	\$	\$
1.)	26/5/05 - 1/9/05	875	2.50	22	874	17	857
	sub-total	875		22	874	17	857

TOTAL	\$	176,261		4,407	176,020	3,405	172,615
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