

Capital Allowance & Tax Depreciation Schedule

Maximising the cash return from investment properties

John & Connie Hansen Trustee for the Hansen Family Super Fund
27 Cleve Street
MANSFIELD PARK, SA 5012

19 March 2014

John & Connie Hansen Trustee for the Hansen Family Super Fund
43 Koola Avenue
EAST KILLARA, NSW 2071

Dear Sir/Madam,

Thank you for choosing BMT Tax Depreciation to complete your Capital Allowance and Tax Depreciation Schedule. BMT have found a total depreciation value of \$85,916 on your investment property located at 27 Cleve Street MANSFIELD PARK, SA 5012. The following calculations in the schedule are based on an ownership ratio of 100%.

Whilst we endeavour to make the entire process as easy as possible, we understand you may still have a few questions about your completed BMT Tax Depreciation Schedule. Our staff are more than happy to assist you with any of your questions. To discuss your BMT Tax Depreciation Schedule you can contact us at your local office.

We have also provided additional information to help you to read and understand your BMT Tax Depreciation Schedule, such as an overview of your deductions and a glossary of key terms.

The deductions identified in this schedule are made up of two components including the structural element of the property (Division 43) and the plant and equipment assets (Division 40) contained in the property.

Many investors question the link between depreciation and purchase price. The purchase price of a property represents the value at the time of sale and includes components such as land and other non-depreciable items.

The total deductible amount of this Capital Allowance and Tax Depreciation Schedule is made up of the original construction cost (at the time of construction) and the plant and equipment assets. Therefore, as it is not a market value or replacement cost, the depreciable value is generally less than the purchase price. Exceptions to the rule exist where the purchase price does not reflect a true market value.

Once again we thank you for choosing BMT Tax Depreciation. We hope our level of service and the depreciation deductions found in this schedule have exceeded your expectations. We look forward to working with you in the future for all your property tax depreciation needs.

Yours sincerely,



BMT Tax Depreciation Pty Ltd
Quantity Surveyors

Table of contents

The BMT Tax Depreciation Schedule	5
This section outlines the details of various taxation legislation adhered to in the preparation of a BMT Tax Depreciation Schedule. It also provides a full list of the methods used in the preparation of this schedule. BMT Tax Depreciation also provides the details of any corresponding contributors of information wherever the information provided has been used to assist in the preparation of this Capital Allowance and Tax Depreciation Schedule.	
Property depreciation overview	7
This overview is an executive summary of the main depreciation figures outlined in this schedule.	
Diminishing value method summary	9
This forty year summary shows each year's deductions for assets broken down into division 40, division 43 and pooled low-value plant and equipment assets using the diminishing value method of depreciation.	
Prime cost method summary	11
This forty year summary shows each year's deductions for assets broken down into division 40 and division 43 using the prime cost method of depreciation.	
Forty year projection summary	13
This table compares the two methods of depreciating assets, the prime cost method and the diminishing value method, over forty years.	
Division 43 building write-off calculations	14
This is a summary of the original construction cost and the two and a half or four per cent yearly building write-off deduction calculations.	
Appendices	15
Diminishing value method schedule (years 1 - 5)	16
Diminishing value method schedule (years 6 - 10)	17
Diminishing value method schedule (years 11 - 15)	18
Diminishing value method schedule (years 16 - 20)	19
Diminishing value method pooling schedule (years 1 - 5)	20
Diminishing value method pooling schedule (years 6 - 10)	21
Diminishing value method pooling schedule (years 11 - 15)	22

Diminishing value method pooling schedule (years 16 - 20)	23
Prime cost method schedule (years 1 - 5)	24
Prime cost method schedule (years 6 - 10)	25
Prime cost method schedule (years 11 - 15)	26
Prime cost method schedule (years 16 - 20)	27
Glossary of terms	30

This section provides an explanation of the key terms used as noted throughout this Capital Allowance and Tax Depreciation Schedule. The definitions provided also outline the corresponding legislation relevant to each key term. Additional terms not used within this schedule have also been provided to assist the property owner or other relevant parties to understand and read this Capital Allowance and Tax Depreciation Schedule.

The BMT Tax Depreciation Schedule

This Capital Allowance and Tax Depreciation Schedule is prepared and calculated in accordance with legislation applicable at the time of the schedule being prepared.

It is based on BMT Tax Depreciation Pty Ltd's interpretation of the *Income Tax Assessment Act 1997* including *Chapter 2: Liability rules of general application, part 2-10: capital allowances: rules about deductibility of capital expenditure*. This chapter covers but is not limited to topics such as the provision of apportionment of costs, allocation to a low-value pool, cost elements, treatment of jointly owned assets, the diminishing value and prime cost methods of depreciation, and effective life provisions.

This schedule has also been prepared in accordance with legislation outlined in the Australian Taxation Office (ATO) published document *Market Valuations for Tax Purposes* and procedures outlined in the *Australian Accounting Standards AASB 116 Property, Plant and Equipment* and *AASB13 Fair Value Measurement*.

Assets acquired at different times may be subject to differing regulations. All ¹ *plant and equipment items* are identified individually and assigned a value. BMT Tax Depreciation has requested any known cost information for assets prior to the preparation of this schedule. Where known costs have been provided these have been used in the schedule and for those that were not available we have used current estimating procedures and methodology. This schedule is not an asset register; it applies the latest ATO ruling classifications for plant and equipment.

Actual cost information for the building structure and fit-out was not available for all items. The building structure together with plant and equipment items for which actual costs were not available have been estimated using BMT Tax Depreciation cost advice as of 19 March 2014. These figures were then adjusted to the date of construction via the application of ² *building price indices*.

Each BMT Tax Depreciation Schedule prepared:

- Outlines the depreciation deductions available for the ³ *division 43* building write-off allowance
- Outlines the depreciation deductions available for the ⁴ *division 40* plant and equipment assets using both the ⁵ *prime cost method* and the ⁶ *diminishing value method* of depreciation
- Applies an ⁷ *immediate write-off* to applicable assets which cost \$300 or less
- Applies ⁸ *low-value pooling* to applicable ⁹ *low-cost assets* and ¹⁰ *low-value assets*
- Uses ¹¹ *pro-rata calculations* when a property has been acquired part way through a financial year or is rented and income producing for only part of a financial year
- Includes a one page overview to explain the total deductions for each depreciation method
- Provides a forty year projection of all the deductions available for the ¹² *life of the property*
- Calculates depreciation for assets based on their individual ¹³ *effective life* as specified by the ATO

1. See explanation of plant and equipment items within the glossary of key terms.

2. See explanation of building price indices within the glossary of key terms.

3. See explanation of division 43 within the glossary of key terms.

4. See explanation of division 40 within the glossary of key terms.

5. See explanation of prime cost method within the glossary of key terms.

6. See explanation of diminishing value method within the glossary of key terms.

7. See explanation of immediate write-off within the glossary of key terms.

8. See explanation of low-value pooling within the glossary of key terms.

9. See explanation of low-cost assets within the glossary of key terms.

10. See explanation of low-value assets within the glossary of key terms.

11. See explanation of pro-rata calculations within the glossary of key terms.

12. See explanation of the life of the property within the glossary of key terms.

13. See explanation of effective life within the glossary of key terms.

- Includes a table of percentage based groupings of assets with calculation totals for all assets depreciated at a common rate
- Will apply a ¹⁴*split report* in circumstances where the property is owned by more than one person
- Excludes any ¹⁵*non-depreciable* components
- Apportions costs for ¹⁶*preliminaries* and consultant's fees within the schedule
- Provides a glossary of key terms as noted throughout the depreciation schedule for easy use and understanding by the property owner and their Accountant

The following information was used in the preparation of the BMT Tax Depreciation Schedule for 27 Cleve Street MANSFIELD PARK, SA 5012:

- Written and verbal information provided by John & Connie Hansen Trustee for the Hansen Family Super Fund;
- Verbal information provided by City of Port Adelaide Enfield;
- Site inspection conducted by BMT Tax Depreciation on 17 March 2014.

BMT Tax Depreciation Pty Ltd does not accept any contractual, tortious or any other form of liability for any consequences, loss or damage as a result of any other person acting upon or using this tax depreciation schedule.

14. See explanation of split report within the glossary of key terms.

15. See explanation of non-depreciable components within the glossary of key terms.

16. See explanation of preliminaries within the glossary of key terms.

Property depreciation overview

Total depreciation \$85,916

The total depreciation refers to the amount of depreciation entitlements available to John & Connie Hansen Trustee for the Hansen Family Super Fund for the life of the property based on an ownership ratio of 100%. This figure should not be confused with the purchase price as this amount is a written down value for properties that are not brand new and excludes non-depreciable components. Please refer to both the diminishing value method schedule (years one - five) and the prime cost method schedule (years one-five) for calculations showing the total depreciation entitlements for both depreciation methods.

Total division 40: plant and equipment allowance \$15,868

The total division 40: plant and equipment allowance refers to the amount of depreciation available for items listed under the current ATO Taxation Ruling as plant and equipment assets. This figure is calculated based on an ownership ratio of 100%. A full list of plant and equipment assets identified as being contained within this property can be found within the schedules in the appendices which begin on page 16.

Division 43: original construction cost \$0

Due to the age of the property, the original construction costs do not qualify for depreciation.

Division 43: written down construction cost at settlement date \$70,048

The division 43: written down construction cost at settlement date is the total depreciation available to claim on the building based on the ownership ratio of 100%. As the original building does not qualify for depreciation, this figure shows a written down value of qualifying renovation works excluding any building depreciation prior to purchase. It does not include division 40: plant and equipment items outlined above. This figure can be found within the division 43 building write-off calculations table on page 16.

Diminishing value method 2013 - 2014 \$4,708

This is the total claim for division 40 and division 43 for the current financial year if the diminishing value method is selected and applied based on an ownership ratio of 100%. The diminishing value method provides higher deductions than the prime cost method in the short term, but depreciates to smaller values over the latter part of the forty year schedule. The diminishing value method schedule (years one - five) table showing the calculations for the first year deductions using this method can be found on page 16.

Prime cost method 2013 - 2014 \$4,357

This is the total depreciation claim for the current financial year if the prime cost method is applied based on the ownership ratio of 100%. The prime cost method provides smaller depreciation claims

than the diminishing value method in the first few years, but returns higher deductions over the latter years of the forty year schedule. The deductions derived using this method remain more consistent over the life of the property. The prime cost method schedule (years one - five) table which shows the calculations for the first year deductions using this method can be found on page 24.

Diminishing value method summary

This table summarises the plant and equipment assets contained in the property and the corresponding claim for these assets over forty years using the diminishing value method of depreciation. The total depreciation claim for assets that have been allocated to the low-value pool is also included.

Date	Division 40			Division 43	Total
	Effective life plant	Pooled plant	Total division 40		
25-Sep-10 to 30-Jun-11	2,281	0	2,281	1,994	4,275
1-Jul-11 to 30-Jun-12	837	2,104	2,941	2,601	5,542
1-Jul-12 to 30-Jun-13	513	1,679	2,192	2,601	4,793
1-Jul-13 to 30-Jun-14	687	1,380	2,067	2,641	4,708
1-Jul-14 to 30-Jun-15	581	1,230	1,811	2,653	4,464
1-Jul-15 to 30-Jun-16	472	768	1,240	2,653	3,893
1-Jul-16 to 30-Jun-17	243	797	1,040	2,653	3,693
1-Jul-17 to 30-Jun-18	0	862	862	2,653	3,515
1-Jul-18 to 30-Jun-19	0	538	538	2,653	3,191
1-Jul-19 to 30-Jun-20	0	338	338	2,653	2,991
1-Jul-20 to 30-Jun-21	0	212	212	2,653	2,865
1-Jul-21 to 30-Jun-22	0	133	133	2,653	2,786
1-Jul-22 to 30-Jun-23	0	83	83	2,653	2,736
1-Jul-23 to 30-Jun-24	0	51	51	2,653	2,704
1-Jul-24 to 30-Jun-25	0	33	33	2,653	2,686
1-Jul-25 to 30-Jun-26	0	18	18	2,653	2,671
1-Jul-26 to 30-Jun-27	0	13	13	2,653	2,666
1-Jul-27 to 30-Jun-28	0	6	6	2,653	2,659
1-Jul-28 to 30-Jun-29	0	4	4	2,653	2,657
1-Jul-29 to 30-Jun-30	0	3	3	2,653	2,656
1-Jul-30 to 30-Jun-31	0	1	1	2,653	2,654
1-Jul-31 to 30-Jun-32	0	1	1	2,653	2,654
1-Jul-32 to 30-Jun-33	0	0	0	2,653	2,653
1-Jul-33 to 30-Jun-34	0	0	0	2,453	2,453
1-Jul-34 to 30-Jun-35	0	0	0	1,278	1,278
1-Jul-35 to 30-Jun-36	0	0	0	1,278	1,278
1-Jul-36 to 30-Jun-37	0	0	0	1,278	1,278
1-Jul-37 to 30-Jun-38	0	0	0	1,251	1,251
1-Jul-38 to 30-Jun-39	0	0	0	865	865
1-Jul-39 to 30-Jun-40	0	0	0	724	724
1-Jul-40 to 30-Jun-41	0	0	0	52	52
1-Jul-41 to 30-Jun-42	0	0	0	52	52
1-Jul-42 to 30-Jun-43	0	0	0	52	52
1-Jul-43 to 30-Jun-44	0	0	0	52	52

Date	Division 40			Division 43	Total
	Effective life plant	Pooled plant	Total division 40		
1-Jul-44 to 30-Jun-45	0	0	0	52	52
1-Jul-45 to 30-Jun-46	0	0	0	52	52
1-Jul-46 to 30-Jun-47	0	0	0	52	52
1-Jul-47 to 30-Jun-48	0	0	0	52	52
1-Jul-48 to 30-Jun-49	0	0	0	52	52
1-Jul-49 to 30-Jun-50	0	0	0	52	52
1-Jul-50 to 30-Jun-51	0	0	0	52	52

The Diminishing value method is one of two methods of claiming depreciation deductions. The method chosen will depend on individual circumstances and financial goals. It is best to speak with an Accountant or Financial Advisor to ensure the best results are obtained. The method chosen will be used for the remainder of the life of the tax depreciation schedule.

Prime cost method summary

This table summarises the plant and equipment assets found contained in the property and the corresponding claim for these assets over forty years using the prime cost method of depreciation.

Date	Effective Life Plant	Division 43	Total
25-Sep-10 to 30-Jun-11	1,140	1,994	3,134
1-Jul-11 to 30-Jun-12	1,493	2,601	4,094
1-Jul-12 to 30-Jun-13	1,508	2,601	4,109
1-Jul-13 to 30-Jun-14	1,716	2,641	4,357
1-Jul-14 to 30-Jun-15	1,827	2,653	4,480
1-Jul-15 to 30-Jun-16	1,569	2,653	4,222
1-Jul-16 to 30-Jun-17	1,186	2,653	3,839
1-Jul-17 to 30-Jun-18	1,093	2,653	3,746
1-Jul-18 to 30-Jun-19	1,093	2,653	3,746
1-Jul-19 to 30-Jun-20	1,093	2,653	3,746
1-Jul-20 to 30-Jun-21	703	2,653	3,356
1-Jul-21 to 30-Jun-22	596	2,653	3,249
1-Jul-22 to 30-Jun-23	422	2,653	3,075
1-Jul-23 to 30-Jun-24	269	2,653	2,922
1-Jul-24 to 30-Jun-25	144	2,653	2,797
1-Jul-25 to 30-Jun-26	16	2,653	2,669
1-Jul-26 to 30-Jun-27	0	2,653	2,653
1-Jul-27 to 30-Jun-28	0	2,653	2,653
1-Jul-28 to 30-Jun-29	0	2,653	2,653
1-Jul-29 to 30-Jun-30	0	2,653	2,653
1-Jul-30 to 30-Jun-31	0	2,653	2,653
1-Jul-31 to 30-Jun-32	0	2,653	2,653
1-Jul-32 to 30-Jun-33	0	2,653	2,653
1-Jul-33 to 30-Jun-34	0	2,453	2,453
1-Jul-34 to 30-Jun-35	0	1,278	1,278
1-Jul-35 to 30-Jun-36	0	1,278	1,278
1-Jul-36 to 30-Jun-37	0	1,278	1,278
1-Jul-37 to 30-Jun-38	0	1,251	1,251
1-Jul-38 to 30-Jun-39	0	865	865
1-Jul-39 to 30-Jun-40	0	724	724
1-Jul-40 to 30-Jun-41	0	52	52
1-Jul-41 to 30-Jun-42	0	52	52
1-Jul-42 to 30-Jun-43	0	52	52
1-Jul-43 to 30-Jun-44	0	52	52
1-Jul-44 to 30-Jun-45	0	52	52
1-Jul-45 to 30-Jun-46	0	52	52
1-Jul-46 to 30-Jun-47	0	52	52

Date	Effective Life Plant	Division 43	Total
1-Jul-47 to 30-Jun-48	0	52	52
1-Jul-48 to 30-Jun-49	0	52	52
1-Jul-49 to 30-Jun-50	0	52	52
1-Jul-50 to 30-Jun-51	0	52	52

The Prime cost method is one of two methods of claiming depreciation deductions. The method chosen will depend on individual circumstances and financial goals. It is best to speak with an Accountant or Financial Advisor to ensure the best results are obtained. The method chosen will be used for the remainder of the life of the report.

Forty year projection summary

The forty year projection summary outlines the total yearly deductions available over the lifetime of the property. These totals include the division 43 and division 40 components as a total yearly deduction. Both the diminishing and prime cost method values are shown for easy comparison.

Years 1-21			Years 22-41		
Period	Depreciation		Period	Depreciation	
	DV (\$)	PC (\$)		DV (\$)	PC (\$)
25-Sep-10 to 30-Jun-11	4,275	3,134	1-Jul-31 to 30-Jun-32	2,654	2,653
1-Jul-11 to 30-Jun-12	5,542	4,094	1-Jul-32 to 30-Jun-33	2,653	2,653
1-Jul-12 to 30-Jun-13	4,793	4,109	1-Jul-33 to 30-Jun-34	2,453	2,453
1-Jul-13 to 30-Jun-14	4,708	4,357	1-Jul-34 to 30-Jun-35	1,278	1,278
1-Jul-14 to 30-Jun-15	4,464	4,480	1-Jul-35 to 30-Jun-36	1,278	1,278
1-Jul-15 to 30-Jun-16	3,893	4,222	1-Jul-36 to 30-Jun-37	1,278	1,278
1-Jul-16 to 30-Jun-17	3,693	3,839	1-Jul-37 to 30-Jun-38	1,251	1,251
1-Jul-17 to 30-Jun-18	3,515	3,746	1-Jul-38 to 30-Jun-39	865	865
1-Jul-18 to 30-Jun-19	3,191	3,746	1-Jul-39 to 30-Jun-40	724	724
1-Jul-19 to 30-Jun-20	2,991	3,746	1-Jul-40 to 30-Jun-41	52	52
1-Jul-20 to 30-Jun-21	2,865	3,356	1-Jul-41 to 30-Jun-42	52	52
1-Jul-21 to 30-Jun-22	2,786	3,249	1-Jul-42 to 30-Jun-43	52	52
1-Jul-22 to 30-Jun-23	2,736	3,075	1-Jul-43 to 30-Jun-44	52	52
1-Jul-23 to 30-Jun-24	2,704	2,922	1-Jul-44 to 30-Jun-45	52	52
1-Jul-24 to 30-Jun-25	2,686	2,797	1-Jul-45 to 30-Jun-46	52	52
1-Jul-25 to 30-Jun-26	2,671	2,669	1-Jul-46 to 30-Jun-47	52	52
1-Jul-26 to 30-Jun-27	2,666	2,653	1-Jul-47 to 30-Jun-48	52	52
1-Jul-27 to 30-Jun-28	2,659	2,653	1-Jul-48 to 30-Jun-49	52	52
1-Jul-28 to 30-Jun-29	2,657	2,653	1-Jul-49 to 30-Jun-50	52	52
1-Jul-29 to 30-Jun-30	2,656	2,653	1-Jul-50 to 30-Jun-51	52	52
1-Jul-30 to 30-Jun-31	2,654	2,653	Total	85,811	85,811

Division 43 building write-off calculations

The table below outlines the division 43 building write-off allowance available to be claimed for additional works completed to this property. The depreciation calculated has been deemed to be on structural elements only completed after the ATO legislated dates.

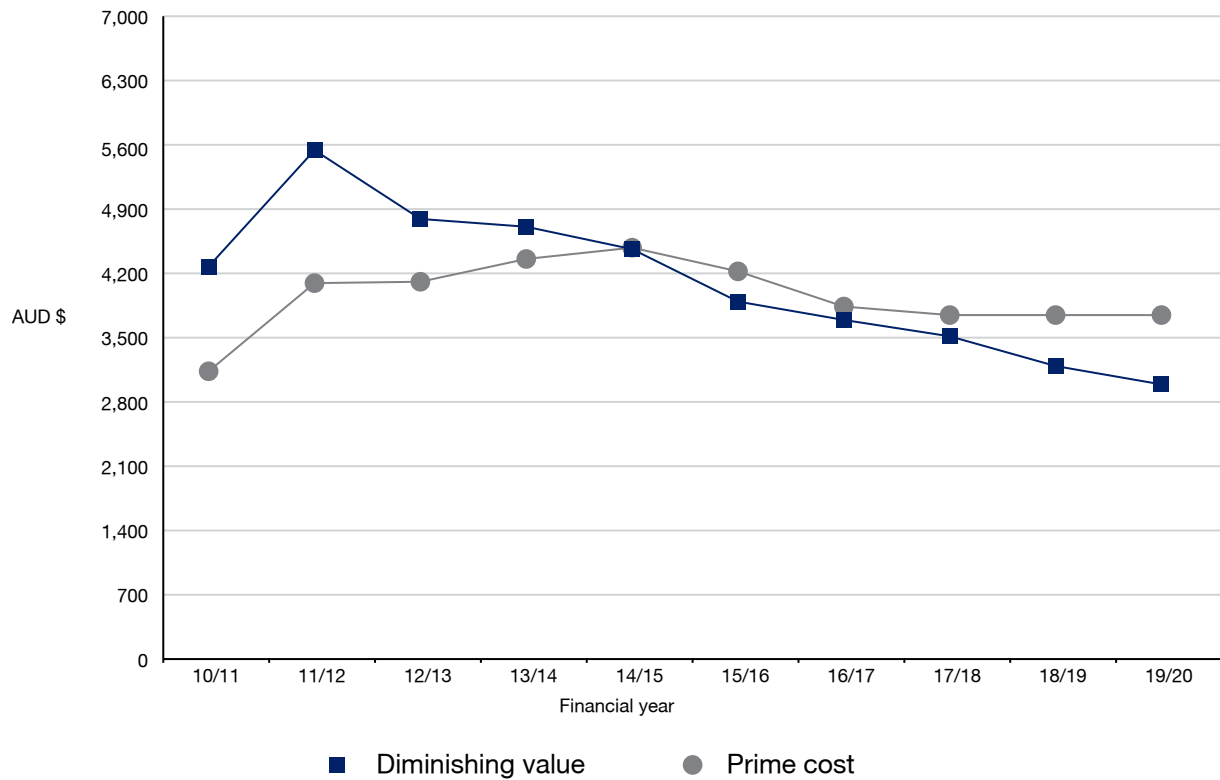
Works	Date	Rate	Original cost
Additional Works	9-May-94	2.5 %	\$55,000
Additional Works	19-Jun-98	2.5 %	\$16,500
Additional Works	5-May-00	2.5 %	\$32,500
Additional Works	15-Aug-13	2.5 %	\$595
Additional Works	9-Oct-13	2.5 %	\$1,474

Calculation for write-off provision:

Period	Division 43 (\$)
25-Sep-10 to 30-Jun-11	1,994
1-Jul-11 to 30-Jun-12	2,601
1-Jul-12 to 30-Jun-13	2,601
1-Jul-13 to 30-Jun-14	2,641
1-Jul-14 to 30-Jun-15	2,653
1-Jul-15 to 30-Jun-16	2,653
1-Jul-16 to 30-Jun-17	2,653
1-Jul-17 to 30-Jun-18	2,653
1-Jul-18 to 30-Jun-19	2,653
1-Jul-19 to 30-Jun-20	2,653

Appendices

Diminishing value and prime cost method twenty year graph



Diminishing value method schedule (years one - five)

Tax Grouping	Total Cost @ 25-Sep-10 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-15 (\$)
				25-Sep-10 30-Jun-11 Year 1 (\$)	1-Jul-11 30-Jun-12 Year 2 (\$)	1-Jul-12 30-Jun-13 Year 3 (\$)	1-Jul-13 30-Jun-14 Year 4 (\$)	1-Jul-14 30-Jun-15 Year 5 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	542	10	20.0 %	83	0	0	0	0	70
Bathroom Accessories - Freestanding	147	5	40.0 %	45	0	0	0	0	16
Carpet	2,259	10	20.0 %	345	383	306	245	0	612
Ceiling Fans	984	5	40.0 %	301	0	0	0	0	104
Cooktops	732	12	16.7 %	93	0	0	0	0	97
Curtains	2,169	6	33.3 %	553	0	0	0	0	246
Dishwashers	1,425	10	20.0 %	218	241	0	0	0	236
Door Closers	151	10	20.0 %	23	0	0	0	0	19
Garbage Bins	297	10	20.0 %	45	0	0	0	0	38
Heat, Light & Exhaust Units	286	10	20.0 %	44	0	0	0	0	37
Heaters - Gas	577	15	13.3 %	59	0	0	0	0	79
Light Shades	553	5	40.0 %	169	0	0	0	0	59
Ovens	1,461	12	16.7 %	186	213	177	0	0	346
Rangehoods	492	12	16.7 %	63	0	0	0	0	65
Smoke Alarms	212	6	33.3 %	54	0	0	0	0	24
Subtotal	12,287			2,281	837	483	245	0	2,048
Additional									
Hot Water Systems (18-May-13)	1,485	12	16.7 %	0	0	30	243	202	1,010
Air Conditioner - Split Systems (09-Jan-14)	2,096	10	20.0 %	0	0	0	199	379	1,518
Subtotal	3,581			0	0	30	442	581	2,528
Total Division 40 - Effective Life Rate	10,258			2,281	837	513	687	581	2,528
Total Division 40 - Pooled (Page 20)	5,610			0	2,104	1,679	1,380	1,230	2,048
Total Division 40	15,868			2,281	2,941	2,192	2,067	1,811	4,576
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	70,048			1,994	2,601	2,601	2,641	2,653	57,558
Total Depreciation	85,916			4,275	5,542	4,793	4,708	4,464	62,134

This depreciation schedule is for use only by the party to whom directed and for no other purpose without the written consent of BMT Tax Depreciation Pty Ltd. No responsibility is accepted for any third party that may rely on the whole or any part of the content of this schedule. Should the purchaser not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied. All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

Diminishing value method schedule (years six - ten)

Tax Grouping	Total Cost @ 1-Jul-15 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-20 (\$)
				1-Jul-15 30-Jun-16 Year 6 (\$)	1-Jul-16 30-Jun-17 Year 7 (\$)	1-Jul-17 30-Jun-18 Year 8 (\$)	1-Jul-18 30-Jun-19 Year 9 (\$)	1-Jul-19 30-Jun-20 Year 10 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	70	10	37.5 %	0	0	0	0	0	7
Bathroom Accessories - Freestanding	16	5	37.5 %	0	0	0	0	0	1
Carpet	612	10	37.5 %	0	0	0	0	0	58
Ceiling Fans	104	5	37.5 %	0	0	0	0	0	10
Cooktops	97	12	37.5 %	0	0	0	0	0	9
Curtains	246	6	37.5 %	0	0	0	0	0	23
Dishwashers	236	10	37.5 %	0	0	0	0	0	22
Door Closers	19	10	37.5 %	0	0	0	0	0	1
Garbage Bins	38	10	37.5 %	0	0	0	0	0	4
Heat, Light & Exhaust Units	37	10	37.5 %	0	0	0	0	0	4
Heaters - Gas	79	15	37.5 %	0	0	0	0	0	7
Light Shades	59	5	37.5 %	0	0	0	0	0	6
Ovens	346	12	37.5 %	0	0	0	0	0	32
Rangehoods	65	12	37.5 %	0	0	0	0	0	6
Smoke Alarms	24	6	37.5 %	0	0	0	0	0	2
Subtotal	2,048			0	0	0	0	0	192
Additional									
Hot Water Systems (18-May-13)	1,010	12	16.7 %	168	0	0	0	0	129
Air Conditioner - Split Systems (09-Jan-14)	1,518	10	20.0 %	304	243	0	0	0	237
Subtotal	2,528			472	243	0	0	0	366
Total Division 40 - Effective Life Rate	2,528			472	243	0	0	0	0
Total Division 40 - Pooled (Page 21)	2,048			768	797	862	538	338	558
Total Division 40	4,576			1,240	1,040	862	538	338	558
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	57,558			2,653	2,653	2,653	2,653	2,653	44,293
Total Depreciation	62,134			3,893	3,693	3,515	3,191	2,991	44,851

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Diminishing value method schedule (years eleven - fifteen)

Tax Grouping	Total Cost @ 1-Jul-20 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-25 (\$)
				1-Jul-20 30-Jun-21 Year 11 (\$)	1-Jul-21 30-Jun-22 Year 12 (\$)	1-Jul-22 30-Jun-23 Year 13 (\$)	1-Jul-23 30-Jun-24 Year 14 (\$)	1-Jul-24 30-Jun-25 Year 15 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	7	10	37.5 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	1	5	37.5 %	0	0	0	0	0	0
Carpet	58	10	37.5 %	0	0	0	0	0	6
Ceiling Fans	10	5	37.5 %	0	0	0	0	0	0
Cooktops	9	12	37.5 %	0	0	0	0	0	0
Curtains	23	6	37.5 %	0	0	0	0	0	2
Dishwashers	22	10	37.5 %	0	0	0	0	0	2
Door Closers	1	10	37.5 %	0	0	0	0	0	0
Garbage Bins	4	10	37.5 %	0	0	0	0	0	0
Heat, Light & Exhaust Units	4	10	37.5 %	0	0	0	0	0	0
Heaters - Gas	7	15	37.5 %	0	0	0	0	0	0
Light Shades	6	5	37.5 %	0	0	0	0	0	0
Ovens	32	12	37.5 %	0	0	0	0	0	2
Rangehoods	6	12	37.5 %	0	0	0	0	0	0
Smoke Alarms	2	6	37.5 %	0	0	0	0	0	0
Subtotal	192			0	0	0	0	0	12
Additional									
Hot Water Systems (18-May-13)	129	12	37.5 %	0	0	0	0	0	12
Air Conditioner - Split Systems (09-Jan-14)	237	10	37.5 %	0	0	0	0	0	22
Subtotal	366			0	0	0	0	0	34
Total Division 40 - Effective Life Rate	0			0	0	0	0	0	0
Total Division 40 - Pooled (Page 22)	558			212	133	83	51	33	46
Total Division 40	558			212	133	83	51	33	46
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	44,293			2,653	2,653	2,653	2,653	2,653	31,028
Total Depreciation	44,851			2,865	2,786	2,736	2,704	2,686	31,074

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Diminishing value method schedule (years sixteen - twenty)

Tax Grouping	Total Cost @ 1-Jul-25 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-30 (\$)
				1-Jul-25 30-Jun-26 Year 16 (\$)	1-Jul-26 30-Jun-27 Year 17 (\$)	1-Jul-27 30-Jun-28 Year 18 (\$)	1-Jul-28 30-Jun-29 Year 19 (\$)	1-Jul-29 30-Jun-30 Year 20 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	0	10	20.0 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	40.0 %	0	0	0	0	0	0
Carpet	6	10	37.5 %	0	0	0	0	0	0
Ceiling Fans	0	5	40.0 %	0	0	0	0	0	0
Cooktops	0	12	16.7 %	0	0	0	0	0	0
Curtains	2	6	37.5 %	0	0	0	0	0	0
Dishwashers	2	10	37.5 %	0	0	0	0	0	0
Door Closers	0	10	20.0 %	0	0	0	0	0	0
Garbage Bins	0	10	20.0 %	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	20.0 %	0	0	0	0	0	0
Heaters - Gas	0	15	13.3 %	0	0	0	0	0	0
Light Shades	0	5	40.0 %	0	0	0	0	0	0
Ovens	2	12	37.5 %	0	0	0	0	0	0
Rangehoods	0	12	16.7 %	0	0	0	0	0	0
Smoke Alarms	0	6	33.3 %	0	0	0	0	0	0
Subtotal	12			0	0	0	0	0	0
Additional									
Hot Water Systems (18-May-13)	12	12	37.5 %	0	0	0	0	0	0
Air Conditioner - Split Systems (09-Jan-14)	22	10	37.5 %	0	0	0	0	0	2
Subtotal	34			0	0	0	0	0	2
Total Division 40 - Effective Life Rate	0			0	0	0	0	0	0
Total Division 40 - Pooled (Page 23)	46			18	13	6	4	3	2
Total Division 40	46			18	13	6	4	3	2
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	31,028			2,653	2,653	2,653	2,653	2,653	17,763
Total Depreciation	31,074			2,671	2,666	2,659	2,657	2,656	17,765

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Diminishing value method pooling schedule (years one - five)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-15 (\$)
				25-Sep-10 30-Jun-11 Year 1 (\$)	1-Jul-11 30-Jun-12 Year 2 (\$)	1-Jul-12 30-Jun-13 Year 3 (\$)	1-Jul-13 30-Jun-14 Year 4 (\$)	1-Jul-14 30-Jun-15 Year 5 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing									
Air Conditioner - Room Units	*459	10	37.5 %	0	172	108	67	42	70
Bathroom Accessories - Freestanding	*102	5	37.5 %	0	38	24	15	9	16
Carpet	*980	10	37.5 %	0	0	0	0	368	612
Ceiling Fans	*683	5	37.5 %	0	256	160	100	63	104
Cooktops	*639	12	37.5 %	0	240	150	93	59	97
Curtains	*1,616	6	37.5 %	0	606	379	237	148	246
Dishwashers	*966	10	37.5 %	0	0	362	227	141	236
Door Closers	*128	10	37.5 %	0	48	30	19	12	19
Garbage Bins	*252	10	37.5 %	0	95	59	37	23	38
Heat, Light & Exhaust Units	*242	10	37.5 %	0	91	57	35	22	37
Heaters - Gas	*518	15	37.5 %	0	194	122	76	47	79
Light Shades	*384	5	37.5 %	0	144	90	56	35	59
Ovens	*885	12	37.5 %	0	0	0	332	207	346
Rangehoods	*429	12	37.5 %	0	161	101	63	39	65
Smoke Alarms	*158	6	37.5 %	0	59	37	23	15	24
Subtotal	0			0	2,104	1,679	1,380	1,230	2,048
Additional									
Hot Water Systems (18-May-13)	*842	12	0.0 %	0	0	0	0	0	0
Air Conditioner - Split Systems (09-Jan-14)	*971	10	0.0 %	0	0	0	0	0	0
Subtotal	0			0	0	0	0	0	0
Total - Pooled Items	5,610			0	2,104	1,679	1,380	1,230	2,048

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Diminishing value method pooling schedule (years six - ten)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-20 (\$)
				1-Jul-15 30-Jun-16 Year 6 (\$)	1-Jul-16 30-Jun-17 Year 7 (\$)	1-Jul-17 30-Jun-18 Year 8 (\$)	1-Jul-18 30-Jun-19 Year 9 (\$)	1-Jul-19 30-Jun-20 Year 10 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing									
Air Conditioner - Room Units	70	10	37.5 %	26	17	10	6	4	7
Bathroom Accessories - Freestanding	16	5	37.5 %	6	4	2	2	1	1
Carpet	612	10	37.5 %	230	143	90	56	35	58
Ceiling Fans	104	5	37.5 %	39	24	15	10	6	10
Cooktops	97	12	37.5 %	36	23	14	9	6	9
Curtains	246	6	37.5 %	92	58	36	23	14	23
Dishwashers	236	10	37.5 %	89	55	35	21	14	22
Door Closers	19	10	37.5 %	7	5	3	2	1	1
Garbage Bins	38	10	37.5 %	14	9	6	3	2	4
Heat, Light & Exhaust Units	37	10	37.5 %	14	9	5	3	2	4
Heaters - Gas	79	15	37.5 %	30	18	12	7	5	7
Light Shades	59	5	37.5 %	22	14	9	5	3	6
Ovens	346	12	37.5 %	130	81	51	32	20	32
Rangehoods	65	12	37.5 %	24	15	10	6	4	6
Smoke Alarms	24	6	37.5 %	9	6	3	2	2	2
Subtotal	2,048			768	481	301	187	119	192
Additional									
Hot Water Systems (18-May-13)	*842	12	37.5 %	0	316	197	123	77	129
Air Conditioner - Split Systems (09-Jan-14)	*971	10	37.5 %	0	0	364	228	142	237
Subtotal	0			0	316	561	351	219	366
Total - Pooled Items	2,048			768	797	862	538	338	558

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Diminishing value method pooling schedule (years eleven - fifteen)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-25 (\$)
				1-Jul-20 30-Jun-21 Year 11 (\$)	1-Jul-21 30-Jun-22 Year 12 (\$)	1-Jul-22 30-Jun-23 Year 13 (\$)	1-Jul-23 30-Jun-24 Year 14 (\$)	1-Jul-24 30-Jun-25 Year 15 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing									
Air Conditioner - Room Units	7	10	37.5 %	3	2	1	1	0	0
Bathroom Accessories - Freestanding	1	5	37.5 %	1	0	0	0	0	0
Carpet	58	10	37.5 %	22	14	8	5	3	6
Ceiling Fans	10	5	37.5 %	4	2	2	1	1	0
Cooktops	9	12	37.5 %	3	2	2	1	1	0
Curtains	23	6	37.5 %	9	5	3	2	2	2
Dishwashers	22	10	37.5 %	8	5	3	2	2	2
Door Closers	1	10	37.5 %	1	0	0	0	0	0
Garbage Bins	4	10	37.5 %	2	1	1	0	0	0
Heat, Light & Exhaust Units	4	10	37.5 %	2	1	1	0	0	0
Heaters - Gas	7	15	37.5 %	3	2	1	1	0	0
Light Shades	6	5	37.5 %	2	2	1	1	0	0
Ovens	32	12	37.5 %	12	8	5	3	2	2
Rangehoods	6	12	37.5 %	2	2	1	1	0	0
Smoke Alarms	2	6	37.5 %	1	1	0	0	0	0
Subtotal	192			75	47	29	18	11	12
Additional									
Hot Water Systems (18-May-13)	129	12	37.5 %	48	30	19	12	8	12
Air Conditioner - Split Systems (09-Jan-14)	237	10	37.5 %	89	56	35	21	14	22
Subtotal	366			137	86	54	33	22	34
Total - Pooled Items	558			212	133	83	51	33	46

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Diminishing value method pooling schedule (years sixteen - twenty)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-30 (\$)
				1-Jul-25 30-Jun-26 Year 16 (\$)	1-Jul-26 30-Jun-27 Year 17 (\$)	1-Jul-27 30-Jun-28 Year 18 (\$)	1-Jul-28 30-Jun-29 Year 19 (\$)	1-Jul-29 30-Jun-30 Year 20 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing									
Air Conditioner - Room Units	0	10	0.0 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Carpet	6	10	37.5 %	2	2	1	1	0	0
Ceiling Fans	0	5	0.0 %	0	0	0	0	0	0
Cooktops	0	12	0.0 %	0	0	0	0	0	0
Curtains	2	6	37.5 %	1	1	0	0	0	0
Dishwashers	2	10	37.5 %	1	1	0	0	0	0
Door Closers	0	10	0.0 %	0	0	0	0	0	0
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	0.0 %	0	0	0	0	0	0
Heaters - Gas	0	15	0.0 %	0	0	0	0	0	0
Light Shades	0	5	0.0 %	0	0	0	0	0	0
Ovens	2	12	37.5 %	1	1	0	0	0	0
Rangehoods	0	12	0.0 %	0	0	0	0	0	0
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Subtotal	12			5	5	1	1	0	0
Additional									
Hot Water Systems (18-May-13)	12	12	37.5 %	5	3	2	1	1	0
Air Conditioner - Split Systems (09-Jan-14)	22	10	37.5 %	8	5	3	2	2	2
Subtotal	34			13	8	5	3	3	2
Total - Pooled Items	46			18	13	6	4	3	2

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Prime cost method schedule (years one - five)

Tax Grouping	Total Cost @ 25-Sep-10 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-15 (\$)
				25-Sep-10 30-Jun-11 Year 1 (\$)	1-Jul-11 30-Jun-12 Year 2 (\$)	1-Jul-12 30-Jun-13 Year 3 (\$)	1-Jul-13 30-Jun-14 Year 4 (\$)	1-Jul-14 30-Jun-15 Year 5 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	542	10	10.0 %	41	54	54	54	54	285
Bathroom Accessories - Freestanding	147	5	20.0 %	22	29	29	29	29	9
Carpet	2,259	10	10.0 %	173	226	226	226	226	1,182
Ceiling Fans	984	5	20.0 %	150	197	197	197	197	46
Cooktops	732	12	8.3 %	47	61	61	61	61	441
Curtains	2,169	6	16.7 %	276	362	362	362	362	445
Dishwashers	1,425	10	10.0 %	109	143	143	143	143	744
Door Closers	151	10	10.0 %	12	15	15	15	15	79
Garbage Bins	297	10	10.0 %	23	30	30	30	30	154
Heat, Light & Exhaust Units	286	10	10.0 %	22	29	29	29	29	148
Heaters - Gas	577	15	6.7 %	29	38	38	38	38	396
Light Shades	553	5	20.0 %	85	111	111	111	111	24
Ovens	1,461	12	8.3 %	93	122	122	122	122	880
Rangehoods	492	12	8.3 %	31	41	41	41	41	297
Smoke Alarms	212	6	16.7 %	27	35	35	35	35	45
Subtotal	12,287			1,140	1,493	1,493	1,493	1,493	5,175
Additional									
Hot Water Systems (18-May-13)	1,485	12	8.3 %	0	0	15	124	124	1,222
Air Conditioner - Split Systems (09-Jan-14)	2,096	10	10.0 %	0	0	0	99	210	1,787
Subtotal	3,581			0	0	15	223	334	3,009
Total Division 40 - Effective Life Rate	15,868			1,140	1,493	1,508	1,716	1,827	8,184
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	70,048			1,994	2,601	2,601	2,641	2,653	57,558
Total Depreciation	85,916			3,134	4,094	4,109	4,357	4,480	65,742

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Prime cost method schedule (years six - ten)

Tax Grouping	Total Cost @ 1-Jul-15 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-20 (\$)
				1-Jul-15 30-Jun-16 Year 6 (\$)	1-Jul-16 30-Jun-17 Year 7 (\$)	1-Jul-17 30-Jun-18 Year 8 (\$)	1-Jul-18 30-Jun-19 Year 9 (\$)	1-Jul-19 30-Jun-20 Year 10 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	285	10	10.0 %	54	54	54	54	54	15
Bathroom Accessories - Freestanding	9	5	20.0 %	9	0	0	0	0	0
Carpet	1,182	10	10.0 %	226	226	226	226	226	52
Ceiling Fans	46	5	20.0 %	46	0	0	0	0	0
Cooktops	441	12	8.3 %	61	61	61	61	61	136
Curtains	445	6	16.7 %	362	83	0	0	0	0
Dishwashers	744	10	10.0 %	143	143	143	143	143	29
Door Closers	79	10	10.0 %	15	15	15	15	15	4
Garbage Bins	154	10	10.0 %	30	30	30	30	30	4
Heat, Light & Exhaust Units	148	10	10.0 %	29	29	29	29	29	3
Heaters - Gas	396	15	6.7 %	38	38	38	38	38	206
Light Shades	24	5	20.0 %	24	0	0	0	0	0
Ovens	880	12	8.3 %	122	122	122	122	122	270
Rangehoods	297	12	8.3 %	41	41	41	41	41	92
Smoke Alarms	45	6	16.7 %	35	10	0	0	0	0
Subtotal	5,175			1,235	852	759	759	759	811
Additional									
Hot Water Systems (18-May-13)	1,222	12	8.3 %	124	124	124	124	124	602
Air Conditioner - Split Systems (09-Jan-14)	1,787	10	10.0 %	210	210	210	210	210	737
Subtotal	3,009			334	334	334	334	334	1,339
Total Division 40 - Effective Life Rate	8,184			1,569	1,186	1,093	1,093	1,093	2,150
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	57,558			2,653	2,653	2,653	2,653	2,653	44,293
Total Depreciation	65,742			4,222	3,839	3,746	3,746	3,746	46,443

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Prime cost method schedule (years eleven - fifteen)

Tax Grouping	Total Cost @ 1-Jul-20 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-25 (\$)
				1-Jul-20 30-Jun-21 Year 11 (\$)	1-Jul-21 30-Jun-22 Year 12 (\$)	1-Jul-22 30-Jun-23 Year 13 (\$)	1-Jul-23 30-Jun-24 Year 14 (\$)	1-Jul-24 30-Jun-25 Year 15 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	15	10	10.0 %	15	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	20.0 %	0	0	0	0	0	0
Carpet	52	10	10.0 %	52	0	0	0	0	0
Ceiling Fans	0	5	20.0 %	0	0	0	0	0	0
Cooktops	136	12	8.3 %	61	61	14	0	0	0
Curtains	0	6	16.7 %	0	0	0	0	0	0
Dishwashers	29	10	10.0 %	29	0	0	0	0	0
Door Closers	4	10	10.0 %	4	0	0	0	0	0
Garbage Bins	4	10	10.0 %	4	0	0	0	0	0
Heat, Light & Exhaust Units	3	10	10.0 %	3	0	0	0	0	0
Heaters - Gas	206	15	6.7 %	38	38	38	38	38	16
Light Shades	0	5	20.0 %	0	0	0	0	0	0
Ovens	270	12	8.3 %	122	122	26	0	0	0
Rangehoods	92	12	8.3 %	41	41	10	0	0	0
Smoke Alarms	0	6	16.7 %	0	0	0	0	0	0
Subtotal	811			369	262	88	38	38	16
Additional									
Hot Water Systems (18-May-13)	602	12	8.3 %	124	124	124	124	106	0
Air Conditioner - Split Systems (09-Jan-14)	737	10	10.0 %	210	210	210	107	0	0
Subtotal	1,339			334	334	334	231	106	0
Total Division 40 - Effective Life Rate	2,150			703	596	422	269	144	16
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	44,293			2,653	2,653	2,653	2,653	2,653	31,028
Total Depreciation	46,443			3,356	3,249	3,075	2,922	2,797	31,044

This depreciation schedule is for use only by the party to whom directed and for no other purpose without the written consent of BMT Tax Depreciation Pty Ltd. No responsibility is accepted for any third party that may rely on the whole or any part of the content of this schedule.

Prime cost method schedule (years sixteen - twenty)

Tax Grouping	Total Cost @ 1-Jul-25 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-30 (\$)
				1-Jul-25 30-Jun-26 Year 16 (\$)	1-Jul-26 30-Jun-27 Year 17 (\$)	1-Jul-27 30-Jun-28 Year 18 (\$)	1-Jul-28 30-Jun-29 Year 19 (\$)	1-Jul-29 30-Jun-30 Year 20 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing									
Air Conditioner - Room Units	0	10	10.0 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	20.0 %	0	0	0	0	0	0
Carpet	0	10	10.0 %	0	0	0	0	0	0
Ceiling Fans	0	5	20.0 %	0	0	0	0	0	0
Cooktops	0	12	8.3 %	0	0	0	0	0	0
Curtains	0	6	16.7 %	0	0	0	0	0	0
Dishwashers	0	10	10.0 %	0	0	0	0	0	0
Door Closers	0	10	10.0 %	0	0	0	0	0	0
Garbage Bins	0	10	10.0 %	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	10.0 %	0	0	0	0	0	0
Heaters - Gas	16	15	6.7 %	16	0	0	0	0	0
Light Shades	0	5	20.0 %	0	0	0	0	0	0
Ovens	0	12	8.3 %	0	0	0	0	0	0
Rangehoods	0	12	8.3 %	0	0	0	0	0	0
Smoke Alarms	0	6	16.7 %	0	0	0	0	0	0
Subtotal	16			16	0	0	0	0	0
Additional									
Hot Water Systems (18-May-13)	0	12	8.3 %	0	0	0	0	0	0
Air Conditioner - Split Systems (09-Jan-14)	0	10	10.0 %	0	0	0	0	0	0
Subtotal	0			0	0	0	0	0	0
Total Division 40 - Effective Life Rate	16			16	0	0	0	0	0
Division 43 - Capital Works Allowance									
Total Division 43 (Page 14)	31,028			2,653	2,653	2,653	2,653	2,653	17,763
Total Depreciation	31,044			2,669	2,653	2,653	2,653	2,653	17,763

This depreciation schedule is for use only by the party to whom directed and for no other purpose without the written consent of BMT Tax Depreciation Pty Ltd. No responsibility is accepted for any third party that may rely on the whole or any part of the content of this schedule.

Diminishing value method percentage based groupings

BMT Tax Depreciation has allocated each asset into a group based on their rate of depreciation. The following tables provide a summary of the total deductions available for each depreciation rate for both the diminishing value method and the prime cost method of depreciation. This may assist when entering depreciation into accounting software packages.

Basic rate (%)	Years				
	1-Jul-11 30-Jun-12 Year 2 (\$)	1-Jul-12 30-Jun-13 Year 3 (\$)	1-Jul-13 30-Jun-14 Year 4 (\$)	1-Jul-14 30-Jun-15 Year 5 (\$)	1-Jul-15 30-Jun-16 Year 6 (\$)
2.5	2,601	2,601	2,641	2,653	2,653
16.67	213	207	243	202	168
20	624	306	444	379	304
37.5	2,104	1,679	1,380	1,230	768
Total	5,542	4,793	4,708	4,464	3,893

Basic rate (%)	Years				
	1-Jul-16 30-Jun-17 Year 7 (\$)	1-Jul-17 30-Jun-18 Year 8 (\$)	1-Jul-18 30-Jun-19 Year 9 (\$)	1-Jul-19 30-Jun-20 Year 10 (\$)	1-Jul-20 30-Jun-21 Year 11 (\$)
2.5	2,653	2,653	2,653	2,653	2,653
16.67	0	0	0	0	0
20	243	0	0	0	0
37.5	797	862	538	338	212
Total	3,693	3,515	3,191	2,991	2,865

Prime cost method percentage based groupings

Basic Rate (%)	Years				
	1-Jul-11 30-Jun-12 Year 2	1-Jul-12 30-Jun-13 Year 3	1-Jul-13 30-Jun-14 Year 4	1-Jul-14 30-Jun-15 Year 5	1-Jul-15 30-Jun-16 Year 6
2.5	2,601	2,601	2,641	2,653	2,653
6.67	38	38	38	38	38
8.33	224	239	348	348	348
10	497	497	596	707	707
16.67	397	397	397	397	397
20	337	337	337	337	79
Total	4,094	4,109	4,357	4,480	4,222

Basic Rate (%)	Years				
	1-Jul-16 30-Jun-17 Year 7	1-Jul-17 30-Jun-18 Year 8	1-Jul-18 30-Jun-19 Year 9	1-Jul-19 30-Jun-20 Year 10	1-Jul-20 30-Jun-21 Year 11
2.5	2,653	2,653	2,653	2,653	2,653
6.67	38	38	38	38	38
8.33	348	348	348	348	348
10	707	707	707	707	317
16.67	93	0	0	0	0
20	0	0	0	0	0
Total	3,839	3,746	3,746	3,746	3,356

Glossary of Terms

Building first use

Building first use refers to the full depreciation entitlements allowable for the lifetime of a property. Properties generally depreciate for forty years from their construction completion date. When a purchaser becomes the first owner of a brand new investment property, they are entitled to claim depreciation for the full forty years for as long as they own the property.

Building price indices

The building price index is a statistical based method of measuring building price movements over time. It is a composite index with weighted factors on an industry-wide basis.

Division 43

Division 43 refers to a deduction available for the wear and tear of the building. Also known as a building write-off allowance, depreciation can be claimed for the building, structural components and fixed assets of a property at a rate of either two and a half per cent or four per cent each year depending on the classification of the property and the property's construction completion date.

Current ATO legislation states that a property owner is eligible to claim depreciation for the division 43 write-off on income producing properties that completed construction between the 18th of July 1985 and the present time. The depreciation available for building write-off can only be claimed for a maximum of forty years after the construction completion date. Examples of division 43 depreciable items include the walls, roof, tiles, built in robes, cabinets, fixed bathroom fittings and vanities.

Property owners may also be able to claim building write-off for recent renovations that have been completed to a property, even if these renovations were completed by a previous owner of the property.

Division 40

Division 40 refers to the plant and equipment assets contained within the property. These assets are deemed to be mechanical or easily removed from the property as opposed to items that are permanently fixed to the structure of the building. These are assets which are also listed as recognised plant and equipment assets by the ATO. Unlike deductions available for the structural element of the property, depreciation of plant and equipment is not limited by age. It is the condition and quality of each item as well as the individual effective life of the asset as set by the ATO which contributes to the depreciable amount. Some examples of plant and equipment assets include carpet, blinds, ovens as well as less obvious items such as door closers.

See the definitions also provided for plant and equipment assets and effective life within this glossary of terms.

Diminishing value method

The diminishing value method is one of two methods used to claim depreciation deductions for plant and equipment assets. An investor can only choose one of the two methods available to claim depreciation deductions for assets. Under the diminishing value method, the deductions are claimed as a percentage of the balance the investor has left to deduct.

This method results in a higher rate of depreciation deductions in the first five to ten years of owning the property.

Once a method has been chosen, this cannot be changed. For this reason, it is recommended to the property owner that they consult with an Accountant or a Financial Advisor for advice on which method will best suit their individual investment strategy and to ensure the best results are obtained.

Effective life

ATO legislation provides an effective life for each individual asset claimable as plant and equipment. Depreciation of plant and equipment based on this effective life is determined by the current ATO Tax Ruling advice in place at the time of this schedule being completed. See plant and equipment assets.

See the definitions also provided for division 40 and plant and equipment assets within this glossary of terms.

Immediate write-off

Individual assets which cost \$300 or less can usually be written off as an immediate deduction in the year of their acquisition. This means an investor can claim 100 per cent of the value of an asset in the same financial year as its purchase so long as the asset meets certain criteria as set by the ATO.

To be eligible for the immediate write-off, an asset must be used for the purpose of producing assessable income that was not income from carrying out a business. The asset also cannot be part of a set of assets acquired in the income year that together cost more than \$300. The cost of individual assets that have been acquired after the 1st of July 2001 that are the same asset type (or are considered to be identical or substantially identical in accordance with ATO legislation) must be added together when applying the \$300 threshold. If their combined total cost is more than \$300, they cannot be written off in the year of purchase.

Life of the property

From the date of construction completion, the ATO has determined that the owner of any property eligible to claim depreciation can do so for forty years. Therefore investors can claim the full forty years on a brand new building, while only the balance of the forty year period from the construction completion date can be claimed for an older property.

Low-value pooling

Low-value pooling is a method of depreciating plant and equipment items at a higher rate to maximise deductions. This method is often used in conjunction with the diminishing value method to accelerate the depreciation deductions that can be claimed in the earlier years of owning the property. Low-cost assets and low-value assets can be allocated into a low-value pool to increase a property owner's cash return. Assets which are placed into a low-value pool are able to be claimed by the property owner at a rate of eighteen point seven five per cent in the year of purchase and thirty seven and a half per cent every year thereafter.

Low-cost assets

A low-cost asset is a depreciable asset that has an opening value of less than \$1,000 in the year of acquisition.

Low-value assets

A low-value asset is a depreciable asset that has a written down value of less than \$1,000. That is, the value of the asset may have been greater than \$1,000 in the year of acquisition however the value remaining after a previous year's depreciation deduction is less than \$1,000.

Non-depreciable components

Examples of non-depreciable components include land value, market premiums, rates, taxes, holding costs and assets which have not been deemed to be depreciable according to current ATO Tax Ruling advice, for example soft landscaping.

Plant and equipment items

Depreciation can be claimed for assets recognised as plant and equipment items by current ATO Tax Ruling. Each asset is assigned an effective life by the ATO and is depreciated based on this effective life. Some examples of plant and equipment assets include carpet, blinds, ovens as well as less obvious items such as door closers.

See the definitions also provided for division 40 and effective life within this glossary of terms.

Preliminaries

Construction preliminaries refer to the associated expenses or costs that contractors incur in the completion of a project, for example a site office or heating of a site office, rather than the actual building working materials like the bricks and mortar.

Prime cost method

The prime cost method is the alternative method investors can choose to claim depreciation deductions for plant and equipment assets. Under the prime cost method, the deductions are calculated as a percentage of the cost. This method spreads deductions over time, resulting in more constant deductions over the life of the property for the owner.

Once a method has been chosen, this cannot be changed. For this reason, it is recommended to the property owner that they consult with an Accountant or a Financial Advisor for advice on which method will best suit their individual investment strategy and to ensure the best results are obtained.

Pro-rata calculations

Pro-rata calculations are used to show a portion of a total quantity. When an investment property is rented part way through a year, depreciation claims are required to be based on a pro-rata calculation of the time that the property (or asset acquired and installed within the property) was income producing.

Split report

Ownership structures influence how depreciation deductions are calculated. Properties with multiple owners can create a complex tax situation. A BMT Tax Depreciation Schedule makes life easier for Accountants by splitting depreciation deductions to ensure the owners' claims are maximised. BMT Tax Depreciation can take into account any number of owners and ownership percentages from two owners at 60:40 or even four owners at 70:15:10:5.

Disclaimer

BMT Tax Depreciation Pty Ltd does not accept any contractual, tortious or any other form of liability for any consequences, loss or damage as a result of any other person acting upon or using this tax depreciation schedule.

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