



Washington Brown

— QUANTITY SURVEYORS —



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P: 1300 99 06 12 F: 1300 99 06 13

W: www.washingtonbrown.com.au

1-Jun-15

Krejska Pantano SMSF Co Pty Ltd
C/O ParkTrent Properties
PO Box 695 , Wollongong NSW 2520
FILE NO:60944

Dear Property Investors,

1 / 51 Gipps Street, Toowoomba QLD 4350

Thank you for choosing Washington Brown to prepare your depreciation report.

Enclosed is our assessment of depreciation for the above property based upon the Diminishing Value method and the Prime Cost method.

You will need to choose which method of depreciation you would like to claim. Factors which may impact on your decision include:

1. Whether you have ever lived in the property.
2. The length of time you intend to own the property.

Generally speaking, if the property has been an investment from the settlement date - property investors tend to choose the Diminishing Value method. This method enables you to claim the depreciation faster.

However, if you have lived in the property at any time, you may wish to consider the Prime Cost method as it slows down the depreciation in the earlier years.

We recommend you always confirm with your accountant or financial advisor the method that best suits your individual circumstances.

Further information about these two different methods has been provided to you in the following pages.

Once you choose your method of claim, you cannot alternate between the two options.

The year-end summary pages of this Schedule contain essential information that summarises the amount you can claim annually.

Washington Brown Depreciation Pty. Ltd. does not accept any contractual, tortious or other form of liability for any consequences, loss or damage which may arise as a result of any other person acting upon or using this valuation.

Regards,



Washington Brown Depreciation Pty Ltd
Registered Tax Agent 26956002

Depreciation Schedule Fact Sheet

What is a depreciation schedule?

A depreciation schedule is a report supplied by a quantity surveyor after inspection of an investment property. This report itemises fixtures and fittings that can be depreciated and estimates their value. It also estimates construction costs if these are not otherwise known.

What has the report been based upon?

We have based our assessment upon the information as provided, together with the property inspection and our estimate of probable construction costs.

What is this report used for?

This depreciation schedule has been prepared for the sole purpose of depreciation claims to reduce investment owner's taxable income and may not be used for any other purpose. This report will become void if you sell this property. Future owners should contact this office to discuss any future claims.

What is a depreciating asset?

A depreciating asset as defined in the Income Tax Assessment Act (ITAA) 1997 sect. 40-30(1), is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used.

The calculation of the amount of a deduction allowed with respect to a depreciating asset in part depends upon the cost of that asset. The cost has been determined by the amount you have paid for the depreciating asset.

What is the Diminishing Value method of Depreciation

This method depreciates items more quickly up front. This method recognises the fact that most Plant and Equipment items tend to lose a higher portion of their value early on.

What is the Prime Cost method of depreciation?

This method evenly spreads out the depreciation you can claim on Plant and Equipment items.

What is the Building or Capital Works allowance?

This deduction relates to the construction costs of the building itself (concrete and brickwork etc.). This allowance is calculated at either 2.5% or 4% per annum based upon the original construction cost.

What is Plant and Equipment?

Plant and Equipment refers to items within a building, such as ovens, dishwashers, carpets and blinds. The Plant and Equipment allowances comprise of a number of categories which are claimed at different percentages over their effective life.

What is effective life?

Also known as useful life, effective life is the length of the life of an item of Plant and Equipment in an investment property as deemed by the tax office. Each item can be depreciated over a period of its effective life.

When does the \$300 immediate write off apply?

You can claim immediate deductions (i.e. 100% of the cost price) for items costing \$300 or less.

What is a Low Value Pool Item?

Items which cost more than \$300 but less than \$1000 can be allocated to a low value pool and are depreciated at a 37.5% per year under the Diminishing Value Method.

What are design and professional fees?

These fees include architect fees, engineering costs and any other design fees involved in creating a property.

What are builder's preliminaries?

These costs relate to items such as scaffolding, materials, handling insurances and labour costs.

What are owner inclusions?

This relates to the work or additions that you made to your property after settlement of the property.

What if I co-own my property?

Where depreciating assets are co-owned, the individual's interest (share) in the asset is applicable. Each co-owner therefore must treat their depreciating asset (their interest in the underlying asset) in accordance with their own tax profile.

Your Property Details

Property Address	1 / 51 Gipps Street, Toowoomba QLD 4350
Purchase Price	\$299,500.00
Date of Settlement	February 17, 2015
Year Construction Commenced	2013



CERTIFICATE OF DEPRECIATION

We hereby certify that the following costs in our opinion relate to the Plant and Equipment as included within the Purchase Contract between the relevant parties. This certification is in accordance with Division 40 of the Income Tax Assessment Act 1997.

We hereby certify that the following costs in our opinion relate to the Capital Works Allowance as included within the Purchase Contract between the relevant parties. This certification is in accordance with Division 43 of the Income Tax Assessment Act 1997.

The depreciation of the Plant and Equipment in this depreciation schedule has been determined in accordance with the relevant legislation at the time of writing this report.

DEPRECIATION SCHEDULE
BASED UPON
THE DIMINISHING VALUE METHOD

This method depreciates items at a greater rate in the beginning. This method recognises the fact that most plant and equipment items tend to lose a higher portion of their value to begin with.

CONSTRUCTION SUMMARY - DIMINISHING VALUE METHOD		
DEPRECIATION & BUILDING ALLOWANCES BASED ON THE DIMINISHING VALUE METHOD AS OUTLINED IN THE NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT1999. AMENDMENTS TO INCOME TAX ASSESSMENT ACT 1997 BY NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT 1999 (ACT 164 of 1999, ROYAL ASSENT 10 DECEMBER 1999).		
PROJECT: 1 / 51 Gipps Street, Toowoomba QLD 4350		DATE: 1-Jun-15
CLIENT: Krejska Pantano SMSF Co Pty Ltd		JOB: 60944
DESCRIPTION	VALUE	CALCULATIONS
PURCHASE PRICE	\$299,500	
BUILDING COST (Circa 2015)	\$161,348	
ADD BUILDERS PRELIMINARIES	\$22,895	
ADD PROFESSIONAL FEES	\$6,664	
TOTAL CONSTRUCTION COSTS	\$190,907	\$190,907
LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT ITEMS AS SHOWN OVER	\$13,219	
LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION:	\$1,963	
LESS TOTAL VALUE OF LOW POOL ITEMS	\$2,275	
SUB TOTAL	\$17,457	-\$17,457
ORIGINAL BUILDING COSTS - DIVISION 43 ALLOWANCE		\$173,450



SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE DIMINISHING VALUE METHOD

PROJECT: 1 / 51 Gipps Street, Toowoomba QLD 4350

DATE: 1-Jun-15

CLIENT: Krejska Pantano SMSF Co Pty Ltd

JOB: 60944

Category : ASSETS GENERALLY (5 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value
Air Conditioning - Mini split systems	\$ 3,951	10	20%
Ceiling fans	\$ 508	<= \$300**	100%
Floor coverings - Carpet	\$ 1,605	10	20%
Hot water systems (excluding piping)	\$ 2,055	12	16.66%
Lights - Fittings (excluding hardwired)	\$ 1,489	<= \$300**	100%

Category : BATHROOM ASSETS (2 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value
Accessories	\$ 270	<= \$300**	100%
Exhaust fans (including light-heating)	\$ 274	<= \$300**	100%

Category : KITCHEN ASSETS (2 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value
Dishwasher	\$ 1,345	10	20%
Oven	\$ 1,586	12	16.66%

Category : OUTDOOR ASSETS (1 item)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value
Automatic garage doors - Controls	\$ 136	<= \$300**	100%

VALUE OF PLANT ITEMS

\$ 13,219

** Indicates items that are less than or equal to \$300.00.

Category : LOW VALUE POOL ITEMS (3 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value
Cook top	\$ 873	Low Pool*	18.75%
Range hood	\$ 581	Low Pool*	18.75%
Automatic garage doors - Motors	\$ 821	Low Pool*	18.75%

VALUE OF LOW POOL ITEMS	\$ 2,275
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* Indicates items allocated to Low Pool Category. These items must be calculated using Diminishing Value Method. Low Pool items are depreciated at 18.75% in the year of acquisition. In the following year the opening tax value of the pool is written down using the Diminishing Value rate of 37.5% p.a.

Category : BUILDING ALLOWANCE (Capital Works)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value
Building allowance	\$ 173,450	40	2.50%

VALUE OF BUILDING ALLOWANCE	\$ 173,450
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DIMINISHING VALUE - YEAR END SUMMARY
1 / 51 Gipps Street, Toowoomba QLD 4350

FINANCIAL YEAR END	DEPRECIATION PLANT & EQUIPMENT	LOW VALUE POOL ITEMS	CAPITAL WORKS DEDUCTIONS	AMOUNT CLAIMABLE
2014 / 2015	\$3,406	\$427	\$1,592	\$5,425
2015 / 2016	\$1,848	\$693	\$4,336	\$6,878
2016 / 2017	\$1,498	\$433	\$4,336	\$6,267
2017 / 2018	\$1,214	\$271	\$4,336	\$5,821
2018 / 2019	\$984	\$169	\$4,336	\$5,490
2019 / 2020	\$799	\$106	\$4,336	\$5,241
2020 / 2021	\$648	\$66	\$4,336	\$5,050
2021 / 2022	\$526	\$41	\$4,336	\$4,904
2022 / 2023	\$427	\$26	\$4,336	\$4,789
2023 / 2024	\$347	\$16	\$4,336	\$4,699
2024 / 2025	\$282	\$10	\$4,336	\$4,628
2025 / 2026	\$229	\$6	\$4,336	\$4,572
2026 / 2027	\$187	\$4	\$4,336	\$4,527
2027 / 2028	\$152	\$2	\$4,336	\$4,491
2028 / 2029	\$124	\$2	\$4,336	\$4,461
2029 / 2030	\$101	\$1	\$4,336	\$4,438
2030 / 2031	\$82	\$1	\$4,336	\$4,419
2031 / 2032	\$67	\$0	\$4,336	\$4,403
2032 / 2033	\$55	\$0	\$4,336	\$4,391
2033 / 2034	\$44	\$0	\$4,336	\$4,381
2034 / 2035	\$36	\$0	\$4,336	\$4,373
2035 / 2036	\$30	\$0	\$4,336	\$4,366
2036 / 2037	\$24	\$0	\$4,336	\$4,360
2037 / 2038	\$20	\$0	\$4,336	\$4,356
2038 / 2039	\$16	\$0	\$4,336	\$4,352
2039 / 2040	\$13	\$0	\$4,336	\$4,349
2040 / 2041	\$11	\$0	\$4,336	\$4,347
2041 / 2042	\$9	\$0	\$4,336	\$4,345
2042 / 2043	\$7	\$0	\$4,336	\$4,343
2043 / 2044	\$6	\$0	\$4,336	\$4,342
2044 / 2045	\$5	\$0	\$4,336	\$4,341
2045 / 2046	\$4	\$0	\$4,336	\$4,340
2046 / 2047	\$3	\$0	\$4,336	\$4,340
2047 / 2048	\$3	\$0	\$4,336	\$4,339
2048 / 2049	\$2	\$0	\$4,336	\$4,338
2049 / 2050	\$2	\$0	\$4,336	\$4,338
2050 / 2051	\$1	\$0	\$4,336	\$4,338
2051 / 2052	\$1	\$0	\$4,336	\$4,337
2052 / 2053	\$1	\$0	\$4,336	\$4,337
2053 / 2054	\$1	\$0	\$4,336	\$4,337
2054 / 2055	\$1	\$0	\$2,744	\$2,745

DEPRECIATION SCHEDULE
BASED UPON
THE PRIME COST METHOD

This method evenly spreads out the depreciation you can claim on Plant and Equipment items.

CONSTRUCTION SUMMARY - PRIME COST METHOD		
DEPRECIATION & BUILDING ALLOWANCES BASED ON THE PRIME COST METHOD AS OUTLINED IN THE NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT1999. AMENDMENTS TO INCOME TAX ASSESSMENT ACT 1997 BY NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT 1999 (ACT 164 of 1999, ROYAL ASSENT 10 DECEMBER 1999).		
PROJECT: 1 / 51 Gipps Street, Toowoomba QLD 4350 CLIENT: Krejska Pantano SMSF Co Pty Ltd		DATE: 1-Jun-15 JOB: 60944
DESCRIPTION	VALUE	CALCULATIONS
PURCHASE PRICE	\$299,500	
BUILDING COST (Circa 2015)	\$161,348	
ADD BUILDERS PRELIMINARIES	\$22,895	
ADD PROFESSIONAL FEES	\$6,664	
TOTAL CONSTRUCTION COSTS	\$190,907	\$190,907
LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT ITEMS AS SHOWN OVER	\$15,494	
LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION:	\$1,963	
LESS TOTAL VALUE OF LOW POOL ITEMS	N/A	
SUB TOTAL	\$17,457	-\$17,457
ORIGINAL BUILDING COSTS - DIVISION 43 ALLOWANCE		\$173,450



SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE PRIME COST METHOD

PROJECT: 1 / 51 Gipps Street, Toowoomba QLD 4350

DATE: 1-Jun-15

CLIENT: Krejska Pantano SMSF Co Pty Ltd

JOB: 60944

Category : ASSETS GENERALLY (5 items)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost
Air Conditioning - Mini split systems	\$ 3,951	10	10%
Ceiling fans	\$ 508	5	20%
Floor coverings - Carpet	\$ 1,605	10	10%
Hot water systems (excluding piping)	\$ 2,055	12	8.33%
Lights - Fittings (excluding hardwired)	\$ 1,489	5	20%

Category : BATHROOM ASSETS (2 items)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost
Accessories	\$ 270	5	20%
Exhaust fans (including light-heating)	\$ 274	10	10%

Category : KITCHEN ASSETS (4 items)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost
Cook top	\$ 873	12	8.33%
Dishwasher	\$ 1,345	10	10%
Oven	\$ 1,586	12	8.33%
Range hood	\$ 581	12	8.33%

Category : OUTDOOR ASSETS (2 items)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost
Automatic garage doors - Controls	\$ 136	5	20%
Automatic garage doors - Motors	\$ 821	10	10%

VALUE OF PLANT ITEMS	\$ 15,494
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Category : BUILDING ALLOWANCE (Capital Works)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost
Building allowance	\$ 173,450	40	2.50%

VALUE OF BUILDING ALLOWANCE	\$ 173,450
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PRIME COST - YEAR END SUMMARY				
1 / 51 Gipps Street, Toowoomba QLD 4350				
FINANCIAL YEAR END	DEPRECIATION PLANT & EQUIPMENT	LOW VALUE POOL ITEMS	CAPITAL WORKS DEDUCTIONS	AMOUNT CLAIMABLE
2014 / 2015	\$626	\$0	\$1,592	\$2,218
2015 / 2016	\$1,705	\$0	\$4,336	\$6,041
2016 / 2017	\$1,705	\$0	\$4,336	\$6,041
2017 / 2018	\$1,705	\$0	\$4,336	\$6,041
2018 / 2019	\$1,705	\$0	\$4,336	\$6,041
2019 / 2020	\$1,528	\$0	\$4,336	\$5,864
2020 / 2021	\$1,224	\$0	\$4,336	\$5,560
2021 / 2022	\$1,224	\$0	\$4,336	\$5,560
2022 / 2023	\$1,224	\$0	\$4,336	\$5,560
2023 / 2024	\$1,224	\$0	\$4,336	\$5,560
2024 / 2025	\$930	\$0	\$4,336	\$5,267
2025 / 2026	\$424	\$0	\$4,336	\$4,761
2026 / 2027	\$269	\$0	\$4,336	\$4,605
2027 / 2028	\$0	\$0	\$4,336	\$4,336
2028 / 2029	\$0	\$0	\$4,336	\$4,336
2029 / 2030	\$0	\$0	\$4,336	\$4,336
2030 / 2031	\$0	\$0	\$4,336	\$4,336
2031 / 2032	\$0	\$0	\$4,336	\$4,336
2032 / 2033	\$0	\$0	\$4,336	\$4,336
2033 / 2034	\$0	\$0	\$4,336	\$4,336
2034 / 2035	\$0	\$0	\$4,336	\$4,336
2035 / 2036	\$0	\$0	\$4,336	\$4,336
2036 / 2037	\$0	\$0	\$4,336	\$4,336
2037 / 2038	\$0	\$0	\$4,336	\$4,336
2038 / 2039	\$0	\$0	\$4,336	\$4,336
2039 / 2040	\$0	\$0	\$4,336	\$4,336
2040 / 2041	\$0	\$0	\$4,336	\$4,336
2041 / 2042	\$0	\$0	\$4,336	\$4,336
2042 / 2043	\$0	\$0	\$4,336	\$4,336
2043 / 2044	\$0	\$0	\$4,336	\$4,336
2044 / 2045	\$0	\$0	\$4,336	\$4,336
2045 / 2046	\$0	\$0	\$4,336	\$4,336
2046 / 2047	\$0	\$0	\$4,336	\$4,336
2047 / 2048	\$0	\$0	\$4,336	\$4,336
2048 / 2049	\$0	\$0	\$4,336	\$4,336
2049 / 2050	\$0	\$0	\$4,336	\$4,336
2050 / 2051	\$0	\$0	\$4,336	\$4,336
2051 / 2052	\$0	\$0	\$4,336	\$4,336
2052 / 2053	\$0	\$0	\$4,336	\$4,336
2053 / 2054	\$0	\$0	\$4,336	\$4,336
2054 / 2055	\$0	\$0	\$2,744	\$2,744

