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CAPITAL ALLOWANCE & TAX DEPRECIATION REPORT

5 Port Stephens Street

RAYMOND TERRACE, NSW 2324

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- AIQS Members
- Quick Turnaround
- Competitive Fees

11-February-2010

Mr Bernie Roberts
C/-SiDCOR
50 Hunter Street
NEWCASTLE, NSW 2300

ABN: 52 245 613 400
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w: www.capitalclaims.com.au

Dear Bernie,

Re: 5 Port Stephens Street RAYMOND TERRACE, NSW 2324

Thank you for selecting Capital Claims to undertake an assessment of your investment property depreciation entitlements for the above address.

Our goal at Capital Claims is maximise the affordability of investment property ownership. Our extensive experience in this specialist area of quantity surveying has allowed us to sharpen our ability to maximise your claim. We uncover and assess all possible depreciable items within the ATO guidelines, ensuring that as our client you receive every dollar to which you are entitled.

Please find herewith a detailed report outlining all depreciable claims allowable under Divisions 40 and 43 of the Income Tax Assessment Act 1997.

Key Report Elements

- **Property Information** (page 3) – please review this information to confirm accuracy of details;
- **40 Year Projection** (page 5) – summarises the full entitlements forecasted over the life of the property;
- **Graphical Representation** (page 6) – provides for a quick assessment of the comparable depreciation methods;
- **Detailed Depreciation Schedules** (pages 7-9) – all depreciable assets and capital allowances are itemised and projected.

Should you require any clarification or have any queries with respect to the contents of this report, or if you have any feedback you would like to share with us, please do not hesitate to contact us on 02 4920 6500.

Yours Sincerely,



Mark Wilkins
Managing Director

It is important to note that any change of property ownership, or the completion of any extensive capital works, will make the contents of this report inaccurate or void. In these circumstances please contact us to ensure the report remains compliant and valid.

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Disclaimer

The information provided in this report has been prepared by Capital Claims Pty Ltd, as property depreciation consultants and not in any other capacity, on the basis of estimated costs and information provided to us by the client and authorities. It is intended for use by the parties to whom directed. The contents should be treated as advice on construction costs and like matters, and not as legal, accounting or taxation advice. We recommend that clients consult with their own advisors before relying on these schedules.

Capital Claims Pty Ltd does not accept any contractual, tortious or any other form of liability for any consequences, loss or damage which may arise as a result of any other person acting upon or relying on this document.

Property Information

Property Owner:	Mr Bernie Roberts
Property Address:	5 Port Stephens Street RAYMOND TERRACE, NSW 2324
Settlement Date:	01-September-1985
Days in First Year:	301
Property Type:	Commercial
Schedule Start Date:	02-September-1985
Construction Cost @ Schedule Preparation Date:	\$216,402
Building First Use:	01-September-1985

Schedule of Information

Written and Verbal Information Provided by:	Mr Bernie Roberts
Verbal Information Provided by:	Port Stephens Council
Site Inspection Conducted by Capital Claims on:	05-February-2010

Methodology

As an overview of the methodology applied in this report, below is a brief of the methods, adjustments and applied legislation utilised to maximise the claims for your property. The following measures have been applied:

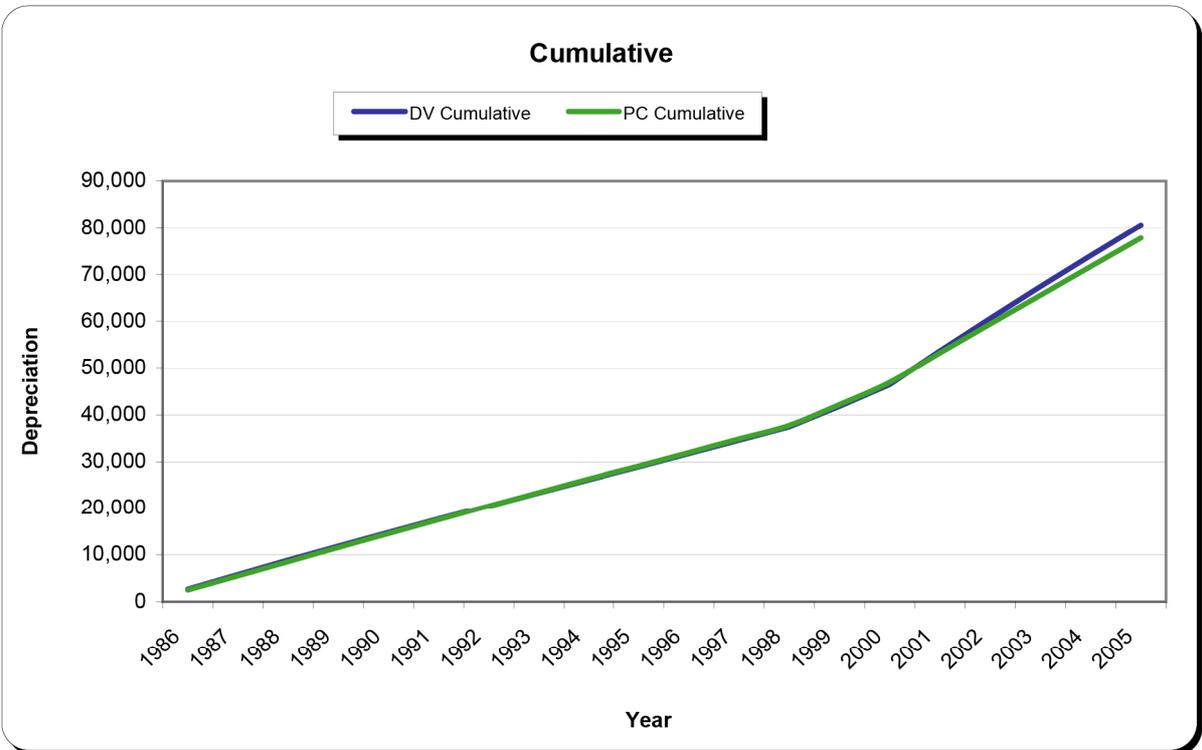
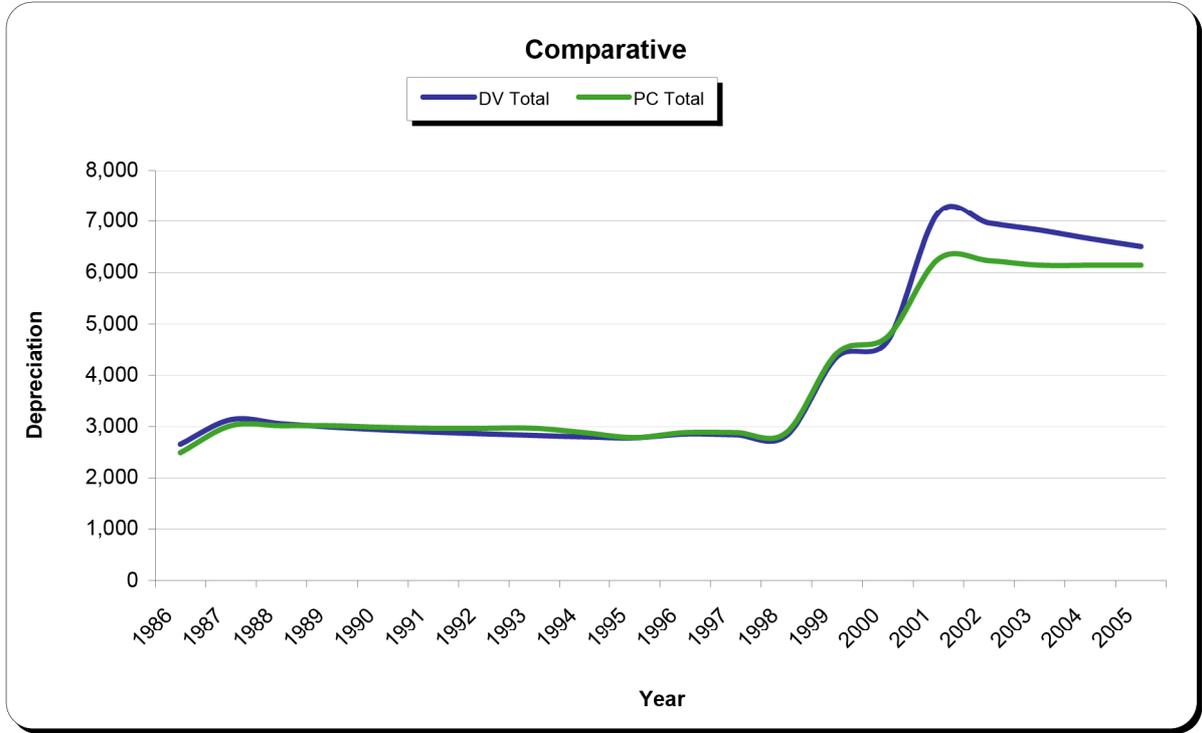
- **Pro-Rata Adjusted** - the first year is adjusted to the number of days from purchase till 30th June;
- **Low Cost Pool** - assets costing less than \$1000 at acquisition have been allocated to a common pool to be depreciated at 18.75% in the year of acquisition and each year thereafter at 37.5%;
- **Low Value Pool** - assets with an adjusted value less than \$1000 at the start of each financial year have been allocated to a common pool to be depreciated at 37.5% each year;
- **Preliminaries and Consultants Fees** - have been apportioned within the schedules;
- **Non Depreciable Items** - have been excluded from the schedules, including:
 - Land cost;
 - Rates & taxes;
 - Holding costs;
 - Soft landscaping;
 - Non qualifying works;
- **Estimated Costs** - where actual cost information was not available, Capital Claims have estimated these assets/works using current cost advice;
- **Alternative Schedules** - two alternative schedules have been applied, Diminishing Value (including Pooling) and Prime Cost. You will need to select which one suits your own personal investment structure, your financial advisor can assist you with this;
- **Existing Schedules** - we have assumed that there are not any existing depreciation schedules currently being used for this property or within the contract of sale.
- **\$300 immediate write-off** - individual assets costing \$300 or less are written off in full in the first year of ownership;
- **Scrapped Assets** - Where a depreciating asset has been removed from the property and effectively scrapped, the residual value will appear in the schedule in **blue font** in the year the asset was scrapped;

For a further detailed understanding of the legislation applied within this report please refer to the section titled "Additional Information" on page 11 of this report. Here you will find the references, interpretations, assumptions and rulings applied in preparing this report. If you have any further questions regarding the methodology of this report please feel free to contact our helpful team at Capital Claims.

40 Year Projection

Period			Diminishing Value				Prime Cost		
Year	Start Date	End Date	Diminishing Value	Pooling	Division 43	DV Total	Prime Cost	Division 43	PC Total
1	02-Sep-85	30-Jun-86	493	0	2,161	2,654	328	2,161	2,489
2	01-Jul-86	30-Jun-87	514	0	2,621	3,135	397	2,621	3,018
3	01-Jul-87	30-Jun-88	432	0	2,621	3,053	397	2,621	3,018
4	01-Jul-88	30-Jun-89	368	0	2,621	2,989	397	2,621	3,018
5	01-Jul-89	30-Jun-90	314	0	2,621	2,935	364	2,621	2,985
6	01-Jul-90	30-Jun-91	271	0	2,621	2,892	346	2,621	2,967
7	01-Jul-91	30-Jun-92	236	0	2,621	2,857	346	2,621	2,967
8	01-Jul-92	30-Jun-93	205	0	2,621	2,826	346	2,621	2,967
9	01-Jul-93	30-Jun-94	179	0	2,621	2,800	259	2,621	2,880
10	01-Jul-94	30-Jun-95	158	0	2,621	2,779	167	2,621	2,788
11	01-Jul-95	30-Jun-96	138	0	2,716	2,854	167	2,716	2,883
12	01-Jul-96	30-Jun-97	122	0	2,716	2,838	167	2,716	2,883
13	01-Jul-97	30-Jun-98	108	0	2,716	2,824	167	2,716	2,883
14	01-Jul-98	30-Jun-99	96	0	4,267	4,363	167	4,267	4,434
15	01-Jul-99	30-Jun-00	85	0	4,591	4,676	167	4,591	4,758
16	01-Jul-00	30-Jun-01	2,075	0	5,093	7,168	1,167	5,093	6,260
17	01-Jul-01	30-Jun-02	1,869	0	5,093	6,962	1,136	5,093	6,229
18	01-Jul-02	30-Jun-03	1,681	0	5,143	6,824	1,000	5,143	6,143
19	01-Jul-03	30-Jun-04	1,513	0	5,143	6,656	1,000	5,143	6,143
20	01-Jul-04	30-Jun-05	1,361	0	5,143	6,504	1,000	5,143	6,143
21	01-Jul-05	30-Jun-06	1,675	0	5,163	6,838	1,300	5,163	6,463
22	01-Jul-06	30-Jun-07	2,112	155	5,438	7,705	1,650	5,438	7,088
23	01-Jul-07	30-Jun-08	1,787	998	5,438	8,223	1,938	5,438	7,376
24	01-Jul-08	30-Jun-09	1,309	2,472	5,446	9,227	2,577	5,446	8,023
25	01-Jul-09	30-Jun-10	1,133	2,012	5,446	8,591	2,678	5,446	8,124
26	01-Jul-10	30-Jun-11	984	1,352	3,285	5,621	2,737	3,285	6,022
27	01-Jul-11	30-Jun-12	857	845	2,825	4,527	2,637	2,825	5,462
28	01-Jul-12	30-Jun-13	565	872	2,825	4,262	2,313	2,825	5,138
29	01-Jul-13	30-Jun-14	508	544	2,825	3,877	1,713	2,825	4,538
30	01-Jul-14	30-Jun-15	458	341	2,825	3,624	1,673	2,825	4,498
31	01-Jul-15	30-Jun-16	412	212	2,825	3,449	1,614	2,825	4,439
32	01-Jul-16	30-Jun-17	371	133	2,825	3,329	1,264	2,825	4,089
33	01-Jul-17	30-Jun-18	333	83	2,825	3,241	1,142	2,825	3,967
34	01-Jul-18	30-Jun-19	300	51	2,825	3,176	1,141	2,825	3,966
35	01-Jul-19	30-Jun-20	0	1,045	2,825	3,870	1,141	2,825	3,966
36	01-Jul-20	30-Jun-21	0	653	2,825	3,478	117	2,825	2,942
37	01-Jul-21	30-Jun-22	0	408	2,825	3,233	100	2,825	2,925
38	01-Jul-22	30-Jun-23	0	254	2,825	3,079	100	2,825	2,925
39	01-Jul-23	30-Jun-24	0	159	2,825	2,984	100	2,825	2,925
40	01-Jul-24	30-Jun-25	0	97	2,825	2,922	100	2,825	2,925
41	01-Jul-25	30-Jun-26	0	0	2,825	2,825	0	2,825	2,825
Total			\$ 25,022	\$ 12,686	\$ 140,960	\$ 178,668	\$ 37,520	\$ 140,960	\$ 178,480

Graphical Representation





Diminishing Value Method

5 Port Stephens Street, RAYMOND TERRACE, NSW 2324

	Financial Year	11		12		13		14		15		16		17		18		19		20		Adjustable Value @ 30-Jun-05
		Start Date	End Date	01-Jul-95	30-Jun-96	01-Jul-96	30-Jun-97	01-Jul-97	30-Jun-98	01-Jul-98	30-Jun-99	01-Jul-99	30-Jun-00	01-Jul-00	30-Jun-01	01-Jul-01	30-Jun-02	01-Jul-02	30-Jun-03	01-Jul-03	30-Jun-04	
1. Unit Specific - Depreciating Assets (Division 40)																						
Bathroom Accessories - Freestanding				1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Fire Extinguishers		\$ 561	\$ 51	46	42	38	35	31	29	26	24	22	217									
Hot Water Systems		\$ 539	\$ 48	44	40	37	33	30	28	25	23	21	210									
Vinyl		\$ 213	\$ 38	31	26	21	17	14	12	10	8	6	30									
Post Purchase Additions																						
Hoists	01-Jul-00	\$ 20,000	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,810
Security System	01-Jul-05	\$ 2,000	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000
Air Conditioner - Split Systems	01-Jul-06	\$ 3,500	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,500
Blinds	01-Jul-07	\$ 1,231	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,231
Ceiling Fans	01-Jul-07	\$ 620	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	620
Furniture - Freestanding	01-Jul-07	\$ 550	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	550
Racks	01-Jul-08	\$ 3,000	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000
Lighting Plant	09-Feb-09	\$ 2,000	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,000
Security System	02-Feb-10	\$ 495	\$ 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	495
Sub Total				\$ 138	\$ 122	\$ 108	\$ 96	\$ 85	\$ 2,075	\$ 1,869	\$ 1,681	\$ 1,513	\$ 1,361	\$ 25,663								
2. Low Cost & Low Value Pool				\$ -																		
3. Division 40				\$ 138	\$ 122	\$ 108	\$ 96	\$ 85	\$ 2,075	\$ 1,869	\$ 1,681	\$ 1,513	\$ 1,361	\$ 25,663								
4. Division 43				\$ 2,716	\$ 2,716	\$ 2,716	\$ 2,716	\$ 4,267	\$ 5,093	\$ 5,093	\$ 5,143	\$ 110,154										
Annual Decline in Value - Total				\$ 2,854	\$ 2,838	\$ 2,824	\$ 4,363	\$ 4,676	\$ 7,168	\$ 6,962	\$ 6,824	\$ 6,656	\$ 6,504	\$ 155,817								

Job Number: 3405



Low Cost and Low Value Pooling

5 Port Stephens Street RAYMOND TERRACE, NSW 2324

Financial Years 1 -10

	Adjustable Value	Financial Year										Adjustable Value @ 30-Jun-95
		1	2	3	4	5	6	7	8	9	10	
		02-Sep-85	01-Jul-86	01-Jul-87	01-Jul-88	01-Jul-89	01-Jul-90	01-Jul-91	01-Jul-92	01-Jul-93	01-Jul-94	
		30-Jun-86	30-Jun-87	30-Jun-88	30-Jun-89	30-Jun-90	30-Jun-91	30-Jun-92	30-Jun-93	30-Jun-94	30-Jun-95	
		Decline in Value Rate										
1. Unit Specific - Depreciating Assets (Division 40)												
Bathroom Accessories - Freestanding	\$ -	0	0	0	0	0	0	0	0	0	0	0
Fire Extinguishers	\$ -	0	0	0	0	0	0	0	0	0	0	0
Hot Water Systems	\$ -	0	0	0	0	0	0	0	0	0	0	0
Vinyl	\$ -	0	0	0	0	0	0	0	0	0	0	0
Post Purchase Additions												
Hoists	\$ -	0	0	0	0	0	0	0	0	0	0	0
Security System	\$ -	0	0	0	0	0	0	0	0	0	0	0
Air Conditioner - Split Systems	\$ -	0	0	0	0	0	0	0	0	0	0	0
Blinds	\$ -	0	0	0	0	0	0	0	0	0	0	0
Ceiling Fans	\$ -	0	0	0	0	0	0	0	0	0	0	0
Furniture - Freestanding	\$ -	0	0	0	0	0	0	0	0	0	0	0
Racks	\$ -	0	0	0	0	0	0	0	0	0	0	0
Lighting Plant	\$ -	0	0	0	0	0	0	0	0	0	0	0
Security System	\$ -	0	0	0	0	0	0	0	0	0	0	0
Sub Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Decline in Value - Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Job Number: 3405



Low Cost and Low Value Pooling

5 Port Stephens Street, RAYMOND TERRACE, NSW 2324

	Financial Year	21		22		23		24		25		26		27		28		29		30		Adjustable Value @ 30-Jun-15
		Start Date		End Date		Start Date		End Date		Start Date		End Date		Start Date		End Date		Start Date		End Date		
		01-Jul-05	30-Jun-06	01-Jul-06	30-Jun-07	01-Jul-07	30-Jun-08	01-Jul-08	30-Jun-09	01-Jul-09	30-Jun-10	01-Jul-10	30-Jun-11	01-Jul-11	30-Jun-12	01-Jul-12	30-Jun-13	01-Jul-13	30-Jun-14	01-Jul-14	30-Jun-15	
1. Unit Specific - Depreciating Assets (Division 40)																						
Bathroom Accessories - Freestanding	Adjustable Value																					
Fire Extinguishers	Value																					
Hot Water Systems	Decline in Value Rate																					
Vinyl	1																					
	37.5%																					
Post Purchase Additions																						
Hoists	11,810																					
Security System	2,000																					
Air Conditioner - Split Systems	3,500																					
Blinds	1,231																					
Ceiling Fans	620																					
Furniture - Freestanding	550																					
Racks	3,000																					
Lighting Plant	2,000																					
Security System	495																					
Sub Total	\$ 25,663																					
		\$ -	\$ -	\$ 155	\$ 998	\$ 2,472	\$ 2,012	\$ 1,352	\$ 845	\$ 872	\$ 544	\$ 341	\$ 4,684									
Annual Decline in Value - Total		\$ -	\$ -	\$ 155	\$ 998	\$ 2,472	\$ 2,012	\$ 1,352	\$ 845	\$ 872	\$ 544	\$ 341	\$ 4,684									



Prime Cost Method

5 Port Stephens Street, RAYMOND TERRACE, NSW 2324

Financial Year	11		12		13		14		15		16		17		18		19		20		Adjustable Value @ 30-Jun-05
	Start Date	End Date	Start Date	End Date	Start Date	End Date	Start Date	End Date	Start Date	End Date	Start Date	End Date	Start Date	End Date	Start Date	End Date	Start Date	End Date	Start Date	End Date	
1. Unit Specific - Depreciating Assets (Division 40)	Adjustable Value		Decline in Value Rate																		
Bathroom Accessories - Freestanding	\$ -	24.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	0
Fire Extinguishers	\$ 584	6.0%	\$ 85	85	\$ 85	85	\$ 85	85	\$ 85	85	\$ 85	85	\$ 74	74	\$ 0	0	\$ 0	0	\$ 0	0	0
Hot Water Systems	\$ 554	6.0%	\$ 82	82	\$ 82	82	\$ 82	82	\$ 82	82	\$ 82	82	\$ 62	62	\$ 0	0	\$ 0	0	\$ 0	0	0
Vinyl	\$ -	12.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	0
Post Purchase Additions																					
Hoists	\$ 20,000	5.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	15,000
Security System	\$ 2,000	15.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	2,000
Air Conditioner - Split Systems	\$ 3,500	10.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	3,500
Blinds	\$ 1,231	10.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	1,231
Ceiling Fans	\$ 620	20.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	620
Furniture - Freestanding	\$ 550	7.5%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	550
Racks	\$ 3,000	20.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	3,000
Lighting Plant	\$ 2,000	5.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	2,000
Security System	\$ 495	20.0%	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	495
Sub Total	\$ 34,534		\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 1,167	\$ 1,136	\$ 1,000	\$ 28,396						
2. Division 40	\$ 34,534		\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 1,167	\$ 1,136	\$ 1,000	\$ 28,396						
3. Division 43	\$ 152,775		\$ 2,716	\$ 2,716	\$ 2,716	\$ 2,716	\$ 4,267	\$ 4,591	\$ 5,093	\$ 5,093	\$ 5,093	\$ 5,143	\$ 5,093	\$ 5,143	\$ 110,154						
Annual Decline in Value - Total	\$ 187,309		\$ 2,883	\$ 2,883	\$ 2,883	\$ 2,883	\$ 4,434	\$ 4,758	\$ 6,260	\$ 6,229	\$ 6,143	\$ 138,550									

Job Number: 3405



Prime Cost Method

5 Port Stephens Street, RAYMOND TERRACE, NSW 2324

	Financial Year	21		22		23		24		25		26		27		28		29		30		Adjustable Value @ 30-Jun-15	
		Start Date	End Date	01-Jul-05	30-Jun-06	01-Jul-06	30-Jun-07	01-Jul-07	30-Jun-08	01-Jul-08	30-Jun-09	01-Jul-09	30-Jun-10	01-Jul-10	30-Jun-11	01-Jul-11	30-Jun-12	01-Jul-12	30-Jun-13	01-Jul-13	30-Jun-14		
1. Unit Specific - Depreciating Assets (Division 40)																							
Bathroom Accessories - Freestanding																							
Fire Extinguishers																							
Hot Water Systems																							
Vinyl																							
Post Purchase Additions																							
Hoists																							
Security System																							
Air Conditioner - Split Systems																							
Blinds																							
Ceiling Fans																							
Furniture - Freestanding																							
Racks																							
Lighting Plant																							
Security System																							
Sub Total																							
2. Division 40																							
Sub Total																							
3. Division 43																							
Sub Total																							
Annual Decline in Value - Total																							

Division 43

Works Description	Date	Rate	Original Cost	Annual Claims
Original Works	01-September-1985	4.0%	\$ 65,515	\$ 2,621
Additional Works	01-July-1995	2.5%	\$ 3,800	\$ 95
Additional Works	01-September-1998	2.5%	\$ 75,000	\$ 1,875
Additional Works	01-July-2000	2.5%	\$ 20,106	\$ 503
Additional Works	01-July-2002	2.5%	\$ 2,000	\$ 50
Additional Works	01-July-2005	2.5%	\$ 800	\$ 20
Additional Works	01-July-2006	2.5%	\$ 11,000	\$ 275
Additional Works	01-July-2008	2.5%	\$ 300	\$ 8
Total			\$ 178,521	

Additional Information

Capital Claims has been engaged on behalf of Bernie Roberts to prepare a Capital Allowance and Tax Depreciation Report on 5 Port Stephens Street, RAYMOND TERRACE, NSW 2324.

Where actual costs for the building structure and the depreciable assets were not available these costs have been estimated using Capital Claims cost advice current to the date of the assessment. Where necessary costs have been adjusted through the application of Building Price Indices.

The report covers both Division 40 and Division 43 of ITAA97:

• **Division 43** - may also be known as the Capital Allowance and applies to the structural elements of the property that are not considered Depreciable Assets or Plant and Equipment. Capital Allowances are only claimable upon works that have commenced construction after:

- **18th July 1985** for Residential properties;
- **20th July 1982** for Non Residential properties;
- **20th July 1982** for Industrial properties;
- **22nd August 1979** for Traveller Accommodation properties.

Where the property is too old to qualify for the Capital Allowances no claim has been made.

• **Division 40** - consists of the Depreciable Assets or Plant and Equipment items, these are basically items that can be 'easily' removed from the property as opposed to 'permanently fixed'. Items that are either mechanical or electronic in nature will also be included in this element even where they are permanently fixed to the property.

The effective lives applied to the assets in this report are those set down by the Tax Commissioner in their assessment of the applicable effective life. Low Value/Cost Pooling and the immediate write off rules have been applied where appropriate to maximise the claimable benefits available to the property owners during the qualifying periods. The rates are in accordance with:

- **Income Tax Order 1217** - for assets acquired prior to 1 July 1991;
- **Income Tax Ruling IT 2685** - for assets acquired up until 1 January 2001;
- **Tax Ruling TR 2000/18** - for assets acquired up until 1 July 2006;
- **Tax Ruling TR 2006/5 and subsequent addendums** - for assets acquired since 1 July 2006.

Both the Diminishing Value Method and Prime Cost Method of depreciation have been provided within this report. Each of these methods have considered the legislation in application at the time of the acquisition of the asset and the preparation of the report. Where Low Cost Pooling has been applied the asset has been depreciated at 18.75% in the year of acquisition and 37.5% for all subsequent years.

We have assumed that the property owner is entitled to claim the available depreciation and that no schedules of depreciation exist or form conditions of the acquisition of the property.

The report is based on Capital Claims Pty Ltd interpretation of the Income Tax Assessment Act of 1997, tax cases, rulings, interpretive decisions and intentions of the Commissioner of Taxation.