

# BMT Tax Depreciation

QUANTITY SURVEYORS

Maximising Property  
Depreciation Deductions



## Capital Allowance & Tax Depreciation Report

42 Macquarie Avenue  
MOLENDINAR, QLD 4214

[www.bmtqs.com.au](http://www.bmtqs.com.au)



6 August, 2012

**Mrs Christine Mahoney**  
**PO Box 690**  
**MOREE, NSW 2400**

**42 Macquarie Avenue MOLENDINAR, QLD 4214**

Dear Christine,

Please find attached our Capital Allowance & Tax Depreciation Report for the above property. The schedule has been prepared by BMT Tax Depreciation Pty Ltd for Mrs Christine Mahoney and not in any other capacity.

The contents should be treated as advice on construction costs and like matters, and not as legal, accounting or taxation advice. BMT Tax Depreciation Pty Ltd recommend that the client consults with their advisers before relying on the information provided.

BMT Tax Depreciation Pty Ltd have applied their interpretations of the Tax Commissioner's current intentions whilst preparing this document.

**If this property changes ownership status, then the contents of this report become void and the new owner should contact this office to maximise their depreciation claim.**

As per requirements within the Tax Agent Services Act 2009 BMT Tax Depreciation Pty Ltd are registered tax agents our tax agent number is 53712009.

Should you have any queries, or require clarification, please do not hesitate to contact Brendan Farrugia or David Babic at this office.

Yours Sincerely,

A handwritten signature in blue ink that reads 'BMT Tax Depreciation'.

BMT Tax Depreciation Pty Ltd  
Quantity Surveyors

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### Disclaimer

The information provided in this report has been prepared by BMT Tax Depreciation Pty Ltd (Quantity Surveyors), as Property Depreciation and Construction Cost Consultants and not in any other capacity, on the basis of estimated costs and information provided to us by the client. It is intended for use by the parties to whom directed. The contents should thus 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 advisers before relying on these schedules. The schedules have been prepared in accordance with legislation in force at the time the asset was acquired and the date this report was produced.

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## Property Information

<b>Client:</b>	Mrs Christine Mahoney
<b>Property:</b>	42 Macquarie Avenue MOLENDINAR, QLD 4214
<b>Property Type:</b>	Residential
<b>Settlement Date:</b>	28 August, 2009
<b>Total Cost at Schedule Start Date:</b>	\$110,332
<b>Schedule Start Date:</b>	29 August, 2009
<b>Date First Available for Income:</b>	29 August, 2009
<b>No. Days Available:</b>	306

For a full summary of the depreciation allowance results on this property please refer to Diminishing Method (Page 8) or Prime Cost Method (Page 15).

### 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 report.

## Method

Actual cost information for the building structure and fit-out was not available for all items. The building structure together with plant & equipment items, for which actual costs were not available, have been estimated using BMT Tax Depreciation cost advice as at 6 August, 2012. These figures were then adjusted to date of construction via the application of Building Price Indices.

Two alternative schedules have been provided. The first schedule is based on the Diminishing Value method of depreciation for plant & equipment. This method allows a greater proportion of an asset's cost to be written-off in the earlier years of the asset's effective life.

The second schedule is based on the Prime Cost method of depreciation for plant & equipment. This method allows an equal amount of an asset's cost to be written-off in each year of the asset's effective life.

Each of the above schedules contain the following:

- Depreciation claims for plant & equipment (Division 40) – these are items that can be 'easily' removed from the property as opposed to items that are permanently fixed to the structure of the building. Plant will also include items that are mechanically or electronically operated, even where they are fixed to the structure of the building;
- Building write-off claims (Division 43) – a write-off allowance is available at the rate of 2.5% per year of the construction expenditure related to the property.

We have prepared our report based on the following depreciation options for plant & equipment.

**a) \$300 immediate write-off** – Individual assets costing \$300 or less are normally to be written-off in full in the year of purchase (i.e. 100% depreciation write-off).

The cost of individual assets acquired after 1 July, 2000 that are identical or substantially identical must be aggregated when applying the \$300 threshold – if their aggregate cost is more than \$300, they cannot be written-off in the year of purchase. The same applies to individual assets that form part of a 'set' of assets whose aggregate is more than \$300.

**b) Low-value pool depreciation** – Under this depreciation option, taxpayers can choose to depreciate the following assets as part of a group or pool of assets:

- Low-cost assets – an asset acquired during the current year costing less than \$1,000 (assuming the asset is not eligible for the \$300 immediate write-off noted above);
- Low-value assets – basically, an existing asset already written down to less than \$1,000 under the Diminishing Value method.

In a low-value pool, low cost assets are depreciated at the rate of 18.75% in the first year, regardless of the amount of time in the year the asset was acquired. All other assets are depreciated at the rate of 37.5% per annum using the Diminishing Value method. Once the choice has been made to set up a low-value pool, all low-cost assets acquired must be allocated to the pool. Low-value assets can be allocated at the taxpayer's discretion.

The report has been prepared on the assumption that low-cost assets and low-value assets are depreciated as part of a low-value pool. If the purchaser does not select the low-value pool option for these assets, they should be depreciated using the effective life depreciation method below.

**c) Effective life depreciation** – depreciable assets that cannot be depreciated under any of the above two options have been depreciated on the basis of their effective life. For this purpose, the commissioner's estimate of their effective life has been used.

We have assumed that the property owner is entitled to claim available depreciation allowances and that no schedules of depreciation allowances exist or form a condition of the purchase documents.

The following information was used in the preparation of the schedule:

- Written and verbal information provided by Mrs Christine Mahoney;
- Verbal information provided by MOLENDINAR.

The following costs were apportioned within the schedule:

- Preliminaries;
- Consultants Fees.

The following items have been excluded:

- Land Cost;
- Rates and Taxes;
- Holding Costs;
- Non-Depreciable items (eg. Soft landscaping).

This Capital Allowance & Tax Depreciation Report is based on legislation in effect at the time the asset was acquired and the date this report was produced. The report is based on BMT Tax Depreciation Pty Ltd's interpretation of the Income Tax Assessment Act 1997, tax cases and tax rulings and our understanding of the Commissioner of Taxation's intentions.

## Summary

**Diminishing Value Calculation**

**&**

**Low Cost/Low Value Pooling**

### 1.1 Deduction Groupings - Diminishing Value

BMT Tax Depreciation have allocated each asset into groups based on their rate of depreciation. The following tables provide a summary of the total deductions available per depreciation rate. As assets depreciate and qualify for the low value pool these assets are automatically rolled over to the 37.5% percentage rate group.

Basic Rate (%)	Years				
	29-Aug-09 30-Jun-10 Year 1	1-Jul-10 30-Jun-11 Year 2	1-Jul-11 30-Jun-12 Year 3	1-Jul-12 30-Jun-13 Year 4	1-Jul-13 30-Jun-14 Year 5
2.50 %	\$531	\$992	\$1,757	\$2,235	\$2,235
13.33 %	\$68	\$113	\$322	\$279	\$242
16.67 %	\$364	\$886	\$629	\$525	\$437
20.00 %	\$230	\$637	\$807	\$904	\$550
37.50 %	\$0	\$1,104	\$2,410	\$2,190	\$1,694
40.00 %	\$197	\$0	\$0	\$0	\$0
100.00 %	\$0	\$329	\$88	\$0	\$0
<b>Total</b>	<b>\$1,390</b>	<b>\$4,061</b>	<b>\$6,013</b>	<b>\$6,133</b>	<b>\$5,158</b>

Basic Rate (%)	Years				
	1-Jul-14 30-Jun-15 Year 6	1-Jul-15 30-Jun-16 Year 7	1-Jul-16 30-Jun-17 Year 8	1-Jul-17 30-Jun-18 Year 9	1-Jul-18 30-Jun-19 Year 10
2.50 %	\$2,235	\$2,235	\$2,235	\$2,235	\$2,235
13.33 %	\$210	\$182	\$158	\$137	\$0
16.67 %	\$364	\$0	\$0	\$0	\$0
20.00 %	\$246	\$0	\$0	\$0	\$0
37.50 %	\$1,419	\$1,939	\$1,213	\$758	\$806
40.00 %	\$0	\$0	\$0	\$0	\$0
100.00 %	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$4,474</b>	<b>\$4,356</b>	<b>\$3,606</b>	<b>\$3,130</b>	<b>\$3,041</b>

### 1.2 Depreciation of Plant and Equipment

This section lists the 'Plant & Equipment' relevant to this property and their corresponding depreciation claims under the Diminishing Value method. This schedule also shows the total depreciation claim for the items that have been allocated to the low-value pool.

The depreciation of 'Plant & Equipment' in these schedules is in accordance with Income Tax Order 1217 (for items acquired before 1 July 1991), Income Tax Ruling IT 2685 (for items acquired before 1

January 2001), Tax Ruling TR 2000/18 (for items acquired before 1 July 2006), Tax Ruling TR 2006/5 & subsequent addendums (for items acquired from 1 July 2006).

The basic depreciation rates shown in the schedule have been calculated on the basis of The Commissioner's effective life estimates outlined in the above rulings. The effective life of an asset is divided into either 150 or 200 to determine the basic Diminishing Value rate for the asset depending on when the item was purchased.

### 1.3 Diminishing Value Total - Plant & Equipment and Division 43

Date	Division 40			Division 43	Total
	Effective Life Plant	Pooled Plant	Total Division 40		
29-Aug-09 to 30-Jun-10	859	0	859	531	1,390
1-Jul-10 to 30-Jun-11	1,965	1,104	3,069	992	4,061
1-Jul-11 to 30-Jun-12	1,846	2,410	4,256	1,757	6,013
1-Jul-12 to 30-Jun-13	1,708	2,190	3,898	2,235	6,133
1-Jul-13 to 30-Jun-14	1,229	1,694	2,923	2,235	5,158
1-Jul-14 to 30-Jun-15	820	1,419	2,239	2,235	4,474
1-Jul-15 to 30-Jun-16	182	1,939	2,121	2,235	4,356
1-Jul-16 to 30-Jun-17	158	1,213	1,371	2,235	3,606
1-Jul-17 to 30-Jun-18	137	758	895	2,235	3,130
1-Jul-18 to 30-Jun-19	0	806	806	2,235	3,041

Please refer to Appendix One for a comparison of the total allowable depreciation of both the Diminishing Value method and the Prime Cost method. This table can be viewed graphically in Appendix Two and Three.

# Diminishing Method (Years 1-5)

42 Macquarie Avenue  
MOLENDINAR, QLD 4214

Tax Grouping	Total Cost @ 29-Aug-09 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-14 (\$)
				29-Aug-09 30-Jun-10 Year 1 (\$)	1-Jul-10 30-Jun-11 Year 2 (\$)	1-Jul-11 30-Jun-12 Year 3 (\$)	1-Jul-12 30-Jun-13 Year 4 (\$)	1-Jul-13 30-Jun-14 Year 5 (\$)	
<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>									
<b>Existing</b>									
Air Conditioner - Room Units	637	10	20.0 %	107	0	0	0	0	81
Exhaust Fans	416	10	20.0 %	70	0	0	0	0	52
Garbage Bins	319	10	20.0 %	53	0	0	0	0	41
Garden Sheds Freestanding	606	15	13.3 %	68	0	0	0	0	82
Hot Water Systems	1,357	12	16.7 %	190	195	0	0	0	237
Light Shades	587	5	40.0 %	197	0	0	0	0	59
Rangehoods	1,245	12	16.7 %	174	179	0	0	0	217
<b>Total - Existing</b>	<b>5,167</b>			<b>859</b>	<b>374</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>769</b>
<b>Additional</b>									
Bathroom Accessories - Freestanding (1-Oct-10)	141	5	100.0 %	0	141	0	0	0	0
Cooktops (12-Oct-10)	2,286	12	16.7 %	0	273	336	280	233	1,164
Dishwashers (12-Oct-10)	1,399	10	37.5 %	0	201	240	0	0	374
Ovens (12-Oct-10)	1,999	12	16.7 %	0	239	293	245	204	1,018
Air Conditioner - Split Systems (17-Oct-10)	2,197	10	20.0 %	0	309	378	302	242	966
Automatic Garage Door - Controls (20-Nov-10)	188	5	100.0 %	0	188	0	0	0	0
Automatic Garage Door - Motors (20-Nov-10)	762	10	37.5 %	0	0	0	0	0	151
Air Conditioner - Split Systems (6-Dec-10)	1,119	10	37.5 %	0	127	0	0	0	242
Ceiling Fans (1-Mar-11)	981	5	37.5 %	0	0	0	0	0	194
Floating Timber Floors (1-Mar-11)	2,530	15	13.3 %	0	113	322	279	242	1,574
Curtains (1-Jul-11)	839	6	37.5 %	0	0	0	0	0	266
Blinds (1-Jan-12)	881	10	37.5 %	0	0	0	0	0	279
Smoke Alarms (21-Jan-12)	88	6	100.0 %	0	0	88	0	0	0
Carpet (29-Feb-12)	2,064	10	20.0 %	0	0	139	385	308	1,232
Air Conditioner - Split Systems (12-Apr-12)	1,135	10	37.5 %	0	0	50	217	0	542
<b>Total - Additional</b>	<b>18,609</b>			<b>0</b>	<b>1,591</b>	<b>1,846</b>	<b>1,708</b>	<b>1,229</b>	<b>8,002</b>
Total Division 40 - Effective Life Rate	16,660			859	1,965	1,846	1,708	1,229	5,954
Total Division 40 - Pooled (Page 13)	7,116			0	1,104	2,410	2,190	1,694	2,817
<b>Total Division 40</b>	<b>23,776</b>			<b>859</b>	<b>3,069</b>	<b>4,256</b>	<b>3,898</b>	<b>2,923</b>	<b>8,771</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43 (Page 20)</b>	<b>86,556</b>			<b>531</b>	<b>992</b>	<b>1,757</b>	<b>2,235</b>	<b>2,235</b>	<b>78,806</b>
<b>Total Depreciation</b>	<b>110,332</b>			<b>1,390</b>	<b>4,061</b>	<b>6,013</b>	<b>6,133</b>	<b>5,158</b>	<b>87,577</b>

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. Items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method. All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

# Diminishing Method (Years 6-10)

42 Macquarie Avenue  
MOLENDINAR, QLD 4214

Tax Grouping	Total Cost @ 1-Jul-14 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-19 (\$)
				1-Jul-14 30-Jun-15 Year 6 (\$)	1-Jul-15 30-Jun-16 Year 7 (\$)	1-Jul-16 30-Jun-17 Year 8 (\$)	1-Jul-17 30-Jun-18 Year 9 (\$)	1-Jul-18 30-Jun-19 Year 10 (\$)	
<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>									
<b>Existing</b>									
Air Conditioner - Room Units	81	10	37.5 %	0	0	0	0	0	7
Exhaust Fans	52	10	37.5 %	0	0	0	0	0	4
Garbage Bins	41	10	37.5 %	0	0	0	0	0	4
Garden Sheds Freestanding	82	15	37.5 %	0	0	0	0	0	7
Hot Water Systems	237	12	37.5 %	0	0	0	0	0	22
Light Shades	59	5	37.5 %	0	0	0	0	0	6
Rangehoods	217	12	37.5 %	0	0	0	0	0	21
<b>Total - Existing</b>	<b>769</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71</b>
<b>Additional</b>									
Bathroom Accessories - Freestanding (1-Oct-10)	0	5	100.0 %	0	0	0	0	0	0
Cooktops (12-Oct-10)	1,164	12	16.7 %	194	0	0	0	0	148
Dishwashers (12-Oct-10)	374	10	37.5 %	0	0	0	0	0	36
Ovens (12-Oct-10)	1,018	12	16.7 %	170	0	0	0	0	129
Air Conditioner - Split Systems (17-Oct-10)	966	10	37.5 %	0	0	0	0	0	92
Automatic Garage Door - Controls (20-Nov-10)	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors (20-Nov-10)	151	10	37.5 %	0	0	0	0	0	14
Air Conditioner - Split Systems (6-Dec-10)	242	10	37.5 %	0	0	0	0	0	23
Ceiling Fans (1-Mar-11)	194	5	37.5 %	0	0	0	0	0	18
Floating Timber Floors (1-Mar-11)	1,574	15	13.3 %	210	182	158	137	0	554
Curtains (1-Jul-11)	266	6	37.5 %	0	0	0	0	0	26
Blinds (1-Jan-12)	279	10	37.5 %	0	0	0	0	0	26
Smoke Alarms (21-Jan-12)	0	6	100.0 %	0	0	0	0	0	0
Carpet (29-Feb-12)	1,232	10	20.0 %	246	0	0	0	0	151
Air Conditioner - Split Systems (12-Apr-12)	542	10	37.5 %	0	0	0	0	0	51
<b>Total - Additional</b>	<b>8,002</b>			<b>820</b>	<b>182</b>	<b>158</b>	<b>137</b>	<b>0</b>	<b>1,268</b>
Total Division 40 - Effective Life Rate	4,988			820	182	158	137	0	0
Total Division 40 - Pooled (Page 13)	3,783			1,419	1,939	1,213	758	806	1,339
<b>Total Division 40</b>	<b>8,771</b>			<b>2,239</b>	<b>2,121</b>	<b>1,371</b>	<b>895</b>	<b>806</b>	<b>1,339</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43 (Page 20)</b>	<b>78,806</b>			<b>2,235</b>	<b>2,235</b>	<b>2,235</b>	<b>2,235</b>	<b>2,235</b>	<b>67,631</b>
<b>Total Depreciation</b>	<b>87,577</b>			<b>4,474</b>	<b>4,356</b>	<b>3,606</b>	<b>3,130</b>	<b>3,041</b>	<b>68,970</b>

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# Pooling Schedule DV (Years 1-5)

42 Macquarie Avenue  
MOLENDINAR, QLD 4214

Tax Grouping	Total Cost @ 29-Aug-09 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-14 (\$)
				29-Aug-09 30-Jun-10 Year 1 (\$)	1-Jul-10 30-Jun-11 Year 2 (\$)	1-Jul-11 30-Jun-12 Year 3 (\$)	1-Jul-12 30-Jun-13 Year 4 (\$)	1-Jul-13 30-Jun-14 Year 5 (\$)	
<b>Division 40 - Plant &amp; Equipment (Pooling Rates)</b>									
<b>Existing</b>									
Air Conditioner - Room Units	530	10	37.5 %	0	199	124	78	48	81
Exhaust Fans	346	10	37.5 %	0	130	81	51	32	52
Garbage Bins	266	10	37.5 %	0	100	62	39	24	41
Garden Sheds Freestanding	538	15	37.5 %	0	202	126	79	49	82
Hot Water Systems	972	12	37.5 %	0	0	365	228	142	237
Light Shades	390	5	37.5 %	0	146	92	57	36	59
Rangehoods	892	12	37.5 %	0	0	335	209	131	217
<b>Total - Existing</b>	<b>3,934</b>			<b>0</b>	<b>777</b>	<b>1,185</b>	<b>741</b>	<b>462</b>	<b>769</b>
<b>Additional</b>									
Bathroom Accessories - Freestanding (1-Oct-10)	0	5	0.0 %	0	0	0	0	0	0
Cooktops (12-Oct-10)	0	12	0.0 %	0	0	0	0	0	0
Dishwashers (12-Oct-10)	958	10	37.5 %	0	0	0	359	225	374
Ovens (12-Oct-10)	0	12	0.0 %	0	0	0	0	0	0
Air Conditioner - Split Systems (17-Oct-10)	0	10	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Controls (20-Nov-10)	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors (20-Nov-10)	762	10	37.5 %	0	143	232	145	91	151
Air Conditioner - Split Systems (6-Dec-10)	992	10	37.5 %	0	0	372	233	145	242
Ceiling Fans (1-Mar-11)	981	5	37.5 %	0	184	299	187	117	194
Floating Timber Floors (1-Mar-11)	0	15	0.0 %	0	0	0	0	0	0
Curtains (1-Jul-11)	839	6	37.5 %	0	0	157	256	160	266
Blinds (1-Jan-12)	881	10	37.5 %	0	0	165	269	168	279
Smoke Alarms (21-Jan-12)	0	6	0.0 %	0	0	0	0	0	0
Carpet (29-Feb-12)	0	10	0.0 %	0	0	0	0	0	0
Air Conditioner - Split Systems (12-Apr-12)	868	10	37.5 %	0	0	0	0	326	542
<b>Total - Additional</b>	<b>6,281</b>			<b>0</b>	<b>327</b>	<b>1,225</b>	<b>1,449</b>	<b>1,232</b>	<b>2,048</b>
<b>Total - Pooled Items</b>	<b>10,215</b>			<b>0</b>	<b>1,104</b>	<b>2,410</b>	<b>2,190</b>	<b>1,694</b>	<b>2,817</b>

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# Pooling Schedule DV (Years 6-10)

42 Macquarie Avenue  
MOLENDINAR, QLD 4214

Tax Grouping	Total Cost @ 1-Jul-14 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-19 (\$)
				1-Jul-14 30-Jun-15 Year 6 (\$)	1-Jul-15 30-Jun-16 Year 7 (\$)	1-Jul-16 30-Jun-17 Year 8 (\$)	1-Jul-17 30-Jun-18 Year 9 (\$)	1-Jul-18 30-Jun-19 Year 10 (\$)	
<b>Division 40 - Plant &amp; Equipment (Pooling Rates)</b>									
<b>Existing</b>									
Air Conditioner - Room Units	81	10	37.5 %	30	19	12	8	5	7
Exhaust Fans	52	10	37.5 %	20	12	8	5	3	4
Garbage Bins	41	10	37.5 %	15	10	6	4	2	4
Garden Sheds Freestanding	82	15	37.5 %	31	19	12	8	5	7
Hot Water Systems	237	12	37.5 %	89	56	35	21	14	22
Light Shades	59	5	37.5 %	22	14	9	5	3	6
Rangehoods	217	12	37.5 %	81	51	32	20	12	21
<b>Total - Existing</b>	<b>769</b>			<b>288</b>	<b>181</b>	<b>114</b>	<b>71</b>	<b>44</b>	<b>71</b>
<b>Additional</b>									
Bathroom Accessories - Freestanding (1-Oct-10)	0	5	0.0 %	0	0	0	0	0	0
Cooktops (12-Oct-10)	970	12	37.5 %	0	364	227	142	89	148
Dishwashers (12-Oct-10)	374	10	37.5 %	140	88	55	34	21	36
Ovens (12-Oct-10)	848	12	37.5 %	0	318	199	124	78	129
Air Conditioner - Split Systems (17-Oct-10)	966	10	37.5 %	362	227	141	89	55	92
Automatic Garage Door - Controls (20-Nov-10)	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors (20-Nov-10)	151	10	37.5 %	57	35	22	14	9	14
Air Conditioner - Split Systems (6-Dec-10)	242	10	37.5 %	91	57	35	22	14	23
Ceiling Fans (1-Mar-11)	194	5	37.5 %	73	45	29	18	11	18
Floating Timber Floors (1-Mar-11)	887	15	37.5 %	0	0	0	0	333	554
Curtains (1-Jul-11)	266	6	37.5 %	100	62	39	24	15	26
Blinds (1-Jan-12)	279	10	37.5 %	105	65	41	26	16	26
Smoke Alarms (21-Jan-12)	0	6	0.0 %	0	0	0	0	0	0
Carpet (29-Feb-12)	986	10	37.5 %	0	370	231	144	90	151
Air Conditioner - Split Systems (12-Apr-12)	542	10	37.5 %	203	127	80	50	31	51
<b>Total - Additional</b>	<b>6,705</b>			<b>1,131</b>	<b>1,758</b>	<b>1,099</b>	<b>687</b>	<b>762</b>	<b>1,268</b>
<b>Total - Pooled Items</b>	<b>7,474</b>			<b>1,419</b>	<b>1,939</b>	<b>1,213</b>	<b>758</b>	<b>806</b>	<b>1,339</b>

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## Summary

# Prime Cost Calculation

### 1.1 Deduction Groupings - Prime Cost

BMT Tax Depreciation have allocated each asset into groups based on their rate of depreciation. The following tables provide a summary of the total deductions available per depreciation rate.

Basic Rate (%)	Years				
	29-Aug-09 30-Jun-10 Year 1	1-Jul-10 30-Jun-11 Year 2	1-Jul-11 30-Jun-12 Year 3	1-Jul-12 30-Jun-13 Year 4	1-Jul-13 30-Jun-14 Year 5
2.50 %	\$531	\$992	\$1,757	\$2,235	\$2,235
6.67 %	\$34	\$96	\$209	\$209	\$209
8.33 %	\$182	\$474	\$574	\$574	\$574
10.00 %	\$115	\$503	\$824	\$1,094	\$1,094
16.67 %	\$0	\$0	\$140	\$140	\$140
20.00 %	\$98	\$183	\$313	\$313	\$313
100.00 %	\$0	\$329	\$88	\$0	\$0
<b>Total</b>	<b>\$960</b>	<b>\$2,577</b>	<b>\$3,905</b>	<b>\$4,565</b>	<b>\$4,565</b>

Basic Rate (%)	Years				
	1-Jul-14 30-Jun-15 Year 6	1-Jul-15 30-Jun-16 Year 7	1-Jul-16 30-Jun-17 Year 8	1-Jul-17 30-Jun-18 Year 9	1-Jul-18 30-Jun-19 Year 10
2.50 %	\$2,235	\$2,235	\$2,235	\$2,235	\$2,235
6.67 %	\$209	\$209	\$209	\$209	\$209
8.33 %	\$574	\$574	\$574	\$574	\$574
10.00 %	\$1,094	\$1,094	\$1,094	\$1,094	\$1,094
16.67 %	\$140	\$140	\$139	\$0	\$0
20.00 %	\$217	\$131	\$0	\$0	\$0
100.00 %	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$4,469</b>	<b>\$4,383</b>	<b>\$4,251</b>	<b>\$4,112</b>	<b>\$4,112</b>

### 1.2 Depreciation of Plant and Equipment

This section lists the plant & equipment relevant to this property and their corresponding depreciation claims under the Prime Cost method.

The low-value option has not been applied, as this option is based on the Diminishing Value method. However, the purchaser can choose to depreciate low cost assets and low-value assets as part of a low value pool, even if other assets are being depreciated under the Prime Cost method.

The depreciation of 'Plant & Equipment' in these schedules is in accordance with Income Tax Order 1217 (for items acquired before 1 July 1991), Income Tax Ruling IT 2685 (for items acquired before 1

January 2001), Tax Ruling TR 2000/18 (for items acquired before 1 July 2006), Tax Ruling TR 2006/5 & subsequent addendums (for items acquired from 1 July 2006).

The basic depreciation rates shown in the schedule have been calculated on the basis of The Commissioner's effective life estimates outlined in the above rulings (depending on when the item was purchased). The effective life of an asset is divided into 100 to determine the basic Prime Cost rate for the asset.

### 1.3 Prime Cost Total - Plant & Equipment and Division 43

Date	Effective Life Plant	Division 43	Total
29-Aug-09 to 30-Jun-10	429	531	960
1-Jul-10 to 30-Jun-11	1,585	992	2,577
1-Jul-11 to 30-Jun-12	2,148	1,757	3,905
1-Jul-12 to 30-Jun-13	2,330	2,235	4,565
1-Jul-13 to 30-Jun-14	2,330	2,235	4,565
1-Jul-14 to 30-Jun-15	2,234	2,235	4,469
1-Jul-15 to 30-Jun-16	2,148	2,235	4,383
1-Jul-16 to 30-Jun-17	2,016	2,235	4,251
1-Jul-17 to 30-Jun-18	1,877	2,235	4,112
1-Jul-18 to 30-Jun-19	1,877	2,235	4,112

Please refer to Appendix One for a comparison of the total allowable depreciation of both the Diminishing Value method and the Prime Cost method. This table can be viewed graphically in Appendix Two and Three.

# Prime Cost Method (Years 1-5)

42 Macquarie Avenue  
MOLENDINAR, QLD 4214

Tax Grouping	Total Cost @ 29-Aug-09 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-14 (\$)
				29-Aug-09 30-Jun-10 Year 1 (\$)	1-Jul-10 30-Jun-11 Year 2 (\$)	1-Jul-11 30-Jun-12 Year 3 (\$)	1-Jul-12 30-Jun-13 Year 4 (\$)	1-Jul-13 30-Jun-14 Year 5 (\$)	
<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>									
<b>Existing</b>									
Air Conditioner - Room Units	637	10	10.0 %	53	64	64	64	64	328
Exhaust Fans	416	10	10.0 %	35	42	42	42	42	213
Garbage Bins	319	10	10.0 %	27	32	32	32	32	164
Garden Sheds Freestanding	606	15	6.7 %	34	40	40	40	40	412
Hot Water Systems	1,357	12	8.3 %	95	113	113	113	113	810
Light Shades	587	5	20.0 %	98	117	117	117	117	21
Rangehoods	1,245	12	8.3 %	87	104	104	104	104	742
<b>Total - Existing</b>	<b>5,167</b>			<b>429</b>	<b>512</b>	<b>512</b>	<b>512</b>	<b>512</b>	<b>2,690</b>
<b>Additional</b>									
Bathroom Accessories - Freestanding (1-Oct-10)	141	5	100.0 %	0	141	0	0	0	0
Cooktops (12-Oct-10)	2,286	12	8.3 %	0	137	190	190	190	1,579
Dishwashers (12-Oct-10)	1,399	10	10.0 %	0	100	140	140	140	879
Ovens (12-Oct-10)	1,999	12	8.3 %	0	120	167	167	167	1,378
Air Conditioner - Split Systems (17-Oct-10)	2,197	10	10.0 %	0	155	220	220	220	1,382
Automatic Garage Door - Controls (20-Nov-10)	188	5	100.0 %	0	188	0	0	0	0
Automatic Garage Door - Motors (20-Nov-10)	762	10	10.0 %	0	47	76	76	76	487
Air Conditioner - Split Systems (6-Dec-10)	1,119	10	10.0 %	0	63	112	112	112	720
Ceiling Fans (1-Mar-11)	981	5	20.0 %	0	66	196	196	196	327
Floating Timber Floors (1-Mar-11)	2,530	15	6.7 %	0	56	169	169	169	1,967
Curtains (1-Jul-11)	839	6	16.7 %	0	0	140	140	140	419
Blinds (1-Jan-12)	881	10	10.0 %	0	0	44	88	88	661
Smoke Alarms (21-Jan-12)	88	6	100.0 %	0	0	88	0	0	0
Carpet (29-Feb-12)	2,064	10	10.0 %	0	0	69	206	206	1,583
Air Conditioner - Split Systems (12-Apr-12)	1,135	10	10.0 %	0	0	25	114	114	882
<b>Total - Additional</b>	<b>18,609</b>			<b>0</b>	<b>1,073</b>	<b>1,636</b>	<b>1,818</b>	<b>1,818</b>	<b>12,264</b>
<b>Total - Division 40 (Effective Life Rates)</b>	<b>23,776</b>			<b>429</b>	<b>1,585</b>	<b>2,148</b>	<b>2,330</b>	<b>2,330</b>	<b>14,954</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43 (Page 20)</b>	<b>86,556</b>			<b>531</b>	<b>992</b>	<b>1,757</b>	<b>2,235</b>	<b>2,235</b>	<b>78,806</b>
<b>Total Depreciation</b>	<b>110,332</b>			<b>960</b>	<b>2,577</b>	<b>3,905</b>	<b>4,565</b>	<b>4,565</b>	<b>93,760</b>

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# Prime Cost Method (Years 6-10)

42 Macquarie Avenue  
MOLENDINAR, QLD 4214

Tax Grouping	Total Cost @ 1-Jul-14 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-19 (\$)
				1-Jul-14 30-Jun-15 Year 6 (\$)	1-Jul-15 30-Jun-16 Year 7 (\$)	1-Jul-16 30-Jun-17 Year 8 (\$)	1-Jul-17 30-Jun-18 Year 9 (\$)	1-Jul-18 30-Jun-19 Year 10 (\$)	
<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>									
<b>Existing</b>									
Air Conditioner - Room Units	328	10	10.0 %	64	64	64	64	64	8
Exhaust Fans	213	10	10.0 %	42	42	42	42	42	3
Garbage Bins	164	10	10.0 %	32	32	32	32	32	4
Garden Sheds Freestanding	412	15	6.7 %	40	40	40	40	40	212
Hot Water Systems	810	12	8.3 %	113	113	113	113	113	245
Light Shades	21	5	20.0 %	21	0	0	0	0	0
Rangehoods	742	12	8.3 %	104	104	104	104	104	222
<b>Total - Existing</b>	<b>2,690</b>			<b>416</b>	<b>395</b>	<b>395</b>	<b>395</b>	<b>395</b>	<b>694</b>
<b>Additional</b>									
Bathroom Accessories - Freestanding (1-Oct-10)	0	5	100.0 %	0	0	0	0	0	0
Cooktops (12-Oct-10)	1,579	12	8.3 %	190	190	190	190	190	629
Dishwashers (12-Oct-10)	879	10	10.0 %	140	140	140	140	140	179
Ovens (12-Oct-10)	1,378	12	8.3 %	167	167	167	167	167	543
Air Conditioner - Split Systems (17-Oct-10)	1,382	10	10.0 %	220	220	220	220	220	282
Automatic Garage Door - Controls (20-Nov-10)	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors (20-Nov-10)	487	10	10.0 %	76	76	76	76	76	107
Air Conditioner - Split Systems (6-Dec-10)	720	10	10.0 %	112	112	112	112	112	160
Ceiling Fans (1-Mar-11)	327	5	20.0 %	196	131	0	0	0	0
Floating Timber Floors (1-Mar-11)	1,967	15	6.7 %	169	169	169	169	169	1,122
Curtains (1-Jul-11)	419	6	16.7 %	140	140	139	0	0	0
Blinds (1-Jan-12)	661	10	10.0 %	88	88	88	88	88	221
Smoke Alarms (21-Jan-12)	0	6	100.0 %	0	0	0	0	0	0
Carpet (29-Feb-12)	1,583	10	10.0 %	206	206	206	206	206	553
Air Conditioner - Split Systems (12-Apr-12)	882	10	10.0 %	114	114	114	114	114	312
<b>Total - Additional</b>	<b>12,264</b>			<b>1,818</b>	<b>1,753</b>	<b>1,621</b>	<b>1,482</b>	<b>1,482</b>	<b>4,108</b>
<b>Total - Division 40 (Effective Life Rates)</b>	<b>14,954</b>			<b>2,234</b>	<b>2,148</b>	<b>2,016</b>	<b>1,877</b>	<b>1,877</b>	<b>4,802</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43 (Page 20)</b>	<b>78,806</b>			<b>2,235</b>	<b>2,235</b>	<b>2,235</b>	<b>2,235</b>	<b>2,235</b>	<b>67,631</b>
<b>Total Depreciation</b>	<b>93,760</b>			<b>4,469</b>	<b>4,383</b>	<b>4,251</b>	<b>4,112</b>	<b>4,112</b>	<b>72,433</b>

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## Summary

### Division 43

## Building Write-Off Allowance

### 1.1 Special Building Write-Off allowance (Division 43)

There is available to Mrs Christine Mahoney a Division 43 special building write-off allowance which applies to income producing Residential buildings which commenced additional works from the 18th July 1985 to the present time.

Under current Tax Legislation, the owner of the property is eligible to claim the Division 43 write-off allowance for a maximum of 40 years after the additional works completion date. The Division 43 allowance applicable to this property is calculated below.

Total Cost for Division 43 application at:

Works	Date	Rate	Original Cost
Additional Works	4-Mar-05	2.5 %	\$25,241
Additional Works	24-Sep-10	2.5 %	\$3,740
Additional Works	1-Oct-10	2.5 %	\$512
Additional Works	12-Oct-10	2.5 %	\$6,222
Additional Works	18-Oct-10	2.5 %	\$2,688
Additional Works	20-Nov-10	2.5 %	\$5,853
Additional Works	16-Mar-11	2.5 %	\$2,018
Additional Works	11-Apr-11	2.5 %	\$2,654
Additional Works	11-Jun-11	2.5 %	\$726
Additional Works	10-Sep-11	2.5 %	\$2,908
Additional Works	12-Dec-11	2.5 %	\$1,287
Additional Works	1-Jan-12	2.5 %	\$32,000
Additional Works	4-Jan-12	2.5 %	\$1,190
Additional Works	21-Jan-12	2.5 %	\$2,347

Calculation for write-off provision,

PERIOD	DIV 43 (\$)
29-Aug-09 to 30-Jun-10	531
1-Jul-10 to 30-Jun-11	992
1-Jul-11 to 30-Jun-12	1,757
1-Jul-12 to 30-Jun-13	2,235
1-Jul-13 to 30-Jun-14	2,235
1-Jul-14 to 30-Jun-15	2,235
1-Jul-15 to 30-Jun-16	2,235
1-Jul-16 to 30-Jun-17	2,235
1-Jul-17 to 30-Jun-18	2,235
1-Jul-18 to 30-Jun-19	2,235

# Appendix One

## 40 Year Projection

## Appendix One - 40 Year Projection

Years 1-21		
Period	Depreciation & Capital Works Allowance	
	Diminishing Value (\$)	Prime Cost (\$)
29-Aug-09 30-Jun-10	1,390	960
1-Jul-10 30-Jun-11	4,061	2,577
1-Jul-11 30-Jun-12	6,013	3,905
1-Jul-12 30-Jun-13	6,133	4,565
1-Jul-13 30-Jun-14	5,158	4,565
1-Jul-14 30-Jun-15	4,474	4,469
1-Jul-15 30-Jun-16	4,356	4,383
1-Jul-16 30-Jun-17	3,606	4,251
1-Jul-17 30-Jun-18	3,130	4,112
1-Jul-18 30-Jun-19	3,041	4,112
1-Jul-19 30-Jun-20	2,741	3,989
1-Jul-20 30-Jun-21	2,548	3,606
1-Jul-21 30-Jun-22	2,432	3,104
1-Jul-22 30-Jun-23	2,359	2,545
1-Jul-23 30-Jun-24	2,313	2,444
1-Jul-24 30-Jun-25	2,284	2,416
1-Jul-25 30-Jun-26	2,265	2,343
1-Jul-26 30-Jun-27	2,253	2,235
1-Jul-27 30-Jun-28	2,246	2,235
1-Jul-28 30-Jun-29	2,242	2,235
1-Jul-29 30-Jun-30	2,239	2,235

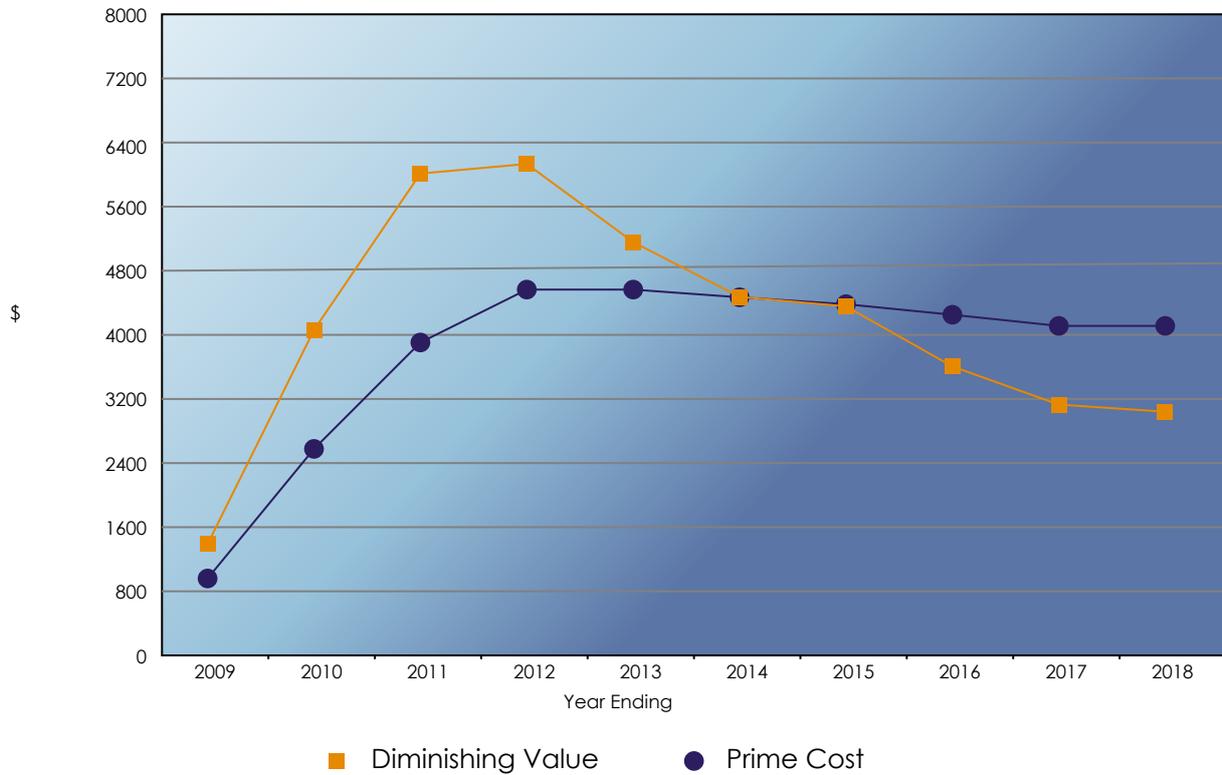
Years 22-41		
Period	Depreciation & Capital Works Allowance	
	Diminishing Value (\$)	Prime Cost (\$)
1-Jul-30 30-Jun-31	2,236	2,235
1-Jul-31 30-Jun-32	2,236	2,235
1-Jul-32 30-Jun-33	2,235	2,235
1-Jul-33 30-Jun-34	2,235	2,235
1-Jul-34 30-Jun-35	2,235	2,235
1-Jul-35 30-Jun-36	2,235	2,235
1-Jul-36 30-Jun-37	2,235	2,235
1-Jul-37 30-Jun-38	2,235	2,235
1-Jul-38 30-Jun-39	2,235	2,235
1-Jul-39 30-Jun-40	2,235	2,235
1-Jul-40 30-Jun-41	2,235	2,235
1-Jul-41 30-Jun-42	2,235	2,235
1-Jul-42 30-Jun-43	2,235	2,235
1-Jul-43 30-Jun-44	2,235	2,235
1-Jul-44 30-Jun-45	2,030	2,030
1-Jul-45 30-Jun-46	1,604	1,604
1-Jul-46 30-Jun-47	1,604	1,604
1-Jul-47 30-Jun-48	1,604	1,604
1-Jul-48 30-Jun-49	1,604	1,604
1-Jul-49 30-Jun-50	1,599	1,599
<b>Total</b>	<b>108,621</b>	<b>108,621</b>

## Appendix Two & Three

### Graphical Representation

### Comparative & Cumulative Analysis

## Appendix Two - Comparative Analysis



## Appendix Three - Cumulative Analysis

