

Property Tax Depreciation / Capital Allowance Schedules

for TH 6, 126-128 John Street, Merrylands

prepared for

Sara33 Pty Ltd atf Sara33 Trust



ABN 56 102 263 294

PO Box 3100, Willoughby North NSW 2068

Ph: 02 8901 3270

Fx: 02 9880 2322

Email: info@titustax.com.au

Web: www.titustax.com.au

Issued: October 2014

T02487

Titus Consulting

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

	CONTENTS	PAGE
1.00	Disclaimer / Explanatory Notes	3
2.00	Purchase Details	4
3.00	Source of Information	4
4.00	Definitions / Methodology	5
5.00	Yearly Summary of Capital Allowances	6
6.00	Division 40 - Depreciating Assets Allowances Prime Cost Method	8
7.00	Division 40 - Depreciating Assets Allowances Diminishing Value Method	9
8.00	Division 43 - Capital Works Deductions Building Works	10

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES



1.00 DISCLAIMER / EXPLANATORY NOTES

We have prepared this Capital Allowances / Tax Depreciation Report in accordance with current Australian Income Tax legislation and rulings applicable as at the date of acquisition. Different taxation inspectors may interpret various aspects of the Act differently. It should, therefore be borne in mind, that items within this schedule may be subject to queries from the Australian Taxation Office and we are always available to assist you in responding to such queries.

Depreciating assets and capital works deductions have been valued based on estimated construction costs, documents provided by the owner and also a visual 'walk through' inspection of the building on the 14 October 2014.

This report is confidential to whom it is addressed and shall not be used for any other purposes. No responsibility is accepted for any third party who may use or rely on the whole or any part of the contents of this report. Titus Consulting does not accept any contractual, tortious or other form of liability of any consequences, loss or damage which may arise as a result of any person acting upon or using this report.

Reviewed and Authorised By : Titus Consulting

Signed :

Date : 25 October 2014

Titus Consulting

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

2.00 PURCHASE DETAILS

a) Contract and Settlement Details

Owner's Name:	Sara33 Pty Ltd atf Sara33 Trust
Property Address:	Th 6, 126-128 John Street, Merrylands
Exchange Date:	5 February 2014
Settlement Date:	10 February 2014

b) Capital Expenditure Incurred

This Capital Allowances Schedule has been prepared based on construction details provided and as detailed below :

Purchase Price	\$	522,000
TOTAL CAPITAL EXPENDITURE ANALYSED	\$	522,000

c) Capital Expenditure Apportionment

Based on the information provided and calculation undertaken we have attributed the following apportionment of the Capital Expenditure incurred.

Depreciating Assets (Plant)	\$	27,913
Capital Works Deductions (Building)	\$	162,199
Balance to total capital expenditure (Land and / or Non-qualifying)	\$	331,888
TOTAL CAPITAL EXPENDITURE ANALYSED	\$	522,000

3.00 SOURCE OF INFORMATION

a) Information Provided

The following information was provided which forms a basis for our calculation :

- Strata Plan
- Land Value
- Purchase Details

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

4.00 DEFINITIONS / METHODOLOGY

a) Depreciating Assets - Division 40

Division 40 of the New Business Tax System (Capital Allowances) Act 2001, defines and overviews the key operative provisions for calculating capital allowance. We have used this Division to calculate the cost of plant, their effective lives, depreciation rates and deductions and to assess the pooling of depreciating assets.

The taxpayer has a choice to depreciate assets by Prime Cost or Diminishing Value method. The effective lives of these assets have been based on Australian Taxation Office's Taxation Ruling TR2013/4. Section 6 and 7 of this report illustrates the differences between the two options.

b) Capital Works Deductions (Building Works) - Division 43

Capital Works Deductions are derived from Division 43 of the Income Tax Assessment Act 1997 - Deductions for Capital Works. The qualifying expenditure shall be based on the historical construction costs incurred. The taxpayer is required to own the assets, and the assets are to be used for producing income, or the assets are ready for such use.

The depreciation rate for Division 43 is 2.5% for construction commenced post 15 September 1987. This rate could be either 2.5% or 4% depending on when construction commenced and can only be claimed using the Prime Cost method.

c) Non-qualifying Items

Items of non-qualifying capital expenditure include :

- Demolition works
- Soft landscaping

d) Prime Cost (PC)

PC method of depreciation is a reduction in the value of the asset at a fixed or uniform amount as a percentage of the original cost on a per annum basis.

e) Diminishing Value (DV)

DV method of depreciation is a reduction in the value of the asset as a percentage of the assets WDV or reducing balance of the value after has been depreciated.

f) Written Down Value (WDV)

WDV is the current balance of the asset's value.

g) Forgone

Forgone values are depreciable and concession, which should not be entitled to the current purchaser.

Titus Consulting

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

5.00 YEARLY SUMMARY OF CAPITAL ALLOWANCES

FINANCIAL YEAR		PRIME COST METHOD		
	Tax	Division 40	Division 43	Total
Year	Year	Depreciating Assets \$	Capital Works Deductions \$	Capital Allowance \$
1 (141 days)	2013 - 2014	1,864	1,566	3,430
2	2014 - 2015	3,724	4,055	7,779
3	2015 - 2016	3,027	4,055	7,082
4	2016 - 2017	2,592	4,055	6,647
5	2017 - 2018	2,320	4,055	6,375
6	2018 - 2019	2,150	4,055	6,205
7	2019 - 2020	2,043	4,055	6,098
8	2020 - 2021	1,977	4,055	6,032
9	2021 - 2022	1,935	4,055	5,990
10	2022 - 2023	1,909	4,055	5,964
11	2023 - 2024	1,478	4,055	5,533
12	2024 - 2025	808	4,055	4,863
13	2025 - 2026	699	4,055	4,754
14	2026 - 2027	531	4,055	4,586
15	2027 - 2028	528	4,055	4,583
16	2028 - 2029	324	4,055	4,379
17	2029 - 2030	2	4,055	4,057
18	2030 - 2031	1	4,055	4,056
19	2031 - 2032	1	4,055	4,056
20	2032 - 2033	0	4,055	4,055
21	2033 - 2034	0	4,055	4,055
22	2034 - 2035	0	4,055	4,055
23	2035 - 2036	0	4,055	4,055
24	2036 - 2037	0	4,055	4,055
25	2037 - 2038	0	4,055	4,055
26	2038 - 2039	0	4,055	4,055
27	2039 - 2040	0	4,055	4,055
28	2040 - 2041	0	655	655
29	2041 - 2042	0	0	0
30	2042 - 2043	0	0	0
31	2043 - 2044	0	0	0
32	2044 - 2045	0	0	0
33	2045 - 2046	0	0	0
34	2046 - 2047	0	0	0
35	2047 - 2048	0	0	0
36	2048 - 2049	0	0	0
37	2049 - 2050	0	0	0
38	2050 - 2051	0	0	0
39	2051 - 2052	0	0	0
40	2052 - 2053	0	0	0
Forgone		0	54,548	54,548
TOTAL		27,913	162,199	190,112

Titus Consulting

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

5.00 YEARLY SUMMARY OF CAPITAL ALLOWANCES

FINANCIAL YEAR		DIMINISHING VALUE METHOD		
Year	Tax Year	Division 40 Depreciating Assets \$	Division 43 Capital Works Deductions \$	Total Capital Allowance \$
1 (141 days)	2013 - 2014	2,585	1,566	4,151
2	2014 - 2015	5,335	4,055	9,390
3	2015 - 2016	4,026	4,055	8,081
4	2016 - 2017	3,089	4,055	7,144
5	2017 - 2018	2,406	4,055	6,461
6	2018 - 2019	1,898	4,055	5,953
7	2019 - 2020	1,514	4,055	5,569
8	2020 - 2021	1,219	4,055	5,274
9	2021 - 2022	990	4,055	5,045
10	2022 - 2023	809	4,055	4,864
11	2023 - 2024	664	4,055	4,719
12	2024 - 2025	548	4,055	4,603
13	2025 - 2026	454	4,055	4,509
14	2026 - 2027	378	4,055	4,432
15	2027 - 2028	315	4,055	4,370
16	2028 - 2029	263	4,055	4,318
17	2029 - 2030	220	4,055	4,275
18	2030 - 2031	185	4,055	4,240
19	2031 - 2032	155	4,055	4,210
20	2032 - 2033	131	4,055	4,186
21	2033 - 2034	110	4,055	4,165
22	2034 - 2035	93	4,055	4,148
23	2035 - 2036	79	4,055	4,133
24	2036 - 2037	66	4,055	4,121
25	2037 - 2038	56	4,055	4,111
26	2038 - 2039	48	4,055	4,103
27	2039 - 2040	41	4,055	4,096
28	2040 - 2041	34	655	690
29	2041 - 2042	29	0	29
30	2042 - 2043	25	0	25
31	2043 - 2044	21	0	21
32	2044 - 2045	18	0	18
33	2045 - 2046	15	0	15
34	2046 - 2047	13	0	13
35	2047 - 2048	11	0	11
36	2048 - 2049	10	0	10
37	2049 - 2050	8	0	8
38	2050 - 2051	7	0	7
39	2051 - 2052	6	0	6
40	2052 - 2053	37	0	37
Forgone		0	54,548	54,548
TOTAL		27,913	162,199	190,112

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

6.0 DIVISION 40 - DEPRECIATING ASSETS ALLOWANCES (PRIME COST)

Division 40 Depreciating Assets Description	TOTAL CAPITAL VALUE	RATE PC	CLAIM 10 Feb 2014 to 30 Jun 2014	WDV 30 Jun 2014
	\$	%	\$	\$
Air Conditioning Assets (excluding pipes, duct work and vents)				
. Mini split system up to 20KW (including ceiling, floor and high wall split system)	9,305	10.00	359	8,945
Floor Coverings (removable without damage)				
. Floating timber	7,859	6.67	202	7,657
Hot Water Systems (excluding piping)				
. Gas	1,925	8.33	62	1,863
Kitchen Assets				
. Ovens	1,283	8.33	41	1,242
Outdoor Assets				
. Automatic garage doors - Motors	1,444	10.00	56	1,388
Low Value Pool Items				
. Spa bath pumps	963	18.75	180	782
. Lights : Shades, removable	257	18.75	48	209
. Fire Control : Detection and alarm systems - Detectors (including addressable manual call points, heat, multi type and smoke)	642	18.75	120	521
. Kitchen Assets : Cook tops	802	18.75	150	652
. Kitchen Assets : Range hoods	481	18.75	90	391
. Sound Processing : Intercom system assets	562	18.75	105	456
. Ventilation fans (excluding ducting, piping and vents)	225	18.75	42	182
. Window Treatments : Blinds, internal	2,166	18.75	406	1,760
TOTAL	27,913		1,864	26,049

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

7.0 DIVISION 40 - DEPRECIATING ASSETS ALLOWANCES (DIMINISHING VALUE)

Division 40 Depreciating Assets Description	TOTAL CAPITAL VALUE	RATE DV	CLAIM 10 Feb 2014 to 30 Jun 2014	WDV 30 Jun 2014
	\$	%	\$	\$
Air Conditioning Assets (excluding pipes, duct work and vents)				
. Mini split system up to 20KW (including ceiling, floor and high wall split system)	9,305	20.00	719	8,586
Floor Coverings (removable without damage)				
. Floating timber	7,859	13.33	405	7,455
Hot Water Systems (excluding piping)				
. Gas	1,925	16.67	124	1,801
Kitchen Assets				
. Ovens	1,283	16.67	83	1,201
Outdoor Assets				
. Automatic garage doors - Motors	1,444	20.00	112	1,332
Low Value Pool Items				
. Spa bath pumps	963	18.75	180	782
. Lights : Shades, removable	257	18.75	48	209
. Fire Control : Detection and alarm systems - Detectors (including addressable manual call points, heat, multi type and smoke)	642	18.75	120	521
. Kitchen Assets : Cook tops	802	18.75	150	652
. Kitchen Assets : Range hoods	481	18.75	90	391
. Sound Processing : Intercom system assets	562	18.75	105	456
. Ventilation fans (excluding ducting, piping and vents)	225	18.75	42	182
. Window Treatments : Blinds, internal	2,166	18.75	406	1,760
TOTAL	27,913		2,585	25,328

Th 6, 126-128 John Street, Merrylands

PROPERTY TAX DEPRECIATION / CAPITAL ALLOWANCE SCHEDULES

8.0 DIVISION 43 - CAPITAL WORKS DEDUCTIONS (BUILDING)

Construction Dates Commencement	Completion	Original Cost	Rate	Annual Claim 365 days	Original WDV 10 Feb 2014	Claim to 30 Jun 2014	Cumulative WDV 30 Jun 2014
		\$	%	\$		\$	\$
Building Works							
02 Sep 1999	01 Sep 2000	162,199	2.50	4,055	107,651	1,566	106,085
TOTAL		\$162,199		\$4,055	\$107,651	\$1,566	\$106,085