

# ACP

QUANTITY SURVEYORS



## TAX DEPRECIATION REPORT

**Property Address:** 5/11 Simper Road  
Yangebup WA

**Owner(s):** Constant Nominees Pty Ltd

**Accountant:** Royce Goodall  
Goodall & Co



AUSTRALIAN COST PLANNERS PTY LTD

ACP BUILDING VALUE



## Contact Us

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## **TABLE OF CONTENTS**

Property Description and Valuation Brief	4
Constants Adopted in the Preparation of This Report	4
Valuation Details	5
Ownership During First year of Claim	5
First Four Years of Claim	5
Amending Previous Years Tax Returns	6
Treatment Of the Goods and Services Tax	6
Low Value Pooling	6
Low Value Items	6
Disclaimer	6
Graph (Diminishing Value Vs. Prime Cost Method)□	7
Life Time Schedule	8
Diminishing Value Method	9
Prime Cost Method	10
Quality Assurance Checklist	11

# Australian Cost Planners Pty Ltd

Sydney/ Melbourne/ Brisbane/ Adelaide/ Perth/ Canberra/ Gold Coast/ Hobart  
e info@quantitiesurveyors.com.au  
p 1300 550 311

**Job No.**  
**8625**

5 July 2017

Constant Nominees Pty Ltd  
14 Sparrow Way  
Spearwood WA 6163

Dear Pierre Louis,

**Re: Capital Works Allowances and Depreciation Report**  
**5/11 Simper Road Yangebup WA**

Further to your recent request, we have prepared a capital works and depreciation report for the above address. In summary we have found deductions to the value of \$335,746 which may be claimed over the remaining life of the property. Details of our valuation now follow:-

## Property Description and Valuation Brief

The subject property comprises a:-

**High-Bay Warehouse with Office & Amenities (273m2)**

## Constants Adopted in the Preparation of This Report

Our assessment of deductions applicable to your property has been based on the following constants and taxation regimes:-

Date of Property Inspection	26 June 2017
Date of Original Construction Completion	1 December 2016
Date of Original Construction Commencement (assessed)	1 June 2016
Date of Renovations	Not Applicable
Date of Purchase	24 May 2017
First Available for Lease	1 September 2017
Start Date of the Report	1 September 2017
First Financial Year of Claim	2018
Days Available in First Financial Year	303
Purchase Price	\$470,925
Depreciation Period for Original Construction (years)	0.8
Rate for Division 43 Capital Works (2.5 or 4%)	2.5%
Effective Life Regime Applicable	Assets Acquired After 1 July 2004
Diminishing Value Regime Applicable	Assets Acquired After 9 May 2006

**Valuation Details**

The attached schedules represent all depreciable costs associated with the building of the above property, but exclude items not advised or substantiated, that may have been provided separately by yourself, e.g. artwork, specialist machinery and equipment, etc. Please refer to your Accountant for the incorporation of these additional items into a total depreciable allowance.

Based on the above information we have prepared an estimate of the depreciation and capital works allowances that may be claimed over the life of your property. Our estimate may be claimed utilising either the **Diminishing Value** or **Prime Cost Method** of claim.

The Diminishing Value Method provides an accelerated cashflow during the initial years of claim while the Prime Cost Method provides a better deduction after the initial 4 to 5 years of claim.

The relationship between the two methods has been **graphically represented** later in this report. Regardless of the method adopted, once you have commenced with one method you must continue with it for the life of the property. If you are in any doubt as to the appropriate method of claim, we recommend that you contact your taxation adviser.

**Ownership During the First Year of Claim**

The first year of claim has been adjusted to reflect your period of ownership during that year. Consequently there is no need to further adjust the first year of claim in the attached schedules.

**Life Time Schedule**

We attach a copy of our **life-time schedule** which details your total claim for the remaining life of your property. This summary may be used exclusively by the current owners and their agents of the property. In the event that the ownership of the property changes hands, we request that we be contacted directly for an updated report.

Division 40 - Depreciation	\$9,690
Division 43 - Capital Works Allowances	\$326,056
<b>Total Lifetime Claim</b>	<b>\$335,746</b>

**First Four Years of Claim**

A summary of the first four years of claim have been summarised for both the Diminishing Value and Prime Cost Methods of calculation:-

Year Ending 30 June	Diminishing Value Method	Prime Cost Method
2018	\$9,576	\$8,428
2019	\$10,699	\$9,552
2020	\$9,838	\$9,552
2021	\$9,297	\$9,552
<b>Total First 4 Years</b>	<b>\$39,411</b>	<b>\$37,083</b>

### **Amending Previous Years Tax Returns**

In the event that you have not previously claimed depreciation on your property you are entitled to adjust your previous taxation returns for up to **2 years of previous ownership for individual (or small business) taxpayers and for 4 years for other taxpayers**. We recommend that you discuss this aspect of your claim with your Taxation Adviser.

### **Treatment of the Goods and Services Tax**

We note that you are only able to claim the value of the GST for assets purchased after 30 June 2000 in the event that you are unable to claim for input tax credits.

Based on the information provided to us, we have treated the GST in the attached schedules as follows: **GST Excluded**

### **Low Value Pooling**

It has been assumed for the purpose of this report that you will elect to depreciate items less than \$1,000.00 in value (per owner) under a "low value pooling" arrangement. We recommend that you discuss this assumption with your taxation adviser.

### **Low Value Items**

An immediate deduction has been included in the first year of lease for all assets that have a value not exceeding \$300 multiplied by the number of owners. We recommend that you discuss this assumption with your taxation adviser.

Yours Faithfully,

**AUSTRALIAN COST PLANNERS PTY LTD**



**MICHAEL STURGESS**

**DIRECTOR**

Associate Member of AIQS (Australian Institute of Quantity Surveyors)  
Tax Agents Registration No. 26040004 (Michael Sturgess)  
Tax Agents Registration No. 20864006 (Australian Cost Planners Pty Ltd)  
Member of National Tax & Accountants' Association (Member No. 26827)

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### **Disclaimer**

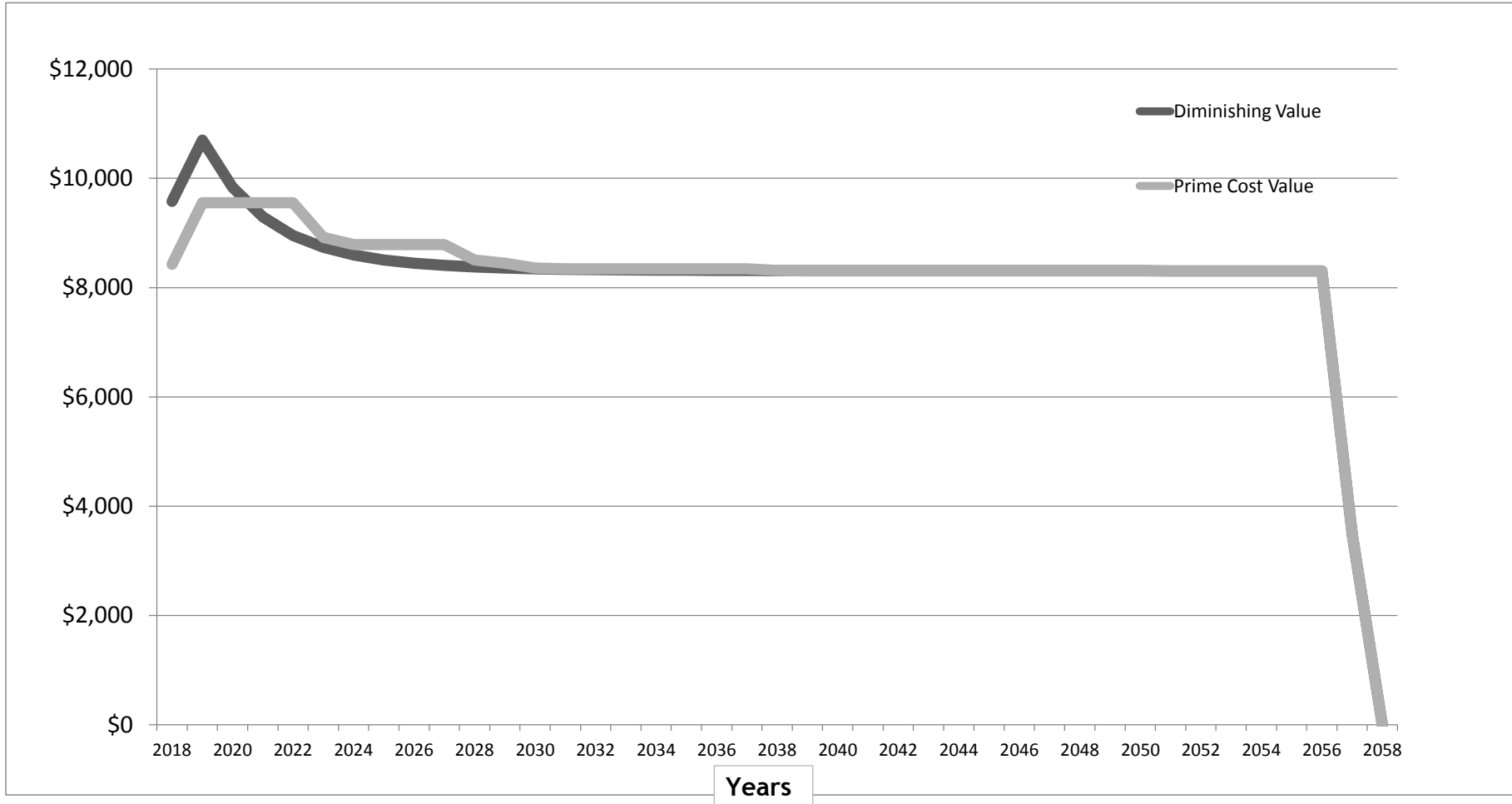
*The schedules and values included in this report have been prepared for the sole purpose of preparing taxation claims and are for the use of the current owners and their agents only.*

*Australian Cost Planners Pty Ltd does not accept any form of liability for any consequences, loss or damage that may arise as a result of any other party acting upon or using this report.*

*Australian Cost Planners Pty Ltd are construction cost consultants and as such do not offer general taxation advice. Accordingly this report relates to the provision of Quantity Surveying Services in accordance with our registration with the Tax Practitioners Board*

*We recommended that the contents of this report be discussed with a tax adviser prior to integrating the information provided in a tax return.*

### Diminishing Value Vs. Prime Cost Method



# LIFE TIME DEPRECIATION SCHEDULE

## 5/11 Simper Road Yangebup WA

High-Bay Warehouse with Office & Amenities (273m2)

FINANCIAL YEAR ENDING 30 JUNE	DIMINISHING VALUE METHOD			PRIME COST METHOD		
	DIV. 40	DIV 43	Diminishing Value	DIV. 40	DIV.43	Prime Cost Value
2018	2,680	6,896	9,576	1,532	6,896	8,428
2019	2,392	8,307	10,699	1,244	8,307	9,552
2020	1,531	8,307	9,838	1,244	8,307	9,552
2021	990	8,307	9,297	1,244	8,307	9,552
2022	648	8,307	8,955	1,244	8,307	9,552
2023	430	8,307	8,737	610	8,307	8,917
2024	290	8,307	8,597	480	8,307	8,788
2025	199	8,307	8,506	480	8,307	8,788
2026	139	8,307	8,446	480	8,307	8,788
2027	98	8,307	8,406	480	8,307	8,788
2028	71	8,307	8,378	198	8,307	8,505
2029	52	8,307	8,359	140	8,307	8,447
2030	39	8,307	8,346	54	8,307	8,361
2031	29	8,307	8,336	36	8,307	8,343
2032	22	8,307	8,329	36	8,307	8,343
2033	17	8,307	8,324	36	8,307	8,343
2034	13	8,307	8,320	36	8,307	8,343
2035	10	8,307	8,318	36	8,307	8,343
2036	8	8,307	8,315	36	8,307	8,343
2037	6	8,307	8,314	36	8,307	8,343
2038	5	8,307	8,312	6	8,307	8,313
2039	4	8,307	8,311	0	8,307	8,307
2040	3	8,307	8,310	0	8,307	8,307
2041	3	8,307	8,310	0	8,307	8,307
2042	2	8,307	8,309	0	8,307	8,307
2043	2	8,307	8,309	0	8,307	8,307
2044	1	8,307	8,308	0	8,307	8,307
2045	1	8,307	8,308	0	8,307	8,307
2046	1	8,307	8,308	0	8,307	8,307
2047	1	8,307	8,308	0	8,307	8,307
2048	1	8,307	8,308	0	8,307	8,307
2049	0	8,307	8,308	0	8,307	8,307
2050	0	8,307	8,308	0	8,307	8,307
2051	0	8,307	8,307	0	8,307	8,307
2052	0	8,307	8,307	0	8,307	8,307
2053	0	8,307	8,307	0	8,307	8,307
2054	0	8,307	8,307	0	8,307	8,307
2055	0	8,307	8,307	0	8,307	8,307
2056	0	8,307	8,307	0	8,307	8,307
2057	0	3,486	3,487	0	3,486	3,486
2058	0	0	0	0	0	0
<b>LIFE TIME TOTAL:</b>	<b>9,690</b>	<b>326,056</b>	<b>335,746</b>	<b>9,690</b>	<b>326,056</b>	<b>335,746</b>



SCHEDULE OF DEPRECIATION & CAPITAL WORKS ALLOWANCES											
DIMINISHING VALUE METHOD											
Owners Name: Constant Nominees Pty Ltd						Job Number: 8625					
Number of Owners: 1						Completion Date of Original Building: 1-Dec-2016					
Property Address: 5/11 Simper Road Yangebup WA						Start Date of Report: 1-Sep-2017					
CATEGORY	ITEM	OPENING VALUE	LIFE (yrs)	% FIRST YEAR OF CLAIM	RATE FIRST YEAR (%)	RATE YEARS 2 to 40 (%)	DEPREC. FOR YEAR ENDING 30 JUNE				TOTAL FIRST FOUR YEARS
							2018 YEAR 1	2019 YEAR 2	2020 YEAR 3	2021 YEAR 4	
<b>DIVISION 40 PLANT &amp; EQUIPMENT</b>											
Airconditioning	Split Systems	2,018	10.00	83%	20.00%	20.00%	335	337	269	215	1,156
Bathrooms and Ensuites	Exhaust Fans (Fan only)	267	10.00	100%	100.00%	0.00%	267	-	-	-	267
Electrical	Light Fittings (industrial)	3,466	5.00	83%	40.00%	40.00%	1,151	926	556	333	2,966
Electrical	Light Fittings (fluorescent)	354	5.00	100%	18.75%	37.50%	66	108	67	42	284
Fire Services	Emergency Warning & Communications	600	12.00	100%	18.75%	37.50%	113	183	114	71	481
Fire Services	Fire/ Smoke Detectors	717	20.00	100%	18.75%	37.50%	134	218	137	85	575
Fire Services	Fire Hose Reels	712	10.00	100%	18.75%	37.50%	134	217	136	85	571
General Items	Door Closers (to Fire Doors/Unit Entry Doors)	674	10.00	100%	18.75%	37.50%	126	205	128	80	540
Outdoor Assets	Garbage Bins	232	10.00	100%	100.00%	0.00%	232	-	-	-	232
Plumbing	Hot Water Service, electric or gas	650	12.00	100%	18.75%	37.50%	122	198	124	77	521
<b>Total DIVISION 40 Depreciation</b>		<b>9,690</b>					<b>2,680</b>	<b>2,392</b>	<b>1,531</b>	<b>990</b>	<b>7,593</b>
<b>DIVISION 43 CAPITAL WORKS</b>											
	<b>Item</b>	<b>New Value</b>									
	Primary Construction Component 1 December 2016	332,288	326,056	40	83%	2.50	6,896	8,307	8,307	8,307	31,818
<b>Total DIVISION 43 Capital Works Allowances</b>			<b>326,056</b>				<b>6,896</b>	<b>8,307</b>	<b>8,307</b>	<b>8,307</b>	<b>31,818</b>
<b>TOTAL DEDUCTION</b>			<b>335,746</b>				<b>9,576</b>	<b>10,699</b>	<b>9,838</b>	<b>9,297</b>	<b>39,411</b>

SCHEDULE OF DEPRECIATION & CAPITAL WORKS ALLOWANCES											
PRIME COST METHOD											
Owners Name: Constant Nominees Pty Ltd					Job Number: 8625						
Number of Owners: 1					Completion Date of Original Building: 1-Dec-2016				Start Date of Report: 1-Sep-2017		
Property Address: 5/11 Simper Road Yangebup WA											
CATEGORY	ITEM	OPENING VALUE	LIFE (yrs)	% FIRST YEAR OF CLAIM	RATE (%)	DEPREC. FOR YEAR ENDING 30 JUNE				TOTAL FIRST FOUR YEARS	
						2018 YEAR 1	2019 YEAR 2	2020 YEAR 3	2021 YEAR 4		
<b>DIVISION 40 PLANT &amp; EQUIPMENT</b>											
Airconditioning	Split Systems	2,018	10.00	83%	10.00	168	202	202	202	773	
Bathrooms and Ensuites	Exhaust Fans (Fan only)	267	10.00	100%	100.00	267	-	-	-	267	
Electrical	Light Fittings (industrial)	3,466	5.00	83%	20.00	575	693	693	693	2,655	
Electrical	Light Fittings (fluorescent)	354	5.00	83%	20.00	59	71	71	71	271	
Fire Services	Emergency Warning & Communications	600	12.00	83%	8.33	42	50	50	50	192	
Fire Services	Fire/ Smoke Detectors	717	20.00	83%	5.00	30	36	36	36	137	
Fire Services	Fire Hose Reels	712	10.00	83%	10.00	59	71	71	71	273	
General Items	Door Closers (to Fire Doors/Unit Entry Doors)	674	10.00	83%	10.00	56	67	67	67	258	
Outdoor Assets	Garbage Bins	232	10.00	100%	100.00	232	-	-	-	232	
Plumbing	Hot Water Service, electric or gas	650	12.00	83%	8.33	45	54	54	54	207	
<b>Total DIVISION 40 Depreciation</b>		<b>9,690</b>				<b>1,532</b>	<b>1,244</b>	<b>1,244</b>	<b>1,244</b>	<b>5,265</b>	
<b>DIVISION 43 CAPITAL WORKS</b>											
	<u>Item</u>	<u>New Value</u>									
	Primary Construction Component 1 December 2016	332,288	326,056	40	83%	2.50	6,896	8,307	8,307	8,307	31,818
<b>Total DIVISION 43 Capital Works Allowances</b>		<b>326,056</b>				<b>6,896</b>	<b>8,307</b>	<b>8,307</b>	<b>8,307</b>	<b>31,818</b>	
<b>TOTAL DEDUCTION</b>		<b>335,746</b>				<b>8,428</b>	<b>9,552</b>	<b>9,552</b>	<b>9,552</b>	<b>37,083</b>	

# QUALITY ASSURANCE CHECKLIST

**This report has undergone our internal review process and complies with our Quality Assurance Standards.**

✓	<b>Life Time Schedule of Costs</b>	Attached
✓	<b>Diminishing Value Method of Claim</b>	Attached
✓	<b>Prime Cost Method of Claim</b>	Attached
✓	<b>Graphical Comparison of Dimishing Value to Prime Cost Method</b>	Attached
✓	<b>Low Value Pooling</b>	Included
✓	<b>Electronic Copy of Report</b>	Forwarded
✓	<b>Complimentary Copy sent to Accountant</b>	As Applicable
✓	<b>Detailed Cost Breakdown</b>	Provided
✓	<b>Site Inspection</b>	As Applicable
✓	<b>Report prepared by member of the Australian Institute of Quantity Surveyors and ATO Registered Tax Agent</b>	Yes
✓	<b>Guarantee to provide a First Year Tax Deduction no less than 3 Times the Value of our professional fees</b>	Fulfilled
✓	<b>Tax Deductable Invoice</b>	Attached

# Australian Cost Planners Pty Ltd

Sydney/ Melbourne/ Brisbane/ Adelaide/ Perth  
E. info@quantitysurveyors.com.au

Tel. 1300 550 311

**ABN: 14 092 316 722**

**Invoice No. 8625**

**Due Date 19 June 2017**

**19 June 2017**

**Constant Nominees Pty Ltd  
14 Sparrow Way  
Spearwood WA 6163**

## TAX INVOICE

**Re: Capital Works Allowances and Depreciation Report  
5/11 Simper Road Yangebup**

**PROFESSIONAL FEES FOR QUANTITY SURVEYING  
SERVICES RENDERED:**

1. Preparation of Tax depreciation schedules and report

TOTAL FEE (As Quoted):	\$700.00
Add GST:	<u>\$70.00</u>
TOTAL PAYABLE INCLUDING GST:	<b>\$770.00</b>
<b>TOTAL INVOICE (Tax Deductible):</b>	\$770.00
<b>LESS PAID:</b>	<u>-\$770.00</u>
<b>BALANCE DUE:</b>	<b>\$0.00</b>

Account Details

Bendigo Bank  
Australian Cost Planners Pty Ltd  
BSB No. 633-000  
Account No. 1389 29732  
Swift Code (for International Payments only) BENDAU3B