

BMT Tax Depreciation

QUANTITY SURVEYORS

Capital Allowance & Tax Depreciation Schedule

Maximising the cash return from investment properties

Dean Ryan Property Pty Ltd
119 Strickland Drive
BOOROOMA, NSW 2650

BMT Tax Depreciation

QUANTITY SURVEYORS

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28 June 2016

Dean Ryan Property Pty Ltd
41 Mallon Avenue
HORSLEY, NSW 2530

Dear Sir/Madam,

Thank you for choosing BMT Tax Depreciation to complete your Capital Allowance and Tax Depreciation Schedule.

The document outlines the relevant information, legislation and methodology used in the assessment of the potential depreciation deductions for 119 Strickland Drive BOOROOMA, NSW 2650.

For your convenience we have included an explanation, summary and comparison of the two different methods you can choose to calculate an assets decline in value. This provides you or your Tax Adviser the information necessary to make a more informed decision specific to your circumstances.

We trust our service and the deductions outlined in the following schedules will exceed your expectations. We strive for excellent and would truly appreciate your feedback.

We are committed to the continual professional development of our service and report so we can fortify our relationship as your preferred Tax Depreciation and Capital Allowance Specialist.

For further information on property taxation and relevant property news we invite you to visit our website at www.bmtqs.com.au where you will find an array of free investment tools and resources you can use, order or download at any time.

Should you require any further information or clarification, please do not hesitate to contact one of our Depreciation Specialists or our Chief Executive Officer Mr Bradley Beer at the office.

Once again, thank you for choosing BMT Tax Depreciation and we look forward to working with you in the future.

Yours sincerely,



BMT Tax Depreciation Pty Ltd
Quantity Surveyors
AIQS, RICS, AVAA, Tax Agent: 53712009

Maximising Property Tax Depreciation Deductions

Table of Contents

BMT Capital Allowance and Tax Depreciation Schedule overview.....	4
Methodology.....	5
Summary of capital expenditure.....	8
Division 40 - plant and equipment.....	8
Division 43 - capital works allowance.....	8
Balance of capital expenditure.....	8
Total capital expenditure.....	8
Capital Allowance and Tax Depreciation Schedule summary.....	9
Total deductions - 40 year forecast.....	9
10 year forecast comparison graph.....	10
Division 43 - capital works allowance.....	11
Diminishing value method summary.....	12
Prime cost method summary.....	13
Diminishing value method schedules.....	14
Diminishing value method schedules (years 1 - 5).....	14
Diminishing value method schedules (years 6 - 10).....	15
Diminishing value method schedules (years 11 - 15).....	16
Diminishing value method schedules (years 16 - 20).....	17
Pooling schedules.....	18
Pooling schedules (years 1 - 5).....	18
Pooling schedules (years 6 - 10).....	19
Pooling schedules (years 11 - 15).....	20
Pooling schedules (years 16 - 20).....	21
Prime cost schedules.....	22
Prime cost schedules (years 1 - 5).....	22
Prime cost schedules (years 6 - 10).....	23
Prime cost schedules (years 11 - 15).....	24
Prime cost schedules (years 16 - 20).....	25
Grouped depreciation rates.....	26
Grouped depreciation rates (diminishing value method).....	26
Grouped depreciation rates (prime cost method).....	27
Glossary of terms.....	28

BMT Capital Allowance and Tax Depreciation Schedule overview

Please find following a summary of the information BMT Tax Depreciation have used when preparing this Capital Allowance and Tax Depreciation Schedule. The ownership structure plays a significant part in the methodology that is used and subsequently changes the structure of the report and the calculations used therein. Any changes to the ownership entity or structure will make this report inaccurate.

Report prepared for: Dean Ryan Property Pty Ltd

Property address: 119 Strickland Drive BOOROOMA, NSW 2650

Ownership interest: 100%

Co-owners must divide the income and expenses for the rental property in line with their 'interest' in the property. The two co-owner structures are:

- Joint tenants - each holds an equal interest in the property, or
- Tenants in common - may hold unequal interests in the property, for example, one may hold a 20% interest and the other an 80% interest

Co-owned depreciating assets, as outlined in section 40-35 of the ITAA 1997, are able to be calculated and deducted based on each owner's interest in the asset, and not the whole asset. For example, joint tenants with an equal 50% share can claim an immediate write-off for items under \$600 as each co-owner's share is less than \$300 each. When an owner's share of an asset valued at less than \$1,000 it can also be added to a low-value pool.

Property type: Residential

Purchase price: \$415,000

Reporting Year Start: 1 July

Settlement date: 11 February 2016

Construction completion date: 13 December 2014

Schedule start date: 12 February 2016

Methodology

The Capital Allowance and Tax Depreciation Schedule prepared for Dean Ryan Property Pty Ltd on 119 Strickland Drive BOOROOMA, NSW 2650 has been prepared and calculated in accordance with the legislation applicable on the 28 June 2016.

The Capital Allowance and Tax Depreciation Schedule is based on BMT Tax Depreciation's understanding of the Commissioner of Taxation's assumed intent and the interpretation of the relevant tax rulings and supportive documents:

- The Income Tax Assessment Act 1997, (ITAA) 1936, Part 3, Division 3A, Sections 54, 55, 56, 60, 61 and 62
- The basis of depreciation of an item of plant and equipment includes its purchase price (ITAA Sect 42-65) delivery and installation costs (IT 2197) and the costs associated with bringing the plant into full operation (ITAA97 Sect 8-1)
- Capital allowances in accordance with Division 10D, Sections 124ZF-ZH and Section 1234ZFB and ITAA 1997 Division 40, 42 and 43
- Changes from the Ralph Review of Business Taxation of 21 September 1999
- Legislation by the Australian Taxation Office in Market Valuations for Tax Purposes
- Documentation and procedures defined in the Australian Accounting Standards AASB 116 Property, Plant and Equipment and AASB13 Fair Value Measurement
- Taxation Ruling 2015/2 – Income Tax: Effective Life of Depreciating Assets

It is a requirement to advise BMT Tax Depreciation when any actual costs in whole or part thereof are available prior to the preparation of the Capital Allowance and Tax Depreciation Schedule. Where costs have been provided, they have been used and noted accordingly in this schedule. In the event that costs are not available, BMT Tax Depreciation use the estimating procedures and methodology provided to estimate a fair market value based on cost advice as at the 28 June 2016. Where applicable, all cost estimates are adjusted to that of the historical date in which the actual construction or installation took place.

The construction expenditure has been determined on the basis of the actual cost incurred in relation to the construction of a building.

Construction expenditure calculated includes:

- Preliminary expenses such as architects' fees, engineering fees and the cost of foundation excavations
- Builders or Contractors margin
- Professional fees such as Architects, Engineers and Surveyors
- Contingencies
- All plant and equipment

The construction expenditure calculated excludes:

- Site clearance, earthworks that are permanent, can be economically maintained and are not integral to the installation or construction of a structure
- Demolition of existing structures
- Soft landscaping
- Cost of acquiring land
- Developers profit and overheads

The following additional information has been used in the preparation of the Capital Allowance and Tax Depreciation Schedule:

- Written and verbal information provided by Dean Ryan Property Pty Ltd
- Verbal information provided by Wagga Wagga City Council
- Site inspection conducted by BMT Tax Depreciation on 27 June 2016
- Purchase price of \$415,000

The following assumptions have been made in the preparation of the Capital Allowance and Tax Depreciation Schedule.

- That all items of plant and equipment listed in the schedule are owned by the tax payer
- That you are not entitled to input tax credits and therefore GST is included in the appropriate items within the schedule
- That no schedule of depreciation allowances existed or formed a condition of the purchase documentation
- Qualifying expenditure and depreciation rates have been calculated with the understanding that the property is used for the production of assessable income, excluding short-term traveller's accommodation or non-residential usage
- No additional actual costs in whole or part thereof are available at this time
- The owners are not carrying on a rental property business

Owners are advised to discuss and confirm the above assumptions with their Tax Adviser prior to using this Capital Allowance and Tax Depreciation Schedule.

Disclaimer

This report and the information contained within it has been prepared by BMT Tax Depreciation Pty Ltd , 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 only by the client. The contents of this report are advice on construction costs only. The contents of this report are not legal, accounting or taxation advice. The client must consult with their own legal, accounting or taxation advisers before relying on these schedules. The report and 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.

BMT Tax Depreciation Pty Ltd is not responsible for the results of the actions taken on the basis of the information provided in this report or any error in or omission from this report. The construction cost estimate has been prepared for depreciation purposes only. It is not an estimate of replacement cost and is not suitable for any other purpose. Neither the whole nor any part of this report or any reference thereto may be included in any published, circular or statement, nor published in part or in full in any way, without the express prior written approval from BMT Tax Depreciation Pty Ltd.

Experience and qualifications

It is a legislative requirement that you use an appropriately qualified person to prepare a Capital Allowance and Tax Depreciation Schedule under Tax Ruling 97/25. A Quantity Surveyor is one of the few professionals recognised to have appropriate construction costing skills to estimate building costs for the purpose of establishing a cost to claim your capital works and tax depreciation deductions.

Please find following BMT Tax Depreciation's relevant qualifications and associations with governing bodies:

- **AIQS - Australian Institute of Quantity Surveyors**

As a member of the AIQS, a professional standards body, BMT Tax Depreciation upholds its professionalism and standards to the highest level. The institute plays an important role by ensuring that industry standards and information are continuously updated.

- **RICS - Royal Institute of Chartered Surveyors**

BMT Tax Depreciation are proud members of RICS, allowing us access to the latest methodology being used by Surveyors across Australia and the world.

- **AVAA - Auctioneers & Valuers Association of Australia**

BMT Tax Depreciation is also a member of the AVAA. The AVAA works to elevate and maintain the standards of professional knowledge and sound practice relating to accurately valuing a variety of plant and equipment.

- **PIPA- Property Investment Professionals of Australia**

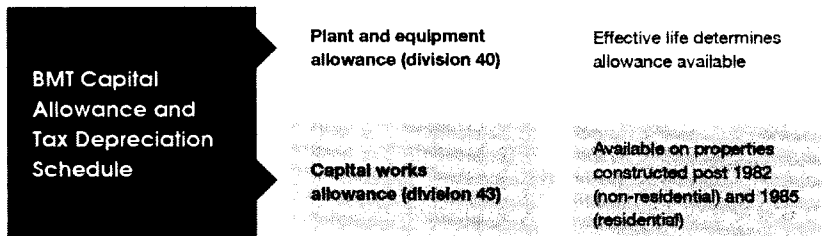
As a member of PIPA, BMT are committed to maintaining high levels of professional standards through their work in educating property investors on the benefits of tax depreciation.

- **Registered Tax Agent**

BMT Tax Depreciation are registered Tax Agents qualified to prepare depreciation schedules for any rental, commercial or investment property under the Tax Agents Services Act 2009. **Our Tax Agents number is 53712009**

Summary of capital expenditure

Purchase price	\$415,000
Total expenditure	\$415,000



Division 40 - plant and equipment	\$31,207
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The calculations for plant and equipment assets have been prepared in accordance with the relevant Taxation Ruling in place at the time of preparing this report. This ruling discusses the methodology outlined by the Commissioner of Taxation to determine the effective life of depreciating assets under section 40-100 of the Income Tax Assessment Act 1997 (ITAA 1997).

Division 43 - capital works allowance	\$227,337
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Division 43, as outlined in the Income Tax Assessment Act 1997 (ITAA 1997), allows a deduction for capital expenditure incurred in the construction of any capital works. The deduction claimed as a capital works allowance depends on the type of construction and the date construction started. See the definition of Division 43 and the table under this heading within the glossary of key terms for further clarification of the qualifying dates for capital works deductions. The deductible amount for division 43 excludes both division 40 above and any non-qualifying balance of capital expenditure.

Balance of capital expenditure	\$156,456
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This represents all items that do not qualify for capital works deductions or decline in value and any capital works deductions which are already exhausted. Construction expenditure that cannot be claimed (as per Australian Taxation Office guidelines) include:

- land
- expenditure on clearing the land prior to construction
- earthworks that are permanent, and are not integral to the construction
- expenditure on soft landscaping
- demolition

Total capital expenditure	\$415,000
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Capital Allowance and Tax Depreciation Schedule summary

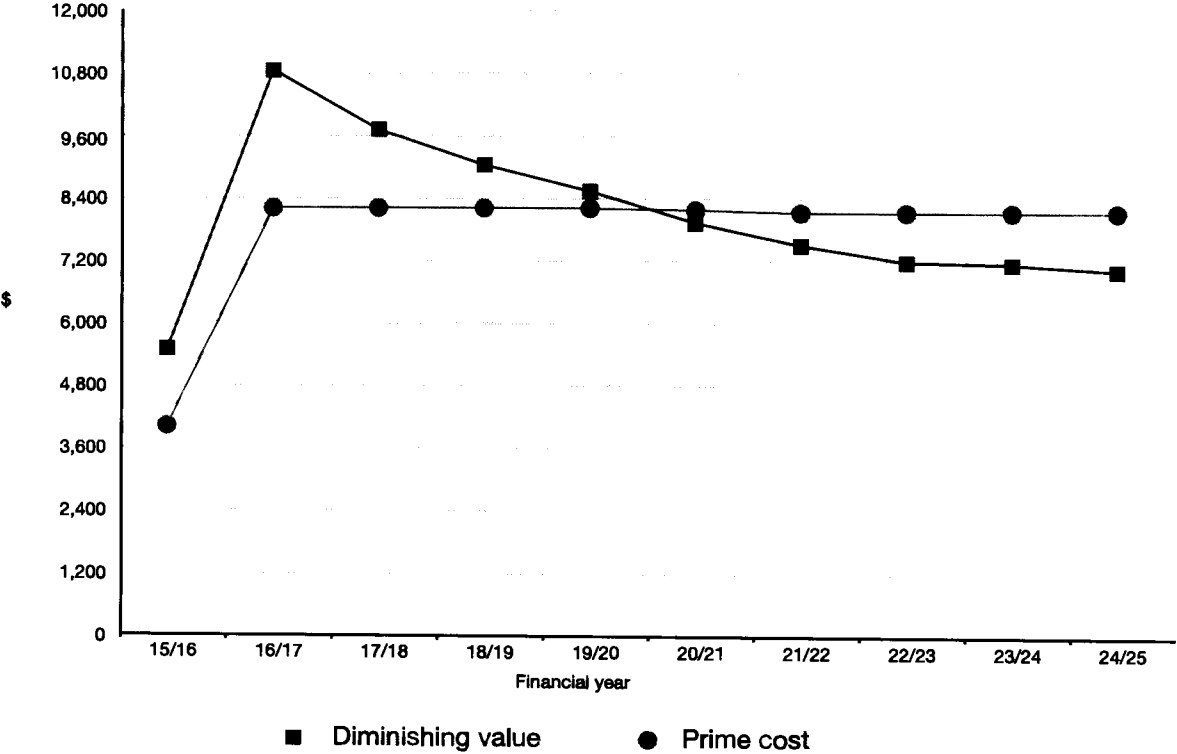
Total deductions - 40 year forecast

The forty year projection summary outlines the total yearly deductions available over the lifetime of the property. These totals include the division 43 and division 40 components as a total yearly deduction. Both the diminishing value (DV) and prime cost (PC) method values are shown for easy comparison.

Years 1-21			Years 22-41		
Period	Total deductions		Period	Total deductions	
	DV (\$)	PC (\$)		DV (\$)	PC (\$)
12-Feb-16 to 30-Jun-16	5,491	4,018	1-Jul-36 to 30-Jun-37	6,123	5,854
1-Jul-16 to 30-Jun-17	10,857	8,214	1-Jul-37 to 30-Jun-38	6,022	5,854
1-Jul-17 to 30-Jun-18	9,718	8,214	1-Jul-38 to 30-Jun-39	5,959	5,854
1-Jul-18 to 30-Jun-19	9,045	8,214	1-Jul-39 to 30-Jun-40	5,920	5,854
1-Jul-19 to 30-Jun-20	8,544	8,214	1-Jul-40 to 30-Jun-41	5,894	5,854
1-Jul-20 to 30-Jun-21	7,940	8,184	1-Jul-41 to 30-Jun-42	5,879	5,854
1-Jul-21 to 30-Jun-22	7,507	8,130	1-Jul-42 to 30-Jun-43	5,870	5,854
1-Jul-22 to 30-Jun-23	7,192	8,130	1-Jul-43 to 30-Jun-44	5,864	5,854
1-Jul-23 to 30-Jun-24	7,147	8,130	1-Jul-44 to 30-Jun-45	5,861	5,854
1-Jul-24 to 30-Jun-25	7,022	8,130	1-Jul-45 to 30-Jun-46	5,858	5,854
1-Jul-25 to 30-Jun-26	6,725	7,694	1-Jul-46 to 30-Jun-47	5,857	5,854
1-Jul-26 to 30-Jun-27	6,525	6,977	1-Jul-47 to 30-Jun-48	5,855	5,854
1-Jul-27 to 30-Jun-28	6,388	6,776	1-Jul-48 to 30-Jun-49	5,855	5,854
1-Jul-28 to 30-Jun-29	6,289	6,470	1-Jul-49 to 30-Jun-50	5,855	5,854
1-Jul-29 to 30-Jun-30	6,217	6,470	1-Jul-50 to 30-Jun-51	5,854	5,854
1-Jul-30 to 30-Jun-31	6,164	6,470	1-Jul-51 to 30-Jun-52	5,854	5,854
1-Jul-31 to 30-Jun-32	6,122	6,470	1-Jul-52 to 30-Jun-53	5,854	5,854
1-Jul-32 to 30-Jun-33	6,350	6,470	1-Jul-53 to 30-Jun-54	5,854	5,854
1-Jul-33 to 30-Jun-34	6,199	6,470	1-Jul-54 to 30-Jun-55	2,630	2,630
1-Jul-34 to 30-Jun-35	6,100	6,470	1-Jul-55 to 30-Jun-56	0	0
1-Jul-35 to 30-Jun-36	6,284	6,227	Total	258,544	258,544

10 year forecast comparison graph

This graphical representation of the diminishing value method and prime cost method compares the yearly claims from both methods against each other. It demonstrates the diminishing value method's increased deductions over the first few years and the prime cost method's greater deductions in later years.



Division 43 – capital works allowance

The table below outlines the division 43 building write-off allowance available to be claimed over forty years from the construction completion date. The depreciation calculated has been deemed to be on structural elements only completed after the ATO legislated dates.

Works	Date	Rate	Original cost (\$)
Original Works	13-Dec-14	2.5 %	234,143

Calculation for write-off provision:

Period	Original Division 43 (\$)
12-Feb-16 to 30-Jun-16	2,255
1-Jul-16 to 30-Jun-17	5,854
1-Jul-17 to 30-Jun-18	5,854
1-Jul-18 to 30-Jun-19	5,854
1-Jul-19 to 30-Jun-20	5,854
1-Jul-20 to 30-Jun-21	5,854
1-Jul-21 to 30-Jun-22	5,854
1-Jul-22 to 30-Jun-23	5,854
1-Jul-23 to 30-Jun-24	5,854
1-Jul-24 to 30-Jun-25	5,854

Diminishing value method summary

Date	Effective Life	Pooled Plant	Division 40	Division 43	Total
12-Feb-16 to 30-Jun-16	2,238	998	3,236	2,255	5,491
1-Jul-16 to 30-Jun-17	3,381	1,622	5,003	5,854	10,857
1-Jul-17 to 30-Jun-18	2,850	1,014	3,864	5,854	9,718
1-Jul-18 to 30-Jun-19	2,244	947	3,191	5,854	9,045
1-Jul-19 to 30-Jun-20	1,758	932	2,690	5,854	8,544
1-Jul-20 to 30-Jun-21	1,504	582	2,086	5,854	7,940
1-Jul-21 to 30-Jun-22	1,289	364	1,653	5,854	7,507
1-Jul-22 to 30-Jun-23	1,110	228	1,338	5,854	7,192
1-Jul-23 to 30-Jun-24	801	492	1,293	5,854	7,147
1-Jul-24 to 30-Jun-25	510	658	1,168	5,854	7,022
1-Jul-25 to 30-Jun-26	458	413	871	5,854	6,725
1-Jul-26 to 30-Jun-27	414	257	671	5,854	6,525
1-Jul-27 to 30-Jun-28	372	162	534	5,854	6,388
1-Jul-28 to 30-Jun-29	334	101	435	5,854	6,289
1-Jul-29 to 30-Jun-30	301	62	363	5,854	6,217
1-Jul-30 to 30-Jun-31	271	39	310	5,854	6,164
1-Jul-31 to 30-Jun-32	244	24	268	5,854	6,122
1-Jul-32 to 30-Jun-33	124	372	496	5,854	6,350
1-Jul-33 to 30-Jun-34	112	233	345	5,854	6,199
1-Jul-34 to 30-Jun-35	101	145	246	5,854	6,100
1-Jul-35 to 30-Jun-36	0	430	430	5,854	6,284
1-Jul-36 to 30-Jun-37	0	269	269	5,854	6,123
1-Jul-37 to 30-Jun-38	0	168	168	5,854	6,022
1-Jul-38 to 30-Jun-39	0	105	105	5,854	5,959
1-Jul-39 to 30-Jun-40	0	66	66	5,854	5,920
1-Jul-40 to 30-Jun-41	0	40	40	5,854	5,894
1-Jul-41 to 30-Jun-42	0	25	25	5,854	5,879
1-Jul-42 to 30-Jun-43	0	16	16	5,854	5,870
1-Jul-43 to 30-Jun-44	0	10	10	5,854	5,864
1-Jul-44 to 30-Jun-45	0	7	7	5,854	5,861
1-Jul-45 to 30-Jun-46	0	4	4	5,854	5,858
1-Jul-46 to 30-Jun-47	0	3	3	5,854	5,857
1-Jul-47 to 30-Jun-48	0	1	1	5,854	5,855
1-Jul-48 to 30-Jun-49	0	1	1	5,854	5,855
1-Jul-49 to 30-Jun-50	0	1	1	5,854	5,855
1-Jul-50 to 30-Jun-51	0	0	0	5,854	5,854
1-Jul-51 to 30-Jun-52	0	0	0	5,854	5,854
1-Jul-52 to 30-Jun-53	0	0	0	5,854	5,854
1-Jul-53 to 30-Jun-54	0	0	0	5,854	5,854
1-Jul-54 to 30-Jun-55	0	0	0	2,630	2,630
1-Jul-55 to 30-Jun-56	0	0	0	0	0
Total	20,416	10,791	31,207	227,337	258,544

Prime cost method summary

Date	Effective Life Plant	Division 43	Total
12-Feb-16 to 30-Jun-16	1,763	2,255	4,018
1-Jul-16 to 30-Jun-17	2,360	5,854	8,214
1-Jul-17 to 30-Jun-18	2,360	5,854	8,214
1-Jul-18 to 30-Jun-19	2,360	5,854	8,214
1-Jul-19 to 30-Jun-20	2,360	5,854	8,214
1-Jul-20 to 30-Jun-21	2,330	5,854	8,184
1-Jul-21 to 30-Jun-22	2,276	5,854	8,130
1-Jul-22 to 30-Jun-23	2,276	5,854	8,130
1-Jul-23 to 30-Jun-24	2,276	5,854	8,130
1-Jul-24 to 30-Jun-25	2,276	5,854	8,130
1-Jul-25 to 30-Jun-26	1,840	5,854	7,694
1-Jul-26 to 30-Jun-27	1,123	5,854	6,977
1-Jul-27 to 30-Jun-28	922	5,854	6,776
1-Jul-28 to 30-Jun-29	616	5,854	6,470
1-Jul-29 to 30-Jun-30	616	5,854	6,470
1-Jul-30 to 30-Jun-31	616	5,854	6,470
1-Jul-31 to 30-Jun-32	616	5,854	6,470
1-Jul-32 to 30-Jun-33	616	5,854	6,470
1-Jul-33 to 30-Jun-34	616	5,854	6,470
1-Jul-34 to 30-Jun-35	616	5,854	6,470
1-Jul-35 to 30-Jun-36	373	5,854	6,227
1-Jul-36 to 30-Jun-37	0	5,854	5,854
1-Jul-37 to 30-Jun-38	0	5,854	5,854
1-Jul-38 to 30-Jun-39	0	5,854	5,854
1-Jul-39 to 30-Jun-40	0	5,854	5,854
1-Jul-40 to 30-Jun-41	0	5,854	5,854
1-Jul-41 to 30-Jun-42	0	5,854	5,854
1-Jul-42 to 30-Jun-43	0	5,854	5,854
1-Jul-43 to 30-Jun-44	0	5,854	5,854
1-Jul-44 to 30-Jun-45	0	5,854	5,854
1-Jul-45 to 30-Jun-46	0	5,854	5,854
1-Jul-46 to 30-Jun-47	0	5,854	5,854
1-Jul-47 to 30-Jun-48	0	5,854	5,854
1-Jul-48 to 30-Jun-49	0	5,854	5,854
1-Jul-49 to 30-Jun-50	0	5,854	5,854
1-Jul-50 to 30-Jun-51	0	5,854	5,854
1-Jul-51 to 30-Jun-52	0	5,854	5,854
1-Jul-52 to 30-Jun-53	0	5,854	5,854
1-Jul-53 to 30-Jun-54	0	5,854	5,854
1-Jul-54 to 30-Jun-55	0	2,630	2,630
1-Jul-55 to 30-Jun-56	0	0	0
Total	31,207	227,337	258,544

Diminishing value method schedule (years 1 - 5)

Tax Grouping	Total Cost @ 12-Feb-16 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-20 (\$)
				12-Feb-16 30-Jun-16 Year 1 (\$)	1-Jul-16 30-Jun-17 Year 2 (\$)	1-Jul-17 30-Jun-18 Year 3 (\$)	1-Jul-18 30-Jun-19 Year 4 (\$)	1-Jul-19 30-Jun-20 Year 5 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	6,959	20	10.0 %	266	669	602	542	488	4,392
Automatic Garage Door - Controls	141	5	100.0 %	141	0	0	0	0	0
Automatic Garage Door - Motors	602	10	37.5 %	0	0	0	0	0	74
Bathroom Accessories - Freestanding	239	5	100.0 %	239	0	0	0	0	0
Blinds	3,023	10	37.5 %	0	0	0	0	0	374
Carpet	6,067	10	20.0 %	464	1,121	896	717	574	2,295
Dishwashers	1,410	10	20.0 %	108	260	208	0	0	326
Exhaust Fans	434	10	37.5 %	0	0	0	0	0	54
Garbage Bins	292	10	100.0 %	292	0	0	0	0	0
Heating Gas - Ducted Central Unit	5,353	20	10.0 %	205	515	463	417	375	3,378
Hot Water Systems	1,675	12	16.7 %	107	261	218	182	0	567
Light Shades	422	5	37.5 %	0	0	0	0	0	52
Rangehoods	842	12	37.5 %	0	0	0	0	0	104
Smoke Alarms	189	6	100.0 %	189	0	0	0	0	0
Stoves	3,559	12	16.7 %	227	555	463	386	321	1,607
Subtotal	31,207			2,238	3,381	2,850	2,244	1,758	13,223
Total Division 40 - Effective Life Rate	25,884			2,238	3,381	2,850	2,244	1,758	11,672
Total Division 40 - Pooled (Page 18)	5,323			998	1,622	1,014	947	932	1,551
Total Division 40	31,207			3,236	5,003	3,864	3,191	2,690	13,223
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	227,337			2,255	5,854	5,854	5,854	5,854	201,665
Total Depreciation	258,544			5,491	10,857	9,718	9,045	8,544	214,889

This depreciation schedule is for use only by the client and by no other party or for any other purpose without the express prior written approval 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 client not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied. All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

Diminishing value method schedule (years 6 - 10)

Tax Grouping	Total Cost @ 1-Jul-20 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-25 (\$)
				1-Jul-20 30-Jun-21 Year 6 (\$)	1-Jul-21 30-Jun-22 Year 7 (\$)	1-Jul-22 30-Jun-23 Year 8 (\$)	1-Jul-23 30-Jun-24 Year 9 (\$)	1-Jul-24 30-Jun-25 Year 10 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	4,392	20	10.0 %	439	395	356	320	288	2,594
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	74	10	37.5 %	0	0	0	0	0	7
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	374	10	37.5 %	0	0	0	0	0	36
Carpet	2,295	10	20.0 %	459	367	294	235	0	587
Dishwashers	326	10	37.5 %	0	0	0	0	0	31
Exhaust Fans	54	10	37.5 %	0	0	0	0	0	5
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	3,378	20	10.0 %	338	304	274	246	222	1,994
Hot Water Systems	567	12	37.5 %	0	0	0	0	0	54
Light Shades	52	5	37.5 %	0	0	0	0	0	4
Rangehoods	104	12	37.5 %	0	0	0	0	0	10
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Stoves	1,607	12	16.7 %	268	223	186	0	0	363
Subtotal	13,223			1,504	1,289	1,110	801	510	5,685
Total Division 40 - Effective Life Rate	11,672			1,504	1,289	1,110	801	510	4,588
Total Division 40 - Pooled (Page 19)	1,551			582	364	228	492	658	1,097
Total Division 40	13,223			2,086	1,653	1,338	1,293	1,168	5,685
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	201,666			5,854	5,854	5,854	5,854	5,854	172,396
Total Depreciation	214,889			7,940	7,507	7,192	7,147	7,022	178,081

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Diminishing value method schedule (years 11 - 15)

Tax Grouping	Total Cost @ 1-Jul-25 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-30 (\$)
				1-Jul-25 30-Jun-26 Year 11 (\$)	1-Jul-26 30-Jun-27 Year 12 (\$)	1-Jul-27 30-Jun-28 Year 13 (\$)	1-Jul-28 30-Jun-29 Year 14 (\$)	1-Jul-29 30-Jun-30 Year 15 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	2,594	20	10.0 %	259	234	210	189	170	1,532
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	7	10	37.5 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	36	10	37.5 %	0	0	0	0	0	4
Carpet	587	10	37.5 %	0	0	0	0	0	56
Dishwashers	31	10	37.5 %	0	0	0	0	0	2
Exhaust Fans	5	10	37.5 %	0	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	1,994	20	10.0 %	199	180	162	145	131	1,177
Hot Water Systems	54	12	37.5 %	0	0	0	0	0	5
Light Shades	4	5	37.5 %	0	0	0	0	0	0
Rangehoods	10	12	37.5 %	0	0	0	0	0	0
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Stoves	363	12	37.5 %	0	0	0	0	0	35
Subtotal	5,685			458	414	372	334	301	2,811
Total Division 40 - Effective Life Rate	4,588			458	414	372	334	301	2,709
Total Division 40 - Pooled (Page 20)	1,097			413	257	162	101	62	102
Total Division 40	5,685			871	671	534	435	363	2,811
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	172,396			5,854	5,854	5,854	5,854	5,854	143,126
Total Depreciation	178,081			6,725	6,525	6,388	6,289	6,217	145,937

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Diminishing value method schedule (years 16 - 20)

Tax Grouping	Total Cost @ 1-Jul-30 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-35 (\$)
				1-Jul-30 30-Jun-31 Year 16 (\$)	1-Jul-31 30-Jun-32 Year 17 (\$)	1-Jul-32 30-Jun-33 Year 18 (\$)	1-Jul-33 30-Jun-34 Year 19 (\$)	1-Jul-34 30-Jun-35 Year 20 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	1,532	20	10.0 %	153	138	124	112	101	904
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	37.5 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	4	10	37.5 %	0	0	0	0	0	0
Carpet	56	10	37.5 %	0	0	0	0	0	6
Dishwashers	2	10	37.5 %	0	0	0	0	0	0
Exhaust Fans	0	10	37.5 %	0	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	1,177	20	10.0 %	118	106	0	0	0	232
Hot Water Systems	5	12	37.5 %	0	0	0	0	0	0
Light Shades	0	5	37.5 %	0	0	0	0	0	0
Rangehoods	0	12	37.5 %	0	0	0	0	0	0
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Stoves	35	12	37.5 %	0	0	0	0	0	4
Subtotal	2,811			271	244	124	112	101	1,146
Total Division 40 - Effective Life Rate	2,709			271	244	124	112	101	0
Total Division 40 - Pooled (Page 21)	102			39	24	372	233	145	1,146
Total Division 40	2,811			310	268	496	345	246	1,146
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	143,126			5,854	5,854	5,854	5,854	5,854	113,856
Total Depreciation	145,937			6,164	6,122	6,350	6,199	6,100	115,002

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Diminishing value method pooling schedule (years 1 - 5)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-20 (\$)
				12-Feb-16 30-Jun-16 Year 1 (\$)	1-Jul-16 30-Jun-17 Year 2 (\$)	1-Jul-17 30-Jun-18 Year 3 (\$)	1-Jul-18 30-Jun-19 Year 4 (\$)	1-Jul-19 30-Jun-20 Year 5 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	*904	20	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	602	10	37.5 %	113	183	115	72	45	74
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	3,023	10	37.5 %	567	921	576	360	225	374
Carpet	*940	10	0.0 %	0	0	0	0	0	0
Dishwashers	*834	10	37.5 %	0	0	0	313	195	326
Exhaust Fans	434	10	37.5 %	81	132	83	52	32	54
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	*953	20	0.0 %	0	0	0	0	0	0
Hot Water Systems	*907	12	37.5 %	0	0	0	0	340	567
Light Shades	422	5	37.5 %	79	129	80	50	32	52
Rangehoods	842	12	37.5 %	158	257	160	100	63	104
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Stoves	*930	12	0.0 %	0	0	0	0	0	0
Subtotal	5,323			998	1,622	1,014	947	932	1,551
Total - Pooled Items	5,323			998	1,622	1,014	947	932	1,551

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Diminishing value method pooling schedule (years 6 - 10)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-25 (\$)
				1-Jul-20 30-Jun-21 Year 6 (\$)	1-Jul-21 30-Jun-22 Year 7 (\$)	1-Jul-22 30-Jun-23 Year 8 (\$)	1-Jul-23 30-Jun-24 Year 9 (\$)	1-Jul-24 30-Jun-25 Year 10 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	*904	20	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	74	10	37.5 %	28	17	11	7	4	7
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	374	10	37.5 %	140	88	55	34	21	36
Carpet	*940	10	37.5 %	0	0	0	0	353	587
Dishwashers	326	10	37.5 %	122	77	48	30	18	31
Exhaust Fans	54	10	37.5 %	20	13	8	5	3	5
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	*953	20	0.0 %	0	0	0	0	0	0
Hot Water Systems	567	12	37.5 %	213	133	83	52	32	54
Light Shades	52	5	37.5 %	20	12	8	5	3	4
Rangehoods	104	12	37.5 %	39	24	15	10	6	10
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Stoves	*930	12	37.5 %	0	0	0	349	218	363
Subtotal	1,551			582	364	228	492	658	1,097
Total - Pooled Items	1,551			582	364	228	492	658	1,097

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Diminishing value method pooling schedule (years 11 - 15)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-30 (\$)
				1-Jul-25 30-Jun-26 Year 11 (\$)	1-Jul-26 30-Jun-27 Year 12 (\$)	1-Jul-27 30-Jun-28 Year 13 (\$)	1-Jul-28 30-Jun-29 Year 14 (\$)	1-Jul-29 30-Jun-30 Year 15 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	*904	20	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	7	10	37.5 %	3	2	1	1	0	0
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	36	10	37.5 %	14	8	5	3	2	4
Carpet	587	10	37.5 %	220	138	86	54	33	56
Dishwashers	31	10	37.5 %	12	7	5	3	2	2
Exhaust Fans	5	10	37.5 %	2	1	1	1	0	0
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	*953	20	0.0 %	0	0	0	0	0	0
Hot Water Systems	54	12	37.5 %	20	13	8	5	3	5
Light Shades	4	5	37.5 %	2	1	1	0	0	0
Rangehoods	10	12	37.5 %	4	2	2	1	1	0
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Stoves	363	12	37.5 %	136	85	53	33	21	35
Subtotal	1,097			413	257	162	101	62	102
Total - Pooled Items	1,097			413	257	162	101	62	102

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Diminishing value method pooling schedule (years 16 - 20)

Tax Grouping	Total Cost @ Pooling Start (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-35 (\$)
				1-Jul-30 30-Jun-31 Year 16 (\$)	1-Jul-31 30-Jun-32 Year 17 (\$)	1-Jul-32 30-Jun-33 Year 18 (\$)	1-Jul-33 30-Jun-34 Year 19 (\$)	1-Jul-34 30-Jun-35 Year 20 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	*904	20	0.0 %	0	0	0	0	0	904
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	0.0 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	4	10	37.5 %	2	1	1	0	0	0
Carpet	56	10	37.5 %	21	13	8	5	3	6
Dishwashers	2	10	37.5 %	1	1	0	0	0	0
Exhaust Fans	0	10	0.0 %	0	0	0	0	0	0
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	*953	20	37.5 %	0	0	357	224	140	232
Hot Water Systems	5	12	37.5 %	2	1	1	1	0	0
Light Shades	0	5	0.0 %	0	0	0	0	0	0
Rangehoods	0	12	0.0 %	0	0	0	0	0	0
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Stoves	35	12	37.5 %	13	8	5	3	2	4
Subtotal	102			39	24	372	233	145	1,146
Total - Pooled Items	102			39	24	372	233	145	1,146

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Prime cost method schedule (years 1 - 5)

Tax Grouping	Total Cost @ 12-Feb-16 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-20 (\$)
				12-Feb-16 30-Jun-16 Year 1 (\$)	1-Jul-16 30-Jun-17 Year 2 (\$)	1-Jul-17 30-Jun-18 Year 3 (\$)	1-Jul-18 30-Jun-19 Year 4 (\$)	1-Jul-19 30-Jun-20 Year 5 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	6,959	20	5.0 %	133	348	348	348	348	5,434
Automatic Garage Door - Controls	141	5	100.0 %	141	0	0	0	0	0
Automatic Garage Door - Motors	602	10	10.0 %	23	60	60	60	60	339
Bathroom Accessories - Freestanding	239	5	100.0 %	239	0	0	0	0	0
Blinds	3,023	10	10.0 %	116	302	302	302	302	1,699
Carpet	6,067	10	10.0 %	232	607	607	607	607	3,407
Dishwashers	1,410	10	10.0 %	54	141	141	141	141	792
Exhaust Fans	434	10	10.0 %	17	43	43	43	43	245
Garbage Bins	292	10	100.0 %	292	0	0	0	0	0
Heating Gas - Ducted Central Unit	5,353	20	5.0 %	102	268	268	268	268	4,179
Hot Water Systems	1,675	12	8.3 %	53	140	140	140	140	1,062
Light Shades	422	5	20.0 %	32	84	84	84	84	54
Rangehoods	842	12	8.3 %	27	70	70	70	70	535
Smoke Alarms	189	6	100.0 %	189	0	0	0	0	0
Stoves	3,559	12	8.3 %	113	297	297	297	297	2,258
Subtotal	31,207			1,763	2,360	2,360	2,360	2,360	20,004
Total Division 40 - Effective Life Rate	31,207			1,763	2,360	2,360	2,360	2,360	20,004
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	227,337			2,255	5,854	5,854	5,854	5,854	201,666
Total Depreciation	258,544			4,018	8,214	8,214	8,214	8,214	221,670

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Prime cost method schedule (years 6 - 10)

Tax Grouping	Total Cost @ 1-Jul-20 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-25 (\$)
				1-Jul-20 30-Jun-21 Year 6 (\$)	1-Jul-21 30-Jun-22 Year 7 (\$)	1-Jul-22 30-Jun-23 Year 8 (\$)	1-Jul-23 30-Jun-24 Year 9 (\$)	1-Jul-24 30-Jun-25 Year 10 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	5,434	20	5.0 %	348	348	348	348	348	3,694
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	339	10	10.0 %	60	60	60	60	60	39
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	1,699	10	10.0 %	302	302	302	302	302	189
Carpet	3,407	10	10.0 %	607	607	607	607	607	372
Dishwashers	792	10	10.0 %	141	141	141	141	141	87
Exhaust Fans	245	10	10.0 %	43	43	43	43	43	30
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	4,179	20	5.0 %	268	268	268	268	268	2,839
Hot Water Systems	1,062	12	8.3 %	140	140	140	140	140	362
Light Shades	54	5	20.0 %	54	0	0	0	0	0
Rangehoods	535	12	8.3 %	70	70	70	70	70	185
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Stoves	2,258	12	8.3 %	297	297	297	297	297	773
Subtotal	20,004			2,330	2,276	2,276	2,276	2,276	8,570
Total Division 40 - Effective Life Rate	20,004			2,330	2,276	2,276	2,276	2,276	8,570
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	201,666			5,854	5,854	5,854	5,854	5,854	172,396
Total Depreciation	221,670			8,184	8,130	8,130	8,130	8,130	180,966

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Prime cost method schedule (years 11 - 15)

Tax Grouping	Total Cost @ 1-Jul-25 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-30 (\$)
				1-Jul-25 30-Jun-26 Year 11 (\$)	1-Jul-26 30-Jun-27 Year 12 (\$)	1-Jul-27 30-Jun-28 Year 13 (\$)	1-Jul-28 30-Jun-29 Year 14 (\$)	1-Jul-29 30-Jun-30 Year 15 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	3,694	20	5.0 %	348	348	348	348	348	1,954
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	39	10	10.0 %	39	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	189	10	10.0 %	189	0	0	0	0	0
Carpet	372	10	10.0 %	372	0	0	0	0	0
Dishwashers	87	10	10.0 %	87	0	0	0	0	0
Exhaust Fans	30	10	10.0 %	30	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	2,839	20	5.0 %	268	268	268	268	268	1,499
Hot Water Systems	362	12	8.3 %	140	140	82	0	0	0
Light Shades	0	5	20.0 %	0	0	0	0	0	0
Rangehoods	185	12	8.3 %	70	70	45	0	0	0
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Stoves	773	12	8.3 %	297	297	179	0	0	0
Subtotal	8,570			1,840	1,123	922	616	616	3,453
Total Division 40 - Effective Life Rate	8,570			1,840	1,123	922	616	616	3,453
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	172,396			5,854	5,854	5,854	5,854	5,854	143,126
Total Depreciation	180,966			7,694	6,977	6,776	6,470	6,470	146,579

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Prime cost method schedule (years 16 - 20)

Tax Grouping	Total Cost @ 1-Jul-30 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-35 (\$)
				1-Jul-30 30-Jun-31 Year 16 (\$)	1-Jul-31 30-Jun-32 Year 17 (\$)	1-Jul-32 30-Jun-33 Year 18 (\$)	1-Jul-33 30-Jun-34 Year 19 (\$)	1-Jul-34 30-Jun-35 Year 20 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioning - Evaporative Cooler	1,954	20	5.0 %	348	348	348	348	348	214
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	10.0 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	0	10	10.0 %	0	0	0	0	0	0
Carpet	0	10	10.0 %	0	0	0	0	0	0
Dishwashers	0	10	10.0 %	0	0	0	0	0	0
Exhaust Fans	0	10	10.0 %	0	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	1,499	20	5.0 %	268	268	268	268	268	159
Hot Water Systems	0	12	8.3 %	0	0	0	0	0	0
Light Shades	0	5	20.0 %	0	0	0	0	0	0
Rangehoods	0	12	8.3 %	0	0	0	0	0	0
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Stoves	0	12	8.3 %	0	0	0	0	0	0
Subtotal	3,453			616	616	616	616	616	373
Total Division 40 - Effective Life Rate	3,453			616	616	616	616	616	373
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	143,126			5,854	5,854	5,854	5,854	5,854	113,856
Total Depreciation	146,579			6,470	6,470	6,470	6,470	6,470	114,229

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Grouped depreciation rates - diminishing value method

BMT Tax Depreciation has allocated each asset into a group based on their rate of depreciation. The following tables provide a summary of the total deductions available for each depreciation rate for both the diminishing value method and the prime cost method of depreciation. This may assist when entering depreciation into accounting software packages.

Basic rate (%)	Years				
	12-Feb-16 30-Jun-16 Year 1 (\$)	1-Jul-16 30-Jun-17 Year 2 (\$)	1-Jul-17 30-Jun-18 Year 3 (\$)	1-Jul-18 30-Jun-19 Year 4 (\$)	1-Jul-19 30-Jun-20 Year 5 (\$)
2.5	2,255	5,854	5,854	5,854	5,854
10	471	1,184	1,065	959	863
16.67	334	816	681	568	321
18.75	998	0	0	0	0
20	572	1,381	1,104	717	574
37.5	0	1,622	1,014	947	932
100	861	0	0	0	0
Total	5,491	10,857	9,718	9,045	8,544

Basic rate (%)	Years				
	1-Jul-20 30-Jun-21 Year 6 (\$)	1-Jul-21 30-Jun-22 Year 7 (\$)	1-Jul-22 30-Jun-23 Year 8 (\$)	1-Jul-23 30-Jun-24 Year 9 (\$)	1-Jul-24 30-Jun-25 Year 10 (\$)
2.5	5,854	5,854	5,854	5,854	5,854
10	777	699	630	566	510
16.67	268	223	186	0	0
18.75	0	0	0	0	0
20	459	367	294	235	0
37.5	582	364	228	492	658
100	0	0	0	0	0
Total	7,940	7,507	7,192	7,147	7,022

Grouped depreciation rates - prime cost method

Basic Rate (%)	Years				
	12-Feb-16 30-Jun-16 Year 1 (\$)	1-Jul-16 30-Jun-17 Year 2 (\$)	1-Jul-17 30-Jun-18 Year 3 (\$)	1-Jul-18 30-Jun-19 Year 4 (\$)	1-Jul-19 30-Jun-20 Year 5 (\$)
2.5	2,255	5,854	5,854	5,854	5,854
5	235	616	616	616	616
8.33	193	507	507	507	507
10	442	1,153	1,153	1,153	1,153
20	32	84	84	84	84
100	861	0	0	0	0
Total	4,018	8,214	8,214	8,214	8,214

Basic Rate (%)	Years				
	1-Jul-20 30-Jun-21 Year 6 (\$)	1-Jul-21 30-Jun-22 Year 7 (\$)	1-Jul-22 30-Jun-23 Year 8 (\$)	1-Jul-23 30-Jun-24 Year 9 (\$)	1-Jul-24 30-Jun-25 Year 10 (\$)
2.5	5,854	5,854	5,854	5,854	5,854
5	616	616	616	616	616
8.33	507	507	507	507	507
10	1,153	1,153	1,153	1,153	1,153
20	54	0	0	0	0
100	0	0	0	0	0
Total	8,184	8,130	8,130	8,130	8,130

Glossary of Terms

Building first use

Properties generally depreciate for forty years from their construction completion date. When a purchaser becomes the first owner of a brand new investment property, they are entitled to claim depreciation for the full forty years as long as they own the property.

Building price indices

The building price index is a statistical based method of measuring building price movements over time. It is a composite index with weighted factors on an industry-wide basis.

Division 40

Division 40 refers to the plant and equipment assets contained within the property. These assets are deemed to be mechanical or easily removed from the property as opposed to items that are permanently fixed to the structure of the building. These are assets which are also listed as recognised plant and equipment assets by the Australian Taxation Office. Unlike deductions available for division 43, depreciation of plant and equipment is not limited by age. It is the condition and quality of each item as well as the individual effective life of the asset as set by the Australian Taxation Office which contributes to the depreciable amount. Some examples of plant and equipment assets include carpet, blinds, ovens as well as less obvious items such as door closers.

See the definitions also provided for plant and equipment assets and effective life within this glossary of terms.

Division 43

Division 43 refers to a deduction available for the wear and tear of the building. Also known as a capital works deduction. A deduction can be claimed for the building, structural improvements and fixed assets of a property at a rate of either 2.5% or 4% each year depending on the classification of the property's use and the property's construction commencement date as demonstrated in the following table.

Current Australian Taxation Office legislation states that a property owner is eligible to claim a deduction for the division 43 on income producing properties that commenced construction between the 18th of July 1985 and the present time. The depreciation available for building write-off can only be claimed for a maximum of forty years after the construction completion date. Examples of assets that will qualify for division 43 include walls, roof, tiles, built in robes, cabinets, fixed bathroom fittings and vanities.

Property owners may also be able to claim building write-off for renovations that have been completed to a property, even if these renovations were completed by a previous owner of the property.

Diminishing value method

The diminishing value method is one of two methods used to claim depreciation for plant and equipment assets. Under the diminishing value method the decline in value is calculated using the asset's base value. The base value of an asset is, broadly, its cost plus any costs incurred on the asset since you first held it less the decline in value of the asset up to the end of the prior year.

The formulas for the diminishing value method are:

Diminishing value method				
For depreciating assets you started to hold on or after 10th May 2006				
Base value*	X	Days held	X	200%
		-----		-----
		365		asset's effective life
For depreciating assets you started to hold prior to 10th May 2006				
Base value*	X	Days held	X	150%
		-----		-----
		365		asset's effective life

* For the income year in which an asset is first used or installed ready for use for any purpose, the **base value** is the asset's cost. For a later income year, the base value is the asset's opening adjustable value plus any amounts included in the asset's second element of cost for that year.

This method assumes that the decline in value each year is a constant proportion of the amount not yet written off and produces a progressively smaller decline in value over time.

This method results in a higher rate of depreciation deductions in the first five to ten years of owning the property.

Once a method has been chosen, this cannot be changed. For this reason, it is recommended to the property owner that they consult with an Accountant or a Financial Advisor for advice on which method will best suit their individual investment strategy and to ensure the best results are obtained.

Effective life

Australian Taxation Office legislation provides an effective life for each individual asset claimable as plant and equipment. Depreciation of plant and equipment based on this effective life is determined by the current Australian Taxation Office legislation in place at the time of this schedule being completed. See plant and equipment assets.

See the definitions also provided for division 40 and plant and equipment assets within this glossary of terms.

Immediate write-off

Individual assets which cost \$300 or less can usually be written off as an immediate deduction in the year of their acquisition. This means an investor can claim 100% of the value of an asset in the same financial year as its purchase so long as the asset meets certain criteria as set by the Australian Taxation Office.

To be eligible for the immediate write-off, an asset must be used for the purpose of producing assessable income that was not income from carrying out a business. The asset also cannot be part of a set of assets acquired in the income year that together cost more than \$300. The cost of individual assets that have been acquired after the 1st of July 2001 that are the same asset type (or are considered to be identical or substantially identical in accordance with Australian Taxation Office legislation) must be added together when applying the \$300 threshold. If their combined total cost is more than \$300, they cannot be written off in the year of purchase (unless there are multiple owners and their interest in the asset is less than \$300). Alternatively, you may be able to allocate the asset to a low-value pool.

Life of the property

From the date of construction completion, the Australian Taxation Office has determined that the owner of any property eligible to claim depreciation can do so for forty years. Therefore investors can claim the full forty years on a brand new building, while only the balance of the forty year period from the construction completion date can be claimed for an older property.

Low-value pooling

From 1 July 2000, an optional low-value pooling arrangement for plant was introduced. It applied to certain plant costing less than \$1,000 or having an undeducted cost of less than \$1,000.

Under the UCA, you can allocate low-cost assets and low value assets to a low-value pool.

You work out the decline in value of an asset you hold jointly with others based on the cost of your interest in the asset. This means if you hold an asset jointly and the cost of your interest in the asset or the opening adjustable value of your interest is less than \$1,000, you can allocate your interest in the asset to your low-value pool. Once you choose to create a low-value pool and allocate a low-cost asset to it, you must pool all other low-cost assets you start to hold in that income year and in later income years. However, this rule does not apply to low-value assets. You can decide whether to allocate low-value assets to the pool on an asset-by-asset basis.

Assets which are placed into a low-value pool are able to be claimed by the property owner at a rate of 18.75% in the year of purchase and 37.5% every year thereafter.

Low-cost assets

A low-cost asset is a depreciable asset that has an opening value of less than \$1,000 in the year of acquisition.

Low-value assets

A low-value asset is a depreciable asset that has a written down value of less than \$1,000. That is, the value of the asset may have been greater than \$1,000 in the year of acquisition however the value remaining after a previous year's depreciation deduction is less than \$1,000.

Non-depreciable components

Examples of non-depreciable components include land value, market premiums, rates, taxes, holding costs and assets which have not been deemed to be depreciable according to current Australian Taxation Office legislation, for example soft landscaping.

Not one of a number of identical or substantially identical items

Items are identical if they are the same in all respects. Items are substantially identical if they are the same in most respects even though there may be some minor or incidental differences. Factors to consider include colour, shape, function, texture, composition, brand and design.

The total cost of the asset and any other identical or substantially identical asset that you acquire in the income year must not exceed \$300. Do not take into account assets that you acquired in another income year.

Not part of a set

You need to determine whether items form a set on a case-by-case basis. You can regard items as a set if they are, dependent on each other, marketed as a set, or designed and intended to be used together. It is the cost of a set of assets you acquire in the income year that must not exceed \$300. You cannot avoid the test by buying parts of a set separately.

Plant and equipment items

Depreciation can be claimed for assets recognised as plant and equipment items by current Australian Taxation Office legislation. Each asset is assigned an effective life by the Australian Taxation Office and is depreciated based on this effective life. Some examples of plant and equipment assets include carpet, blinds, ovens as well as less obvious items such as door closers.

See the definitions also provided for division 40 and effective life within this glossary of terms.

Preliminaries

Construction preliminaries refers to the associated expenses or costs that contractors incur in the completion of a project, for example a site office or heating of a site office, rather than the actual building working materials like the bricks and mortar.

Prime cost method

Under the prime cost method the decline in value is generally calculated as a constant percentage of the asset's cost and reflects a uniform decline in value over time. The formula is:

Prime cost method				
Asset's cost	X	Days held	X	100%
		-----		-----
		365		asset's effective life

* The cost of an asset includes both the amount you pay for it as well as any additional amounts you spend on transporting it and installing it. Cost also includes amounts you spend on improving the asset.

Once a method has been chosen, this cannot be changed. For this reason, it is recommended to the property owner that they consult with an Accountant or a Financial Advisor for advice on which method will best suit their individual investment strategy and to ensure the best results are obtained.

Pro-rata calculations

Pro-rata calculations are used to show a portion of a total quantity. When an investment property is rented part way through a year, depreciation claims are required to be based on a pro-rata calculation of the time that the property (or asset acquired and installed within the property) was income producing.

Split report

Ownership structures influence how depreciation deductions are calculated. Properties with multiple owners can create a complex tax situation. A BMT Tax Depreciation Schedule makes life easier for Accountants by splitting depreciation deductions to ensure the owners' claims are maximised. BMT Tax Depreciation can take into account any number of owners and ownership percentages from 2 owners at 60:40 or even 4 owners at 70:15:10:5.

Uniform Capital Allowance

Under the Uniform Capital Allowance a depreciating asset starts to decline in value when you first use it (or install it ready for use) to produce income. You can deduct an amount equal to the decline in value for an income year of a depreciating asset that you held for any time during the year.

You must decide whether to calculate the decline in value of a depreciating asset using the prime cost or diminishing value method. Please refer to the definitions for prime cost and diminishing value method within this glossary of terms for further information on these methods.

Generally, the effective life of a depreciating asset is how long it can be used by any entity for a taxable purpose, or for the purpose of producing income. The effective life of an asset is based on the wear and tear, assuming that it will be maintained in reasonably good order and condition. BMT Tax

Depreciation always adopt the effective life of particular assets as determined by the Commissioner of Taxation unless advised otherwise.

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 tax depreciation schedule.

BMT Tax Depreciation

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AUSTRALIA WIDE SERVICE ARN 44 115 282 392

Tax Receipt

Job No: 447944

To: Dean Ryan Property Pty Ltd
41 Mallon Avenue HORSLEY, NSW 2530

Date	Description	Amount
27/06/2016	Capital Allowance & Tax Depreciation Report for 119 Strickland Drive BOOROOMA, NSW 2650	\$650.00
	Goods and Services Tax	\$65.00
	Amount Paid	\$715.00

If you have additional investment properties that you would like a free opinion on, please contact us today.

Invoice Paid in Full - Thank you.

Yours Sincerely,



BMT Tax Depreciation Pty Ltd
Quantity Surveyors