



Quantity Surveyors Tax Depreciation Experts



Washington Brown
QUANTITY SURVEYORS

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26-Apr-16

G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund

FILE NO:69027

Dear Glenn,



29 Prow Drive, Seaford Meadows SA 5169

Thank you for choosing Washington Brown to prepare your depreciation report.

Enclosed is our assessment of depreciation for the above property based upon the Diminishing Value method and the Prime Cost method.

You will need to choose which method of depreciation you would like to claim. Factors which may impact on your decision include:

1. Whether you have ever lived in the property.
2. The length of time you intend to own the property.

Generally speaking, if the property has been an investment from the settlement date - property investors tend to choose the Diminishing Value method. This method enables you to claim the depreciation faster.

However, if you have lived in the property at any time, you may wish to consider the Prime Cost method as it slows down the depreciation in the earlier years.

We recommend you always confirm with your accountant or financial advisor the method that best suits your individual circumstances.

Further information about these two different methods has been provided to you in the following pages.

Once you choose your method of claim, you cannot alternate between the two options.

The year-end summary pages of this Schedule contain essential information that summarises the amount you can claim annually.

Washington Brown Depreciation Pty. Ltd. does not accept any contractual, tortious or other form of liability for any consequences, loss or damage which may arise as a result of any other person acting upon or using this valuation.

Regards,



Washington Brown Depreciation Pty Ltd
Registered Tax Agent 26956002

Depreciation Schedule Fact Sheet

What is a depreciation schedule?

A depreciation schedule is a report supplied by a quantity surveyor after inspection of an investment property. This report itemises fixtures and fittings that can be depreciated and estimates their value. It also estimates construction costs if these are not otherwise known.

What has the report been based upon?

We have based our assessment upon the information as provided, together with the property inspection and our estimate of probable construction costs.

What is this report used for?

This depreciation schedule has been prepared for the sole purpose of depreciation claims to reduce investment owner's taxable income and may not be used for any other purpose. This report will become void if you sell this property. Future owners should contact this office to discuss any future claims.

What is a depreciating asset?

A depreciating asset as defined in the Income Tax Assessment Act (ITAA) 1997 sect. 40-30(1), is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used.

The calculation of the amount of a deduction allowed with respect to a depreciating asset in part depends upon the cost of that asset. The cost has been determined by the amount you have paid for the depreciating asset.

What is the Diminishing Value method of Depreciation

This method depreciates items more quickly up front. This method recognises the fact that most Plant and Equipment items tend to lose a higher portion of their value early on.

What is the Prime Cost method of depreciation?

This method evenly spreads out the depreciation you can claim on Plant and Equipment items.

What is the Building or Capital Works allowance?

This deduction relates to the construction costs of the building itself (concrete and brickwork etc.). This allowance is calculated at either 2.5% or 4% per annum based upon the original construction cost.

What is Plant and Equipment?

Plant and Equipment refers to items within a building, such as ovens, dishwashers, carpets and blinds. The Plant and Equipment allowances comprise of a number of categories which are claimed at different percentages over their effective life.

What is effective life?

Also known as useful life, effective life is the length of the life of an item of Plant and Equipment in an investment property as deemed by the tax office. Each item can be depreciated over a period of its effective life.

When does the \$300 immediate write off apply?

You can claim immediate deductions (i.e. 100% of the cost price) for items costing \$300 or less.

What is a Low Value Pool Item?

Items which cost more than \$300 but less than \$1000 can be allocated to a low value pool and are depreciated at a 37.5% per year under the Diminishing Value Method.

What are design and professional fees?

These fees include architect fees, engineering costs and any other design fees involved in creating a property.

What are builder's preliminaries?

These costs relate to items such as scaffolding, materials, handling insurances and labour costs.

What are owner inclusions?

This relates to the work or additions that you made to your property after settlement of the property.

What if I co-own my property?

Where depreciating assets are co-owned, the individual's interest (share) in the asset is applicable. Each co-owner therefore must treat their depreciating asset (their interest in the underlying asset) in accordance with their own tax profile.

Your Property Details

Property Address	29 Prow Drive, Seaford Meadows SA 5169
Purchase Price Of Property	\$300,000
Settlement Date	September 25, 2014
Year Of Construction	2014



CERTIFICATE OF DEPRECIATION

We hereby certify that the following costs in our opinion relate to the Plant and Equipment as included within the Purchase Contract between the relevant parties. This certification is in accordance with Division 40 of the Income Tax Assessment Act 1997.

We hereby certify that the following costs in our opinion relate to the Capital Works Allowance as included within the Purchase Contract between the relevant parties. This certification is in accordance with Division 43 of the Income Tax Assessment Act 1997.

The depreciation of the Plant and Equipment in this depreciation schedule has been determined in accordance with the relevant legislation at the time of writing this report.

DEPRECIATION SCHEDULE
BASED UPON
THE DIMINISHING VALUE METHOD

This method depreciates items at a greater rate in the beginning. This method recognises the fact that most plant and equipment items tend to lose a higher portion of their value to begin with.

CONSTRUCTION SUMMARY - DIMINISHING VALUE METHOD		
DEPRECIATION & BUILDING ALLOWANCES BASED ON THE DIMINISHING VALUE METHOD AS OUTLINED IN THE NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT1999. AMENDMENTS TO INCOME TAX ASSESSMENT ACT 1997 BY NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT 1999 (ACT 164 of 1999, ROYAL ASSENT 10 DECEMBER 1999).		
PROJECT: 29 Prow Drive, Seaford Meadows SA 5169		DATE: 26-Apr-16
CLIENT: G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund		JOB: 69027
DESCRIPTION	VALUE	CALCULATIONS
PURCHASE PRICE	\$300,000	
BUILDING COST	\$126,858	
ADD BUILDERS PRELIMINARIES	\$18,712	
ADD PROFESSIONAL FEES	\$4,123	
TOTAL CONSTRUCTION COSTS	\$149,693	\$149,693
LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT	\$17,438	
LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION:	\$1,992	
LESS TOTAL VALUE OF LOW POOL ITEMS	\$1,339	
SUB TOTAL	\$20,768	-\$20,768
BUILDING ALLOWANCE - DIVISION 43		\$128,925

SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE DIMINISHING VALUE METHOD

PROJECT: 29 Prow Drive, Seaford Meadows SA 5169 DATE: 26-Apr-16

CLIENT: G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund JOB: 69027

Category : ASSETS GENERALLY (6 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Air Conditioning - Mini split systems	\$ 3,065	10	20%	\$ 3,065
Floor coverings - Carpet	\$ 2,426	10	20%	\$ 2,426
Floor coverings - Floating timber	\$ 4,434	15	13.34%	\$ 4,434
Hot water systems (excluding piping) - Gas	\$ 2,187	12	16.66%	\$ 2,187
Lights - Fittings (excluding hardwired)	\$ 400	<= \$300**	100%	\$ 400
Window blinds, internal	\$ 1,288	<= \$300**	100%	\$ 1,288

Category : BATHROOM ASSETS (1 item)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Accessories	\$ 566	<= \$300**	100%	\$ 566

Category : FIRE CONTROL ASSETS (1 item)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Alarms- Heat & smoke	\$ 310	<= \$300**	100%	\$ 310

Category : KITCHEN ASSETS (2 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Oven	\$ 1,392	12	16.66%	\$ 1,392
Range hood	\$ 1,123	12	16.66%	\$ 1,123

Category : OUTDOOR ASSETS (1 item)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Clothesline	\$ 246	<= \$300**	100%	\$ 246

VALUE OF PLANT ITEMS	\$ 17,438	\$ 17,438
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** Indicates items that are less than or equal to \$300.00.

Category : LOW VALUE POOL ITEMS (2 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Window blinds, internal	\$ 596	Low Pool*	18.75%	\$ 596
Cook top	\$ 743	Low Pool*	18.75%	\$ 743

VALUE OF LOW POOL ITEMS	\$ 1,339	\$ 1,339
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* Indicates items allocated to Low Pool Category. These items must be calculated using Diminishing Value Method. Low Pool items are depreciated at

18.75% in the year of acquisition. In the following year the opening tax value of the pool is written down using the Diminishing Value rate of 37.5% p.

Category : BUILDING ALLOWANCE (Capital Works)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Building allowance	\$ 128,925	40	2.50%	\$ 128,925

VALUE OF BUILDING ALLOWANCE	\$ 128,925	\$ 128,925
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DIMINISHING VALUE - YEAR END SUMMARY				
29 Prow Drive, Seaford Meadows SA 5169				
FINANCIAL YEAR END	DEPRECIATION PLANT & EQUIPMENT	LOW VALUE POOL ITEMS	CAPITAL WORKS DEDUCTIONS	AMOUNT CLAIMABLE
2014 / 2015	\$4,701	\$251	\$2,464	\$7,416
2015 / 2016	\$2,145	\$408	\$3,223	\$5,776
2016 / 2017	\$1,774	\$255	\$3,223	\$5,252
2017 / 2018	\$1,469	\$159	\$3,223	\$4,852
2018 / 2019	\$1,218	\$100	\$3,223	\$4,540
2019 / 2020	\$1,010	\$62	\$3,223	\$4,296
2020 / 2021	\$839	\$39	\$3,223	\$4,101
2021 / 2022	\$698	\$24	\$3,223	\$3,945
2022 / 2023	\$581	\$15	\$3,223	\$3,819
2023 / 2024	\$484	\$9	\$3,223	\$3,717
2024 / 2025	\$404	\$6	\$3,223	\$3,633
2025 / 2026	\$337	\$4	\$3,223	\$3,564
2026 / 2027	\$282	\$2	\$3,223	\$3,507
2027 / 2028	\$236	\$1	\$3,223	\$3,461
2028 / 2029	\$198	\$1	\$3,223	\$3,422
2029 / 2030	\$166	\$1	\$3,223	\$3,389
2030 / 2031	\$139	\$0	\$3,223	\$3,363
2031 / 2032	\$117	\$0	\$3,223	\$3,340
2032 / 2033	\$98	\$0	\$3,223	\$3,322
2033 / 2034	\$83	\$0	\$3,223	\$3,306
2034 / 2035	\$70	\$0	\$3,223	\$3,293
2035 / 2036	\$59	\$0	\$3,223	\$3,282
2036 / 2037	\$50	\$0	\$3,223	\$3,273
2037 / 2038	\$42	\$0	\$3,223	\$3,265
2038 / 2039	\$36	\$0	\$3,223	\$3,259
2039 / 2040	\$30	\$0	\$3,223	\$3,253
2040 / 2041	\$26	\$0	\$3,223	\$3,249
2041 / 2042	\$22	\$0	\$3,223	\$3,245
2042 / 2043	\$18	\$0	\$3,223	\$3,241
2043 / 2044	\$16	\$0	\$3,223	\$3,239
2044 / 2045	\$13	\$0	\$3,223	\$3,236
2045 / 2046	\$11	\$0	\$3,223	\$3,234
2046 / 2047	\$10	\$0	\$3,223	\$3,233
2047 / 2048	\$8	\$0	\$3,223	\$3,231
2048 / 2049	\$7	\$0	\$3,223	\$3,230
2049 / 2050	\$6	\$0	\$3,223	\$3,229
2050 / 2051	\$5	\$0	\$3,223	\$3,228
2051 / 2052	\$4	\$0	\$3,223	\$3,227
2052 / 2053	\$4	\$0	\$3,223	\$3,227
2053 / 2054	\$3	\$0	\$3,223	\$3,226
2054 / 2055	\$3	\$0	\$759	\$762

DEPRECIATION SCHEDULE
BASED UPON
THE PRIME COST METHOD

This method evenly spreads out the depreciation you can claim on Plant and Equipment items.

CONSTRUCTION SUMMARY - PRIME COST METHOD		
DEPRECIATION & BUILDING ALLOWANCES BASED ON THE PRIME COST METHOD AS OUTLINED IN THE NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT1999. AMENDMENTS TO INCOME TAX ASSESSMENT ACT 1997 BY NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT 1999 (ACT 164 of 1999, ROYAL ASSENT 10 DECEMBER 1999).		
PROJECT: 29 Prow Drive, Seaford Meadows SA 5169		DATE: 26-Apr-16
CLIENT: G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund		JOB: 69027
DESCRIPTION	VALUE	CALCULATIONS
PURCHASE PRICE	\$300,000	
BUILDING COST	\$126,858	
ADD BUILDERS PRELIMINARIES	\$18,712	
ADD PROFESSIONAL FEES	\$4,123	
TOTAL CONSTRUCTION COSTS	\$149,693	\$149,693
LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT	\$18,776	
LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION:	\$1,992	
SUB TOTAL	\$20,768	-\$20,768
BUILDING ALLOWANCE - DIVISION 43		\$128,925

SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE PRIME COST METHOD

PROJECT: 29 Prow Drive, Seaford Meadows SA 5169 DATE: 26-Apr-16
CLIENT: G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund JOB: 69027

Category : ASSETS GENERALLY (7 items)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Air Conditioning - Mini split systems	\$ 3,065	10	10%	\$ 3,065
Floor coverings - Carpet	\$ 2,426	10	10%	\$ 2,426
Floor coverings - Floating timber	\$ 4,434	15	6.67%	\$ 4,434
Hot water systems (excluding piping) - Gas	\$ 2,187	12	8.33%	\$ 2,187
Lights - Fittings (excluding hardwired)	\$ 400	5	20%	\$ 400
Window blinds, internal	\$ 596	10	10%	\$ 596
Window blinds, internal	\$ 1,288	10	10%	\$ 1,288

Category : BATHROOM ASSETS (1 item)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Accessories	\$ 566	5	20%	\$ 566

Category : FIRE CONTROL ASSETS (1 item)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Alarms- Heat & smoke	\$ 310	6	16.67%	\$ 310

Category : KITCHEN ASSETS (3 items)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Cook top	\$ 743	12	8.33%	\$ 743
Oven	\$ 1,392	12	8.33%	\$ 1,392
Range hood	\$ 1,123	12	8.33%	\$ 1,123

Category : OUTDOOR ASSETS (1 item)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Clothesline	\$ 246	5	20%	\$ 246

VALUE OF PLANT ITEMS	\$ 18,776			\$ 18,776
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Category : BUILDING ALLOWANCE (Capital Works)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Building allowance	\$ 128,925	40	2.50%	\$ 128,925

VALUE OF BUILDING ALLOWANCE	\$ 128,925			\$ 128,925
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PRIME COST - YEAR END SUMMARY			
29 Prow Drive, Seaford Meadows SA 5169			
FINANCIAL YEAR END	DEPRECIATION PLANT & EQUIPMENT	CAPITAL WORKS DEDUCTIONS	AMOUNT CLAIMABLE
2014 / 2015	\$1,361	\$2,464	\$3,825
2015 / 2016	\$1,781	\$3,223	\$5,004
2016 / 2017	\$1,781	\$3,223	\$5,004
2017 / 2018	\$1,781	\$3,223	\$5,004
2018 / 2019	\$1,781	\$3,223	\$5,004
2019 / 2020	\$1,596	\$3,223	\$4,819
2020 / 2021	\$1,499	\$3,223	\$4,722
2021 / 2022	\$1,487	\$3,223	\$4,710
2022 / 2023	\$1,487	\$3,223	\$4,710
2023 / 2024	\$1,487	\$3,223	\$4,710
2024 / 2025	\$923	\$3,223	\$4,146
2025 / 2026	\$749	\$3,223	\$3,972
2026 / 2027	\$403	\$3,223	\$3,626
2027 / 2028	\$296	\$3,223	\$3,519
2028 / 2029	\$296	\$3,223	\$3,519
2029 / 2030	\$70	\$3,223	\$3,293
2030 / 2031	\$0	\$3,223	\$3,223
2031 / 2032	\$0	\$3,223	\$3,223
2032 / 2033	\$0	\$3,223	\$3,223
2033 / 2034	\$0	\$3,223	\$3,223
2034 / 2035	\$0	\$3,223	\$3,223
2035 / 2036	\$0	\$3,223	\$3,223
2036 / 2037	\$0	\$3,223	\$3,223
2037 / 2038	\$0	\$3,223	\$3,223
2038 / 2039	\$0	\$3,223	\$3,223
2039 / 2040	\$0	\$3,223	\$3,223
2040 / 2041	\$0	\$3,223	\$3,223
2041 / 2042	\$0	\$3,223	\$3,223
2042 / 2043	\$0	\$3,223	\$3,223
2043 / 2044	\$0	\$3,223	\$3,223
2044 / 2045	\$0	\$3,223	\$3,223
2045 / 2046	\$0	\$3,223	\$3,223
2046 / 2047	\$0	\$3,223	\$3,223
2047 / 2048	\$0	\$3,223	\$3,223
2048 / 2049	\$0	\$3,223	\$3,223
2049 / 2050	\$0	\$3,223	\$3,223
2050 / 2051	\$0	\$3,223	\$3,223
2051 / 2052	\$0	\$3,223	\$3,223
2052 / 2053	\$0	\$3,223	\$3,223
2053 / 2054	\$0	\$3,223	\$3,223
2054 / 2055	\$0	\$759	\$759

