



Quantity Surveyors Tax Depreciation Experts



Washington Brown
QUANTITY SURVEYORS

SYDNEY ★ CANBERRA ★ MELBOURNE ★ BRISBANE ★ PERTH ★ CAIRNS ★ ADELAIDE ★ HOBART ★ DARWIN



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P: 1300 99 06 12 F: 1300 99 06 13

W: www.washingtonbrown.com.au

29-Apr-16

G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund
Delivered via Email
FILE NO:69026

For the attention of Glenn,

11d Metro Parade, MAWSON LAKES SA 5095

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 Diminshing 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	11d Metro Parade, MAWSON LAKES SA 5095
Purchase Price Of Property	\$200,000
Settlement Date	April 9, 2014
Year Of Construction	2013



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: 11d Metro Parade, MAWSON LAKES SA 5095		DATE: 29-Apr-16
CLIENT: G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund		JOB: 69026
DESCRIPTION	VALUE	CALCULATIONS
PURCHASE PRICE	\$200,000	
BUILDING COST	\$99,340	
ADD BUILDERS PRELIMINARIES	\$15,129	
ADD PROFESSIONAL FEES	\$5,543	
TOTAL CONSTRUCTION COSTS	\$120,013	\$120,013
LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT	\$23,194	
LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION:	\$1,907	
SUB TOTAL	\$25,101	-\$25,101
BUILDING ALLOWANCE - DIVISION 43		\$94,912

SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE DIMINISHING VALUE METHOD

PROJECT: 11d Metro Parade, MAWSON LAKES SA 5095

DATE: 29-Apr-16

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

JOB: 69026

Category : ASSETS GENERALLY (2 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Air Conditioning - Mini split systems	\$ 6,151	10	20%	\$ 6,151
Switchboards	\$ 2,987	20	10%	\$ 2,987

Category : FIRE CONTROL ASSETS (1 item)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Detectors	\$ 258	20	10%	\$ 258

Category : KITCHEN ASSETS (1 item)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Water filters, electrical	\$ 313	15	13.34%	\$ 313

Category : OFFICE (4 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Floor coverings - Vinyl	\$ 4,644	10	20%	\$ 4,644
Hot water installations for commercial office buildings (excluding commercial boilers and piping)	\$ 4,251	15	13.34%	\$ 4,251
Lighting System (fluorescent)	\$ 1,722	20	10%	\$ 1,722
Window blinds used in commercial buildings	\$ 417	20	10%	\$ 417

Category : OUTDOOR ASSETS (2 items)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Automatic doors - Controls	\$ 261	5	40%	\$ 261
Automatic doors - Motors	\$ 712	10	20%	\$ 712

Category : SECURITY & MONITORING ASSETS (1 item)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Security systems (code pads, control panels, detectors, photo sensors etc)	\$ 1,478	5	40%	\$ 1,478

VALUE OF PLANT ITEMS	\$ 23,194	\$ 23,194
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** Indicates items that are less than or equal to \$300.00.

Category : BUILDING ALLOWANCE (Capital Works)

Depreciable Item	Cost	Effective Life (DV)	Diminishing Value	Revised Opening WDV
Building allowance	\$ 94,912	40	2.50%	\$ 94,912

VALUE OF BUILDING ALLOWANCE	\$ 94,912	\$ 94,912
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DIMINISHING VALUE - YEAR END SUMMARY				
11d Metro Parade, MAWSON LAKES SA 5095				
FINANCIAL YEAR END	DEPRECIATION PLANT & EQUIPMENT	LOW VALUE POOL ITEMS	CAPITAL WORKS DEDUCTIONS	AMOUNT CLAIMABLE
2013 / 2014	\$942	\$0	\$540	\$1,482
2014 / 2015	\$3,946	\$0	\$2,373	\$6,318
2015 / 2016	\$3,122	\$0	\$2,373	\$5,495
2016 / 2017	\$2,503	\$0	\$2,373	\$4,876
2017 / 2018	\$2,029	\$0	\$2,373	\$4,402
2018 / 2019	\$1,660	\$0	\$2,373	\$4,033
2019 / 2020	\$1,368	\$0	\$2,373	\$3,741
2020 / 2021	\$1,135	\$0	\$2,373	\$3,508
2021 / 2022	\$947	\$0	\$2,373	\$3,320
2022 / 2023	\$793	\$0	\$2,373	\$3,166
2023 / 2024	\$668	\$0	\$2,373	\$3,041
2024 / 2025	\$564	\$0	\$2,373	\$2,937
2025 / 2026	\$478	\$0	\$2,373	\$2,851
2026 / 2027	\$407	\$0	\$2,373	\$2,780
2027 / 2028	\$347	\$0	\$2,373	\$2,720
2028 / 2029	\$297	\$0	\$2,373	\$2,670
2029 / 2030	\$255	\$0	\$2,373	\$2,628
2030 / 2031	\$219	\$0	\$2,373	\$2,592
2031 / 2032	\$189	\$0	\$2,373	\$2,562
2032 / 2033	\$163	\$0	\$2,373	\$2,536
2033 / 2034	\$142	\$0	\$2,373	\$2,514
2034 / 2035	\$123	\$0	\$2,373	\$2,496
2035 / 2036	\$107	\$0	\$2,373	\$2,480
2036 / 2037	\$93	\$0	\$2,373	\$2,466
2037 / 2038	\$82	\$0	\$2,373	\$2,454
2038 / 2039	\$71	\$0	\$2,373	\$2,444
2039 / 2040	\$63	\$0	\$2,373	\$2,435
2040 / 2041	\$55	\$0	\$2,373	\$2,428
2041 / 2042	\$48	\$0	\$2,373	\$2,421
2042 / 2043	\$43	\$0	\$2,373	\$2,415
2043 / 2044	\$37	\$0	\$2,373	\$2,410
2044 / 2045	\$33	\$0	\$2,373	\$2,406
2045 / 2046	\$29	\$0	\$2,373	\$2,402
2046 / 2047	\$26	\$0	\$2,373	\$2,399
2047 / 2048	\$23	\$0	\$2,373	\$2,396
2048 / 2049	\$20	\$0	\$2,373	\$2,393
2049 / 2050	\$18	\$0	\$2,373	\$2,391
2050 / 2051	\$16	\$0	\$2,373	\$2,389
2051 / 2052	\$14	\$0	\$2,373	\$2,387
2052 / 2053	\$13	\$0	\$2,373	\$2,385
2053 / 2054	\$11	\$0	\$1,833	\$1,844

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).		
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ADD PROFESSIONAL FEES	\$5,543	
TOTAL CONSTRUCTION COSTS	\$120,013	\$120,013
LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT	\$23,194	
LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION:	\$1,907	
SUB TOTAL	\$25,101	-\$25,101
BUILDING ALLOWANCE - DIVISION 43		\$94,912

SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE PRIME COST METHOD

PROJECT: 11d Metro Parade, MAWSON LAKES SA 5095 DATE: 29-Apr-16

CLIENT: G Francis SMSF Pty Ltd ATF for Francis Self Managed Super Fund JOB: 69026

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Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
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Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Water filters, electrical	\$ 313	15	6.67%	\$ 313

Category : OFFICE (4 items)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Floor coverings - Vinyl	\$ 4,644	10	10%	\$ 4,644
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Category : SECURITY & MONITORING ASSETS (1 item)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Security systems (code pads, control panels, detectors, photo sensors etc)	\$ 1,478	5	20%	\$ 1,478

VALUE OF PLANT ITEMS	\$ 23,194			\$ 23,194
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Category : BUILDING ALLOWANCE (Capital Works)

Depreciable Item	Cost	Effective Life (PC)	Prime Cost	Revised Opening WDV
Building allowance	\$ 94,912	40	2.50%	\$ 94,912

VALUE OF BUILDING ALLOWANCE	\$ 94,912			\$ 94,912
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PRIME COST - YEAR END SUMMARY				
11d Metro Parade, MAWSON LAKES SA 5095				
FINANCIAL YEAR END	DEPRECIATION PLANT & EQUIPMENT	LOW VALUE POOL ITEMS	CAPITAL WORKS DEDUCTIONS	AMOUNT CLAIMABLE
2013 / 2014	\$471	\$0	\$540	\$1,011
2014 / 2015	\$2,072	\$0	\$2,373	\$4,445
2015 / 2016	\$2,072	\$0	\$2,373	\$4,445
2016 / 2017	\$2,072	\$0	\$2,373	\$4,445
2017 / 2018	\$2,072	\$0	\$2,373	\$4,445
2018 / 2019	\$1,993	\$0	\$2,373	\$4,366
2019 / 2020	\$1,724	\$0	\$2,373	\$4,097
2020 / 2021	\$1,724	\$0	\$2,373	\$4,097
2021 / 2022	\$1,724	\$0	\$2,373	\$4,097
2022 / 2023	\$1,724	\$0	\$2,373	\$4,097
2023 / 2024	\$1,463	\$0	\$2,373	\$3,835
2024 / 2025	\$574	\$0	\$2,373	\$2,946
2025 / 2026	\$574	\$0	\$2,373	\$2,946
2026 / 2027	\$574	\$0	\$2,373	\$2,946
2027 / 2028	\$574	\$0	\$2,373	\$2,946
2028 / 2029	\$504	\$0	\$2,373	\$2,877
2029 / 2030	\$269	\$0	\$2,373	\$2,642
2030 / 2031	\$269	\$0	\$2,373	\$2,642
2031 / 2032	\$269	\$0	\$2,373	\$2,642
2032 / 2033	\$269	\$0	\$2,373	\$2,642
2033 / 2034	\$208	\$0	\$2,373	\$2,581
2034 / 2035	\$0	\$0	\$2,373	\$2,373
2035 / 2036	\$0	\$0	\$2,373	\$2,373
2036 / 2037	\$0	\$0	\$2,373	\$2,373
2037 / 2038	\$0	\$0	\$2,373	\$2,373
2038 / 2039	\$0	\$0	\$2,373	\$2,373
2039 / 2040	\$0	\$0	\$2,373	\$2,373
2040 / 2041	\$0	\$0	\$2,373	\$2,373
2041 / 2042	\$0	\$0	\$2,373	\$2,373
2042 / 2043	\$0	\$0	\$2,373	\$2,373
2043 / 2044	\$0	\$0	\$2,373	\$2,373
2044 / 2045	\$0	\$0	\$2,373	\$2,373
2045 / 2046	\$0	\$0	\$2,373	\$2,373
2046 / 2047	\$0	\$0	\$2,373	\$2,373
2047 / 2048	\$0	\$0	\$2,373	\$2,373
2048 / 2049	\$0	\$0	\$2,373	\$2,373
2049 / 2050	\$0	\$0	\$2,373	\$2,373
2050 / 2051	\$0	\$0	\$2,373	\$2,373
2051 / 2052	\$0	\$0	\$2,373	\$2,373
2052 / 2053	\$0	\$0	\$2,373	\$2,373
2053 / 2054	\$0	\$0	\$1,833	\$1,833

