

TAX DEPRECIATION SCHEDULE

Unit *** /**** Street,
Melbourne,
Victoria.

Prepared For:

Prepared By:

TSL Pty Ltd

Reference:

TD/016/VIC/*****

Dated:

23 September 2016



Tax agent
53648002

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1.0 Introduction

This report has been prepared following the commissioning of TSL Pty Ltd by ***** (owner) to produce tax allowance schedules for Unit *** / *****, Melbourne, Victoria.

As such, said report has been prepared on the basis that the investigated property is an income-producing asset which qualifies for Capital Works deductions in accordance with the Australian Tax Office (ATO) regulations.

1.1 Purpose of the Report

The purpose of this report and reports of this nature are to assist the owners of income producing assets to maximize their tax entitlements.

In particular under the Income Tax Assessment Act 1997:

- Division 40 for Depreciating Plant and Assets
- Division 43 for Capital Works deductions

1.2 Valuation Method Adopted

The valuations contained herein have been established from a standard set of ATO allowances, and information applied thereto, which has been sourced from various other locations:-

- Purchase information supplied by owner
- Construction information obtained from building certificates
- Floor plans sourced by TSL Project Services Pty Ltd
- Site / property inspection executed by TSL Project Services Pty Ltd

2.0 Property Information**2.1 Owners**

2.2 Property Address

Unit **** / ***** Street, Melbourne.

**2.3 Property Type (as defined by ATO)**

Residential – Apartment (excluding carpark)

2.4 GFA (approximately)

55 square metres

2.5 Construction Details

Commencement: 1st Quarter 2011

Completion: 4th Quarter 2013

2.0 Property Information (Cont'd)

2.6 Tax Details

Available for lease: 20 November 2013

End of first taxable year: 30 June 2014

First year depreciation period: 222 days (2013/2014 tax year)

Building Allowance Rate - 2.5% (for construction expenditure commencing after 16 September 1987)

Structural Improvements Rate - 2.5% (for construction expenditure commencing after 26 February 1992)

ATO Effective Life spans utilised - rulings post 1 July 2004, property & assets having been acquired by the owners after said date.

Diminishing Value Method utilised - rulings post 10 May 2006, property & assets having been acquired by the owners after said date.

2.7 Lot of Entitlement for Common Areas

0.43%

2.8 Common Areas

Recreational facilities

Carpark

Lift lobbies

Entrance

Landscaping

3.0 Summary of Entitlements

Actual Tax Year		Diminishing Value Method			or Prime Cost Method		
		Depreciation on Plant \$	Capital Allowances \$	Yearly Total \$	Depreciation on Plant \$	Capital Allowances \$	Yearly Total \$
222 days	Jul 13 to Jun 14	8,058 +	3,560 =	11,618	5,492 +	3,560 =	9,052
Year 2	Jul 14 to Jun 15	6,715 +	5,853 =	12,568	2,895 +	5,853 =	8,748
Year 3	Jul 15 to Jun 16	5,000 +	5,853 =	10,853	2,895 +	5,853 =	8,748
Year 4	Jul 16 to Jun 17	3,818 +	5,853 =	9,671	2,895 +	5,853 =	8,748
Year 5	Jul 17 to Jun 18	2,985 +	5,853 =	8,838	2,895 +	5,853 =	8,748
Year 6	Jul 18 to Jun 19	2,386 +	5,853 =	8,239	2,821 +	5,853 =	8,674
Year 7	Jul 19 to Jun 20	1,946 +	5,853 =	7,799	2,730 +	5,853 =	8,583
Year 8	Jul 20 to Jun 21	1,613 +	5,853 =	7,466	2,703 +	5,853 =	8,556
Year 9	Jul 21 to Jun 22	1,358 +	5,853 =	7,211	2,703 +	5,853 =	8,556
Year 10	Jul 22 to Jun 23	1,157 +	5,853 =	7,010	2,703 +	5,853 =	8,556
Year 11	Jul 23 to Jun 24	996 +	5,853 =	6,849	2,083 +	5,853 =	7,936
Year 12	Jul 24 to Jun 25	866 +	5,853 =	6,719	1,684 +	5,853 =	7,537
Year 13	Jul 25 to Jun 26	758 +	5,853 =	6,611	1,511 +	5,853 =	7,364
Year 14	Jul 26 to Jun 27	668 +	5,853 =	6,521	1,156 +	5,853 =	7,009
Year 15	Jul 27 to Jun 28	592 +	5,853 =	6,445	523 +	5,853 =	6,376
Year 16	Jul 28 to Jun 29	527 +	5,853 =	6,380	523 +	5,853 =	6,376
Year 17	Jul 29 to Jun 30	471 +	5,853 =	6,324	523 +	5,853 =	6,376
Year 18	Jul 30 to Jun 31	423 +	5,853 =	6,276	523 +	5,853 =	6,376
Year 19	Jul 31 to Jun 32	381 +	5,853 =	6,234	523 +	5,853 =	6,376
Year 20	Jul 32 to Jun 33	344 +	5,853 =	6,197	523 +	5,853 =	6,376
Year 21	Jul 33 to Jun 34	312 +	5,853 =	6,165	481 +	5,853 =	6,334
Year 22	Jul 34 to Jun 35	284 +	5,853 =	6,137	455 +	5,853 =	6,308
Year 23	Jul 35 to Jun 36	259 +	5,853 =	6,112	455 +	5,853 =	6,308
Year 24	Jul 36 to Jun 37	236 +	5,853 =	6,089	455 +	5,853 =	6,308
Year 25	Jul 37 to Jun 38	216 +	5,853 =	6,069	455 +	5,853 =	6,308
Year 26	Jul 38 to Jun 39	198 +	5,853 =	6,051	455 +	5,853 =	6,308
Year 27	Jul 39 to Jun 40	182 +	5,853 =	6,035	455 +	5,853 =	6,308
Year 28	Jul 40 to Jun 41	167 +	5,853 =	6,020	455 +	5,853 =	6,308
Year 29	Jul 41 to Jun 42	154 +	5,853 =	6,007	455 +	5,853 =	6,308
Year 30	Jul 42 to Jun 43	142 +	5,853 =	5,995	455 +	5,853 =	6,308
Year 31	Jul 43 to Jun 44	131 +	5,853 =	5,984	192 +	5,853 =	6,045
Year 32	Jul 44 to Jun 45	121 +	5,853 =	5,974	0 +	5,853 =	5,853
Year 33	Jul 45 to Jun 46	112 +	5,853 =	5,965	0 +	5,853 =	5,853
Year 34	Jul 46 to Jun 47	104 +	5,853 =	5,957	0 +	5,853 =	5,853
Year 35	Jul 47 to Jun 48	96 +	5,853 =	5,949	0 +	5,853 =	5,853
Year 36	Jul 48 to Jun 49	89 +	5,853 =	5,942	0 +	5,853 =	5,853
Year 37	Jul 49 to Jun 50	83 +	5,853 =	5,936	0 +	5,853 =	5,853
Year 38	Jul 50 to Jun 51	77 +	5,853 =	5,930	0 +	5,853 =	5,853
Year 39	Jul 51 to Jun 52	71 +	5,853 =	5,924	0 +	5,853 =	5,853
Year 40+	Jul 52 to Jun 53	972 +	7,897 =	8,869	0 +	7,897 =	7,897
TOTALS: \$		45,068 +	233,871 =	278,939	45,068 +	233,871 =	278,939

4.0 Capital Expenditure

All of the amounts detailed within this report will be eligible to be claimed commencing the immediate day the property was available for rent: 20 November 2013 (as advised).

4.1 Capital Expenditure Summary

This report is based upon a total capital expenditure calculated as follows:

▪ Purchase Price	\$416,990.00
▪ Stamp Duty	\$0.00
▪ Legal Fees	\$0.00
▪ Additional Expenditure Outside Purchase	\$15,180.00

Total Capital Expenditure \$ 434,089.15

4.2 Building Cost Summary

▪ Construction Cost For Works Carried Out After 16 September 1987	\$234,111.50
▪ Structural Improvements For Works Carried Out After 26 February 1992	Included Above
▪ Depreciating Assets	\$45,068.00
▪ Non Depreciable Assets (unimproved land value, fees and non depreciable items)	\$154,909.65

Total Building Cost \$ 434,089.15

5.0 Inclusions and Exclusions

5.1 Inclusions

This report has made allowances for the following items when arriving at the eligible capital works for this building:

- Preliminaries
- Builders or contractors margin
- Professional Fees
- Contingencies
- Plant and Articles owned by Property Owner

5.2 Exclusions

This report has excluded the following items in arriving at the eligible capital works for this building, none of which are allowable by the ATO.

- Site clearance, leveling, cutting and bulk earthworks
- Demolition of existing structures
- Soft landscaping
- Cost of acquiring land
- Developers profit and overheads
- Plant and Articles owned by Tenant
- GST

6.0 Certification and Disclaimer

It is hereby certified that:

In accordance with the Taxation Act, the property to which this document refers has been inspected and this report has been calculated and prepared by a suitably experienced and qualified Chartered Quantity Surveyor who is a Member of the Royal Institute of Chartered Surveyors.

All Plant and Capital Works deductions contained in this report have been calculated fully in accordance with our interpretation of the Income Assessment Act 1997 and associated Acts and Appendages applicable at this time.

Our assessment is based on the assumption that all items to be depreciated are owned by the owners who are specified in this report.

This report was prepared for the exclusive use by the owners again as specified in this report for the sole purpose of claiming Property Tax Allowances by that name or names for the property specified in this report and is not to be used for any other purpose or to be reproduced without the express permission of TSL Pty Ltd.

TSL Pty Ltd will not accept any liability for events arising as a result of any other person acting upon or using this report.

Finally we would advise that TSL Pty Ltd is a firm of Chartered Quantity Surveyors, and as such is not qualified to give professional advice on matters relating to taxation claims and returns. We are however, qualified to advise on values of plant and equipment as well as building costs as defined by the ATO.

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S. E. Lunniss
BSc. (Quantity Surveying), MRICS, AAIQS

Director
TSL Pty Ltd

7.0 Appendices

7.1 Depreciable Plant Allowances – Diminishing Value Method

Capital Expenditure Incurred Upon Plant and Articles	Total Cost 20/11/13	Diminishing Value Rate	Depreciation Over First 222 Days	Opening W.D.V. 1-Jul-14
	\$	%	\$	\$
Air-conditioning:				
* Spilt Systems	2,819.00	20.00	342.91	2,476.09
Automatic Entry System and Mechanical Door Closers	411.00	18.75	77.06	333.94
Blinds	1,680.00	18.75	315.00	1,365.00
Carpets:				
* Residential	3,276.00	20.00	398.51	2,877.49
* Communal Areas	152.00	100.00	152.00	Nil
Ceiling Fans	616.00	18.75	115.50	500.50
Electrical Machinery and Equipment:				
* Generators	722.00	18.75	135.38	586.63
* Motors	29.00	100.00	29.00	Nil
Fire Control and Alarm Systems:				
* Alarms, Indicator Panel, hoses and nozzles	415.00	18.75	77.81	337.19
* Fire crowd control equipment	23.00	100.00	23.00	Nil
* Fire extinguishers	26.00	100.00	26.00	Nil
Furniture and Fittings:				
* Furniture & items less than \$300	2,750.00	100.00	2,750.00	Nil
* Furniture & items less than \$1,000	4,000.00	18.75	750.00	3,250.00
* Furniture & items more than \$1,000	7,330.00	15.00	668.74	6,661.26
* Communal furniture & assets	323.00	18.75	60.56	262.44
Garbage Disposal Units	96.00	100.00	96.00	Nil
Hot Water Installation	169.00	100.00	169.00	Nil
Kitchen Equipment:				
* Dishwashers	1,500.00	20.00	182.47	1,317.53
* Exhaust and range hoods	560.00	18.75	105.00	455.00
* Refrigerators	1,100.00	16.66	111.46	988.54
* Cooktop	448.00	18.75	84.00	364.00
* Wall and other ovens	1,344.00	16.66	136.19	1,207.81
Laundry Plant:				
* Drying equipment	504.00	18.75	94.50	409.50
Lifts and Elevators:				
* Lifts	13,653.00	6.66	553.05	13,099.95
Pumps	53.00	100.00	53.00	Nil
Security Systems and Equipment:				
* Electronic	72.00	100.00	72.00	Nil

7.0 Appendices

7.1 Depreciable Plant Allowances – Diminishing Value Method Cont'd

Capital Expenditure Incurred Upon Plant and Articles	Total Cost 20/11/13	Diminishing Value Rate	Depreciation Over First 222 Days	Opening W.D.V. 1-Jul-14
	\$	%	\$	\$

Swimming Pools/Spas & Saunas:

* Filtration equipment	36.00	100.00	36.00	Nil
* Heating equipment	96.00	100.00	96.00	Nil
* Other equipment	22.00	100.00	22.00	Nil

Intercom Installations:

* General	207.00	100.00	207.00	Nil
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Ventilating Plant:

* Ventilation plant	636.00	18.75	119.25	516.75
TOTAL	\$45,068.00		\$8,058.38	\$37,009.62

Items indicated with a rate of 18.75% are to be allocated to the "low-value pool". These items are depreciated at a rate of 18.75% in the first year and 37.5% in subsequent years using the diminishing value method.

Items indicated with 100% are assets under \$300 that meet ATO requirements and are immediately written off.

The diminishing value method assumes that the decline in value each year is a constant proportion of the remaining value and produces a progressively smaller decline over time.

7.0 Appendices

7.2 Depreciable Plant Allowances – Prime Cost Value Method

Capital Expenditure Incurred Upon Plant and Articles	Total Cost 20/11/13	Price Cost Value Rate	Depreciation Over First 222 Days	Opening W.D.V. 1-Jul-14
	\$	%	\$	\$
Air-conditioning:				
* Spilt Systems	2,819.00	10.00	171.46	2,647.54
Automatic Entry System and Mechanical Door Closers	411.00	10.00	25.00	386.00
Blinds	1,680.00	10.00	102.18	1,577.82
Carpets:				
* Residential	3,276.00	10.00	199.25	3,076.75
* Communal Areas	152.00	100.00	152.00	Nil
Ceiling Fans	616.00	20.00	74.93	541.07
Electrical Machinery and Equipment:				
* Generators	722.00	5.00	21.96	700.04
* Motors	29.00	100.00	29.00	Nil
Fire Control and Alarm Systems:				
* Alarms, Indicator Panel, hoses and nozzles	415.00	16.67	42.08	372.92
* Fire crowd control equipment	23.00	100.00	23.00	Nil
* Fire extinguishers	26.00	100.00	26.00	Nil
Furniture and Fittings:				
* Furniture & items less than \$300	2,750.00	100.00	2,750.00	Nil
* Furniture & items less than \$1,000	4,000.00	7.50	182.47	3,817.53
* Furniture & items more than \$1,000	7,330.00	7.50	334.37	6,995.63
* Communal furniture & assets	323.00	7.50	14.73	308.27
Garbage Disposal Units	96.00	100.00	96.00	Nil
Hot Water Installation	169.00	100.00	169.00	Nil
Kitchen Equipment:				
* Dishwashers	1,500.00	10.00	91.23	1,408.77
* Exhaust and range hoods	560.00	8.33	28.37	531.63
* Refrigerators	1,100.00	8.33	55.73	1,044.27
* Cooktop	448.00	8.33	22.70	425.30
* Wall and other ovens	1,344.00	8.33	68.09	1,275.91
Laundry Plant:				
* Drying equipment	504.00	10.00	30.65	473.35
Lifts and Elevators:				
* Lifts	13,653.00	3.33	276.52	13,376.48
Pumps	53.00	100.00	53.00	Nil
Security Systems and Equipment:				
* Electronic	72.00	100.00	72.00	Nil

7.0 Appendices

7.2 Depreciable Plant Allowances – Prime Cost Value Method Cont'd

Capital Expenditure Incurred Upon Plant and Articles	Total Cost 20/11/13	Price Cost Value Rate	Depreciation Over First 222 Days	Opening W.D.V. 1-Jul-14
	\$	%	\$	\$

Swimming Pools/Spas & Saunas:

* Filtration equipment	36.00	100.00	36.00	Nil
* Heating equipment	96.00	100.00	96.00	Nil
* Other equipment	22.00	100.00	22.00	Nil

Intercom Installations:

* General	207.00	100.00	207.00	Nil
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Ventilating Plant:

* Ventilation plant	636.00	5.00	19.34	616.66
TOTAL	\$45,068.00		\$5,492.07	\$39,575.93

Items indicated with a rate of 18.75% are to be allocated to the "low-value pool". These items are depreciated at a rate of 18.75% in the first year and 37.5% in subsequent years using the diminishing value method.

Items indicated with 100% are assets under \$300 that meet ATO requirements and are immediately written off.

The diminishing value method assumes that the decline in value each year is a constant proportion of the remaining value and produces a progressively smaller decline over time.

7.0 Appendices

7.3 Capital Works Allowances

Dates of Construction	Total Historical Cost	Prime Cost Rate	Annual Claim	Opening Residual Value 20/11/13	Total Capital Allowance 222 Days	Opening W.D.V. 1-Jul-14
Start - Completion	\$	%	\$	\$	\$	\$

Capital Expenditure Incurred on Qualifying Building Allowance

1) 1st Qtr 11 - 4th Qtr 13	234,111	2.50	5,853	233,871	3,560	230,311
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Subtotal	\$234,111		\$5,853	\$233,871	\$3,560	\$230,311

Capital Expenditure Incurred on Qualifying Structural Improvements

1) 1st Qtr 11 - 4th Qtr 13	Included Above	2.50	0	0	0	0
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Subtotal	\$0		\$0	\$0	\$0	\$0

TOTAL	\$234,111		\$5,853	\$233,871	\$3,560	\$230,311
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Notes:

1. Original construction of the property.

7.0 Appendices

7.4 Photographic Records

Photo No: 001
Typical Kitchen



Photo No: 002
Typical Cooktop



Photo No: 003
Typical Rangehood

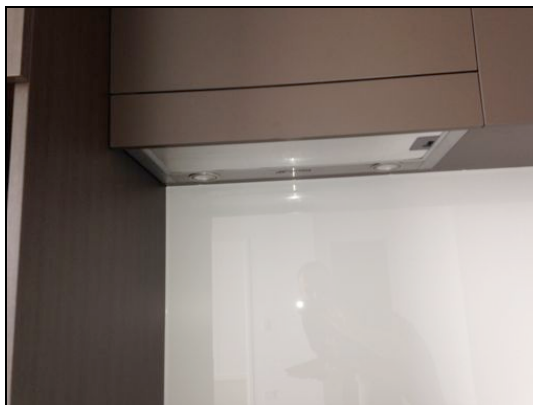


Photo No: 004
Typical Appliances



Photo No: 005
Typical Spilt A/C & Ceiling Fan



Photo No: 006
Typical Dryer



7.0 Appendices

7.4 Photographic Records (Cont'd)

Photo No: 007
Communal Areas



Photo No: 008
Swimming Pool



Photo No: 009
Hallways

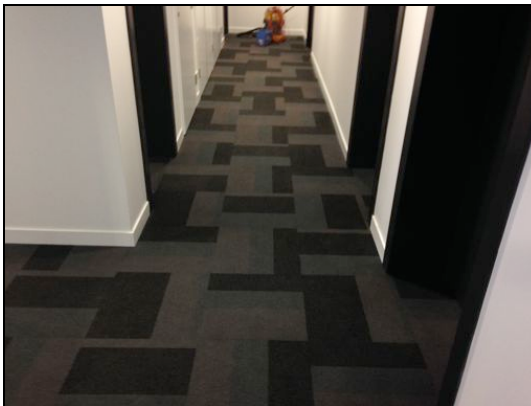


Photo No: 010
Entrance & Mailboxes

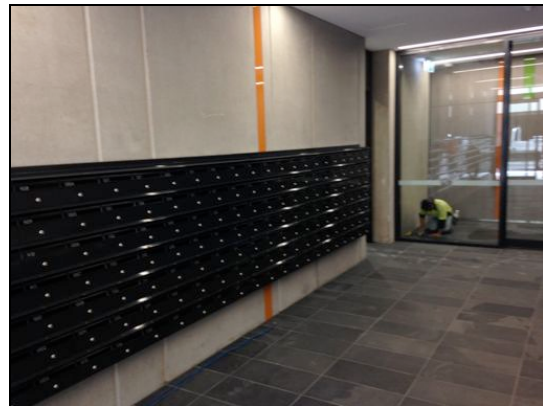


Photo No: 011
Driveway to Carparks

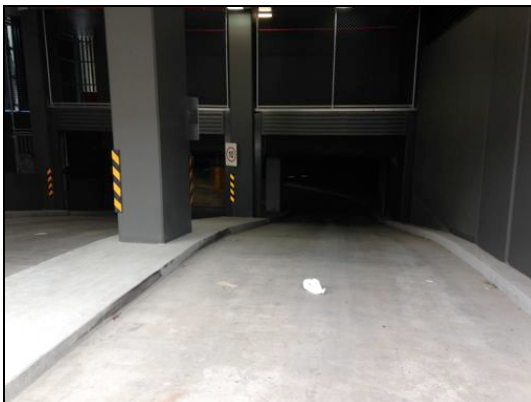


Photo No: 012
Front of Property

