

# BMT Tax Depreciation

QUANTITY SURVEYORS



a perspective on the past



a solution for the present



a vision for the future

## Capital Allowance & Tax Depreciation Report

123 ABC Street

ANYTOWN, ABC 1234

# BMT Tax Depreciation

QUANTITY SURVEYORS

Property Depreciation and Construction Cost Consultants  
ABN 44 115 282 392

**NSW:** PO Box N314 Grosvenor  
Place NSW 1220

**SA:** GPO Box 1588  
Adelaide SA 5001

**VIC:** GPO Box 4260 Melbourne VIC  
3001

**ACT:** GPO Box 2526  
Canberra ACT 2601

**QLD:** GPO Box 3229 Brisbane QLD  
4001

**WA:** GPO Box 2572 Perth  
WA 6001

**Local Call: 1300 728 726**

**Local Fax: 1300 728 721**

**Email: [info@bmtqs.com.au](mailto:info@bmtqs.com.au)**

**Web: [www.bmtqs.com.au](http://www.bmtqs.com.au)**

BMT Tax Depreciation provide an Australian wide  
Service with offices in Sydney, Melbourne, Brisbane,  
Newcastle, Canberra, Adelaide and Perth.

April 29, 2009

**ABC Pty Ltd**  
**123 ABC Street**  
**ANYTOWN, ABC 1234**

**123 ABC Street, ANYTOWN, ABC 1234**

Dear Sir/Madam,

Please find attached our Capital Allowance & Tax Depreciation Report for the above property.

The schedule has been prepared by BMT Tax Depreciation Pty Ltd for ABC Pty Ltd and not in any other capacity.

The schedule is based on the total installed cost.

The contents should be treated as advice on construction costs and like matters, and not as legal, accounting or taxation advice. BMT Tax Depreciation Pty Ltd recommend that the client consults with their advisers before relying on the information provided.

BMT Tax Depreciation Pty Ltd have applied their interpretations of the Tax Commissioner's current intentions whilst preparing this document.

**If this property changes ownership status, then the contents of this report become void and the new owner should contact this office to maximise their depreciation claim.**

Should you have any queries, or require clarification, please do not hesitate to contact Bradley Beer or David Babic at this office.

Yours Sincerely,



BMT Tax Depreciation Pty Ltd  
Quantity Surveyors

## Office Locations

### BMT Tax Depreciation Pty Ltd

#### Sydney

PO Box N314  
Grosvenor Place NSW 1220  
Level 20, Tower 2, Darling Park  
201 Sussex Street  
SYDNEY, NSW 2000  
P: (02) 9241 6477  
F: (02) 9241 6499

#### Brisbane

GPO Box 3229  
BRISBANE, QLD 4001  
Level 7, 320 Adelaide Street  
BRISBANE, QLD 4001  
P: (07) 3221 9922  
F: (07) 3221 9933

#### Adelaide

GPO Box 1588  
ADELAIDE, SA 5001  
Level 10, 60 Waymouth Street  
ADELAIDE, SA 5000  
P: (08) 8231 1133  
F: (08) 8231 6600

#### Gold Coast

PO Box 810  
SOUTHPORT, QLD 4215  
Level 9, 12 Marine Parade  
SOUTHPORT, QLD 4215  
P: (07) 5226 3520  
F: (07) 5526 3521

#### Perth

GPO Box 2572  
PERTH, WA 6001  
Level 28, 140 St Georges Terrace  
PERTH, WA 6000  
P: (08) 9485 2111  
F: (08) 9485 2133

#### Melbourne

GPO Box 4260  
MELBOURNE, VIC 3001  
Level 50, 120 Collins Street  
MELBOURNE, VIC 3000  
P: (03) 9654 2233  
F: (03) 9654 2244

#### Newcastle

PO Box 340  
NEWCASTLE, NSW 2300  
19 Bruncker Road  
BROADMEADOW, NSW 2292  
P: (02) 4978 6477  
F: (02) 4978 6499

#### Canberra

GPO Box 2526  
CANBERRA, ACT 2601  
Level 6, 39 London Circuit  
CANBERRA, ACT 2600  
P: (02) 6257 4800  
F: (02) 6257 4811

#### Cairns

PO Box 1720  
CAIRNS, QLD 4870  
181 Mulgrave Road  
CAIRNS QLD 4870  
P: (07) 4031 5699  
F: (07) 4031 5799

#### Australia Wide

P: 1300 728 726  
F: 1300 728 721  
E: [info@bmtqs.com.au](mailto:info@bmtqs.com.au)  
W: [www.bmtqs.com.au](http://www.bmtqs.com.au)

### Disclaimer

The information provided in this report has been prepared by BMT Tax Depreciation Pty Ltd (Quantity Surveyors), 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 by the parties to whom directed. The contents should thus be treated as advice on construction costs and like matters, and not as legal, accounting or taxation advice. We recommend that clients consult with their own advisers before relying on these schedules. 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.

# Table of Contents

<b>Property Information</b>	<b>4</b>
<b>Method</b>	<b>5</b>
<b>Summary - Diminishing Value Method</b>	<b>7</b>
Diminishing Value - 10 Year Forecast	
Low-Value Pooling Schedule - Diminishing Value Method	
<b>Summary - Prime Cost Method</b>	<b>13</b>
Prime Cost - 10 Year Forecast	
<b>Summary - Division 43</b>	<b>17</b>
Division 43 Calculation	
<b>Appendix One</b>	<b>19</b>
40 Year Projection	
<b>Appendix Two &amp; Three - Graphical Representation</b>	<b>21</b>
Comparative Analysis	
Cumulative Analysis	

## Property Information

<b>Client:</b>	ABC Pty Ltd
<b>Property:</b>	123 ABC Street ANYTOWN, ABC 1234
<b>Property Type:</b>	Commercial
<b>Building First Use:</b>	July 1, 2008
<b>Schedule Start Date:</b>	July 2, 2008
<b>Total Cost at Schedule Start Date:</b>	\$1,230,207

### 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 report.

## Method

Actual cost information for the building structure and fit-out was not available for all items. The building structure together with Plant & Equipment items, for which actual costs were not available, have been estimated using BMT Tax Depreciation cost advice as at April 28, 2009. These figures were then adjusted to date of construction via the application of Building Price Indices.

Two alternative schedules have been provided. The first schedule is based on the Diminishing Value method of depreciation for plant & equipment. This method allows a greater proportion of an asset's cost to be written-off in the earlier years of the assets effective life.

The second schedule is based on the Prime Cost method of depreciation for plant & equipment. This method allows an equal amount of an asset's cost to be written-off in each year of the asset's effective life.

Each of the above schedules contain the following:

- Depreciation claims for plant & equipment (Division 40) – these are basically items that can be 'easily' removed from the property as opposed to items that are permanently fixed to the structure of the building. Plant will also include items that are mechanically (or electronically) operated, even where they are fixed to the structure of the building;
- Building write-off claims (Division 43) – a write-off allowance is available at the rate of 2.5% per year, of the construction expenditure related to the property.

We have prepared our report based on the following depreciation options for plant & equipment.

**a) \$300 immediate write-off** – individual assets costing \$300 or less are normally to be written off in full in the year of purchase (i.e. 100% depreciation write-off).

The cost of individual assets acquired after 1/7/00 that are identical or substantially identical must be aggregated when applying the \$300 threshold – if their aggregate cost is more than \$300, they cannot be written-off in the year of purchase. The same applies to individual assets that form part of a 'set' of assets whose aggregate is more than \$300.

**b) Low-value pool depreciation** – under this depreciation option, taxpayers can choose to depreciate the following assets as part of a group or pool of assets:

- Low-cost assets – an asset acquired during the current year costing less than \$1,000 (assuming the asset is not eligible for the \$300 immediate write-off noted above);
- Low-value assets – basically, an existing asset already written down to less than \$1,000 under the Diminishing Value method.

In a low-value pool, low cost assets are depreciated at the rate of 18.75% in the first year, regardless of the amount of time in the year the asset was acquired. All other assets are depreciated at the rate of 37.5% per annum using the Diminishing Value method. Once the choice has been made to set up a low-value pool, all low-cost assets acquired must be allocated to the pool. Low-value assets can be allocated at the taxpayer's discretion.

The report has been prepared on the assumption that low-cost assets and low-value assets are depreciated as part of a low-value pool. If the purchaser does not select the low-value pool option for these assets, they should be depreciated using the effective life depreciation method below.

**c) Effective life depreciation** – depreciable assets that cannot be depreciated under any of the above two options have been depreciated on the basis of their effective life. For this purpose, the commissioner's estimate of their effective life has been used.

We have assumed that the property owner is entitled to claim available depreciation allowances and that no schedules of depreciation allowances exist or form a condition of the purchase documents.

The following information was used in the preparation of the schedule:

- Written and verbal information provided by:  
ABC Pty Ltd;
- Site inspection conducted by BMT Tax Depreciation on December 4, 2008.

The following costs were apportioned within the schedule:

- Preliminaries;
- Consultants Fees.

The following items have been excluded:

- Land Cost;
- Rates and taxes;
- Holding Costs;
- Non-Depreciable items (eg. Soft landscaping).

This Capital Allowance & Tax Depreciation Report is based on legislation in effect at the time the asset was acquired and the date this report was produced. The report is based on BMT Tax Depreciation Pty Ltd's interpretation of the Income Tax Assessment Act 1997, tax cases and tax rulings and our understanding of the Commissioner of Taxation intentions.

## Summary

# Diminishing Value Calculation & Low Cost/Low Value Pooling

### 1.1 Depreciation of Plant and Equipment

This section lists the 'Plant & Equipment' relevant to this property and their corresponding depreciation claims under the Diminishing Value method. This schedule also shows the total depreciation claim for the items that have been allocated to the low-value pool.

The depreciation of 'Plant & Equipment' in these schedules is in accordance with Income Tax Order 1217 (for items acquired before 1 July 1991), Income Tax Ruling IT 2685 (for items acquired before 1 January 2001), Tax Ruling TR 2000/18 (for items acquired before 1 July 2006), Tax Ruling TR 2006/5 & subsequent addendums (for items acquired from 1 July 2006).

The basic depreciation rates shown in the schedule have been calculated on the basis of the commissioner's effective life estimates outlined in the above rulings. The effective life of an asset is divided into either 150 or 200 to determine the basic Diminishing Value rate for the asset depending on when the item was purchased.

### 1.2 Diminishing Value Total - Plant & Equipment and Division 43

Date	Division 40			Division 43	Total (\$)
	Effective Life Plant	Pooled Plant	Total Division 40		
2-Jul-08 to 30-Jun-09	59,186	18,063	77,249	23,012	100,261
1-Jul-09 to 30-Jun-10	38,385	29,351	67,736	23,012	90,748
1-Jul-10 to 30-Jun-11	25,907	19,035	44,942	23,012	67,954
1-Jul-11 to 30-Jun-12	18,528	12,138	30,666	23,012	53,678
1-Jul-12 to 30-Jun-13	13,451	8,237	21,688	23,012	44,700
1-Jul-13 to 30-Jun-14	9,951	5,802	15,753	23,012	38,765
1-Jul-14 to 30-Jun-15	6,268	5,477	11,745	23,012	34,757
1-Jul-15 to 30-Jun-16	4,505	3,906	8,411	23,012	31,423
1-Jul-16 to 30-Jun-17	3,591	2,764	6,355	23,012	29,367
1-Jul-17 to 30-Jun-18	3,019	1,731	4,750	23,012	27,762

Please refer to Appendix one for a comparison of the total allowable depreciation of both the Diminishing Value method and the Prime Cost method. This table can be viewed graphically in Appendix two and three.

## Diminishing Method (Years 1-5)

123 ABC Street  
ANYTOWN, ABC 1234

Tax Grouping	Total Cost 2-Jul-08 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-13
				2-Jul-08	1-Jul-09	1-Jul-10	1-Jul-11	1-Jul-12	
				30-Jun-09 Year 1 (\$)	30-Jun-10 Year 2 (\$)	30-Jun-11 Year 3 (\$)	30-Jun-12 Year 4 (\$)	30-Jun-13 Year 5 (\$)	
<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>									
<b>Existing</b>									
Air Conditioning - Packaged Unit	55,091	15.00	13.3%	7,325	6,369	5,520	4,784	4,146	26,947
Artificial Grass & Matting	17,216	5.00	40.0%	6,868	4,139	2,484	1,490	894	1,341
Audio Visual Entertainment Assets	5,165	10.00	20.0%	1,030	827	662	529	423	1,694
Automatic Garage Door - Motors	918	10.00	37.5%	0	0	0	0	0	114
Bathroom Accessories	3,030	1.00	100.0%	3,030	0	0	0	0	0
Blinds	644	10.00	37.5%	0	0	0	0	0	79
Carpet	29,841	8.00	25.0%	7,440	5,600	4,200	3,150	2,363	7,088
Clothes Dryers	459	10.00	37.5%	0	0	0	0	0	57
Computer Equipment	7,345	4.00	50.0%	3,662	1,842	0	0	0	449
Cooktops	1,951	12.00	37.5%	0	0	0	0	0	242
Curtains	4,260	6.00	37.5%	0	0	0	0	0	528
Dishwashers	2,009	10.00	20.0%	401	322	257	206	0	514
Emergency Warning & Intercommunication Systems	2,869	12.00	16.7%	477	399	332	277	231	1,153
Exhaust Fans	620	10.00	37.5%	0	0	0	0	0	77
Fire Detection Alarms	3,443	20.00	37.5%	0	0	0	0	0	426
Fire Indicator Panels	9,182	12.00	16.7%	1,526	1,276	1,063	886	739	3,692
Furniture - Freestanding A	35,809	7.00	37.5%	0	0	0	0	0	4,439
Furniture - Freestanding B	23,873	7.00	28.6%	6,802	4,877	3,484	2,489	1,777	4,444
Furniture Freestanding - Bookcases	3,902	15.00	37.5%	0	0	0	0	0	484
Heat, Light & Exhaust Units	448	10.00	37.5%	0	0	0	0	0	56
Hot Water Installations	3,558	15.00	13.3%	473	411	357	309	268	1,740
Light Fittings & Shades	35,178	20.00	37.5%	0	0	0	0	0	4,361
Linen	4,074	5.00	37.5%	0	0	0	0	0	505
Ovens	1,894	12.00	16.7%	315	263	219	183	0	571
Partitioning - Demountable	3,443	20.00	37.5%	0	0	0	0	0	426
Play Equipment	45,909	5.00	40.0%	18,313	11,038	6,623	3,974	2,384	3,577
Rangehoods	631	12.00	37.5%	0	0	0	0	0	79
Security System	2,961	5.00	40.0%	1,181	712	427	0	0	251
Smoke Alarms	551	6.00	37.5%	0	0	0	0	0	68
Telephone System	3,443	20.00	10.0%	343	310	279	251	226	2,034
<b>Total Existing</b>	<b>309,717</b>			<b>59,186</b>	<b>38,385</b>	<b>25,907</b>	<b>18,528</b>	<b>13,451</b>	<b>67,436</b>
Total Division 40 - Effective Life Rate	213,386			59,186	38,385	25,907	18,528	13,451	53,710
Total Division 40 - Pooled	96,331			18,063	29,351	19,035	12,138	8,237	13,726
<b>Total - Division 40</b>	<b>309,717</b>			<b>77,249</b>	<b>67,736</b>	<b>44,942</b>	<b>30,666</b>	<b>21,688</b>	<b>67,436</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43</b>	<b>920,490</b>			<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>805,429</b>
<b>Total Depreciation</b>	<b>1,230,207</b>			<b>100,261</b>	<b>90,748</b>	<b>67,954</b>	<b>53,678</b>	<b>44,700</b>	<b>872,865</b>

This depreciation schedule is for use only by the party to whom directed, and for no other purpose without the written consent 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 purchaser not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied.

Items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method.

All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

File No: 12345

## Diminishing Method (Years 6-10)

123 A&C Street  
ANYTOWN, ABC 1234

Tax Grouping	Total Cost 1-Jul-13 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-18
				1-Jul-13 30-Jun-14 Year 6 (\$)	1-Jul-14 30-Jun-15 Year 7 (\$)	1-Jul-15 30-Jun-16 Year 8 (\$)	1-Jul-16 30-Jun-17 Year 9 (\$)	1-Jul-17 30-Jun-18 Year 10 (\$)	
				<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>					
<b>Existing</b>									
Air Conditioning - Packaged Unit	26,947	15.00	13.3%	3,593	3,114	2,699	2,339	2,027	13,175
Artificial Grass & Matting	1,341	5.00	40.0%	536	0	0	0	0	122
Audio Visual Entertainment Assets	1,694	10.00	20.0%	339	271	217	0	0	339
Automatic Garage Door - Motors	114	10.00	37.5%	0	0	0	0	0	11
Bathroom Accessories	0	1.00	100.0%	0	0	0	0	0	0
Blinds	79	10.00	37.5%	0	0	0	0	0	7
Carpet	7,088	8.00	25.0%	1,772	1,329	997	748	561	1,681
Clothes Dryers	57	10.00	37.5%	0	0	0	0	0	6
Computer Equipment	449	4.00	37.5%	0	0	0	0	0	43
Cooktops	242	12.00	37.5%	0	0	0	0	0	23
Curfains	528	6.00	37.5%	0	0	0	0	0	51
Dishwashers	514	10.00	37.5%	0	0	0	0	0	49
Emergency Warning & Intercommunication Systems	1,153	12.00	16.7%	192	0	0	0	0	147
Exhaust Fans	77	10.00	37.5%	0	0	0	0	0	7
Fire Detection Alarms	426	20.00	37.5%	0	0	0	0	0	41
Fire Indicator Panels	3,692	12.00	16.7%	615	513	427	356	297	1,484
Furniture - Freestanding A	4,439	7.00	37.5%	0	0	0	0	0	423
Furniture - Freestanding B	4,444	7.00	28.6%	1,270	0	0	0	0	484
Furniture Freestanding - Bookcases	484	15.00	37.5%	0	0	0	0	0	46
Heat, Light & Exhaust Units	56	10.00	37.5%	0	0	0	0	0	6
Hot Water Installations	1,740	15.00	37.5%	0	0	0	0	0	166
Light Fittings & Shades	4,361	20.00	37.5%	0	0	0	0	0	416
Linen	505	5.00	37.5%	0	0	0	0	0	48
Ovens	571	12.00	37.5%	0	0	0	0	0	54
Partitioning - Demountable	426	20.00	37.5%	0	0	0	0	0	41
Play Equipment	3,577	5.00	40.0%	1,431	858	0	0	0	314
Rangehoods	79	12.00	37.5%	0	0	0	0	0	7
Security System	251	5.00	37.5%	0	0	0	0	0	24
Smoke Alarms	68	6.00	37.5%	0	0	0	0	0	6
Telephone System	2,034	20.00	10.0%	203	183	165	148	134	1,201
<b>Total Existing</b>	<b>67,436</b>			<b>9,951</b>	<b>6,268</b>	<b>4,505</b>	<b>3,591</b>	<b>3,019</b>	<b>20,422</b>
Total Division 40 - Effective Life Rate	53,710			9,951	6,268	4,505	3,591	3,019	17,541
Total Division 40 - Pooled	13,726			5,802	5,477	3,906	2,764	1,731	2,881
<b>Total - Division 40</b>	<b>67,436</b>			<b>15,753</b>	<b>11,745</b>	<b>8,411</b>	<b>6,355</b>	<b>4,750</b>	<b>20,422</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43</b>	<b>805,429</b>			<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>690,368</b>
<b>Total Depreciation</b>	<b>872,865</b>			<b>38,765</b>	<b>34,757</b>	<b>31,423</b>	<b>29,367</b>	<b>27,762</b>	<b>710,790</b>

This depreciation schedule is for use only by the party to whom directed, and for no other purpose without the written consent 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.

File No: 12345

Should the purchaser not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied.

Items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method.

All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

## Pooling Schedule DV (Years 1-5)

123 ABC Street  
ANYTOWN, ABC 1234

Tax Grouping	WDV @ Pool (\$)	Effective Life (Years)	Basic Rate (DV)	Pooled Items Depreciation Allowance					TWDV @ 1-Jul-13
				2-Jul-08 30-Jun-09 Year 1 (\$)	1-Jul-09 30-Jun-10 Year 2 (\$)	1-Jul-10 30-Jun-11 Year 3 (\$)	1-Jul-11 30-Jun-12 Year 4 (\$)	1-Jul-12 30-Jun-13 Year 5 (\$)	
				<b>Division 40 - Plant &amp; Equipment (Pooling Rates)</b>					
<b>Existing</b>									
Air Conditioning - Packaged Unit	0	15.00	0.0%	0	0	0	0	0	0
Artificial Grass & Matting	0	5.00	0.0%	0	0	0	0	0	0
Audio Visual Entertainment Assets	0	10.00	0.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	918	10.00	37.5%	172	280	175	109	68	114
Bathroom Accessories	0	1.00	0.0%	0	0	0	0	0	0
Blinds	644	10.00	37.5%	121	196	123	77	48	79
Carpet	0	8.00	0.0%	0	0	0	0	0	0
Clothes Dryers	459	10.00	37.5%	86	140	87	55	34	57
Computer Equipment	1841	4.00	37.5%	0	0	690	432	270	449
Cooktops	1951	12.00	37.5%	366	594	372	232	145	242
Curtains	4260	6.00	37.5%	799	1298	811	507	317	528
Dishwashers	823	10.00	37.5%	0	0	0	0	309	514
Emergency Warning & Intercommunication Systems	0	12.00	0.0%	0	0	0	0	0	0
Exhaust Fans	620	10.00	37.5%	116	189	118	74	46	77
Fire Detection Alarms	3443	20.00	37.5%	646	1049	656	410	256	426
Fire Indicator Panels	0	12.00	0.0%	0	0	0	0	0	0
Furniture - Freestanding A	35809	7.00	37.5%	6714	10911	6819	4262	2664	4439
Furniture - Freestanding B	0	7.00	0.0%	0	0	0	0	0	0
Furniture Freestanding - Bookcases	3902	15.00	37.5%	732	1189	743	464	290	484
Heat, Light & Exhaust Units	448	10.00	37.5%	84	137	85	53	33	56
Hot Water Installations	0	15.00	0.0%	0	0	0	0	0	0
Light Fittings & Shades	35178	20.00	37.5%	6596	10718	6699	4187	2617	4361
Linen	4074	5.00	37.5%	764	1241	776	485	303	505
Ovens	914	12.00	37.5%	0	0	0	0	343	571
Partitioning - Demountable	3443	20.00	37.5%	646	1049	656	410	256	426
Play Equipment	0	5.00	0.0%	0	0	0	0	0	0
Rangehoods	631	12.00	37.5%	118	192	120	75	47	79
Security System	641	5.00	37.5%	0	0	0	240	150	251
Smoke Alarms	551	6.00	37.5%	103	168	105	66	41	68
Telephone System	0	20.00	0.0%	0	0	0	0	0	0
<b>Total Existing</b>	<b>100,550</b>			<b>18,063</b>	<b>29,351</b>	<b>19,035</b>	<b>12,138</b>	<b>8,237</b>	<b>13,726</b>
<b>Total - Division 40 (Pooling Rates)</b>	<b>100,550</b>			<b>18,063</b>	<b>29,351</b>	<b>19,035</b>	<b>12,138</b>	<b>8,237</b>	<b>13,726</b>
<b>Total - Pooled Items</b>	<b>100,550</b>			<b>18,063</b>	<b>29,351</b>	<b>19,035</b>	<b>12,138</b>	<b>8,237</b>	<b>13,726</b>

This depreciation schedule is for use only by the party to whom directed, and for no other purpose without the written consent 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.

File No: 12345

Should the purchaser not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied.

Items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method.

All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

## Pooling Schedule DV (Years 6-10)

123 ABC Street  
ANYTOWN, ABC 1234

Tax Grouping	WDV @ Pool (\$)	Effective Life (Years)	Basic Rate (DV)	Pooled Items Depreciation Allowance					TWDV @ 1-Jul-18
				1-Jul-13 30-Jun-14 Year 1 (\$)	1-Jul-14 30-Jun-15 Year 2 (\$)	1-Jul-15 30-Jun-16 Year 3 (\$)	1-Jul-16 30-Jun-17 Year 4 (\$)	1-Jul-17 30-Jun-18 Year 5 (\$)	
				<b>Division 40 - Plant &amp; Equipment (Pooling Rates)</b>					
<b>Existing</b>									
Air Conditioning - Packaged Unit	0	15.00	0.0%	0	0	0	0	0	0
Artificial Grass & Matting	805	5.00	37.5%	0	302	189	118	74	122
Audio Visual Entertainment Assets	867	10.00	37.5%	0	0	0	325	203	339
Automatic Garage Door - Motors	114	10.00	37.5%	43	27	17	10	6	11
Bathroom Accessories	0	1.00	0.0%	0	0	0	0	0	0
Blinds	79	10.00	37.5%	30	18	12	7	5	7
Carpet	0	8.00	0.0%	0	0	0	0	0	0
Clothes Dryers	57	10.00	37.5%	21	14	8	5	3	6
Computer Equipment	449	4.00	37.5%	168	105	66	41	26	43
Cooktops	242	12.00	37.5%	91	57	35	22	14	23
Curtains	528	6.00	37.5%	198	124	77	48	30	51
Dishwashers	514	10.00	37.5%	193	120	75	47	30	49
Emergency Warning & Intercommunication Systems	961	12.00	37.5%	0	360	225	141	88	147
Exhaust Fans	77	10.00	37.5%	29	18	11	7	5	7
Fire Detection Alarms	426	20.00	37.5%	160	100	62	39	24	41
Fire Indicator Panels	0	12.00	0.0%	0	0	0	0	0	0
Furniture - Freestanding A	4439	7.00	37.5%	1665	1040	650	407	254	423
Furniture - Freestanding B	3174	7.00	37.5%	0	1190	744	465	291	484
Furniture Freestanding - Bookcases	484	15.00	37.5%	182	113	71	44	28	46
Heat, Light & Exhaust Units	56	10.00	37.5%	21	13	8	5	3	6
Hot Water Installations	1740	15.00	37.5%	653	408	255	159	99	166
Light Fittings & Shades	4361	20.00	37.5%	1635	1022	639	399	250	416
Linen	505	5.00	37.5%	189	119	74	46	29	48
Ovens	571	12.00	37.5%	214	134	84	52	33	54
Partitioning - Demountable	426	20.00	37.5%	160	100	62	39	24	41
Play Equipment	1288	5.00	37.5%	0	0	483	302	189	314
Rangehoods	79	12.00	37.5%	30	18	12	7	5	7
Security System	251	5.00	37.5%	94	59	37	23	14	24
Smoke Alarms	68	6.00	37.5%	26	16	10	6	4	6
Telephone System	0	20.00	0.0%	0	0	0	0	0	0
<b>Total Existing</b>	<b>22,561</b>			<b>5,802</b>	<b>5,477</b>	<b>3,906</b>	<b>2,764</b>	<b>1,731</b>	<b>2,881</b>
<b>Total - Division 40 (Pooling Rates)</b>	<b>22,561</b>			<b>5,802</b>	<b>5,477</b>	<b>3,906</b>	<b>2,764</b>	<b>1,731</b>	<b>2,881</b>
<b>Total - Pooled Items</b>	<b>22,561</b>			<b>5,802</b>	<b>5,477</b>	<b>3,906</b>	<b>2,764</b>	<b>1,731</b>	<b>2,881</b>

This depreciation schedule is for use only by the party to whom directed, and for no other purpose without the written consent 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.

File No: 12345

Should the purchaser not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied.

Items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method.

All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

## Summary

# Prime Cost Calculation

### 1.1 Depreciation of Plant and Equipment

This section lists the plant & equipment relevant to this property and their corresponding depreciation claims under the Prime Cost method.

The low-value option has not been applied, as this option is based on the Diminishing Value method. However, the purchaser can choose to depreciate low cost assets and low-value assets as part of a low value pool, even if other assets are being depreciated under the Prime Cost method.

The depreciation of 'Plant & Equipment' in these schedules is in accordance with Income Tax Order 1217 (for items acquired before 1 July 1991), Income Tax Ruling IT 2685 (for items acquired before 1 January 2001), Tax Ruling TR 2000/18 (for items acquired before 1 July 2006), Tax Ruling TR 2006/5 & subsequent addendums (for items acquired from 1 July 2006).

The basic depreciation rates shown in the schedule have been calculated on the basis of the commissioner's effective life estimates outlined in the above rulings (depending on when the item was purchased). The effective life of an asset is divided into 100 to determine the basic Prime Cost rate for the asset.

### 1.2 Prime Cost Total - Plant & Equipment and Division 43

Date	Effective Life Plant	Division 43	Total (\$)
2-Jul-08 to 30-Jun-09	40,704	23,012	63,716
1-Jul-09 to 30-Jun-10	37,776	23,012	60,788
1-Jul-10 to 30-Jun-11	37,776	23,012	60,788
1-Jul-11 to 30-Jun-12	37,776	23,012	60,788
1-Jul-12 to 30-Jun-13	35,946	23,012	58,958
1-Jul-13 to 30-Jun-14	21,944	23,012	44,956
1-Jul-14 to 30-Jun-15	21,108	23,012	44,120
1-Jul-15 to 30-Jun-16	12,603	23,012	35,615
1-Jul-16 to 30-Jun-17	8,861	23,012	31,873
1-Jul-17 to 30-Jun-18	8,842	23,012	31,854

Please refer to Appendix one for a comparison of the total allowable depreciation of both the Diminishing Value method and the Prime Cost method. This table can be viewed graphically in Appendix two and three.

## Prime Cost Method (Years 1-5)

123 ABC Street  
ANYTOWN, ABC 1234

Tax Grouping	Total Cost 2-Jul-08 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-13
				2-Jul-08 30-Jun-09 Year 1 (\$)	1-Jul-09 30-Jun-10 Year 2 (\$)	1-Jul-10 30-Jun-11 Year 3 (\$)	1-Jul-11 30-Jun-12 Year 4 (\$)	1-Jul-12 30-Jun-13 Year 5 (\$)	
				<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>					
<b>Existing</b>									
Air Conditioning - Packaged Unit	55,091	15.00	6.7%	3,663	3,673	3,673	3,673	3,673	36,736
Artificial Grass & Matting	17,216	5.00	20.0%	3,434	3,443	3,443	3,443	3,443	10
Audio Visual Entertainment Assets	5,165	10.00	10.0%	515	517	517	517	517	2,582
Automatic Garage Door - Motors	918	10.00	10.0%	92	92	92	92	92	458
Bathroom Accessories	3,030	1.00	100.0%	3,030	0	0	0	0	0
Blinds	644	10.00	10.0%	64	64	64	64	64	324
Carpet	29,841	8.00	12.5%	3,720	3,730	3,730	3,730	3,730	11,201
Clothes Dryers	459	10.00	10.0%	46	46	46	46	46	229
Computer Equipment	7,345	4.00	25.0%	1,831	1,836	1,836	1,836	6	0
Cooktops	1,951	12.00	8.3%	162	163	163	163	163	1,137
Curtains	4,260	6.00	16.7%	708	710	710	710	710	712
Dishwashers	2,009	10.00	10.0%	200	201	201	201	201	1,005
Emergency Warning & Intercommunication Systems	2,869	12.00	8.3%	238	239	239	239	239	1,675
Exhaust Fans	620	10.00	10.0%	62	62	62	62	62	310
Fire Detection Alarms	3,443	20.00	5.0%	172	172	172	172	172	2,583
Fire Indicator Panels	9,182	12.00	8.3%	763	765	765	765	765	5,359
Furniture - Freestanding A	35,809	7.00	14.3%	5,102	5,116	5,116	5,116	5,116	10,243
Furniture - Freestanding B	23,873	7.00	14.3%	3,401	3,410	3,410	3,410	3,410	6,832
Furniture Freestanding - Bookcases	3,902	15.00	6.7%	259	260	260	260	260	2,603
Heat, Light & Exhaust Units	448	10.00	10.0%	45	45	45	45	45	223
Hot Water Installations	3,558	15.00	6.7%	237	237	237	237	237	2,373
Light Fittings & Shades	35,178	20.00	5.0%	1,754	1,759	1,759	1,759	1,759	26,388
Linen	4,074	5.00	20.0%	813	815	815	815	815	1
Ovens	1,894	12.00	8.3%	157	158	158	158	158	1,105
Partitioning - Demountable	3,443	20.00	5.0%	172	172	172	172	172	2,583
Play Equipment	45,909	5.00	20.0%	9,157	9,182	9,182	9,182	9,182	24
Rangehoods	631	12.00	8.3%	52	53	53	53	53	367
Security System	2,961	5.00	20.0%	591	592	592	592	592	2
Smoke Alarms	551	6.00	16.7%	92	92	92	92	92	91
Telephone System	3,443	20.00	5.0%	172	172	172	172	172	2,583
<b>Total Existing</b>	<b>309,717</b>			<b>40,704</b>	<b>37,776</b>	<b>37,776</b>	<b>37,776</b>	<b>35,946</b>	<b>119,739</b>
<b>Total - Division 40 (Effective Life Rates)</b>	<b>309,717</b>			<b>40,704</b>	<b>37,776</b>	<b>37,776</b>	<b>37,776</b>	<b>35,946</b>	<b>119,739</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43</b>	<b>920,490</b>			<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>805,429</b>
<b>Total Depreciation</b>	<b>1,230,207</b>			<b>63,716</b>	<b>60,788</b>	<b>60,788</b>	<b>60,788</b>	<b>58,958</b>	<b>925,168</b>

This depreciation schedule is for use only by the party to whom directed, and for no other purpose without the written consent 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.

File No: 12345

Should the purchaser not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied.

Items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method.

All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

## Prime Cost Method (Years 6-10)

123 ABC Street  
ANYTOWN, ABC 1234

Tax Grouping	Total Cost 1-Jul-13 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-18
				1-Jul-13 30-Jun-14 Year 6 (\$)	1-Jul-14 30-Jun-15 Year 7 (\$)	1-Jul-15 30-Jun-16 Year 8 (\$)	1-Jul-16 30-Jun-17 Year 9 (\$)	1-Jul-17 30-Jun-18 Year 10 (\$)	
				<b>Division 40 - Plant &amp; Equipment (Effective Life Rates)</b>					
<b>Existing</b>									
Air Conditioning - Packaged Unit	36,736	15.00	6.7%	3,673	3,673	3,673	3,673	3,673	18,371
Artificial Grass & Matting	10	5.00	20.0%	10	0	0	0	0	0
Audio Visual Entertainment Assets	2,582	10.00	10.0%	517	517	517	517	514	0
Automatic Garage Door - Motors	458	10.00	10.0%	92	92	92	92	90	0
Bathroom Accessories	0	1.00	100.0%	0	0	0	0	0	0
Blinds	324	10.00	10.0%	64	64	64	64	64	4
Carpet	11,201	8.00	12.5%	3,730	3,730	3,730	11	0	0
Clothes Dryers	229	10.00	10.0%	46	46	46	46	45	0
Computer Equipment	0	4.00	25.0%	0	0	0	0	0	0
Cooktops	1,137	12.00	8.3%	163	163	163	163	163	322
Curtains	712	6.00	16.7%	710	2	0	0	0	0
Dishwashers	1,005	10.00	10.0%	201	201	201	201	201	0
Emergency Warning & Intercommunication Systems	1,675	12.00	8.3%	239	239	239	239	239	480
Exhaust Fans	310	10.00	10.0%	62	62	62	62	62	0
Fire Detection Alarms	2,583	20.00	5.0%	172	172	172	172	172	1,723
Fire Indicator Panels	5,359	12.00	8.3%	765	765	765	765	765	1,534
Furniture - Freestanding A	10,243	7.00	14.3%	5,116	5,116	11	0	0	0
Furniture - Freestanding B	6,832	7.00	14.3%	3,410	3,410	12	0	0	0
Furniture Freestanding - Bookcases	2,603	15.00	6.7%	260	260	260	260	260	1,303
Heat, Light & Exhaust Units	223	10.00	10.0%	45	45	45	45	43	0
Hot Water Installations	2,373	15.00	6.7%	237	237	237	237	237	1,188
Light Fittings & Shades	26,388	20.00	5.0%	1,759	1,759	1,759	1,759	1,759	17,593
Linen	1	5.00	20.0%	1	0	0	0	0	0
Ovens	1,105	12.00	8.3%	158	158	158	158	158	315
Partitioning - Demountable	2,583	20.00	5.0%	172	172	172	172	172	1,723
Play Equipment	24	5.00	20.0%	24	0	0	0	0	0
Rangehoods	367	12.00	8.3%	53	53	53	53	53	102
Security System	2	5.00	20.0%	2	0	0	0	0	0
Smoke Alarms	91	6.00	16.7%	91	0	0	0	0	0
Telephone System	2,583	20.00	5.0%	172	172	172	172	172	1,723
<b>Total Existing</b>	<b>119,739</b>			<b>21,944</b>	<b>21,108</b>	<b>12,603</b>	<b>8,861</b>	<b>8,842</b>	<b>46,381</b>
<b>Total - Division 40 (Effective Life Rates)</b>	<b>119,739</b>			<b>21,944</b>	<b>21,108</b>	<b>12,603</b>	<b>8,861</b>	<b>8,842</b>	<b>46,381</b>
<b>Division 43 - Capital Works Allowance</b>									
<b>Total Division 43</b>	<b>805,429</b>			<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>23,012</b>	<b>690,368</b>
<b>Total Depreciation</b>	<b>925,168</b>			<b>44,956</b>	<b>44,120</b>	<b>35,615</b>	<b>31,873</b>	<b>31,854</b>	<b>736,749</b>

This depreciation schedule is for use only by the party to whom directed, and for no other purpose without the written consent 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.

File No: 12345

Should the purchaser not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied.

Items with an opening value or written down value of less than \$1,000 are depreciated under the pooling method.

All pooled items have been depreciated at 18.75% in the year of acquisition and 37.5% each year thereafter.

# Summary

## Division 43

### Building Write-Off Allowance

### 1.1 Special Building Write-Off allowance (Division 43)

There is available to ABC Pty Ltd a Division 43 Special Building Write-off allowance which applies to income producing commercial buildings which commenced construction from the 16th September 1987 to the present time.

Under current Tax Legislation, the owner of the property is eligible to claim the Division 43 Write Off allowance for a maximum of 40 years after the construction completion date. The Division 43 allowance applicable to this property is calculated below.

Total Cost for Division 43 application at;

Works	Date	Rate	Original Cost
Building First Use	1-Jul-08	2.5%	\$920,490

Calculation for write off provision,

PERIOD	DIV 43 (\$)
2-Jul-08 to 30-Jun-09	23,012
1-Jul-09 to 30-Jun-10	23,012
1-Jul-10 to 30-Jun-11	23,012
1-Jul-11 to 30-Jun-12	23,012
1-Jul-12 to 30-Jun-13	23,012
1-Jul-13 to 30-Jun-14	23,012
1-Jul-14 to 30-Jun-15	23,012
1-Jul-15 to 30-Jun-16	23,012
1-Jul-16 to 30-Jun-17	23,012
1-Jul-17 to 30-Jun-18	23,012

# Appendix One

## 40 Year Projection

## Appendix One - 40 Year Projection

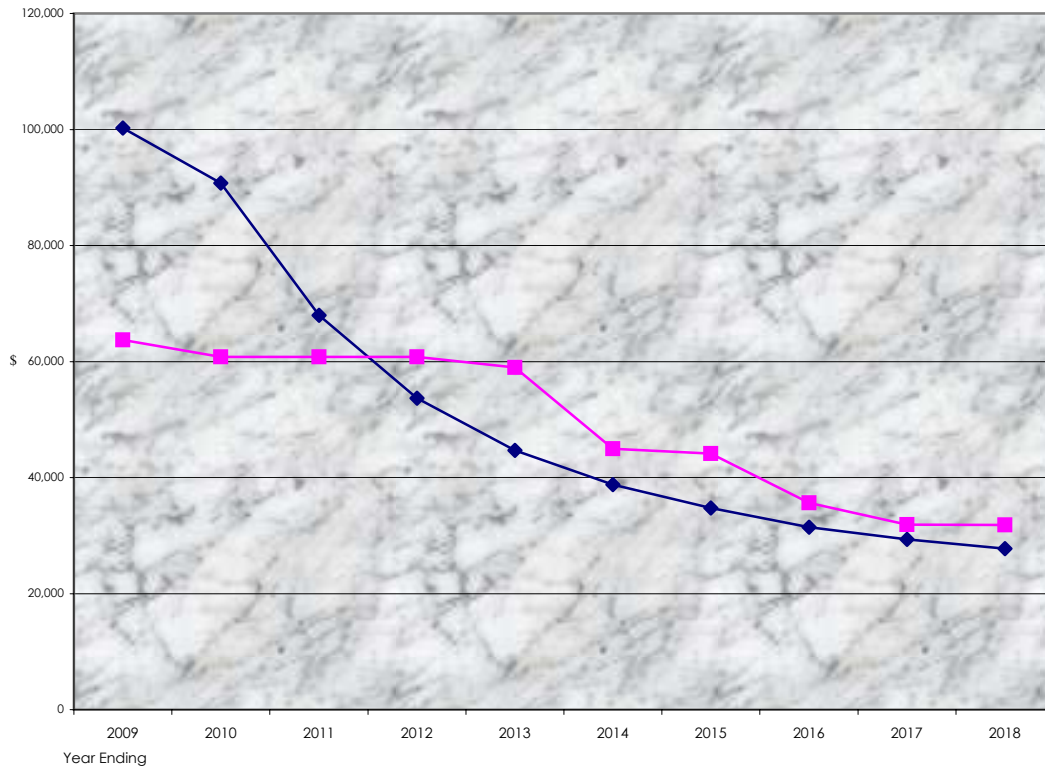
Years 1-21			Years 22-41		
Period	Depreciation Allowance		Period	Depreciation Allowance	
	Diminishing Value (\$)	Prime Cost (\$)		Diminishing Value (\$)	Prime Cost (\$)
2-Jul-08 30-Jun-09	100,261	63,716	1-Jul-29 30-Jun-30	23,399	23,012
1-Jul-09 30-Jun-10	90,748	60,788	1-Jul-30 30-Jun-31	23,341	23,012
1-Jul-10 30-Jun-11	67,954	60,788	1-Jul-31 30-Jun-32	23,292	23,012
1-Jul-11 30-Jun-12	53,678	60,788	1-Jul-32 30-Jun-33	23,255	23,012
1-Jul-12 30-Jun-13	44,700	58,958	1-Jul-33 30-Jun-34	23,220	23,012
1-Jul-13 30-Jun-14	38,765	44,956	1-Jul-34 30-Jun-35	23,193	23,012
1-Jul-14 30-Jun-15	34,757	44,120	1-Jul-35 30-Jun-36	23,166	23,012
1-Jul-15 30-Jun-16	31,423	35,615	1-Jul-36 30-Jun-37	23,146	23,012
1-Jul-16 30-Jun-17	29,367	31,873	1-Jul-37 30-Jun-38	23,338	23,012
1-Jul-17 30-Jun-18	27,762	31,854	1-Jul-38 30-Jun-39	23,216	23,012
1-Jul-18 30-Jun-19	26,636	30,839	1-Jul-39 30-Jun-40	23,140	23,012
1-Jul-19 30-Jun-20	25,845	30,826	1-Jul-40 30-Jun-41	23,092	23,012
1-Jul-20 30-Jun-21	25,645	29,463	1-Jul-41 30-Jun-42	23,062	23,012
1-Jul-21 30-Jun-22	25,196	29,457	1-Jul-42 30-Jun-43	23,043	23,012
1-Jul-22 30-Jun-23	24,650	29,457	1-Jul-43 30-Jun-44	23,031	23,012
1-Jul-23 30-Jun-24	24,276	25,299	1-Jul-44 30-Jun-45	23,024	23,012
1-Jul-24 30-Jun-25	24,009	25,287	1-Jul-45 30-Jun-46	23,020	23,012
1-Jul-25 30-Jun-26	23,817	25,287	1-Jul-46 30-Jun-47	23,017	23,012
1-Jul-26 30-Jun-27	23,667	25,287	1-Jul-47 30-Jun-48	23,015	23,012
1-Jul-27 30-Jun-28	23,557	25,287	1-Jul-48 30-Jun-49	2	0
1-Jul-28 30-Jun-29	23,470	23,024	<b>Total</b>	<b>1,230,205</b>	<b>1,230,207</b>

## Appendix Two & Three

# Graphical Representation

## Comparative & Cumulative Analysis

## Appendix Two - Comparative Analysis



## Appendix Three - Cumulative Analysis

