

Property Tax Depreciation Schedule

Investment Property Summary

<Property type - Highrise residential>

Owner(s) of property	John Smith
Address	1/1 Highrise Street, Sydney, NSW 2000
Contract Settlement date	1 July 2017
Property Purchase Price (AUD)	\$799,000
Construction commencement year	2015
Job Reference number	Sample Highrise

Introduction & Disclaimer

Thank you for choosing Ardeevee to prepare your depreciation report.

This report has been prepared based on information provided by client and local authorities. We have also conduct inspection to the investment property and make an estimate of construction cost based upon these information.

This report has been prepared only to be use for depreciation claims and may not used for any other purposes. This report can only be used for claims by owner(s) of property as named above.

Ardeevee are registered tax agent business, therefore are qualified to provide tax agent services that relates to part 2-10 of the Income Tax Assessment Act (ITAA) 1997. Our tax agent number can be found at the end of next page.

This report has been formatted and structured in accordance to the latest Australian Taxation Office (ATO) rules and regulations. However, we highly suggest that the client engaged their specialised tax adviser to confirm the report and suggested method of taxation claims.

By using this report, the client agreed that Ardeevee is not responsible for any actions, ommisions or errors based upon information provided by the client or any approved third party. Ardeevee does not accept liability from any third party using any information contain in this report.

This report has include, for your convenience, our assessment of depreciation based upon the Diminishing Value Method and the Prime Cost Method. Advice should be sought from the client's tax adviser regarding the most appropriate method of claims to be adopted. Once you choose on a Method, you must use the same Method for all your following year depreciation claim.

At the end of each method, we have include method summary page for client to refer when looking for the amount claimable for certain financial year. Please note that the amount claimable has been pro rata with the amount of days the owner lived in the property.

At the end of the report, we have provided client a graphical representation of both method to assist client and their tax adviser in choosing the best method of claims.

This report will become void if the client change the ownership of the property. Future owner(s) of the property should contact Ardeevee to arrange depreciation report suited for them.

Depreciation

A depreciating asset is defined by INCOME TAX ASSESSMENT ACT 1997 - SECT 40.10 as assets with limited effective life that are reasonably expected to decline in value. The effective life of depreciating asset is the period it can be used to produce income.

The decline in value is based on the cost and effective life of the asset and it begins when the client use the asset (including installation and ready to use).

This report has been prepared in accordance to:

Capital Works - INCOME TAX ASSESSMENT ACT 1997 - SECT 43

We have included in the building cost allowance for any fees related to the construction of property.

However, we have not include any fees related to the acquisition of the land, demolition of existing asset, items that is not decline in value, and any profit made by developer during the course of construction.

General Capital Allowances - INCOME TAX ASSESSMENT ACT 1997 - SECT 40

We have included plant and equipment inside the property that have effective lifes different from capital works.

The items classified as plant and equipment is determined by TR 2017/2 - Income tax: effective life of depreciating assets.

Should you require any further information, please contact our office.

Ardeevee

Tax agent number: 20581007

Construction Summary of 1/1 Highrise Street, Sydney, NSW 2000		
DESCRIPTION	AMOUNT (AUD \$)	TOTAL
DIVISION 43 ALLOWANCE FOR THE PROPERTY AS PURCHASED		
TOTAL CONSTRUCTION COST (BUILT CIRCA 2017) <i>Includes the building, structural improvements and the fee and cost related to the construction of the property.</i>	\$412,551	\$419,051
ADD OWNER INCLUDED DIVISION 40 ASSETS <i>Includes all plant and equipments bought by owner outside Purchase Price</i>	\$6,500	
LESS NON ELIGIBLE FOR DEPRECIATION COST <i>Includes existing soft landscaping, builder's profit and if applicable, any cost related to the acquisition of land</i>	-\$5,550	
LESS DIVISION 40 ALLOWANCE <i>Includes all plant and equipments covered in next section.</i>	-\$50,791	-\$56,341
DIVISION 43 ALLOWANCE FOR PROPERTY AS PURCHASED		\$362,710
CAPITAL WORK ALLOWANCE EVERY FULL FINANCIAL YEAR <i>Rate of depreciation</i> <i>Based on construction commencement date</i>	2.50%	\$9,068
DESCRIPTION	AMOUNT (AUD \$)	TOTAL
DIVISION 43 ALLOWANCE FOR CLIENT INCLUDED CAPITAL WORKS		
TOTAL <i>Includes the following capital works done by client</i>		\$10,000
Kitchen cabinetry (Work done 1 July 2017)	\$10,000	

DIMINISHING VALUE METHOD

Division 40 Allowance

SCHEDULE OF ASSETS

Depreciable items	Estimated cost	Effective life	Depreciation rate
<u>General Assets</u>			
Air conditioning - Ducted (common)	\$1,259	15	13.33%
Air conditioning - Mini split system	\$3,897	10	20.00%
Floor coverings - Carpet (unit)	\$3,374	10	20.00%
<i>Floor coverings - Floating timber (Installed 1 July 2017)</i>	<i>\$6,500</i>	<i>15</i>	<i>13.33%</i>
Hot water systems	\$2,188	12	16.67%
Lift	\$13,607	30	6.67%
Ventilation fans	\$2,852	20	10.00%
<u>Kitchen Assets</u>			
Dishwasher	\$1,687	10	20.00%
Oven	\$1,583	12	16.67%
<u>Security and Monitoring Assets</u>			
Access control systems - Code pads & door controllers	\$1,637	5	40.00%
<u>Immediate deduction Items (Item costing <= \$300)</u>			
<i>Indicates items that cost less than or equal to \$300. This special rules allows taxpayer to claim 100% deductions on the first financial year regardless of acquisition date. Please note that cost are calculated per individual asset, except when the asset is part of a set.</i>			
<u>General Assets</u>			
Door closers	\$371		100.00%
Floor coverings - Rubber (common areas)	\$119		100.00%
Gym assets	\$120		100.00%
Light Fittings (excluding hardwired - unit)	\$1,119		100.00%
Light Fittings (excluding hardwired - common areas)	\$275		100.00%
Master antenna television (MATV) assets	\$256		100.00%
Television sets (common)	\$16		100.00%
Water pumps	\$272		100.00%
<u>Bathroom Assets</u>			
Accessories	\$241		100.00%
Exhaust fans	\$292		100.00%
<u>Fire Control Assets</u>			
<i>Detectors - Alarm bells</i>	<i>\$120</i>		<i>100.00%</i>
Fire extinguishers	\$160		100.00%

Depreciable items	Estimated cost	Effective life	Depreciation rate
Laundry Assets			
Exhaust fans	\$292		100.00%
Outdoor Assets			
Automatic garage door - Motors	\$137		100.00%
Barbecue assets - Fixed	\$19		100.00%
Gardening watering system (excluding pipes)	\$150		100.00%
Pizza oven - Freestanding	\$29		100.00%
Swimming pool assets - Chlorinators and filtration assets (including pumps)	\$58		100.00%
Swimming pool assets - Heaters (electric or gas)	\$50		100.00%
Turntables	\$129		100.00%
Traffic Management Signs (including traffic lights)	\$38		100.00%
Security and Monitoring Assets			
Closed circuit television systems - Cameras, monitors & digital recorders	\$237		100.00%
Low value Pool Items			
<i>Indicates items that cost less than \$1000. Items in this pool must be calculated using Diminishing Value Method. They depreciate at 18.75% in the first year regardless of acquisition date and followed by 37.5% per</i>			
General Assets			
Floor coverings - Carpet (common areas)	\$351		18.75%
Window blinds, internal	\$1,905		18.75%
Fire Control Assets			
Detectors - Heat/Smoke Detectors	\$559		18.75%
Detectors - Fire indicator panels	\$519		18.75%
Emergency Warning & Intercommunication Systems (EWIS)	\$487		18.75%
Hoses & nozzles	\$360		18.75%
Pumps (including diesel & electric)	\$607		18.75%
Kitchen Assets			
Cook top	\$914		18.75%
Range hood	\$687		18.75%
Laundry Assets			
Clothes dryer	\$653		18.75%
Security and Monitoring Assets			
Access control systems - Readers (Proximity)	\$665		18.75%
TOTAL LOW POOL ITEMS		\$7,707	

TOTAL DIVISION 40 ALLOWANCE

\$50,791

DIMINISHING VALUE METHOD

Annual claimable value

METHOD SUMMARY

CAPITAL WORKS DEDUCTION	CLIENT INCLUDED CAPITAL WORKS DEDUCTION	ASSETS DEDUCTION	FINANCIAL YEAR	ANNUAL DEPRECIATION VALUE
\$9,068	\$250	\$11,246	2017/2018	\$20,563
\$9,068	\$250	\$6,698	2018/2019	\$16,016
\$9,068	\$250	\$5,085	2019/2020	\$14,403
\$9,068	\$250	\$3,959	2020/2021	\$13,276
\$9,068	\$250	\$3,154	2021/2022	\$12,472
\$9,068	\$250	\$2,566	2022/2023	\$11,883
\$9,068	\$250	\$2,124	2023/2024	\$11,442
\$9,068	\$250	\$1,785	2024/2025	\$11,103
\$9,068	\$250	\$1,520	2025/2026	\$10,837
\$9,068	\$250	\$1,307	2026/2027	\$10,625
\$9,068	\$250	\$1,134	2027/2028	\$10,452
\$9,068	\$250	\$991	2028/2029	\$10,309
\$9,068	\$250	\$871	2029/2030	\$10,189
\$9,068	\$250	\$770	2030/2031	\$10,088
\$9,068	\$250	\$684	2031/2032	\$10,001
\$9,068	\$250	\$609	2032/2033	\$9,927
\$9,068	\$250	\$545	2033/2034	\$9,863
\$9,068	\$250	\$489	2034/2035	\$9,807
\$9,068	\$250	\$440	2035/2036	\$9,758
\$9,068	\$250	\$397	2036/2037	\$9,715
\$9,068	\$250	\$359	2037/2038	\$9,677
\$9,068	\$250	\$326	2038/2039	\$9,644
\$9,068	\$250	\$296	2039/2040	\$9,614
\$9,068	\$250	\$269	2040/2041	\$9,587
\$9,068	\$250	\$246	2041/2042	\$9,563
\$9,068	\$250	\$224	2042/2043	\$9,542
\$9,068	\$250	\$205	2043/2044	\$9,523
\$9,068	\$250	\$188	2044/2045	\$9,506
\$9,068	\$250	\$172	2045/2046	\$9,490
\$9,068	\$250	\$158	2046/2047	\$9,476
\$9,068	\$250	\$146	2047/2048	\$9,463
\$9,068	\$250	\$134	2048/2049	\$9,452
\$9,068	\$250	\$123	2049/2050	\$9,441
\$9,068	\$250	\$114	2050/2051	\$9,432
\$9,068	\$250	\$105	2051/2052	\$9,423
\$9,068	\$250	\$97	2052/2053	\$9,415
\$9,068	\$250	\$90	2053/2054	\$9,407
\$9,068	\$250	\$83	2054/2055	\$9,401
\$9,068	\$250	\$77	2055/2056	\$9,394
\$9,068	\$250	\$71	2056/2057	\$9,389

PRIME COST METHOD

Division 40 Allowance

SCHEDULE OF ASSETS

Depreciable items	Estimated cost	Effective life	Depreciation rate
<u>General Assets</u>			
Air conditioning - Ducted (common)	\$1,259	15	6.67%
Air conditioning - Mini split system	\$3,897	10	10.00%
Door closers	\$371	10	10.00%
Floor coverings - Carpet (unit)	\$3,374	10	10.00%
Floor coverings - Carpet (common areas)	\$351	10	10.00%
<i>Floor coverings - Floating timber (Installed 1 July 2017)</i>	<i>\$6,500</i>	<i>15</i>	<i>6.67%</i>
Floor coverings - Rubber (common areas)	\$119	10	10.00%
Gym assets	\$120	5	20.00%
Hot water systems	\$2,188	12	8.33%
Lift	\$13,607	30	3.33%
Light Fittings (excluding hardwired - unit)	\$1,119	5	20.00%
Light Fittings (excluding hardwired - common areas)	\$275	5	20.00%
Master antenna television (MATV) assets	\$256	10	10.00%
Television sets (common)	\$16	10	10.00%
Ventilation fans	\$2,852	20	5.00%
Water pumps	\$272	20	5.00%
Window blinds, internal	\$1,905	10	10.00%
<u>Bathroom Assets</u>			
Accessories	\$241	5	20.00%
Exhaust fans	\$292	10	10.00%
<u>Fire Control Assets</u>			
Detector:			
<i>Alarm bells</i>	<i>\$120</i>	<i>12</i>	<i>8.33%</i>
<i>Heat/Smoke Detectors</i>	<i>\$559</i>	<i>20</i>	<i>5.00%</i>
<i>Fire indicator panels</i>	<i>\$519</i>	<i>12</i>	<i>8.33%</i>
Emergency Warning & Intercommunication Systems (EWIS)	\$487	12	8.33%
Fire extinguishers	\$160	15	6.67%
Hoses & nozzles	\$360	10	10.00%
Pumps (including diesel & electric)	\$607	25	4.00%

Depreciable items	Estimated cost	Effective life	Depreciation rate
<u>Kitchen Assets</u>			
Cook top	\$914	12	8.33%
Dishwasher	\$1,687	10	10.00%
Oven	\$1,583	12	8.33%
Range hood	\$687	12	8.33%
<u>Laundry Assets</u>			
Clothes dryer	\$653	10	10.00%
Exhaust fans	\$292	10	10.00%
<u>Outdoor Assets</u>			
Automatic garage door - Motors	\$137	10	10.00%
Barbecue assets - Fixed	\$19	10	10.00%
Gardening watering system (excluding pipes)	\$150	5	20.00%
Pizza oven - Freestanding	\$29	20	5.00%
Swimming pool assets - Chlorinators and filtration assets (including pumps)	\$58	12	8.33%
Swimming pool assets - Heaters (electric or gas)	\$50	15	6.67%
Turntables	\$129	20	5.00%
Traffic Management Signs (including traffic lights)	\$38	10	10.00%
<u>Security and Monitoring Assets</u>			
Access control systems - Code pads & door controllers	\$1,637	5	20.00%
Access control systems - Readers (Proximity)	\$665	7	14.29%
Closed circuit television systems - Cameras, monitors & digital recorders	\$237	4	25.00%
TOTAL DIVISION 40 ALLOWANCE	\$50,791		

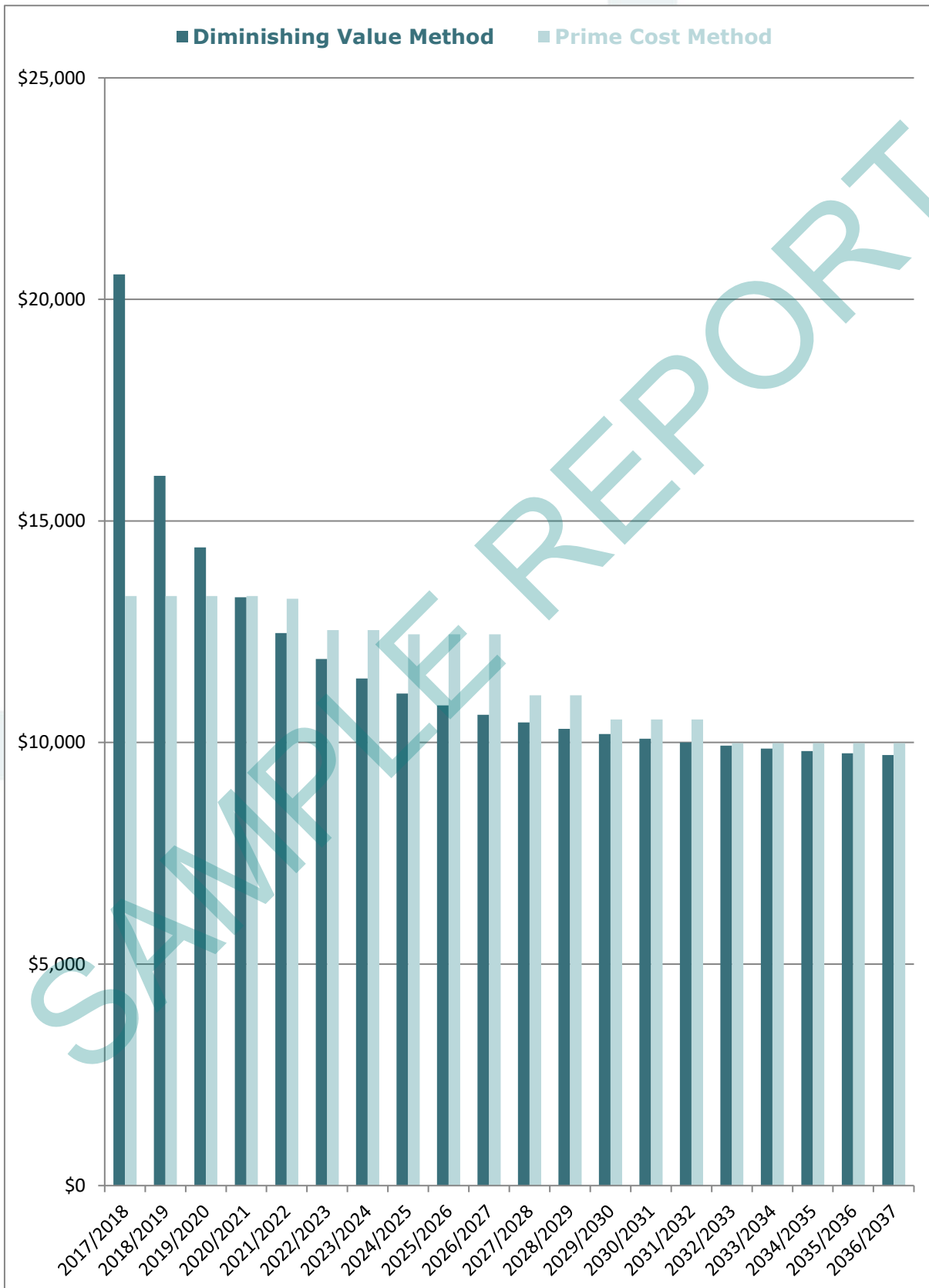
PRIME COST METHOD

Annual claimable value

METHOD SUMMARY

CAPITAL WORKS DEDUCTION	CLIENT INCLUDED CAPITAL WORKS DEDUCTION	ASSETS DEDUCTION	FINANCIAL YEAR	ANNUAL DEPRECIATION VALUE
\$9,068	\$250	\$3,987	2017/2018	\$13,305
\$9,068	\$250	\$3,987	2018/2019	\$13,305
\$9,068	\$250	\$3,987	2019/2020	\$13,305
\$9,068	\$250	\$3,987	2020/2021	\$13,305
\$9,068	\$250	\$3,928	2021/2022	\$13,245
\$9,068	\$250	\$3,219	2022/2023	\$12,537
\$9,068	\$250	\$3,219	2023/2024	\$12,537
\$9,068	\$250	\$3,124	2024/2025	\$12,442
\$9,068	\$250	\$3,124	2025/2026	\$12,442
\$9,068	\$250	\$3,124	2026/2027	\$12,442
\$9,068	\$250	\$1,748	2027/2028	\$11,065
\$9,068	\$250	\$1,748	2028/2029	\$11,065
\$9,068	\$250	\$1,201	2029/2030	\$10,519
\$9,068	\$250	\$1,201	2030/2031	\$10,519
\$9,068	\$250	\$1,201	2031/2032	\$10,519
\$9,068	\$250	\$670	2032/2033	\$9,988
\$9,068	\$250	\$670	2033/2034	\$9,988
\$9,068	\$250	\$670	2034/2035	\$9,988
\$9,068	\$250	\$670	2035/2036	\$9,988
\$9,068	\$250	\$670	2036/2037	\$9,988
\$9,068	\$250	\$478	2037/2038	\$9,796
\$9,068	\$250	\$478	2038/2039	\$9,796
\$9,068	\$250	\$478	2039/2040	\$9,796
\$9,068	\$250	\$478	2040/2041	\$9,796
\$9,068	\$250	\$478	2041/2042	\$9,796
\$9,068	\$250	\$454	2042/2043	\$9,771
\$9,068	\$250	\$454	2043/2044	\$9,771
\$9,068	\$250	\$454	2044/2045	\$9,771
\$9,068	\$250	\$454	2045/2046	\$9,771
\$9,068	\$250	\$454	2046/2047	\$9,771
\$9,068	\$250	\$0	2047/2048	\$9,318
\$9,068	\$250	\$0	2048/2049	\$9,318
\$9,068	\$250	\$0	2049/2050	\$9,318
\$9,068	\$250	\$0	2050/2051	\$9,318
\$9,068	\$250	\$0	2051/2052	\$9,318
\$9,068	\$250	\$0	2052/2053	\$9,318
\$9,068	\$250	\$0	2053/2054	\$9,318
\$9,068	\$250	\$0	2054/2055	\$9,318
\$9,068	\$250	\$0	2055/2056	\$9,318
\$9,068	\$250	\$0	2056/2057	\$9,318

Diminishing Value Method Vs Prime Cost Method *Total Annual Claimable Value Comparison*



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