



INTRODUCTION

This report has been prepared for .

Acquisition Date

PLEASE NOTE THAT THIS IS A SAMPLE REPORT ONLY

We understand the acquisition date is 01 July 2012.

The Acquisition Date is based on the date the property was available to produce income.

The first year depreciation has been proportioned in relation to the financial year ending 30 June 2013.

Capitalisation Date

We understand the construction commencement date is approximately July 2011, based upon the client's advice or the available documentation.

Construction Cost of Building

Our estimate of the construction cost to the date of completion is \$335,047.

The construction cost has been estimated utilising average costs at the date of construction completion and includes preliminary costs, statutory fees and professional fees, or where available has been based on the contract amount.

Our Estimate does not include loose furniture, fittings, equipment, tenant fitout work etc.

Depreciation and the residual Building Allowance is allowed on the net cost of the building if constructed after 17 July 1985, inclusive of structural improvements if constructed after 27 February 1992 and exclusive of land content and soft landscaping.

Depreciation Methods

Depreciation schedules for both the Prime Cost method and the Diminishing Value method are contained in this report.

Advice should be sought from the client's specialist tax adviser regarding the most appropriate method to be adopted.

Depreciable Items

Schedule 1 contains items of plant that may be depreciated at a higher rate than the capital allowance. The value for these items is based on fair market value at the date of acquisition.

Schedule 2 contains all other building components, which are not contained in Schedule 1. This constitutes the capital allowance. The amount is the same each year over a 25 or 40 year period depending upon the commencement date.

Depreciation Rates

Various rates are applicable to individual items of plant, based upon the Taxation Commissioner's determination of the effective life. The client may make their own estimate of the effective life in certain circumstances.

Individual items of plant with a cost of less than \$300.00 have been depreciated at a rate of 100%. Items under \$1000.00 are able to be depreciated at 18.75% in the first year and remaining years at 37.5% using the Diminishing Value Method. Items with the rate of 18.75% are not required to be proportioned in the first year.

The rate applicable to the capital allowance is determined by the construction commencement date.

The rates contained within these schedules, are based upon the information contained within the current Australian Master Tax Guide.



Disclaimer

The depreciation schedules contained within this report have been prepared from the information provided by the client and the local authority where we have been instructed to obtain building approval searches. This report has been prepared for the sole use of the client and it is not to be relied upon by any third party.

Mitchell Brandtman is a firm of 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 costs of plant, equipment and building works. While we have dissected the various costs into the appropriate categories, in our opinion, we suggest the client consults their specialist tax adviser to confirm the schedules and suggested depreciation rates.

This report is produced on the terms and the understanding that Mitchell Brandtman is not:

- (a) Responsible for the results of any actions taken on the basis of information in this document, or any error in, or omission from, this document.
- (b) Engaged in rendering legal, accounting or taxation advice.

The construction cost estimate has been prepared for depreciation purposes. It is not an estimate of replacement cost nor is it suitable for any other purpose.

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Mitchell Brandtman



DEPRECIATION SCHEDULE - PRIME COST METHOD

DESCRIPTION	O P E N I N G			DEPRECIATION		CLOSING Value \$
	Estimated	Previous	Value	Rate	Amount	
	Cost	Depreciation				
	\$	\$	\$	%	\$	
SCHEDULE 1						
Automatic Doors/Gates						
Controls	100	0	100	100.00	100	0
Motors	28	0	28	100.00	28	0
Bathroom Assets						
Bathroom Exhaust Fans	120	0	120	100.00	120	0
Electrical						
Light Fittings (excl. hardwired)	189	0	189	100.00	189	0
Water Pumps	67	0	67	100.00	67	0
Fire Control Assets						
Fire Hose Reels	41	0	41	100.00	41	0
Smoke Detectors	115	0	115	100.00	115	0
Floor Finishes						
Carpets	2,199	0	2,199	10.00	220	1,979
Hot Water Systems						
Electric Hot Water	599	0	599	8.33	50	549
Intercom System Assets						
Intercom Unit	182	0	182	100.00	182	0
Kitchen Assets						
Cooktops	339	0	339	8.33	28	311
Dishwasher	520	0	520	10.00	52	468
Oven	442	0	442	8.33	37	405
Rangehood	286	0	286	100.00	286	0
Laundry Assets						
Clothes Dryer	222	0	222	100.00	222	0
Mechanical Services						
Door Closers	117	0	117	100.00	117	0
Split Units up to 20kw	963	0	963	10.00	96	867
Window Treatments						
Blinds	235	0	235	100.00	235	0
Curtains	399	0	399	16.66	66	333
Sub-Total	7,163	0	7,163		2,251	
SCHEDULE 2						
Capital Allowances						
Capital Allowance	327,884	0	327,884	2.50	8,197	319,687
TOTAL					10,448	



DEPRECIATION FORECAST - PRIME COST METHOD

DESCRIPTION	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

SCHEDULE 1

Automatic Doors/Gates

Controls	100	0	0	0	0	0	0	0	0	0
Motors	28	0	0	0	0	0	0	0	0	0

Bathroom Assets

Bathroom Exhaust Fans	120	0	0	0	0	0	0	0	0	0
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Electrical

Light Fittings (excl.	189	0	0	0	0	0	0	0	0	0
Water Pumps	67	0	0	0	0	0	0	0	0	0

Fire Control Assets

Fire Hose Reels	41	0	0	0	0	0	0	0	0	0
Smoke Detectors	115	0	0	0	0	0	0	0	0	0

Floor Finishes

Carpets	220	220	220	220	220	220	220	220	220	219
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Hot Water Systems

Electric Hot Water	50	50	50	50	50	50	50	50	50	50
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Intercom System Assets

Intercom Unit	182	0	0	0	0	0	0	0	0	0
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Kitchen Assets

Cooktops	28	28	28	28	28	28	28	28	28	28
Dishwasher	52	52	52	52	52	52	52	52	52	52
Oven	37	37	37	37	37	37	37	37	37	37
Rangehood	286	0	0	0	0	0	0	0	0	0

Laundry Assets

Clothes Dryer	222	0	0	0	0	0	0	0	0	0
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Mechanical Services

Door Closers	117	0	0	0	0	0	0	0	0	0
Split Units up to 20kw	96	96	96	96	96	96	96	96	96	96

Window Treatments

Blinds	235	0	0	0	0	0	0	0	0	0
Curtains	66	66	66	66	66	66	3	0	0	0

Sub-Total

	2,251	549	549	549	549	549	486	483	483	482
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SCHEDULE 2

Capital Allowances

Capital Allowance	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197
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TOTAL

	10,448	8,746	8,746	8,746	8,746	8,746	8,683	8,680	8,680	8,679
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DEPRECIATION FORECAST - PRIME COST METHOD (10-20 Years)

DESCRIPTION	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

SCHEDULE 1

Automatic Doors/Gates

Controls	0	0	0	0	0	0	0	0	0	0
Motors	0	0	0	0	0	0	0	0	0	0

Bathroom Assets

Bathroom Exhaust Fans	0	0	0	0	0	0	0	0	0	0
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Electrical

Light Fittings (excl.	0	0	0	0	0	0	0	0	0	0
Water Pumps	0	0	0	0	0	0	0	0	0	0

Fire Control Assets

Fire Hose Reels	0	0	0	0	0	0	0	0	0	0
Smoke Detectors	0	0	0	0	0	0	0	0	0	0

Floor Finishes

Carpets	0	0	0	0	0	0	0	0	0	0
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Hot Water Systems

Electric Hot Water	50	49	0	0	0	0	0	0	0	0
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Intercom System Assets

Intercom Unit	0	0	0	0	0	0	0	0	0	0
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Kitchen Assets

Cooktops	28	28	3	0	0	0	0	0	0	0
Dishwasher	0	0	0	0	0	0	0	0	0	0
Oven	37	35	0	0	0	0	0	0	0	0
Rangehood	0	0	0	0	0	0	0	0	0	0

Laundry Assets

Clothes Dryer	0	0	0	0	0	0	0	0	0	0
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Mechanical Services

Door Closers	0	0	0	0	0	0	0	0	0	0
Split Units up to 20kw	3	0	0	0	0	0	0	0	0	0

Window Treatments

Blinds	0	0	0	0	0	0	0	0	0	0
Curtains	0	0	0	0	0	0	0	0	0	0

Sub-Total

	118	112	3	0	0	0	0	0	0	0
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SCHEDULE 2

Capital Allowances

Capital Allowance	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197
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TOTAL

	8,315	8,309	8,200	8,197	8,197	8,197	8,197	8,197	8,197	8,197
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DEPRECIATION SCHEDULE - DIMINISHING VALUE METHOD

DESCRIPTION	O P E N I N G			DEPRECIATION		CLOSING Value
	Estimated	Previous	Value	Rate	Amount	
	Cost	Depreciation				
	\$	\$	\$	%	\$	
SCHEDULE 1						
Automatic Doors/Gates						
Controls	[LVP]	100	0	100	18.7519	81
Motors	[LVP]	28	0	28	18.755	23
Bathroom Assets						
Bathroom Exhaust Fans	[LVP]	120	0	120	18.7523	97
Electrical						
Light Fittings (excl. hardwired)	[LVP]	189	0	189	18.7535	154
Water Pumps	[LVP]	67	0	67	18.7513	54
Fire Control Assets						
Fire Hose Reels	[LVP]	41	0	41	18.758	33
Smoke Detectors	[LVP]	115	0	115	18.7522	93
Floor Finishes						
Carpets		2,199	0	2,199	20.00440	1,759
Hot Water Systems						
Electric Hot Water	[LVP]	599	0	599	18.75112	487
Intercom System Assets						
Intercom Unit	[LVP]	182	0	182	18.7534	148
Kitchen Assets						
Cooktops	[LVP]	339	0	339	18.7564	275
Dishwasher	[LVP]	520	0	520	18.7598	422
Oven	[LVP]	442	0	442	18.7583	359
Rangehood	[LVP]	286	0	286	18.7554	232
Laundry Assets						
Clothes Dryer	[LVP]	222	0	222	18.7542	180
Mechanical Services						
Door Closers	[LVP]	117	0	117	18.7522	95
Split Units up to 20kw	[LVP]	963	0	963	18.75181	782
Window Treatments						
Blinds	[LVP]	235	0	235	18.7544	191
Curtains	[LVP]	399	0	399	18.7575	324
Sub-Total		7,163	0	7,163	1.374	
SCHEDULE 2						
Capital Allowances						
Capital Allowance		327,884	0	327,884	2.508,197	319,687
TOTAL					9,571	325,476
This report includes						
[LVP] : LOW VALUE POOL items in total of			\$4,964.00		\$934.00	4,030



DEPRECIATION FORECAST - DIMINISHING VALUE METHOD

DESCRIPTION	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

SCHEDULE 1

Automatic Doors/Gates

Controls	19	30	19	12	8	5	3	2	1	0
Motors	5	9	5	3	2	2	1	0	0	0

Bathroom Assets

Bathroom Exhaust Fans	23	36	23	14	9	6	3	2	2	1
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Electrical

Light Fittings (excl.	35	58	36	23	14	9	5	3	2	2
Water Pumps	13	20	13	8	5	3	2	1	1	0

Fire Control Assets

Fire Hose Reels	8	12	8	5	3	2	1	1	0	0
Smoke Detectors	22	35	22	14	8	5	3	2	2	1

Floor Finishes

Carpets	440	352	281	225	180	144	115	92	74	59
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Hot Water Systems

Electric Hot Water	112	183	114	71	45	28	17	11	7	4
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Intercom System Assets

Intercom Unit	34	56	35	21	14	8	5	3	2	2
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Kitchen Assets

Cooktops	64	103	65	40	25	16	10	6	4	2
Dishwasher	98	158	99	62	39	24	15	9	6	4
Oven	83	135	84	53	33	20	13	8	5	3
Rangehood	54	87	54	34	21	14	8	5	3	2

Laundry Assets

Clothes Dryer	42	68	42	26	17	10	6	4	3	2
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Mechanical Services

Door Closers	22	36	22	14	9	5	3	2	2	1
Split Units up to 20kw	181	293	183	115	72	45	28	17	11	7

Window Treatments

Blinds	44	72	45	28	17	11	7	4	3	2
Curtains	75	122	76	47	30	18	12	7	5	3

Sub-Total

	1,374	1,865	1,226	815	551	375	257	179	133	95
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SCHEDULE 2

Capital Allowances

Capital Allowance	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197
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TOTAL

	9,571	10,062	9,423	9,012	8,748	8,572	8,454	8,376	8,330	8,292
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DEPRECIATION FORECAST - DIMINISHING VALUE METHOD (10-20 Years)

DESCRIPTION	Year 11 \$	Year 12 \$	Year 13 \$	Year 14 \$	Year 15 \$	Year 16 \$	Year 17 \$	Year 18 \$	Year 19 \$	Year 20 \$
Automatic Doors/Gates										
Controls	0	0	0	0	0	0	0	0	0	0
Motors	0	0	0	0	0	0	0	0	0	0
Bathroom Assets										
Bathroom Exhaust Fans	0	0	0	0	0	0	0	0	0	0
Electrical										
Light Fittings (excl.	1	0	0	0	0	0	0	0	0	0
Water Pumps	0	0	0	0	0	0	0	0	0	0
Fire Control Assets										
Fire Hose Reels	0	0	0	0	0	0	0	0	0	0
Smoke Detectors	0	0	0	0	0	0	0	0	0	0
Floor Finishes										
Carpets	47	38	30	24	20	16	12	10	8	6
Hot Water Systems										
Electric Hot Water	3	2	1	0	0	0	0	0	0	0
Intercom System Assets										
Intercom Unit	1	0	0	0	0	0	0	0	0	0
Kitchen Assets										
Cooktops	2	1	0	0	0	0	0	0	0	0
Dishwasher	2	2	1	0	0	0	0	0	0	0
Oven	2	1	1	0	0	0	0	0	0	0
Rangehood	2	1	0	0	0	0	0	0	0	0
Laundry Assets										
Clothes Dryer	1	0	0	0	0	0	0	0	0	0
Mechanical Services										
Door Closers	0	0	0	0	0	0	0	0	0	0
Split Units up to 20kw	4	3	2	1	0	0	0	0	0	0
Window Treatments										
Blinds	1	0	0	0	0	0	0	0	0	0
Curtains	2	1	0	0	0	0	0	0	0	0
Sub-Total	68	49	35	25	20	16	12	10	8	6
Capital Allowances										
Capital Allowance	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197	8,197
TOTAL	8,265	8,246	8,232	8,222	8,217	8,213	8,209	8,207	8,205	8,203