

Schedule of Division 40 & 43 Capital Allowances

1 Example Street, Your Town



Prepared For: John Client & Jane Client

Referring Agent: ABC Real Estate

Date of report: 07/12/05

Reference: Q00000

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Introduction and Contents

As per your written instructions an inspection was carried out at 1 Example Street, Your Town, on Friday, Dec 2 2005 and subsequently the following report has been produced.

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Should you wish to discuss the contents of the report please contact ADS (QLD) Pty Ltd on 07 3886 6556.

Limitations of our Inspection and Report:

Please be aware that the calculations and inspection within this report are subject to the disclaimers and limitations clearly outlined in section 6

1.0 Expenditure Analysed

The following schedules have been calculated using the original historical building costs. Capital Allowances have been derived from the Total Analysed amount reduced by Plant and non-eligible items.

The overall Construction Cost has been calculated as follows:

Construction Price	\$ 270,352.50
Professional Fees	\$ 5,356.86
TOTAL CONTRACT	\$ 275,709.33

2.0 Basis of Calculation

The Completion Date: 1-Dec-05 has been used for calculating opening balances for Capital Allowances and is used for the calculation of days claimable in the first year.

The Schedules have been calculated based on our understanding of the Income Tax Assessment Act of 1997 as amended, and that no schedule of Depreciation or Capital Allowances formed a part of the contract of sale, thereby allowing reassessment under the act.

The Schedules have also been prepared with the understanding that all items listed in the schedule are owned by the tax payer and the rates used for their calculation incorporate the changes of the Act for property acquired after 27 February, 1992.

3.0 Div 40 – Diminishing Value Schedule

**Note First Year is only
147 Days*

	Cost	Rate	First Year	Residual Value
	\$	%	\$	\$
Air-conditioning Plant:				
- Room units	4283	15.00	371	3912
Carpets:				
- In houses let furnished	3074	15.00	267	2807
Hot Water Services:				
- Electric	1145	7.50	50	1095
Kitchen Equipment:				
- Dishwashers	1617	22.50	210	1407
- Ovens	1998	7.50	87	1911
- Stoves & Cooktops	1329	7.50	58	1271
Sub Total	<u>13446</u>		<u>1043</u>	<u>12403</u>

Carry Forward 13446 1043 12403

Div 40 - Diminishing Value Schedule

<i>*Note First Year is only</i>	Cost	Rate	First	Residual
<i>147 Days</i>	\$	%	Year	Value
Brought Forward	13446		1043	12403
<i>Items less than \$1000 in Low Value Pool</i>				
<i>(these items are not 1st year apportioned)</i>				
Automatic Entry Systems & Mechanical Door Closers	702	18.75	132	570
Blinds	2128	18.75	399	1729
Ceiling Fans	665	18.75	125	540
Furniture & Fittings in Long Term Residential Letting:				
- Lighting shades	1473	18.75	276	1197
- Modular vanity units	1676	18.75	314	1362
Kitchen Equipment:				
- Exhaust hoods	498	18.75	93	405
Security Systems:				
- Passive (removable)	3146	18.75	590	2556
Sub Total	<u>10288</u>		<u>1929</u>	<u>8359</u>
Carry Forward	23734		2972	20762

Div 40 - Diminishing Value Schedule

<i>*Note First Year is only 147 Days</i>	Cost	Rate	First Year	Residual Value
	\$	%	\$	\$
Brought Forward	23734		2972	20762
 <i>Items less than \$300 in value or effective life less than 3 years - Set Test applies</i>				
Fire Control & Alarm Systems:				
- Smoke detectors	105	100.00	105	0
 Ventilating Plant:				
- Ventilation plant	95	100.00	95	0
Sub Total	<u>200</u>		<u>200</u>	<u>0</u>
TOTAL	<u>23934</u>		<u>3172</u>	<u>20762</u>

4.0 Div 40 – Prime Cost Schedule

<i>*Note First Year is only 147 Days</i>	Cost	Rate	First Year	Residual Value
	\$	%	\$	\$
Air-conditioning Plant:				
- Room units	4283	10.00	248	4035
Automatic Entry Systems & Mechanical Door Closers	702	7.50	30	672
Blinds	2128	7.50	92	2036
Carpets:				
- In houses let furnished	3074	10.00	178	2896
Ceiling Fans	665	5.00	19	646
Fire Control & Alarm Systems:				
- Smoke detectors	105	7.50	5	100
Furniture & Fittings in Long Term Residential Letting:				
- Lighting shades	1473	7.50	64	1409
- Modular vanity units	1676	7.50	73	1603
Hot Water Services:				
- Electric	1145	5.00	33	1112
Kitchen Equipment:				
- Dishwashers	1617	15.00	140	1477
- Exhaust hoods	498	7.50	22	476
- Ovens	1998	7.50	87	1911
- Stoves & Cooktops	1329	7.50	58	1271
Security Systems:				
- Passive (removable)	3146	3.00	55	3091
Ventilating Plant:				
- Ventilation plant	95	5.00	3	92
TOTAL	<u>23934</u>		<u>1107</u>	<u>22827</u>

5.0 Div 43 – Capital Allowances Schedule

*Note First Year = 211 Days

BUILDING ALLOWANCES

Start Date	Finish Date	Total Historical Cost	Rate	Yearly Allowance	Opening Value	First Year	Residual Value
		\$	%	\$	\$	\$	\$
1) 8-Aug-05	- 1-Dec-05	225659	2.50	5641	225659	3261	222398
2) 8-Aug-05	- 1-Dec-05	10613	2.50	265	10613	153	10460
Total Building Allowances		236272		5906	236272	3414	232858

STRUCTURAL IMPROVEMENTS

1) 8-Aug-05	- 1-Dec-05	14282	2.50	357	14282	206	14076
Total Struct' Improvements		14282		357	14282	206	14076

TOTAL ALLOWANCES	250554	6263	250554	3620	246934
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6.0 Certification and Limitations

We hereby certify in our opinion the above capital costs detailed herein relate to:

- Plant as included in the Construction Contract between
John Client & Jane Client
and John Doe Constructions
are in accordance with the Income Tax Assessment Act of 1997 as amended.
- Division 43 Capital Allowances are in accordance with the ITAA 1997.

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ADS (QLD) Pty Ltd

**PO Box 507
KALLANGUR QLD 4503**

7 December 2005

Limitations and Disclaimers:

The following schedules have been prepared for John Client & Jane Client for the sole use of Depreciation and Capital Allowance claims by information provided by the above-mentioned taxpayer. ADS (QLD) Pty Ltd, will in no way be held accountable for any contractual, tortious or any other form of liability arising from any consequences of the misuse of this assessment, by any party. The report is not to be relied upon by any other person or for any other purpose. We accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to seek our written consent to them relying on this report. We reserve our right to withhold consent or to review the contents of this report in the event that our consent is sought.

Neither the whole nor any part of this report or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval of the form and context of which it may appear.

We have carried out an inspection of exposed and readily accessible areas of the improvements. However, we are not structural experts and therefore we are unable to certify the structural soundness of the improvements. This report does not purport to be a site or structural survey of the land or improvement thereon, nor was any such survey undertaken. Our assessment assumes the existing improvements are Council approved.

ADS (QLD) Pty Ltd acknowledges "Self Assessment" as determined by the Australian Taxation Office.

7.0 Appendix A - Entitlements Summary

RECONCILIATION OF CAPITAL EXPENDITURE

Apportionment of cost relating to:		
- Plant (Division 40)	\$23,934	8.68%
- Land	\$0	0.00%
Balance of Capital Expenditure	\$251,775	91.32%
Total Expenditure Analysed	\$275,709	

DIVISION 43 ALLOWANCES

	Original Cost	Opening Balance
Building Allowances	\$236,272	\$236,272
Structural Improvements	\$14,282	\$14,282

TOTAL ENTITLEMENTS SUMMARY

	Balance at 01-Dec-05	1st Year DVM 211 Days	1st Year PCM 211 Days
Plant	\$23,934	\$3,172	\$1,107
Building Allowances	\$236,272	\$3,414	\$3,414
Structural Improvements	\$14,282	\$206	\$206
TOTALS	\$274,488	\$6,792	\$4,727

8.0 Appendix B - Deductions Forecast

	Diminishing Value	Prime Cost	Div 43 Allowances	Total Allowances DV	Total Allowances PC
Year 1	3,172	1,107	3,620	6,792	4,727
Year 2	4,780	1,911	6,263	11,043	8,174
Year 3	3,358	1,911	6,263	9,621	8,174
Year 4	2,417	1,911	6,263	8,680	8,174
Year 5	1,785	1,911	6,263	8,048	8,174
Year 6	1,354	1,911	6,263	7,617	8,174
Year 7	1,052	1,911	6,263	7,315	8,174
Year 8	837	1,687	6,263	7,100	7,950
Year 9	679	1,668	6,263	6,942	7,931
Year 10	561	1,668	6,263	6,824	7,931
Balance	3,939	6,338	190,567	194,506	196,905
Total	\$23,934	\$23,934	\$250,554	\$274,488	\$274,488

