



Tender Quantities
Estimating
Contracts Administration
Tax Depreciations
Sinking Funds

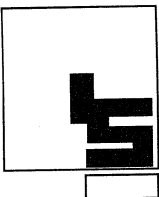
ACCORD QUANTITY SURVEYORS PTY LTD
As Trustee for the AQS Trust.
Construction Cost Consultants & Project Managers
ABN 42 857 571 136
9 Sandy Cove Cres, Coolum Beach, Qld 4573

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TAX ALLOWANCE AND BUILDING DEPRECIATION SCHEDULES

for a property known as

**40 SAHARA ROAD
GLASSHOUSE MOUNTAINS, QUEENSLAND**



Australian Institute
of Quantity Surveyors

**Your Right Hand Man in Construction
and Property Investment**

Australian Institute
of Project Management





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Ref: 18/19-6722

May 24, 2019

B9 Pty Ltd atf Beveridge 9 Family Trust
13 Bolwarra Place
Meridan Plains, Qld. 4551

Dear Sir/madam:

TAX ALLOWANCE AND BUILDING DEPRECIATION SCHEDULES,
40 SAHARA ROAD, GLASSHOUSE MOUNTAINS, QUEENSLAND

We are pleased to enclose our calculation of the 'Tax Allowances and Building Depreciation' in relation to the purchase of the above property, as requested.

This schedule should be presented to your accountant with your tax return. This schedule has been calculated detailing all available tax allowances from date of purchase

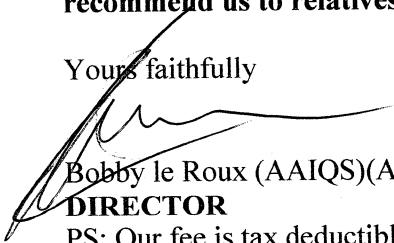
. Your accountant will need to adjust the figures in lieu of any periods where the property was utilised for personal use. **The new Treasury Laws Amendment (Housing Tax Integrity) Bill 2017 for properties newly constructed after 9 May 2017 does not apply to properties owned in the name of a company or trust.**

Ongoing maintenance cost may be claimed by your accountant on a year-to-year basis (with you tax returns) in addition to capital allowances detailed in this report. This schedule covers capital costs as viewed on site at time of inspection.

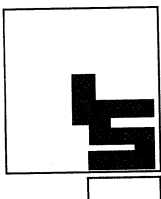
Should you have any further queries please do not hesitate to contact the writer.

Referrals are very important to us! If you are pleased with our service, please recommend us to relatives and friends.

Yours faithfully


Bobby le Roux (AAIQS)(AAIPM)
DIRECTOR

PS: Our fee is tax deductible as an expense.



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TAX ALLOWANCES AND BUILDING DEPRECIATION SCHEDULES

for a

PROPERTY

known as

40 SAHARA ROAD, GLASSHOUSE MOUNTAINS, QUEENSLAND

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1.0 Introduction

- We have prepared this 'Tax Allowances and Building Depreciation Schedule' on instruction from the person this report is addressed to.
- The aim of this schedule is to provide an independent analysis of the Income Tax Assessment Act (ITAA 1997) and the Tax Allowances available in terms of the New Business Tax System (Capital Allowances) Act 2001, Tax Reforms, Tax Cases and Tax Rulings. The report is based on our interpretation of the Tax Laws and the Tax Office's current practices.
- The schedules were prepared on both the 'Diminishing Value Method' and 'Prime Cost Method' of calculation. This offers our clients a choice of outcomes to best suit their needs (i.e. long term or short term investment - refer trend graph). The Prime Cost rates are based on the life expectancy of an item. The Diminishing Value rates are calculated as 2x the Prime Cost rates. After a selection of method has been made, the Tax Office does not permit that method to be changed.
- \$300-\$1000 low value pooling arrangements and changes in rates effective from 1 July 2001 were included in our calculations.
- An assumption has been made that the owner elects to claim under the \$300-\$1000 low value pool where the rate is 18.75% in the first year and 37.5% in the subsequent years on the diminishing value method of calculation only.
- The 'set' or 'multiples rule' was applied where items of plant is part of a 'set of items' or is one of a number of 'substantially identical items' and the total cost is more than \$300.
- Our figures do not make allowance for part ownerships or unusual tax positions that only your tax accountant may be familiar with.

2.1 Tax allowance stream over the economic life of the building

Rental House at 40 A and B, Sahara Rd Glasshouse Mountains, Queensland

DIMINISHING VALUE METHOD OF CALCULATION

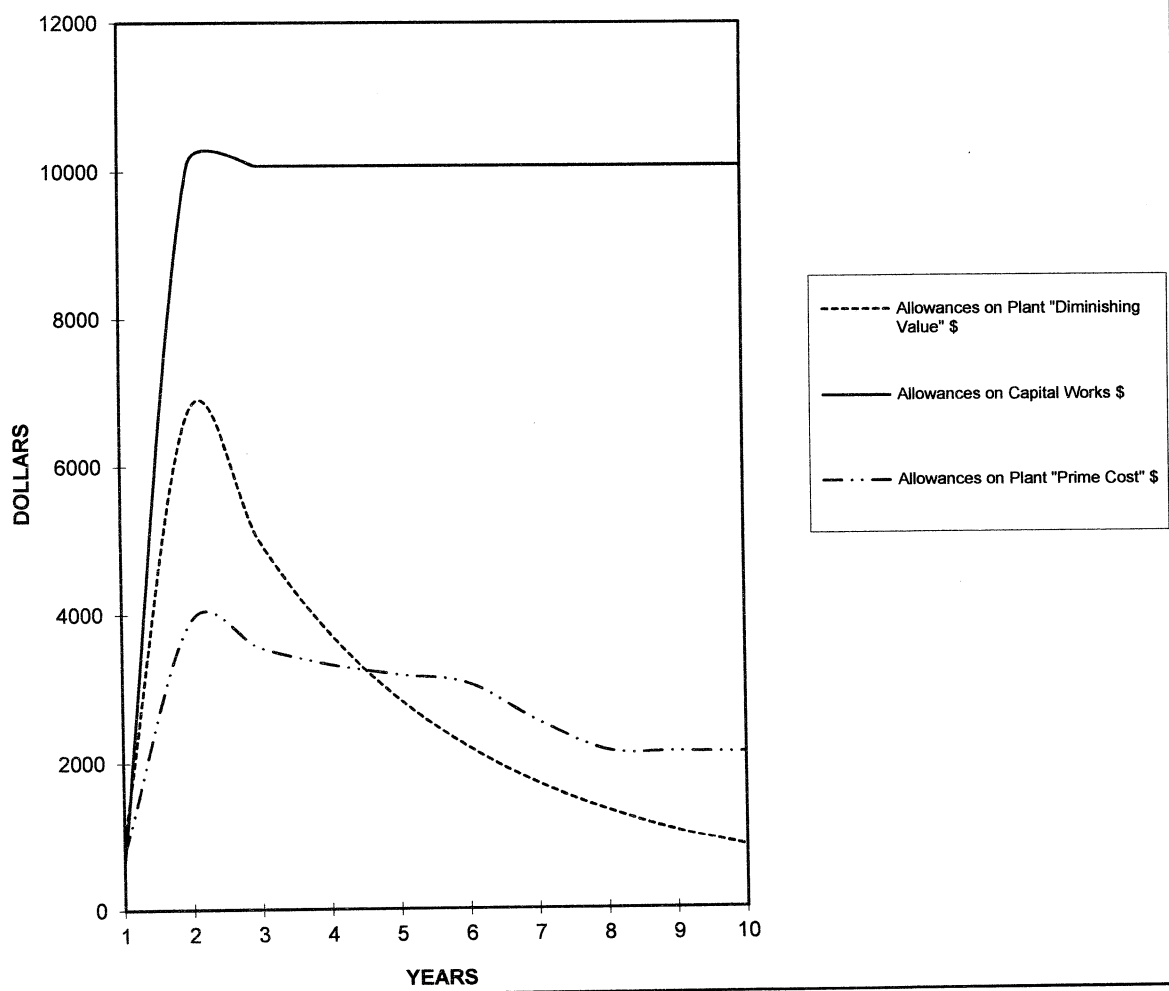
Financial Year Ending:	Allowances on Plant "Diminishing Value" \$	Allowances on Capital Works \$	Total \$
30/Jun/2019	985	663	1648
June/20	6774	10082	16856
June/21	5004	10082	15086
June/22	3753	10082	13835
June/23	2854	10082	12936
June/24	2196	10082	12278
June/25	1707	10082	11789
June/26	1339	10082	11421
June/27	1059	10082	11141
June/28	842	10082	10924
June/29	673	10082	10755
June/30	541	10082	10623
June/31	436	10082	10518
June/32	353	10082	10435
June/33	286	10082	10368
June/34	233	10082	10315
June/35	190	10082	10272
June/36	155	10082	10237
June/37	127	10082	10209
June/38	104	10082	10186
June/39	86	10082	10168
June/40	70	10082	10152
June/41	58	10082	10140
June/42	48	10082	10130
June/43	40	10082	10122
June/44	33	10082	10115
June/45	27	10082	10109
June/46	23	10082	10105
June/47	19	10082	10101
June/48	16	10082	10098
June/49	13	10082	10095
June/50	11	10082	10093
June/51	9	10082	10091
June/52	8	10082	10090
June/53	7	10082	10089
June/54	6	10082	10088
June/55	5	10082	10087
June/56	4	10082	10086
June/57	4	10082	10085
June/58	3	10082	10085
June/59	3	9419	9422
Total	30124	403276	433400

PRIME COST METHOD OF CALCULATION

Financial Year Ending:	Allowances on Plant "Prime Cost" \$	Allowances on Capital Works \$	Total \$
30/Jun/2019	791	663	1454
June/20	3921	10082	14003
June/21	3555	10082	13637
June/22	3328	10082	13410
June/23	3186	10082	13268
June/24	3066	10082	13148
June/25	2551	10082	12633
June/26	2148	10082	12230
June/27	2127	10082	12209
June/28	2113	10082	12195
June/29	2000	10082	12082
June/30	508	10082	10590
June/31	497	10082	10579
June/32	44	10082	10126
June/33	43	10082	10125
June/34	42	10082	10124
June/35	42	10082	10124
June/36	42	10082	10123
June/37	41	10082	10123
June/38	41	10082	10123
June/39	38	10082	10120
June/40	0	10082	10082
June/41	0	10082	10082
June/42	0	10082	10082
June/43	0	10082	10082
June/44	0	10082	10082
June/45	0	10082	10082
June/46	0	10082	10082
June/47	0	10082	10082
June/48	0	10082	10082
June/49	0	10082	10082
June/50	0	10082	10082
June/51	0	10082	10082
June/52	0	10082	10082
June/53	0	10082	10082
June/54	0	10082	10082
June/55	0	10082	10082
June/56	0	10082	10082
June/57	0	10082	10082
June/58	0	10082	10082
June/59	0	9419	9419
Total	30124	403276	433400

CHART

2.2 Tax Allowances Trend Graph



3.1 Analysis of total Purchase Price:

Portion of total cost relating to Division 40 plant:	30,124
Portion of total cost that can not be claimed as plant:	
(a) Valuation of land	240,000
(b) Balance of Capital Expenditure	403,276
Total Eligible Construction Cost Analysed	<u>\$ 433,400</u>
Total purchase price	<u>\$ 675,400</u>
Plant as a percentage of the purchase price	4%

3.2 Analysis of Division 43 Capital Expenditure

Building structure:	
(a) Historical cost	390,708
(b) Opening residual value at date of purchase	390,708
Structural improvements:	
(a) Historical cost	12,568
(b) Opening residual value at date of purchase	12,568

4.0 Methodology

The Division 43 Capital Works Allowance has been based on our estimates of the historical construction cost. Our method of estimate details building elements with costs broken down in trades. Where possible construction cost was obtained from the developer to ensure absolute accuracy in calculations.

The rates for Allowances are 0%, 2.5% or 4% depending on the date of commencement of construction and the purpose of the building. In this report the 2.5% rate was applied for the building works on residential accommodation as the construction commenced after 18 July 1985. The 2.5% rate was applied for the external works that qualify as structural improvements as the construction commenced after 27 February 1992.

The new Treasury Laws Amendment (Housing Tax Integrity) Bill 2017 for properties newly constructed after 9 May 2017 does not apply to properties owned in the name of a company or trust. Our evaluation of the Division 40 Plant component has been based on the part of the overall cost that can reasonably be attributed to each item.

5.0 Basis of assessment

- Date available for rent: 07/06/2019 (brand new dual key house).
- Unimproved value of the land is \$240,000.
- We understand that the taxpayer owns all items of plant and equipment found on the premises.
- The property was inspected on 23/05/2019. The inspection included identification and measurement of plant, building and structural improvements.
- The purchase price was \$675,400 (house and land).

DEPRECIATION ALLOWANCES

for

CAPITAL EXPENDITURE

incurred on

PLANT

based on the

DIMINISHING VALUE METHOD

6.1 Diminishing Value Method of Calculation

Capital expenditure on plant	Cost at date of availability 7/Jun/2019	Diminishing value calc rate	Depreciation over first 24 days	Closing written down value 30/06/2019
<u>Plant outdoors</u>	\$	%	\$	\$
TV antennae \$300-\$1000	661	18.75%	124.0	537
Hot water systems	3,010	16.60%	33	2,977
Retractabel clothers hangers \$300-\$1000	545	18.75%	102.2	443
<u>Plant indoors</u>				
Wall ovens	1,382	16.60%	15	1,367
Dishwashers	1,360	20.00%	18	1,342
Cooptops	1,130	16.60%	12	1,118
Rangehoods \$300-\$1000	520	18.75%	97.5	423
Ceiling fans	2,370	40.00%	62	2,308
Carpet	2,641	20.00%	35	2,606
Vertical blinds	3,361	20.00%	44	3,317
Smoke detectors	2,314	33.20%	51	2,264
Split system room airconditioning	8,550	20.00%	112	8,438
Wet area ventiltation fans	821	10.00%	5	815
Single auto garage opener \$300-\$1000	616	18.75%	115.4	500
Double auto garage opener \$300-\$1000	844	18.75%	158.2	685
	30,124		985	29,139

DEPRECIATION ALLOWANCES

for

CAPITAL EXPENDITURE

incurred on

PLANT

based on the

PRIME COST METHOD

prime cost

6.2 Prime Cost Method of Calculation

Capital expenditure on plant	Cost at date of availability 7/Jun/2019	Prime cost value calc rate	Depreciation over first 24 days	Closing written down value 30/06/2019
<u>Plant outdoors</u>	\$	%	\$	\$
TV antennae \$300-\$1000	661	18.75%	124.0	537
Hot water systems	3,010	8.30%	16	2,993
Retractable clothes hangers \$300-\$1000	545	18.75%	102.2	443
<u>Plant indoors</u>				
Wall ovens	1,382	8.30%	8	1,374
Dishwashers	1,360	10.00%	9	1,351
Cooptops	1,130	8.30%	6	1,124
Rangehoods \$300-\$1000	520	18.75%	97.5	423
Ceiling fans	2,370	20.00%	31	2,339
Carpet	2,641	10.00%	17	2,624
Vertical blinds	3,361	10.00%	22	3,339
Smoke detectors	2,314	16.60%	25	2,289
Split system room airconditioning	8,550	10.00%	56	8,494
Wet area ventilation fans	821	5.00%	3	818
Single auto garage opener \$300-\$1000	616	18.75%	115.4	500
Double auto garage opener \$300-\$1000	844	18.75%	158.2	685
	<u>30,124</u>		<u>791</u>	<u>29,333</u>

CAPITAL EXPENDITURE

incurred on

CAPITAL WORKS

Calculation of

BUILDING ALLOWANCES

and

STRUCTURAL IMPROVEMENT ALLOWANCES

7.1 Building Structure

DIVISION 43 ALLOWANCES ON CAPITAL EXPENDITURE INCURRED ON: BUILDING (EXCLUDING PLANT)

Completion of construction	Historical cost of building	Prescribed rate	Annual claim	Opening residual value 7/Jun/2019	Allowance for 24 days	Closing residual value 30/Jun/2019
date	\$	%	\$	\$	\$	\$
7/Jun/2019	390,708	2.5%	9,768	390,708	642	390,066
Totals	390,708		9,768	390,708	642	

rental house

7.2 Structural Improvements

DIVISION 43 ALLOWANCES ON CAPITAL EXPENDITURE INCURRED ON: STRUCTURAL IMPROVEMENTS

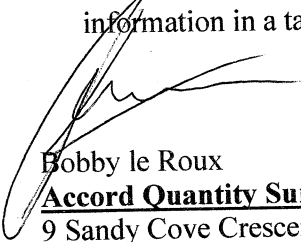
Completion of construction	Historical cost of structural improvements	Prescribed rate	Annual claim	Opening residual value 7/Jun/2019	Allowance for 24 days	Closing residual value 30/Jun/2019
date	\$	%	\$	\$	\$	\$
7/Jun/2019	12,568	2.5%	314	12,568	21	12,547
Totals	12,568		314	12,568	21	

TAX ALLOWANCE AND BUILDING DEPRECIATION SCHEDULES

8.0 Certification

We hereby certify that in our opinion the preceding schedules are based on:
The purchase of a property known as 40 SAHARA ROAD, GLASSHOUSE
MOUNTAINS, QUEENSLAND by B9 Pty Ltd atf Beveridge 9 Family Trust of 13
Bolwarra Place, Meridan Plains, Qld. 4551

- The "Plant" component has been calculated in accordance with the Income Tax Assessment Act (ITAA 1997) and the New Business Tax System (Capital Allowances) Act 2001, Division 40.
- The "Capital Works" component has been calculated in accordance with the Income Tax Assessment Act (ITAA 1997) and the New Business Tax System (Capital Allowances) Act 2001, Division 43.
- These schedules were prepared in accordance with information supplied by the taxpayer. This report is prepared by AQS as construction cost consultants and includes actual or estimated values for items, which may be depreciated under the relevant tax legislation. The report does not provide tax advice and the taxpayer must discuss the contents of this report with a tax advisor prior to using the information in a tax return.



Bobby le Roux
Accord Quantity Surveyors
9 Sandy Cove Crescent
Coolum Beach, Qld. 4573

Tel: (07) 5473 9926

May 24, 2019

9.0 Disclaimer

- This report is confidential to the owners of this property and their tax agent.
- Johann (Bobby) le Roux or Accord Quantity Surveyors does not accept any contractual, tortious or other form of liability for any consequences, loss or damage which may arise as a result any entity acting upon or using information provided in this Schedule.
- All rights reserved by Accord Quantity Surveyors.