

## Property Deduction Schedule

### Property Deduction Summary

"Waves" Unit 4/4 Kingscliff Street  
Kingscliff NSW 2487

Settlement Date	01/07/2008
Purchase Price	\$860,000.00
Stamp Duty	\$0.00
Total Expenditure	\$860,000.00
Total Allowances	\$225,829.36

**Our Guarantee:** the above property has been inspected and analysed under ATO guidelines, and all depreciable assets identified, providing you, the investor with the maximum legitimate benefits achievable under current legislation as at the date of inspection. No doubt you will be delighted by the report, so please tell your friends. Thank you for using our services.

## Important Notes

This schedule details the property depreciation deductions that are eligible for The Investor on the property "Waves" Unit 4/4 Kingscliff Street available from 01/07/2008 based on legislation in effect on the 01/06/2008.

The calculations used to generate this schedule are derived from formulas provided by the Australian Taxation Office (ATO) and have been prepared by persons deemed suitably qualified by the ATO.

The property's construction cost is based on the actual cost incurred in relation to the construction of the building, structural improvements and extensions. Where the new owner is unable to determine precisely the construction expenditure associated with the building, an estimate of construction works has been adopted as per ATO guidelines on Capital Works deductions.

All plant listed in this schedule was identified during an on-site inspection and has been valued as an apportionment of the total capital expenditure analysed. This schedule has been prepared based on the understanding that the exclusive ownership of all items of plant is to The Investor. If this is not the case, it is the purchaser's responsibility to remove them from this schedule.

The depreciation rates used in this schedule are taken from those recommended in legislation at the time the property was acquired.

The ATO do not consider land and landscaping as a depreciable asset and therefore do not qualify for depreciation and cannot be claimed.

Both the Diminishing Value and Prime Cost depreciation methods have been offered in this schedule. It is the purchaser's responsibility to discuss each with their financial advisor in order to select the most appropriate method.

If you hold an asset jointly with others and the cost of your interest in the asset is \$300 or less, you can claim the immediate deduction even though the depreciating asset in which you have an interest costs more than \$300. As per the ATO's Guide to Depreciating Assets 2008.

Immediate Write Off Assets with a cost to the investor equal to or less than \$300 can be written off in the year of purchase at 100%. This is only available if the asset or item is not part of a set.

Low Value Pooling Assets with a cost of less than \$1000 can be written off at a rate of 18.75% in the first year, irrelevant of the days owned, and 37.5% in the subsequent years. Low Value Pooling is only applicable to the Diminishing Value method of depreciation.

This schedule was prepared for the exclusive use of The Investor for the sole purpose of claiming Property Tax Allowances for the property "Waves" Unit 4/4 Kingscliff Street and is not to be used for any other purpose or to be reproduced without the express written permission of the above company.

## Summary of Capital Expenditure

<p><b>Division 40 - Decline in Value Deductions on Plant.</b></p> <p>The plant listed in this schedule complies with the current list of depreciable assets made available by the Commissioner of Taxation which qualify under Division 40 of the Income Tax Assessment Act 1997.</p> <p>The depreciation rates used are in accordance with legislation current at the date this schedule was produced.</p>	<p>\$64,191.20</p>
<p><b>Division 43 - Capital Works Deductions on Building and Infrastructure</b></p> <p>Capital works deductions are derived from Division 43 of the Income Tax Assessment Act 1997 deductions for Capital Works. The qualifying expenditure is based on the historical cost of the construction of the asset at the time of construction.</p> <p>If you can claim capital works deductions, the construction expenditure on which those deductions are based cannot be taken into account in working out any other types of deductions you claim, such as deductions for decline in value of depreciating assets.</p>	<p>\$161,638.16</p>
<p><b>Balance of Capital Expenditure</b></p> <p>This represents all items that do not qualify for capital works deductions or decline in value and any capital works deductions which are already exhausted.</p> <p>Construction expenditure that cannot be claimed (as per ATO guidelines) include;</p> <ul style="list-style-type: none"><li>● land</li><li>● expenditure on clearing the land prior to construction</li><li>● earthworks that are permanent, and are not integral to the construction</li><li>● expenditure on landscaping</li></ul>	<p>\$634,170.64</p>
<p><b>Total Expenditure</b></p>	<p>\$860,000.00</p>

## Summary of Property Deductions (DVM)

Fiscal Years		Diminishing Value Method				
Ownership Year	Tax Year	Decline in Value Deductions on Plant			Capital Work Deductions	Total Annual Deductions
		Immediate Deduction	Low Value Pooling	Diminishing Value	Building and Infrastructure	
Year 1	01/07/2008-2009	\$2,397.20	\$2,665.13	\$4,952.73	\$4,989.68	\$15,004.73
Year 2	2009-2010		\$4,330.83	\$4,319.01	\$4,989.68	\$13,639.52
Year 3	2010-2011		\$2,706.77	\$3,781.15	\$4,989.68	\$11,477.59
Year 4	2011-2012		\$1,691.73	\$3,323.00	\$4,989.68	\$10,004.41
Year 5	2012-2013		\$1,057.33	\$2,931.33	\$4,989.68	\$8,978.34
Year 6	2013-2014		\$660.83	\$2,595.23	\$4,989.68	\$8,245.74
Year 7	2014-2015		\$413.02	\$2,305.73	\$4,989.68	\$7,708.43
Year 8	2015-2016		\$258.14	\$2,055.42	\$4,989.68	\$7,303.24
Year 9	2016-2017		\$161.34	\$1,838.17	\$4,989.68	\$6,989.18
Year 10	2017-2018		\$100.83	\$1,648.90	\$4,989.68	\$6,739.41
Year 11	2018-2019		\$63.02	\$1,483.39	\$4,989.68	\$6,536.09
Year 12	2019-2020		\$39.39	\$1,338.13	\$4,989.68	\$6,367.19
Year 13	2020-2021		\$24.62	\$1,210.16	\$4,989.68	\$6,224.46
Year 14	2021-2022		\$15.39	\$1,097.05	\$4,989.68	\$6,102.12
Year 15	2022-2023		\$9.62	\$996.73	\$4,989.68	\$5,996.02
Year 16	2023-2024		\$6.01	\$907.46	\$4,989.68	\$5,903.14
Year 17	2024-2025		\$3.76	\$827.77	\$4,989.68	\$5,821.20
Year 18	2025-2026		\$2.35	\$756.42	\$4,989.68	\$5,748.44
Year 19	2026-2027		\$1.47	\$692.36	\$4,989.68	\$5,683.50
Year 20	2027-2028		\$0.92	\$634.69	\$4,989.68	\$5,625.28
Year 21	2028-2029		\$0.57	\$582.63	\$4,989.68	\$5,572.88
Year 22	2029-2030		\$0.36	\$535.54	\$4,989.68	\$5,525.57
Year 23	2030-2031		\$0.22	\$492.83	\$4,989.68	\$5,482.73
Year 24	2031-2032		\$0.14	\$454.02	\$4,989.68	\$5,443.84
Year 25	2032-2033		\$0.09	\$418.69	\$4,989.68	\$5,408.45
Year 26	2033-2034		\$0.05	\$386.46	\$4,989.68	\$5,376.19
Year 27	2034-2035		\$0.03	\$357.02	\$4,989.68	\$5,346.73
Year 28	2035-2036		\$0.02	\$330.07	\$4,989.68	\$5,319.77
Year 29	2036-2037		\$0.01	\$305.38	\$4,989.68	\$5,295.07
Year 30	2037-2038		\$0.01	\$282.71	\$4,989.68	\$5,272.40
Year 31	2038-2039		\$0.01	\$261.89	\$4,989.68	\$5,251.57
Year 32	2039-2040		\$0.00	\$242.73	\$4,989.68	\$5,232.41
Year 33	2040-2041		\$0.00	\$225.09	\$1,968.53	\$2,193.63
Year 34	2041-2042		\$0.00	\$208.83		\$208.83
Year 35	2042-2043		\$0.00	\$193.83		\$193.83
Year 36	2043-2044		\$0.00	\$179.97		\$179.98
Year 37	2044-2045		\$0.00	\$167.17		\$167.17
Year 38	2045-2046		\$0.00	\$155.33		\$155.33
Year 39	2046-2047		\$0.00	\$144.37		\$144.37
Year 40	2047-2048		\$0.00	\$1,960.56		\$1,960.56
<b>Total Deductions (life of property)</b>		<b>\$2,397.20</b>	<b>\$14,214.00</b>	<b>\$47,580.00</b>	<b>\$161,638.16</b>	<b>\$225,829.36</b>

**Diminishing Value Depreciation (Immediate Deduction Assets)**

Depreciable Assets	Base Value	Diminishing Value Rate	Decline in Value Deductions For 365 Day(s)	Adjustable Value (WDV) 30/06/2009
<b>Diminishing Value Depreciation</b>				
as per TR/2000/18 effective life of depreciating assets				
<b>Immediate Deduction Assets</b>				
Immediate deduction for assets costing \$300 or less, if not part of a set or group.				
<b>Assets General</b>				
Door Closer	180.00	100.00	180.00	
Intercom system assets	110.00	100.00	110.00	
Master Antenna Television (MATV)				
(a) Amplifier	144.00	100.00	144.00	
(b) Modulator	60.00	100.00	60.00	
(c) Power Source	36.00	100.00	36.00	
<b>Bathroom Assets</b>				
Exhaust Fans (including light/heating)	560.00	100.00	560.00	
<b>Fire Control Assets</b>				
Detection and Alarm Systems				
Heat and smoke	80.00	100.00	80.00	
Fire Extinguishers	115.20	100.00	115.20	
Pumps (Including Diesel and Electric)	260.00	100.00	260.00	
<b>Outdoor Assets</b>				
Automatic Garage Doors				
(a) Controls	44.00	100.00	44.00	
(b) Motors	176.00	100.00	176.00	
Swimming Pools				
(a) Chlorinator	160.00	100.00	160.00	
(b) Cleaning	96.00	100.00	96.00	
<b>Security and Monitoring Assets</b>				
Access Control Systems				
(a) Code Pads	81.60	100.00	81.60	
(b) Door Controllers	34.00	100.00	34.00	
(c) Readers, swipe cards	20.40	100.00	20.40	
Closed circuit television systems				
(a) Code Pads	24.00	100.00	24.00	
(b) Monitors	84.00	100.00	84.00	
(c) Recorders, digital	48.00	100.00	48.00	
(d) Switching units (incl multiplexes)	84.00	100.00	84.00	
<b>Total</b>	<b>2,397.20</b>		<b>2,397.20</b>	<b>0.00</b>

**Diminishing Value Depreciation (Low-value Pool Assets)**

Depreciable Assets	Base Value	Diminishing Value Rate	Decline in Value Deductions For 365 Day(s)	Adjustable Value (WDV) 30/06/2009
<b>Diminishing Value Depreciation</b>				
as per TR/2000/18 effective life of depreciating assets				
<b>Low Value Pool Assets</b>				
Assets costing \$1,000 or less depreciate at 18.75% in the first fiscal year (irrespective of days held) and at 37.5% for each subsequent year.				
<b>Assets General</b>				
Air Conditioning				
(a) Air Handling Units	860.00	18.75	161.25	698.75
(c) Damper Motors	430.00	18.75	80.63	349.38
(d) Fan Coil Units	860.00	18.75	161.25	698.75
Ceiling Fans	1,400.00	18.75	262.50	1,137.50
Ventilation Fans	800.00	18.75	150.00	650.00
Window Blinds, Internal	5,920.00	18.75	1,110.00	4,810.00
<b>Bathroom Assets</b>				
Exhaust Fans (including light/heating)	760.00	18.75	142.50	617.50
Spa Bath Pump	640.00	18.75	120.00	520.00
<b>Kitchen Assets</b>				
Cooktop	980.00	18.75	183.75	796.25
Insinkerator	540.00	18.75	101.25	438.75
Rangehood	640.00	18.75	120.00	520.00
<b>Outdoor Assets</b>				
Swimming Pools				
(c) Filtration (Incl Pumps)	384.00	18.75	72.00	312.00
<b>Total</b>	<b>14,214.00</b>		<b>2,665.13</b>	<b>11,548.88</b>

## Diminishing Value Depreciation

Depreciable Assets	Base Value	Diminishing Value Rate	Decline in Value Deductions For 365 Day(s)	Adjustable Value (WDV) 30/06/2009
<b>Diminishing Value Depreciation</b>				
as per TR/2000/18 effective life of depreciating assets				
<b>Assets General</b>				
Air Conditioning				
(b) Chillers, Condensing Sets	4,730.00	13.33	630.51	4,099.49
(e) Pumps	1,720.00	10.00	172.00	1,548.00
Hot Water Installation				
Electric	1,360.00	16.67	226.71	1,133.29
Solar	3,870.00	13.33	515.87	3,354.13
Lifts (Including Hydraulic and Traction)	28,000.00	6.67	1,867.60	26,132.40
<b>Kitchen Assets</b>				
Dishwashers	1,300.00	20.00	260.00	1,040.00
Ovens	1,200.00	16.67	200.04	999.96
Floor coverings (removable without damage)				
Carpet	5,400.00	20.00	1,080.00	4,320.00
<b>Total</b>	<b>47,580.00</b>		<b>4,952.73</b>	<b>42,627.27</b>
<b>Grand Total</b>	<b>64,191.20</b>		<b>10,015.06</b>	<b>54,176.14</b>

## Summary of Property Deductions (PC)

Fiscal Years		Prime Cost Value Method			
Ownership Year	Tax Year	Decline in Value Deductions on Plant		Capital Work Deductions	Total Annual Deductions
		Immediate Deduction	Prime Cost	Building and Infrastructure	
Year 1	01/07/2008-2009	\$2,397.20	\$3,859.56	\$4,989.68	\$11,246.44
Year 2	2009-2010		\$3,859.56	\$4,989.68	\$8,849.24
Year 3	2010-2011		\$3,859.56	\$4,989.68	\$8,849.24
Year 4	2011-2012		\$3,859.56	\$4,989.68	\$8,849.24
Year 5	2012-2013		\$3,859.56	\$4,989.68	\$8,849.24
Year 6	2013-2014		\$3,579.56	\$4,989.68	\$8,569.24
Year 7	2014-2015		\$3,579.56	\$4,989.68	\$8,569.24
Year 8	2015-2016		\$3,579.56	\$4,989.68	\$8,569.24
Year 9	2016-2017		\$3,579.56	\$4,989.68	\$8,569.24
Year 10	2017-2018		\$3,579.56	\$4,989.68	\$8,569.24
Year 11	2018-2019		\$2,144.56	\$4,989.68	\$7,134.24
Year 12	2019-2020		\$2,144.56	\$4,989.68	\$7,134.24
Year 13	2020-2021		\$1,766.21	\$4,989.68	\$6,755.88
Year 14	2021-2022		\$1,764.38	\$4,989.68	\$6,754.06
Year 15	2022-2023		\$1,759.65	\$4,989.68	\$6,749.33
Year 16	2023-2024		\$1,133.40	\$4,989.68	\$6,123.08
Year 17	2024-2025		\$1,133.40	\$4,989.68	\$6,123.08
Year 18	2025-2026		\$1,133.40	\$4,989.68	\$6,123.08
Year 19	2026-2027		\$1,133.40	\$4,989.68	\$6,123.08
Year 20	2027-2028		\$1,133.40	\$4,989.68	\$6,123.08
Year 21	2028-2029		\$932.40	\$4,989.68	\$5,922.08
Year 22	2029-2030		\$932.40	\$4,989.68	\$5,922.08
Year 23	2030-2031		\$932.40	\$4,989.68	\$5,922.08
Year 24	2031-2032		\$932.40	\$4,989.68	\$5,922.08
Year 25	2032-2033		\$932.40	\$4,989.68	\$5,922.08
Year 26	2033-2034		\$932.40	\$4,989.68	\$5,922.08
Year 27	2034-2035		\$932.40	\$4,989.68	\$5,922.08
Year 28	2035-2036		\$932.40	\$4,989.68	\$5,922.08
Year 29	2036-2037		\$932.40	\$4,989.68	\$5,922.08
Year 30	2037-2038		\$932.40	\$4,989.68	\$5,922.08
Year 31	2038-2039		\$28.00	\$4,989.68	\$5,017.68
Year 32	2039-2040			\$4,989.68	\$4,989.68
Year 33	2040-2041			\$1,968.53	\$1,968.53
Year 34	2041-2042				
Year 35	2042-2043				
Year 36	2043-2044				
Year 37	2044-2045				
Year 38	2045-2046				
Year 39	2046-2047				
Year 40	2047-2048				
<b>Total Deductions (life of property)</b>		<b>\$2,397.20</b>	<b>\$61,794.00</b>	<b>\$161,638.16</b>	<b>\$225,829.36</b>

**Prime Cost Depreciation (Immediate Deductions Assets)**

Depreciable Assets	Base Value	Prime Cost Rate	Decline in Value Deductions For 365 Day(s)	Adjustable Value (WDV) 30/06/2009
<b>Prime Cost Depreciation</b>				
as per TR/2000/18 effective life of depreciating assets.				
<b>Immediate Deductions Assets</b>				
Immediate deduction for assets costing \$300 or less, if not part of a set or group.				
<b>Assets General</b>				
Door Closer	180.00	100.00	180.00	
Intercom system assets	110.00	100.00	110.00	
Master Antenna Television (MATV)				
(a) Amplifier	144.00	100.00	144.00	
(b) Modulator	60.00	100.00	60.00	
(c) Power Source	36.00	100.00	36.00	
<b>Bathroom Assets</b>				
Exhaust Fans (including light/heating)	560.00	100.00	560.00	
<b>Fire Control Assets</b>				
Detection and Alarm Systems				
Heat and smoke	80.00	100.00	80.00	
Fire Extinguishers	115.20	100.00	115.20	
Pumps (Including Diesel and Electric)	260.00	100.00	260.00	
<b>Outdoor Assets</b>				
Automatic Garage Doors				
(a) Controls	44.00	100.00	44.00	
(b) Motors	176.00	100.00	176.00	
Swimming Pools				
(a) Chlorinator	160.00	100.00	160.00	
(b) Cleaning	96.00	100.00	96.00	
<b>Security and Monitoring Assets</b>				
Access Control Systems				
(a) Code Pads	81.60	100.00	81.60	
(b) Door Controllers	34.00	100.00	34.00	
(c) Readers, swipe cards	20.40	100.00	20.40	
Closed circuit television systems				
(a) Code Pads	24.00	100.00	24.00	
(b) Monitors	84.00	100.00	84.00	
(c) Recorders, digital	48.00	100.00	48.00	
(d) Switching units (incl multiplexes)	84.00	100.00	84.00	
<b>Total</b>	<b>2,397.20</b>		<b>2,397.20</b>	<b>0.00</b>

## Prime Cost Depreciation

Depreciable Assets	Base Value	Prime Cost Rate	Decline in Value Deductions For 365 Day(s)	Adjustable Value (WDV) 30/06/2009
<b>Prime Cost Depreciation</b>				
as per TR/2000/18 effective life of depreciating assets.				
<b>Assets General</b>				
Air Conditioning				
(a) Air Handling Units	860.00	5.00	43.00	817.00
(b) Chillers, Condensing Sets	4,730.00	6.67	315.49	4,414.51
(c) Damper Motors	430.00	10.00	43.00	387.00
(d) Fan Coil Units	860.00	6.67	57.36	802.64
(e) Pumps	1,720.00	5.00	86.00	1,634.00
Ceiling Fans	1,400.00	20.00	280.00	1,120.00
Hot Water Installation				
Electric	1,360.00	8.33	113.29	1,246.71
Solar	3,870.00	6.67	258.13	3,611.87
Lifts (Including Hydraulic and Traction)	28,000.00	3.33	932.40	27,067.60
Ventilation Fans	800.00	5.00	40.00	760.00
Window Blinds, Internal	5,920.00	10.00	592.00	5,328.00
<b>Bathroom Assets</b>				
Exhaust Fans (including light/heating)	760.00	10.00	76.00	684.00
Spa Bath Pump	640.00	5.00	32.00	608.00
<b>Kitchen Assets</b>				
Cooktop	980.00	8.33	81.63	898.37
Dishwashers	1,300.00	10.00	130.00	1,170.00
Insinkerator	540.00	10.00	54.00	486.00
Ovens	1,200.00	8.33	99.96	1,100.04
Rangehood	640.00	8.33	53.31	586.69
<b>Outdoor Assets</b>				
Swimming Pools				
(c) Filtration (Incl Pumps)	384.00	8.33	31.99	352.01
Floor coverings (removable without damage)				
Carpet	5,400.00	10.00	540.00	4,860.00
<b>Total</b>	<b>61,794.00</b>		<b>3,859.56</b>	<b>57,934.44</b>
<b>Grand Total</b>	<b>64,191.20</b>		<b>6,256.76</b>	<b>57,934.44</b>

## Capital Works Deductions

### Capital Works Deductions (Building)

Construction Date Start	Construction Date Completion	Historical Construction Cost	Deduction Rate	Annual Deduction	Opening Value 01/07/2008	Total Capital Deduction For 365 Days (s)	Adjustable Value (WDV) 30/06/2009
24/01/00	24/11/00	198,075.03	2.5%	4,951.88	160,413.64	4,951.88	155,461.77
<b>Total</b>		<b>198,075.03</b>		<b>4,951.88</b>	<b>160,413.64</b>	<b>4,951.88</b>	<b>155,461.77</b>

### Capital Works Deductions (Structural Improvements)

Construction Date Start	Construction Date Completion	Historical Construction Cost	Deduction Rate	Annual Deduction	Opening Value 01/07/2008	Total Capital Deduction For 365 Days (s)	Adjustable Value (WDV) 30/06/2009
24/01/00	24/11/00	1,512.00	2.5%	37.80	1,224.51	37.80	1,186.71
<b>Total</b>		<b>1,512.00</b>		<b>37.80</b>	<b>1,224.51</b>	<b>37.80</b>	<b>1,186.71</b>
<b>Grand Total</b>		<b>199,587.03</b>		<b>4,989.68</b>	<b>161,638.16</b>	<b>4,989.68</b>	<b>156,648.48</b>