



Tax Depreciation Report

19 Bellagio Crescent,
Coomera QLD 4209

Manjinder Singh
45 Philong Street
DOOLANDELLA, QLD 4209

Issue Schedule	
Issue Date:	Issued by:
27 September 2019	Mark Kilroy Bsc (Hons) MRICS

Manjinder Singh
45 Philong Street
DOOLANDELLA, QLD 4209

September 2019
Job No: RES4209036

Tax Depreciation Report – 19 Bellagio Crescent, Coomera QLD 4209

We thank you for choosing Koste Pty Ltd to prepare the attached Tax Depreciation report and schedule for the above property.

This report has been prepared to provide an independent review of Tax Depreciation entitlements available on the subject property, under The Income Tax Assessment Act 1997.

Koste Pty Ltd are a registered tax agent (24836767) who comply with the Tax Agent Services Act 2009. The attached schedule is based on an apportionment of the total expenditure, together with the Tax Commissioners current intentions in preparing this document.

As you continue to grow your portfolio, we would be pleased to provide you with free estimates of tax depreciation allowances on purchases. We can also provide updates for \$100+GST on any revised depreciation reports which may include new capital works and write-offs on disposed assets over the coming years.

The majority of our custom is based on repeat customers and from word of mouth. Testimonials are important to our business especially on social media including Google+, LinkedIn and Facebook. If you are pleased with our service and have some time to write a short testimonial on either social media or via an email, this would be greatly appreciated.

If you or your accountant require any further clarification on the contents of this report, please do not hesitate in contacting a member of our team on 1300 669 400 where they would be more than happy to assist.

Yours Sincerely

Koste Pty Ltd

Koste Pty Ltd
Tax Depreciation Quantity Surveyors



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1. Property Information

Date of Report

27 September 2019

Purchaser

Manjinder Singh

Property Address

19 Bellagio Crescent, Coomera QLD 4209

Real Property Description

L31 SP218246

Property Type

Residential House

Date of Construction

1 April 2010

Property Photo



2. Report Details

2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

Division 40 (Capital Allowances)

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

Division 40 (Capital Allowances) - Low Value Pool

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

Division 43 (Capital Works)

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

3. Capital Allowances

3.1 Entitlement

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

3.2 Qualifying Expenditure Calculation

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

3.3 Effective Life

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

3.4 Immediate Write-Off Assets

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

3.5 Low Value Pool

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method					Prime Cost Method				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.					Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits					Benefits				
<ul style="list-style-type: none"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 					<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example					Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
200 / 10 Years = 20% (Adjusted Value)					100 / 10 Years = 10% (Straight Line)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.					If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

4. Capital Works

4.1 Entitlement

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

4.2 Method of Depreciation

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

4.3 Method of Depreciation

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Original Total Div 40	Eligible Write-off	Post Expenditure			Division 43	Grand Total
				Effective Life	Pooled Plant	Total Div 40		
1	16 April 18 to 30 June 18	2,561	8,052	176	263	439	856	9,347
2	1 July 18 to 30 June 19	5,740		671	714	1,385	4,165	5,550
3	1 July 19 to 30 June 20	4,010		537	446	983	4,165	5,148
4	1 July 20 to 30 June 21	2,995		430	279	709	4,165	4,874
5	1 July 21 to 30 June 22	2,318		344	174	518	4,165	4,683
6	1 July 22 to 30 June 23	1,611		275	109	384	4,165	4,549
7	1 July 23 to 30 June 24	1,137		220	68	288	4,165	4,453
8	1 July 24 to 30 June 25	985		0	372	372	4,165	4,537
9	1 July 25 to 30 June 26	665		0	233	233	4,165	4,398
10	1 July 26 to 30 June 27	611		0	146	146	4,165	4,311
11	1 July 27 to 30 June 28	382		0	91	91	4,165	4,256
12	1 July 28 to 30 June 29	239		0	57	57	4,165	4,222
13	1 July 29 to 30 June 30	149		0	36	36	4,165	4,201
14	1 July 30 to 30 June 31	93		0	22	22	4,165	4,187
15	1 July 31 to 30 June 32	58		0	14	14	4,165	4,179
16	1 July 32 to 30 June 33	36		0	9	9	4,165	4,174
17	1 July 33 to 30 June 34	23		0	5	5	4,165	4,170
18	1 July 34 to 30 June 35	14		0	3	3	4,165	4,168
19	1 July 35 to 30 June 36	9		0	2	2	4,165	4,167
20	1 July 36 to 30 June 37	6		0	1	1	4,165	4,166
21	1 July 37 to 30 June 38	3		0	1	1	4,165	4,166
22	1 July 38 to 30 June 39	2		0	1	1	4,165	4,166
23	1 July 39 to 30 June 40	1		0	0	0	4,165	4,165
24	1 July 40 to 30 June 41	1		0	0	0	4,165	4,165
25	1 July 41 to 30 June 42	1		0	0	0	4,165	4,165
26	1 July 42 to 30 June 43	0		0	0	0	4,165	4,165
27	1 July 43 to 30 June 44	0		0	0	0	4,165	4,165
28	1 July 44 to 30 June 45	0		0	0	0	4,165	4,165
29	1 July 45 to 30 June 46	0		0	0	0	4,165	4,165
30	1 July 46 to 30 June 47	0		0	0	0	4,165	4,165
31	1 July 47 to 30 June 48	0		0	0	0	4,165	4,165
32	1 July 48 to 30 June 49	0		0	0	0	4,165	4,165
33	1 July 49 to 30 June 50	0		0	0	0	3,113	3,113
34	1 July 50 to 30 June 51	0		0	0	0	0	0
35	1 July 51 to 30 June 52	0		0	0	0	0	0
36	1 July 52 to 30 June 53	0		0	0	0	0	0
37	1 July 53 to 30 June 54	0		0	0	0	0	0
38	1 July 54 to 30 June 55	0		0	0	0	0	0
39	1 July 55 to 30 June 56	0		0	0	0	0	0
40	2056+	0		0	0	0	0	0
Totals		23,653	8,052	2,476	2,784	5,700	133,084	146,836

The diminishing value method involves multiplying the remaining amount (or also known as the written down value) of the item by the depreciation rate each year. Hence the term diminishing value method as it diminishes in value each year never quite reaching zero.

Example

Carpet	DV Rate	Opening Value	Year 1	WDV	Year 2
	20%	\$1,000	\$200	\$800	\$160

6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Original Total Div 40	Eligible Write-off	Post Expenditure			Division 43	Grand Total
				Effective Life	Pooled Plant	Total Div 40		
1	16 April 18 to 30 June 18	2,301	8,052	88	263	351	856	9,259
2	1 July 18 to 30 June 19	4,582		430	427	857	4,165	5,022
3	1 July 19 to 30 June 20	3,339		430	267	697	4,165	4,862
4	1 July 20 to 30 June 21	2,561		430	167	597	4,165	4,762
5	1 July 21 to 30 June 22	2,076		430	104	534	4,165	4,699
6	1 July 22 to 30 June 23	1,765		430	65	495	4,165	4,660
7	1 July 23 to 30 June 24	1,545		430	41	471	4,165	4,636
8	1 July 24 to 30 June 25	1,427		430	25	455	4,165	4,620
9	1 July 25 to 30 June 26	1,353		430	16	446	4,165	4,611
10	1 July 26 to 30 June 27	1,306		430	10	440	4,165	4,605
11	1 July 27 to 30 June 28	1,057		342	6	348	4,165	4,513
12	1 July 28 to 30 June 29	175		0	4	4	4,165	4,169
13	1 July 29 to 30 June 30	135		0	2	2	4,165	4,167
14	1 July 30 to 30 June 31	12		0	2	2	4,165	4,167
15	1 July 31 to 30 June 32	7		0	1	1	4,165	4,166
16	1 July 32 to 30 June 33	5		0	1	1	4,165	4,166
17	1 July 33 to 30 June 34	3		0	0	0	4,165	4,165
18	1 July 34 to 30 June 35	2		0	0	0	4,165	4,165
19	1 July 35 to 30 June 36	1		0	0	0	4,165	4,165
20	1 July 36 to 30 June 37	1		0	0	0	4,165	4,165
21	1 July 37 to 30 June 38	0		0	0	0	4,165	4,165
22	1 July 38 to 30 June 39	0		0	0	0	4,165	4,165
23	1 July 39 to 30 June 40	0		0	0	0	4,165	4,165
24	1 July 40 to 30 June 41	0		0	0	0	4,165	4,165
25	1 July 41 to 30 June 42	0		0	0	0	4,165	4,165
26	1 July 42 to 30 June 43	0		0	0	0	4,165	4,165
27	1 July 43 to 30 June 44	0		0	0	0	4,165	4,165
28	1 July 44 to 30 June 45	0		0	0	0	4,165	4,165
29	1 July 45 to 30 June 46	0		0	0	0	4,165	4,165
30	1 July 46 to 30 June 47	0		0	0	0	4,165	4,165
31	1 July 47 to 30 June 48	0		0	0	0	4,165	4,165
32	1 July 48 to 30 June 49	0		0	0	0	4,165	4,165
33	1 July 49 to 30 June 50	0		0	0	0	3,113	3,113
34	1 July 50 to 30 June 51	0		0	0	0	0	0
35	1 July 51 to 30 June 52	0		0	0	0	0	0
36	1 July 52 to 30 June 53	0		0	0	0	0	0
37	1 July 53 to 30 June 54	0		0	0	0	0	0
38	1 July 54 to 30 June 55	0		0	0	0	0	0
39	1 July 55 to 30 June 56	0		0	0	0	0	0
40	2056+	0		0	0	0	0	0
Totals		23,653	8,052	4,300	1,400	5,700	133,084	146,836

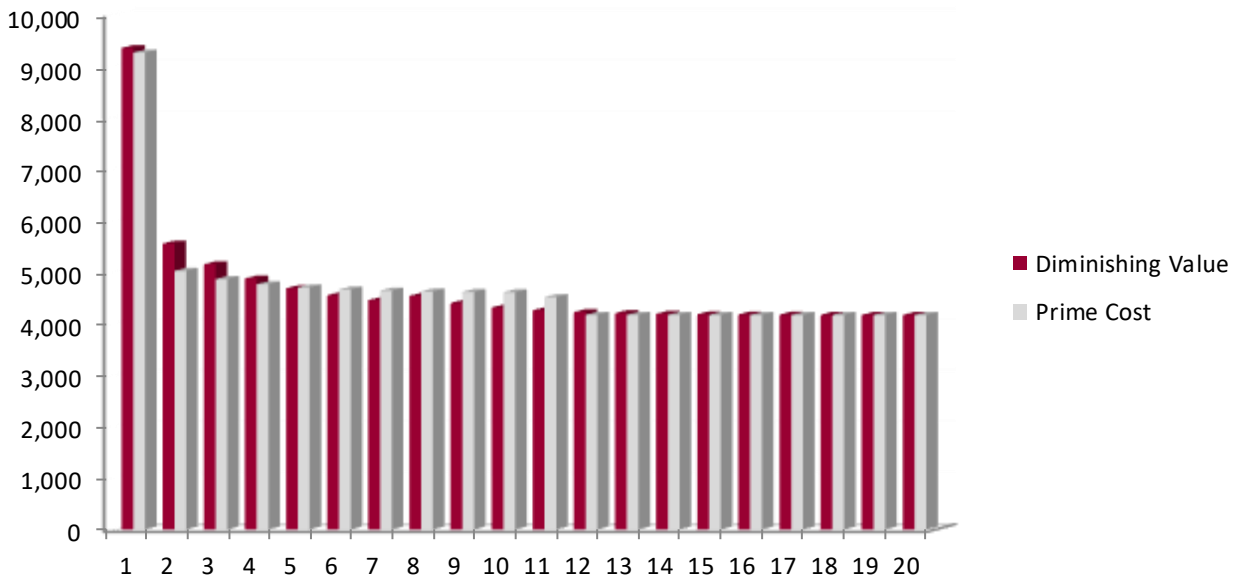
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

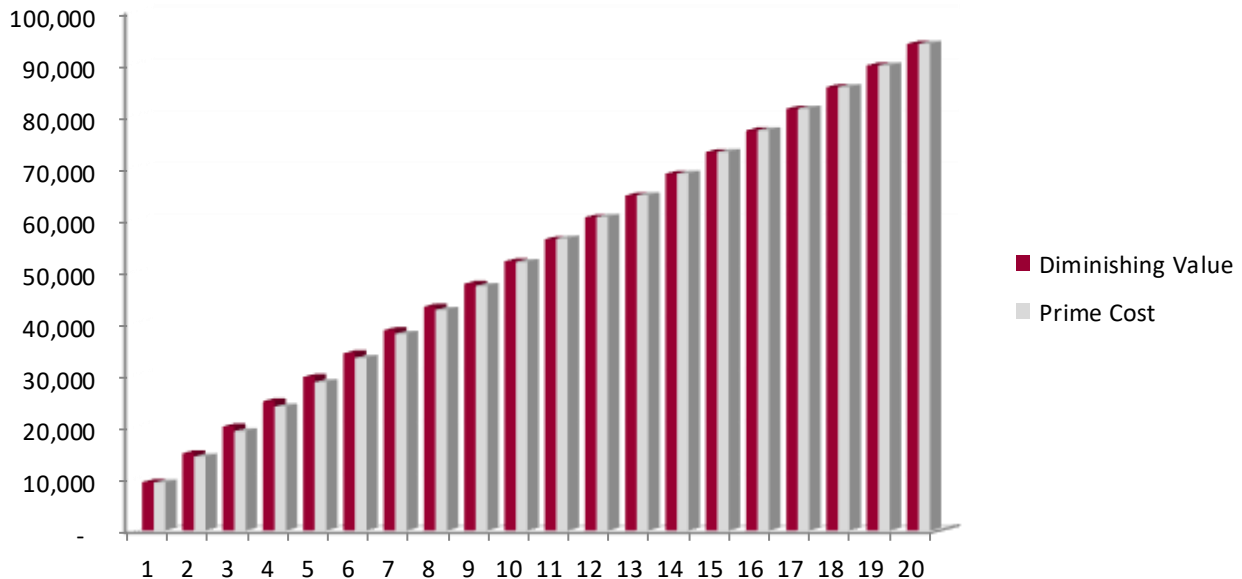
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

8. Capital Expenditure Analysed

Purchase Details

Contract Date	15 March 2018
Settlement Date	16 April 2018

Expenditure Analysed

Purchase Price	\$409,000
Stamp Duty	\$12,740
Total Expenditure Analysed	\$427,440

Historical Construction Details

Construction Start Date	3 October 2009
Construction Completion Date	1 April 2010
Historical Construction Cost (Estimated)*	\$200,063

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

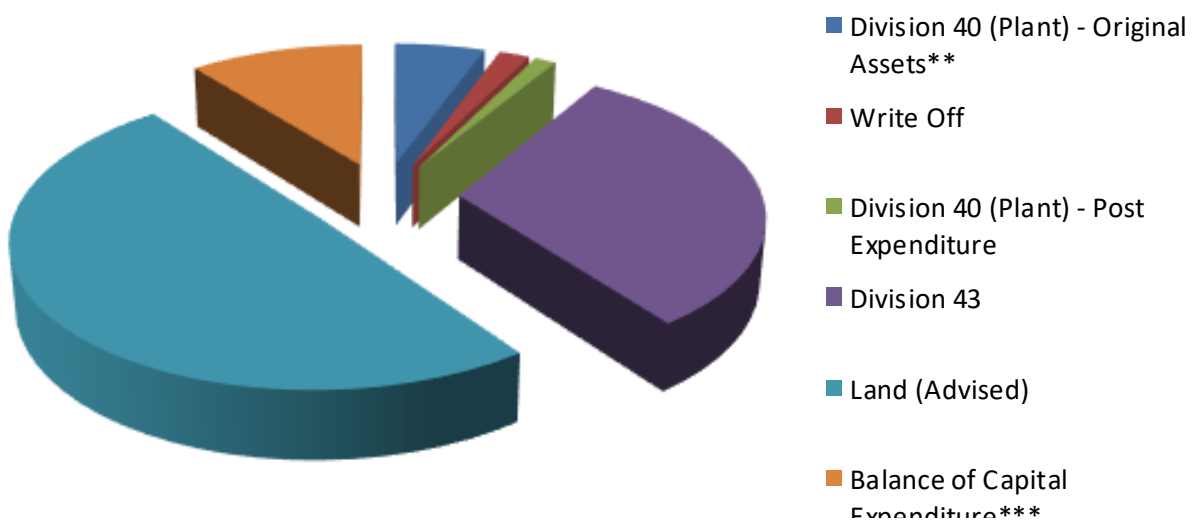
Division 40 (Plant) - Original Assets**	\$23,653
Write Off	\$8,052
Division 40 (Plant) - Post Expenditure	\$5,700
Division 43	\$133,084
Land (Advised)	\$211,386
Balance of Capital Expenditure***	\$45,565
Total Expenditure Analysed	\$427,440

Notes

* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

** Division 40 (Plant) - Original Assets has been excluded as the property was purchased post 9 May 2017 or as the property was available for rent after 1 July 2017

*** Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



10. Diminishing Value Depreciation Schedule

Assets Generally	Diminishing	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment	Value Rate												
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	16-Apr-18	5,570	229	1,068	855	684	547	438	350	280	224	336
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	16-Apr-18	812	152	247	155	97	60	38	24	15	9	6
Blinds Residential													
	18.75%	16-Apr-18	4,861	4,861									
Ceiling Fans	18.75%	16-Apr-18	1,218	228	371	232	145	91	57	35	22	14	9
Computer systems													
General	18.75%	16-Apr-18	406	76	124	77	48	30	19	12	7	5	3
Door closers	18.75%	16-Apr-18	209	39	64	40	25	16	10	6	4	2	1
Fire control assets													
Detection & alarm systems, detectors	18.75%	16-Apr-18	511	96	156	97	61	38	24	15	9	6	4
Floor coverings (removable without damage)													
Carpets	20.00%	16-Apr-18	3,880	159	744	595	476	381	305	244	366	229	143
Furniture	18.75%	16-Apr-18	4,525	849	1,379	862	539	337	210	131	82	51	32
Garage doors, automatic													
Controls	40.00%	16-Apr-18	186	15	64	40	25	16	10	6	4	2	1
Motors	20.00%	16-Apr-18	1,392	1,392									
Garbage disposal													
Garbage bins	18.75%	16-Apr-18	186	35	57	35	22	14	9	5	3	2	1
Hot water systems (excluding piping)													
Gas or electric	16.67%	16-Apr-18	1,741	60	280	233	195	365	228	142	89	56	35
Kitchen assets													
Cooktops	18.75%	16-Apr-18	986	185	301	188	117	73	46	29	18	11	7
Dishwashers	20.00%	16-Apr-18	1,392	57	267	214	320	200	125	78	49	31	19
Ovens	16.67%	16-Apr-18	1,276	1,276									
Rangehoods	18.75%	16-Apr-18	522	522									
Lights													
Shades, removable	18.75%	16-Apr-18	2,031	381	619	387	242	151	94	59	37	23	14
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	20.00%	16-Apr-18	3,500	144	671	537	430	344	275	220	330	206	129
		Carried forward	35,205	10,757	6,411	4,547	3,425	2,662	1,886	1,357	1,315	871	740

Diminishing Value Depreciation Schedule (cont.)

Assets Generally	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Division 40 - Plant and Equipment														
			Brought forward	35,205	10,757	6,411	4,547	3,425	2,662	1,886	1,357	1,315	871	740
Garage doors, automatic														
Motors	20.00%	16-Apr-18	800	33	288	180	112	70	44	27	17	11	7	
Kitchen assets														
Ovens	18.75%	16-Apr-18	800	150	244	152	95	60	37	23	15	9	6	
Rangehoods	18.75%	16-Apr-18	600	113	183	114	71	45	28	17	11	7	4	
Pooled Plant Total				7,687	4,094	2,559	1,920	1,565	978	611	1,078	674	757	
Effective Life Plant Total				3,366	3,031	2,434	1,784	1,272	1,017	814	280	224	757	
Total Division 40			37,405	11,053	7,125	4,993	3,704	2,836	1,995	1,425	1,358	898	757	
Division 43 - Capital Works Allowance														
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	
Building Works - Completed 2010			124,903	803	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	
Structural Improvements - Completed 2010			8,181	53	256	256	256	256	256	256	256	256	256	
Total Division 43			133,084	856	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	
Total Depreciation			170,489	11,909	11,290	9,158	7,869	7,001	6,160	5,590	5,523	5,063	4,922	

11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	16-Apr-18	5,570	114	557	557	557	557	557	557	557	557	557
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	16-Apr-18	812	152	247	155	97	60	38	24	15	9	6
Blinds Residential													
	18.75%	16-Apr-18	4,861	4,861									
Ceiling Fans													
	18.75%	16-Apr-18	1,218	228	371	232	145	91	57	35	22	14	9
Computer systems													
General	18.75%	16-Apr-18	406	76	124	77	48	30	19	12	7	5	3
Door closers													
	18.75%	16-Apr-18	209	39	64	40	25	16	10	6	4	2	1
Fire control assets													
Detection & alarm systems, detectors	18.75%	16-Apr-18	511	96	156	97	61	38	24	15	9	6	4
Floor coverings (removable without damage)													
Carpets	10.00%	16-Apr-18	3,880	80	388	388	388	388	388	388	388	388	388
Furniture													
	18.75%	16-Apr-18	4,525	849	1,379	862	539	337	210	131	82	51	32
Garage doors, automatic													
Controls	20.00%	16-Apr-18	186	8	37	37	37	37	30				
Motors	10.00%	16-Apr-18	1,392	1,392									
Garbage disposal													
Garbage bins	18.75%	16-Apr-18	186	35	57	35	22	14	9	5	3	2	1
Hot water systems (excluding piping)													
Gas or electric	8.33%	16-Apr-18	1,741	30	145	145	145	145	145	145	145	145	145
Kitchen assets													
Cooktops	18.75%	16-Apr-18	986	185	301	188	117	73	46	29	18	11	7
Dishwashers	10.00%	16-Apr-18	1,392	29	139	139	139	139	139	139	139	139	139
Ovens	8.33%	16-Apr-18	1,276	1,276									
Rangehoods	18.75%	16-Apr-18	522	522									
Lights													
Shades, removable	18.75%	16-Apr-18	2,031	381	619	387	242	151	94	59	37	23	14
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	10.00%	16-Apr-18	3,500	72	350	350	350	350	350	350	350	350	350
Carried forward			35,205	10,425	4,932	3,689	2,911	2,426	2,115	1,895	1,777	1,703	1,656

Prime Cost Depreciation Schedule (cont.)

Assets Generally		Prime Cost											
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Brought forward			35,205	10,425	4,932	3,689	2,911	2,426	2,115	1,895	1,777	1,703	1,656
Garage doors, automatic													
Motors	10.00%	16-Apr-18	800	16	80	80	80	80	80	80	80	80	80
Kitchen assets													
Ovens	18.75%	16-Apr-18	800	150	244	152	95	60	37	23	15	9	6
Rangehoods	18.75%	16-Apr-18	600	113	183	114	71	45	28	17	11	7	4
Pooled Plant Total				7,687	3,743	2,339	1,462	914	571	357	223	139	87
Effective Life Plant Total				3,017	1,696	1,696	1,696	1,696	1,689	1,659	1,659	1,659	1,659
Total Division 40			37,405	10,704	5,439	4,035	3,158	2,610	2,260	2,016	1,882	1,798	1,746
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2010			124,903	803	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909	3,909
Structural Improvements - Completed 2010			8,181	53	256	256	256	256	256	256	256	256	256
Total Division 43			133,084	856	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165
Total Depreciation			170,489	11,560	9,604	8,200	7,323	6,775	6,425	6,181	6,047	5,963	5,911

12. Division 43 Capital Works Schedule

The table below outlines the amount of Division 43 building write-off available for this property. The building write-off is claimed over forty years from the construction date of the works completed and is the remaining value after plant and equipment has been taken out.

Qualifying Building Allowance

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Building Works - Completed 2010	3 Oct 09 to 1 Apr 10	156,357	2.50%	3,909	124,903
Sub-total		156,357		3,909	124,903

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2010	3 Oct 09 to 1 Apr 10	10,242	2.50%	256	8,181
Sub-total		10,242		256	8,181
Totals		166,598		4,165	133,084

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

13. Definition of Terms

Adjusted Value	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
Balancing Adjustment	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
Decline in Value	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
Depreciating Assets	Assets with limited effective life that are reasonably expected to decline in value.
Diminishing Value Method	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
Effective Life	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
Immediate WriteOff	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
Installed Costs	This is the total cost of installing the asset inclusive of fees and labour etc.
Low Value Pool	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
Low Cost Asset	A depreciable asset with an installed cost of less than \$1000.
Low Value Asset	A depreciable asset that has an adjusted value of less than \$1000.
Non Eligible	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
Prime Cost Method	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.

14. Contact Details

COMPANY DETAILS	
Company Name	Koste Pty Ltd
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15. Disclaimer

This report has been prepared for the exclusive use of the parties named within this report, Koste Pty Ltd does not accept any contractual, tortious or other form of liability for any consequences that may arise from any other person acting upon or using this valuation.