



## Tax Depreciation Report

16/63 Sean Street,  
Boondall QLD 4034

Bismita Upreti  
19 Mac Street  
BRIDGEMAN DOWN, QLD 4035

Issue Schedule	
Issue Date:	Issued by:
14 October 2019	Mark Kilroy Bsc (Hons) MRICS

Bismita Upreti  
19 Mac Street  
BRIDGEMAN DOWN, QLD 4035

October 2019  
Job No: RES4034008

### **Tax Depreciation Report – 16/63 Sean Street, Boondall QLD 4034**

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

15 October 2019

### Purchaser

Bismita Upreti

### Property Address

16/63 Sean Street, Boondall QLD 4034

### Real Property Description

L16 SP203077

### Property Type

Residential Townhouse

### Date of Construction

1 July 2008

### 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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
Benefits				
<ul style="list-style-type: none"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
<b>200 / 10 Years = 20% (Adjusted Value)</b>				
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
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
<b>100 / 10 Years = 10% (Straight Line)</b>				
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
\$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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	25 September 14 to 30 June 15	7,240	0	7,240	3,634	10,874
2	1 July 15 to 30 June 16	7,850	0	7,850	4,772	12,622
3	1 July 16 to 30 June 17	6,123	0	6,123	4,772	10,895
4	1 July 17 to 30 June 18	3,244	3,089	6,333	4,775	11,108
5	1 July 18 to 30 June 19	2,688	1,660	4,348	4,787	9,135
6	1 July 19 to 30 June 20	2,075	1,391	3,466	4,787	8,253
7	1 July 20 to 30 June 21	1,727	870	2,596	4,787	7,383
8	1 July 21 to 30 June 22	1,249	903	2,152	4,787	6,939
9	1 July 22 to 30 June 23	1,052	564	1,616	4,787	6,403
10	1 July 23 to 30 June 24	707	694	1,401	4,787	6,188
11	1 July 24 to 30 June 25	299	1,101	1,401	4,787	6,188
12	1 July 25 to 30 June 26	269	688	958	4,787	5,745
13	1 July 26 to 30 June 27	242	430	673	4,787	5,460
14	1 July 27 to 30 June 28	218	269	487	4,787	5,274
15	1 July 28 to 30 June 29	196	168	364	4,787	5,151
16	1 July 29 to 30 June 30	177	105	282	4,787	5,069
17	1 July 30 to 30 June 31	159	66	225	4,787	5,012
18	1 July 31 to 30 June 32	143	41	184	4,787	4,971
19	1 July 32 to 30 June 33	129	26	154	4,787	4,941
20	1 July 33 to 30 June 34	116	16	132	4,787	4,919
21	1 July 34 to 30 June 35	104	10	114	4,787	4,901
22	1 July 35 to 30 June 36	0	358	358	4,787	5,145
23	1 July 36 to 30 June 37	0	224	224	4,787	5,011
24	1 July 37 to 30 June 38	0	140	140	4,787	4,927
25	1 July 38 to 30 June 39	0	88	88	4,787	4,875
26	1 July 39 to 30 June 40	0	55	55	4,787	4,842
27	1 July 40 to 30 June 41	0	34	34	4,787	4,821
28	1 July 41 to 30 June 42	0	21	21	4,787	4,808
29	1 July 42 to 30 June 43	0	13	13	4,787	4,800
30	1 July 43 to 30 June 44	0	8	8	4,787	4,795
31	1 July 44 to 30 June 45	0	5	5	4,787	4,792
32	1 July 45 to 30 June 46	0	3	3	4,787	4,790
33	1 July 46 to 30 June 47	0	2	2	4,787	4,789
34	1 July 47 to 30 June 48	0	1	1	4,772	4,773
35	1 July 48 to 30 June 49	0	1	1	18	19
36	1 July 49 to 30 June 50	0	0	0	15	15
37	1 July 50 to 30 June 51	0	0	0	15	15
38	1 July 51 to 30 June 52	0	0	0	15	15
39	1 July 52 to 30 June 53	0	0	0	15	15
40	2053+	0	0	0	87	87
<b>Totals</b>		<b>36,009</b>	<b>13,048</b>	<b>49,056</b>	<b>161,713</b>	<b>210,769</b>

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

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

## 6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	25 September 14 to 30 June 15	3,620	0	3,620	3,634	7,254
2	1 July 15 to 30 June 16	4,754	0	4,754	4,772	9,526
3	1 July 16 to 30 June 17	4,754	0	4,754	4,772	9,526
4	1 July 17 to 30 June 18	5,287	0	5,287	4,775	10,062
5	1 July 18 to 30 June 19	4,737	0	4,737	4,787	9,524
6	1 July 19 to 30 June 20	3,960	0	3,960	4,787	8,747
7	1 July 20 to 30 June 21	3,702	0	3,702	4,787	8,489
8	1 July 21 to 30 June 22	3,624	0	3,624	4,787	8,411
9	1 July 22 to 30 June 23	3,624	0	3,624	4,787	8,411
10	1 July 23 to 30 June 24	3,624	0	3,624	4,787	8,411
11	1 July 24 to 30 June 25	1,831	0	1,831	4,787	6,618
12	1 July 25 to 30 June 26	1,278	0	1,278	4,787	6,065
13	1 July 26 to 30 June 27	899	0	899	4,787	5,686
14	1 July 27 to 30 June 28	637	0	637	4,787	5,424
15	1 July 28 to 30 June 29	433	0	433	4,787	5,220
16	1 July 29 to 30 June 30	429	0	429	4,787	5,216
17	1 July 30 to 30 June 31	429	0	429	4,787	5,216
18	1 July 31 to 30 June 32	429	0	429	4,787	5,216
19	1 July 32 to 30 June 33	429	0	429	4,787	5,216
20	1 July 33 to 30 June 34	429	0	429	4,787	5,216
21	1 July 34 to 30 June 35	112	0	112	4,787	4,899
22	1 July 35 to 30 June 36	11	0	11	4,787	4,798
23	1 July 36 to 30 June 37	11	0	11	4,787	4,798
24	1 July 37 to 30 June 38	11	0	11	4,787	4,798
25	1 July 38 to 30 June 39	2	0	2	4,787	4,789
26	1 July 39 to 30 June 40	0	0	0	4,787	4,787
27	1 July 40 to 30 June 41	0	0	0	4,787	4,787
28	1 July 41 to 30 June 42	0	0	0	4,787	4,787
29	1 July 42 to 30 June 43	0	0	0	4,787	4,787
30	1 July 43 to 30 June 44	0	0	0	4,787	4,787
31	1 July 44 to 30 June 45	0	0	0	4,787	4,787
32	1 July 45 to 30 June 46	0	0	0	4,787	4,787
33	1 July 46 to 30 June 47	0	0	0	4,787	4,787
34	1 July 47 to 30 June 48	0	0	0	4,772	4,772
35	1 July 48 to 30 June 49	0	0	0	18	18
36	1 July 49 to 30 June 50	0	0	0	15	15
37	1 July 50 to 30 June 51	0	0	0	15	15
38	1 July 51 to 30 June 52	0	0	0	15	15
39	1 July 52 to 30 June 53	0	0	0	15	15
40	2053+	0	0	0	87	87
<b>Totals</b>		<b>49,056</b>	<b>0</b>	<b>49,056</b>	<b>161,713</b>	<b>210,769</b>

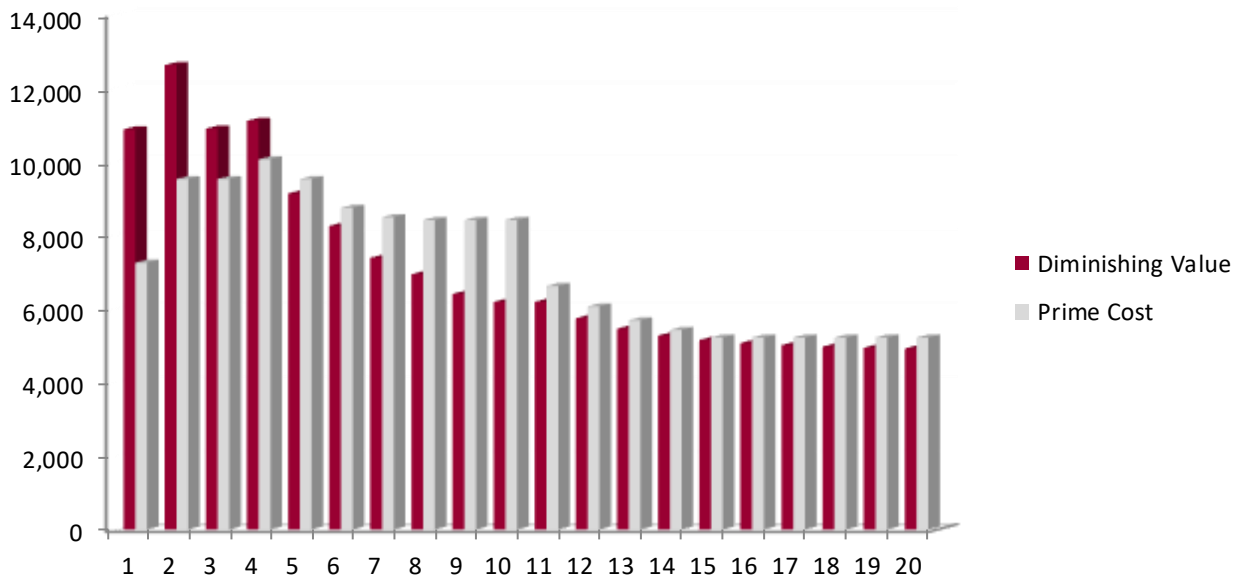
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

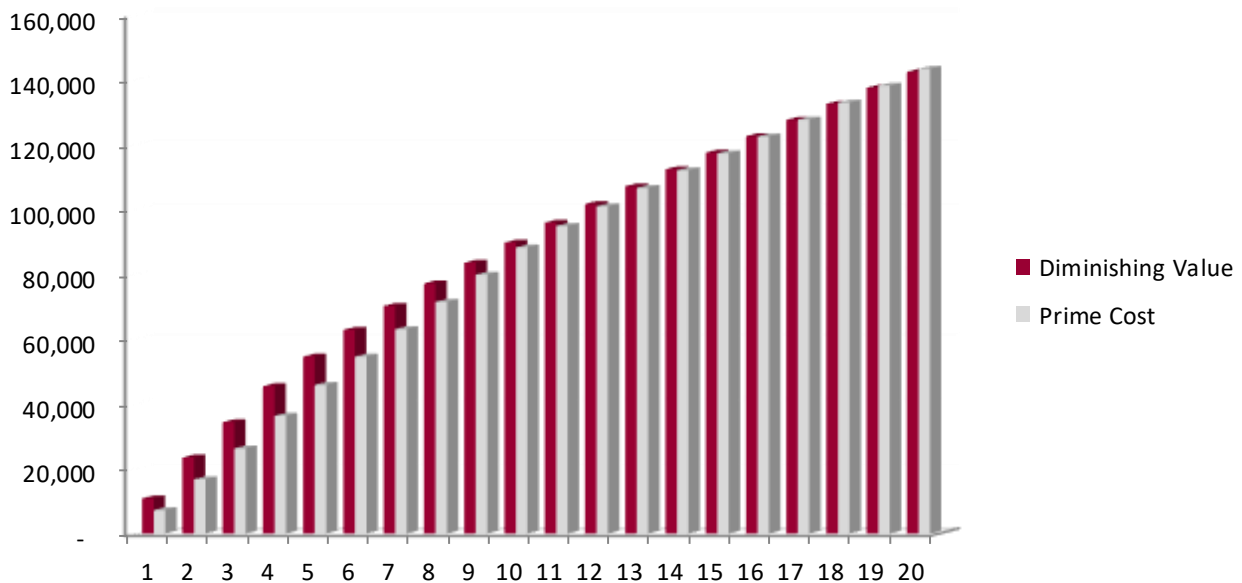
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	28 July 2014
Settlement Date	25 September 2014

### Expenditure Analysed

Purchase Price	\$370,000
Stamp Duty	\$11,375
Post Expenditure*	\$1,685
<b>Total Expenditure Analysed</b>	<b>\$383,060</b>

### Historical Construction Details

Construction Start Date	1 January 2008
Construction Completion Date	1 July 2008
Historical Construction Cost (Estimated)**	\$233,889

## 9. Reconciliation of Capital Expenditure

### Apportionment of cost relating to:

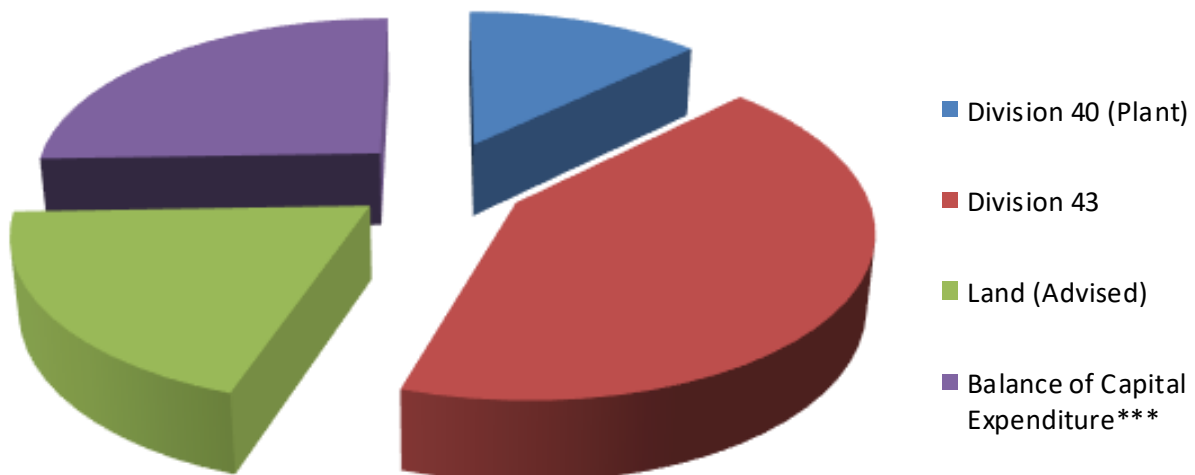
Division 40 (Plant)	\$49,056
Division 43	\$161,713
Land (Advised)	\$74,443
Balance of Capital Expenditure***	\$97,848
<b>Total Expenditure Analysed</b>	<b>\$383,060</b>

### Notes

\* Some of the post expenditure can be claimed as repairment immediately in the financial year when these costs incurred. These costs are included in the post expenditure, but not in the depreciation.

\*\* 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

\*\*\* 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 Division 40 - Plant and Equipment	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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	25-Sep-14	7,167	1,092	1,215	972	778	622	498	398	319	255	204
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	20.00%	25-Sep-14	747	114	127	101	152	95	59	37	23	14	9
<b>Blinds Residential</b>													
	20.00%	25-Sep-14	6,408	976	1,086	869	695	556	445	356	285	228	342
<b>Ceiling Fans</b>													
	40.00%	25-Sep-14	2,687	819	747	448	252	158	99	62	38	24	15
<b>Door closers</b>													
	20.00%	25-Sep-14	269	41	46	36	55	34	21	13	8	5	3
<b>Fire control assets</b>													
Detection & alarm systems, detectors	10.00%	25-Sep-14	657	50	61	55	492						
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	25-Sep-14	4,309	656	731	584	468	374	299	239	359	224	140
<b>Furniture</b>													
	15.00%	25-Sep-14	4,703	537	625	531	452	384	326	277	236	200	170
<b>Garage doors, automatic</b>													
Controls	40.00%	25-Sep-14	254	77	71	42	24	15	9	6	4	2	1
Motors	20.00%	25-Sep-14	1,792	273	304	243	364	228	142	89	56	35	22
<b>Garbage disposal</b>													
Garbage bins	30.00%	25-Sep-14	239	55	55	39	34	21	13	8	5	3	2
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	25-Sep-14	2,240	284	326	272	226	189	354	221	138	86	54
<b>Kitchen assets</b>													
Cooktops	16.67%	25-Sep-14	1,269	161	185	154	289	180	113	70	44	28	17
Dishwashers	20.00%	25-Sep-14	1,792	273	304	243	364	228	142	89	56	35	22
Ovens	16.67%	25-Sep-14	1,642	208	239	199	373	233	146	91	57	36	22
Rangehoods	16.67%	25-Sep-14	672	85	98	81	153	95	60	37	23	15	9
<b>Laundry assets</b>													
Washing machines	20.00%	25-Sep-14	970	148	165	132	197	123	77	48	30	19	12
<b>Lights</b>													
Shades, removable	40.00%	25-Sep-14	2,217	675	617	370	208	130	81	51	32	20	12
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	25-Sep-14	341	78	79	55	48	30	19	12	7	5	3
<b>Solar power generating system assets</b>													
	10.00%	25-Sep-14	8,361	637	772	695	626	563	507	456	410	369	333
		Carried forward	48,735	7,240	7,850	6,123	6,250	4,259	3,411	2,562	2,130	1,603	1,392

## 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
<b>Division 40 - Plant and Equipment</b>													
Brought forward			48,735	7,240	7,850	6,123	6,250	4,259	3,411	2,562	2,130	1,603	1,392
<b>Additional Items (Post Expenditure)</b>				<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Portable air conditioning unit	20.00%	21-Dec-18	99					37	23	15	9	6	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	10.00%	28-Jun-18	222				83	52	33	20	13	8	5
<b>Pooled Plant Total</b>													
Effective Life Plant Total				7,240	7,850	6,123	3,089	1,660	1,391	870	903	564	694
<b>Total Division 40</b>			<b>49,056</b>	<b>7,240</b>	<b>7,850</b>	<b>6,123</b>	<b>6,333</b>	<b>4,348</b>	<b>3,466</b>	<b>2,596</b>	<b>2,152</b>	<b>1,616</b>	<b>1,401</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Works - Completed 2008	2.50%	25-Sep-14	149,684	3,377	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434
Building Works - Completed 2018	2.50%	20-Apr-18	615				3	15	15	15	15	15	15
Structural Improvements - Completed 2008	2.50%	25-Sep-14	11,414	257	338	338	338	338	338	338	338	338	338
<b>Total Division 43</b>			<b>161,713</b>	<b>3,634</b>	<b>4,772</b>	<b>4,772</b>	<b>4,775</b>	<b>4,787</b>	<b>4,787</b>	<b>4,787</b>	<b>4,787</b>	<b>4,787</b>	<b>4,787</b>
<b>Total Depreciation</b>			<b>210,769</b>	<b>10,874</b>	<b>12,622</b>	<b>10,895</b>	<b>11,108</b>	<b>9,135</b>	<b>8,253</b>	<b>7,383</b>	<b>6,939</b>	<b>6,403</b>	<b>6,188</b>

## 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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	25-Sep-14	7,167	546	717	717	717	717	717	717	717	717	717
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	10.00%	25-Sep-14	747	57	75	75	75	75	75	75	75	75	75
<b>Blinds Residential</b>													
	10.00%	25-Sep-14	6,408	488	641	641	641	641	641	641	641	641	641
<b>Ceiling Fans</b>													
	20.00%	25-Sep-14	2,687	409	537	537	537	537	130				
<b>Door closers</b>													
	10.00%	25-Sep-14	269	20	27	27	27	27	27	27	27	27	27
<b>Fire control assets</b>													
Detection & alarm systems, detectors	5.00%	25-Sep-14	657	25	33	33	566						
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	25-Sep-14	4,309	328	431	431	431	431	431	431	431	431	431
<b>Furniture</b>													
	7.50%	25-Sep-14	4,703	269	353	353	353	353	353	353	353	353	353
<b>Garage doors, automatic</b>													
Controls	20.00%	25-Sep-14	254	39	51	51	51	51	11				
Motors	10.00%	25-Sep-14	1,792	136	179	179	179	179	179	179	179	179	179
<b>Garbage disposal</b>													
Garbage bins	15.00%	25-Sep-14	239	27	36	36	36	36	36	32			
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	25-Sep-14	2,240	142	187	187	187	187	187	187	187	187	187
<b>Kitchen assets</b>													
Cooktops	8.33%	25-Sep-14	1,269	81	106	106	106	106	106	106	106	106	106
Dishwashers	10.00%	25-Sep-14	1,792	136	179	179	179	179	179	179	179	179	179
Ovens	8.33%	25-Sep-14	1,642	104	137	137	137	137	137	137	137	137	137
Rangehoods	8.33%	25-Sep-14	672	43	56	56	56	56	56	56	56	56	56
<b>Laundry assets</b>													
Washing machines	10.00%	25-Sep-14	970	74	97	97	97	97	97	97	97	97	97
<b>Lights</b>													
Shades, removable	20.00%	25-Sep-14	2,217	338	443	443	443	443	107				
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	25-Sep-14	341	39	51	51	51	51	51	47			
<b>Solar power generating system assets</b>													
	5.00%	25-Sep-14	8,361	318	418	418	418	418	418	418	418	418	418
Carried forward			48,735	3,620	4,754	4,754	5,287	4,721	3,939	3,681	3,603	3,603	3,603

## Prime Cost Depreciation Schedule (cont.)

Assets Generally		Prime Cost	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		Rate												
Brought forward				48,735	3,620	4,754	4,754	5,287	4,721	3,939	3,681	3,603	3,603	3,603
<b>Additional Items (Post Expenditure)</b>					<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>														
Portable air conditioning unit	10.00%	21-Dec-18	99						5	10	10	10	10	10
<b>Fire control assets</b>														
Detection & alarm systems, detectors	5.00%	28-Jun-18	222				0	11	11	11	11	11	11	11
<b>Pooled Plant Total</b>														
<b>Effective Life Plant Total</b>					3,620	4,754	4,754	5,287	4,737	3,960	3,702	3,624	3,624	3,624
<b>Total Division 40</b>					49,056	3,620	4,754	4,754	5,287	4,737	3,960	3,702	3,624	3,624
<b>Division 43 - Capital Works Allowance</b>														
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Building Works - Completed 2008	2.50%	25-Sep-14	149,684	3,377	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434
Building Works - Completed 2018	2.50%	20-Apr-18	615				3	15	15	15	15	15	15	15
Structural Improvements - Completed 2008	2.50%	25-Sep-14	11,414	257	338	338	338	338	338	338	338	338	338	338
<b>Total Division 43</b>			161,713	3,634	4,772	4,772	4,775	4,787	4,787	4,787	4,787	4,787	4,787	4,787
<b>Total Depreciation</b>			210,769	7,254	9,526	9,526	10,062	9,524	8,747	8,489	8,411	8,411	8,411	8,411



## 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 2008	1 Jan 08 to 1 Jul 08	177,342	2.50%	4,434	149,684
Building Works - Completed 2018	17 Apr 18 to 20 Apr 18	615	2.50%	15	615
<b>Sub-total</b>		<b>177,957</b>		<b>4,449</b>	<b>150,299</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2008	1 Jan 08 to 1 Jul 08	13,524	2.50%	338	11,414
<b>Sub-total</b>		<b>13,524</b>		<b>338</b>	<b>11,414</b>
<b>Totals</b>		<b>191,481</b>		<b>4,787</b>	<b>161,713</b>

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

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	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.
<b>Decline in Value</b>	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.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	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.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	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.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	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.