



Tax Depreciation Report

120 Hansen St,
Moorooka QLD 4105

Tuyet Man Huynh
137 Wecker Road
MANSFIELD, QLD 4122

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

Tuyet Man Huynh
137 Wecker Road
MANSFIELD, QLD 4122

October 2019
Job No: RES4105007

Tax Depreciation Report – 120 Hansen St, Moorooka QLD 4105

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

22 October 2019

Purchaser

Tuyet Man Huynh

Property Address

120 Hansen St, Moorooka QLD 4105

Real Property Description

L82 RP54159

Property Type

Residential House

Date of Construction

Pre 1985

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								
<p>Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.</p>	<p>Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.</p>								
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								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>	<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p>100 / 10 Years = 10% (Straight Line)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>								
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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	14 October 13 to 30 June 14	6,469	0	6,469	994	7,463
2	1 July 14 to 30 June 15	5,267	0	5,267	1,401	6,668
3	1 July 15 to 30 June 16	4,249	0	4,249	1,401	5,650
4	1 July 16 to 30 June 17	2,080	1,765	3,844	1,432	5,276
5	1 July 17 to 30 June 18	1,754	1,296	3,050	1,474	4,524
6	1 July 18 to 30 June 19	1,480	938	2,418	1,609	4,027
7	1 July 19 to 30 June 20	1,105	822	1,927	1,701	3,628
8	1 July 20 to 30 June 21	751	861	1,612	1,720	3,332
9	1 July 21 to 30 June 22	382	1,197	1,579	1,720	3,299
10	1 July 22 to 30 June 23	331	748	1,079	1,720	2,799
11	1 July 23 to 30 June 24	287	468	754	1,720	2,474
12	1 July 24 to 30 June 25	249	292	541	1,720	2,261
13	1 July 25 to 30 June 26	216	183	398	1,720	2,118
14	1 July 26 to 30 June 27	187	114	301	1,720	2,021
15	1 July 27 to 30 June 28	162	71	233	1,720	1,953
16	1 July 28 to 30 June 29	140	45	185	1,522	1,707
17	1 July 29 to 30 June 30	0	370	370	1,480	1,850
18	1 July 30 to 30 June 31	0	231	231	1,480	1,711
19	1 July 31 to 30 June 32	0	144	144	1,480	1,624
20	1 July 32 to 30 June 33	0	90	90	1,480	1,570
21	1 July 33 to 30 June 34	0	56	56	1,404	1,460
22	1 July 34 to 30 June 35	0	35	35	1,394	1,429
23	1 July 35 to 30 June 36	0	22	22	1,394	1,416
24	1 July 36 to 30 June 37	0	14	14	1,394	1,408
25	1 July 37 to 30 June 38	0	9	9	1,165	1,174
26	1 July 38 to 30 June 39	0	5	5	1,147	1,152
27	1 July 39 to 30 June 40	0	3	3	1,147	1,150
28	1 July 40 to 30 June 41	0	2	2	1,147	1,149
29	1 July 41 to 30 June 42	0	1	1	749	750
30	1 July 42 to 30 June 43	0	1	1	319	320
31	1 July 43 to 30 June 44	0	1	1	319	320
32	1 July 44 to 30 June 45	0	0	0	319	319
33	1 July 45 to 30 June 46	0	0	0	319	319
34	1 July 46 to 30 June 47	0	0	0	319	319
35	1 July 47 to 30 June 48	0	0	0	319	319
36	1 July 48 to 30 June 49	0	0	0	319	319
37	1 July 49 to 30 June 50	0	0	0	319	319
38	1 July 50 to 30 June 51	0	0	0	319	319
39	1 July 51 to 30 June 52	0	0	0	319	319
40	2052+	0	0	0	1,895	1,895
Totals		25,107	9,786	34,893	47,240	82,133

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	14 October 13 to 30 June 14	4,230	0	4,230	994	5,224
2	1 July 14 to 30 June 15	3,156	0	3,156	1,401	4,557
3	1 July 15 to 30 June 16	3,240	0	3,240	1,401	4,641
4	1 July 16 to 30 June 17	3,242	0	3,242	1,432	4,674
5	1 July 17 to 30 June 18	3,320	0	3,320	1,474	4,794
6	1 July 18 to 30 June 19	3,234	0	3,234	1,609	4,843
7	1 July 19 to 30 June 20	2,483	0	2,483	1,701	4,184
8	1 July 20 to 30 June 21	2,007	0	2,007	1,720	3,727
9	1 July 21 to 30 June 22	2,006	0	2,006	1,720	3,726
10	1 July 22 to 30 June 23	1,969	0	1,969	1,720	3,689
11	1 July 23 to 30 June 24	1,527	0	1,527	1,720	3,247
12	1 July 24 to 30 June 25	1,365	0	1,365	1,720	3,085
13	1 July 25 to 30 June 26	1,218	0	1,218	1,720	2,938
14	1 July 26 to 30 June 27	983	0	983	1,720	2,703
15	1 July 27 to 30 June 28	699	0	699	1,720	2,419
16	1 July 28 to 30 June 29	214	0	214	1,522	1,736
17	1 July 29 to 30 June 30	0	0	0	1,480	1,480
18	1 July 30 to 30 June 31	0	0	0	1,480	1,480
19	1 July 31 to 30 June 32	0	0	0	1,480	1,480
20	1 July 32 to 30 June 33	0	0	0	1,480	1,480
21	1 July 33 to 30 June 34	0	0	0	1,404	1,404
22	1 July 34 to 30 June 35	0	0	0	1,394	1,394
23	1 July 35 to 30 June 36	0	0	0	1,394	1,394
24	1 July 36 to 30 June 37	0	0	0	1,394	1,394
25	1 July 37 to 30 June 38	0	0	0	1,165	1,165
26	1 July 38 to 30 June 39	0	0	0	1,147	1,147
27	1 July 39 to 30 June 40	0	0	0	1,147	1,147
28	1 July 40 to 30 June 41	0	0	0	1,147	1,147
29	1 July 41 to 30 June 42	0	0	0	749	749
30	1 July 42 to 30 June 43	0	0	0	319	319
31	1 July 43 to 30 June 44	0	0	0	319	319
32	1 July 44 to 30 June 45	0	0	0	319	319
33	1 July 45 to 30 June 46	0	0	0	319	319
34	1 July 46 to 30 June 47	0	0	0	319	319
35	1 July 47 to 30 June 48	0	0	0	319	319
36	1 July 48 to 30 June 49	0	0	0	319	319
37	1 July 49 to 30 June 50	0	0	0	319	319
38	1 July 50 to 30 June 51	0	0	0	319	319
39	1 July 51 to 30 June 52	0	0	0	319	319
40	2052+	0	0	0	1,895	1,895
Totals		34,893	0	34,893	47,240	82,133

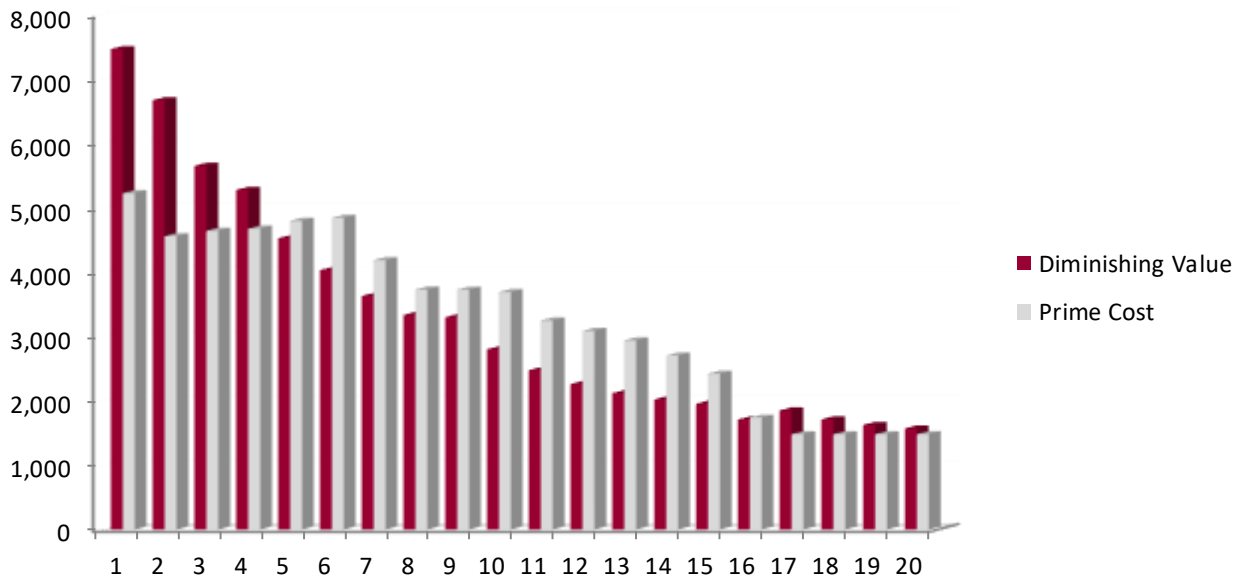
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

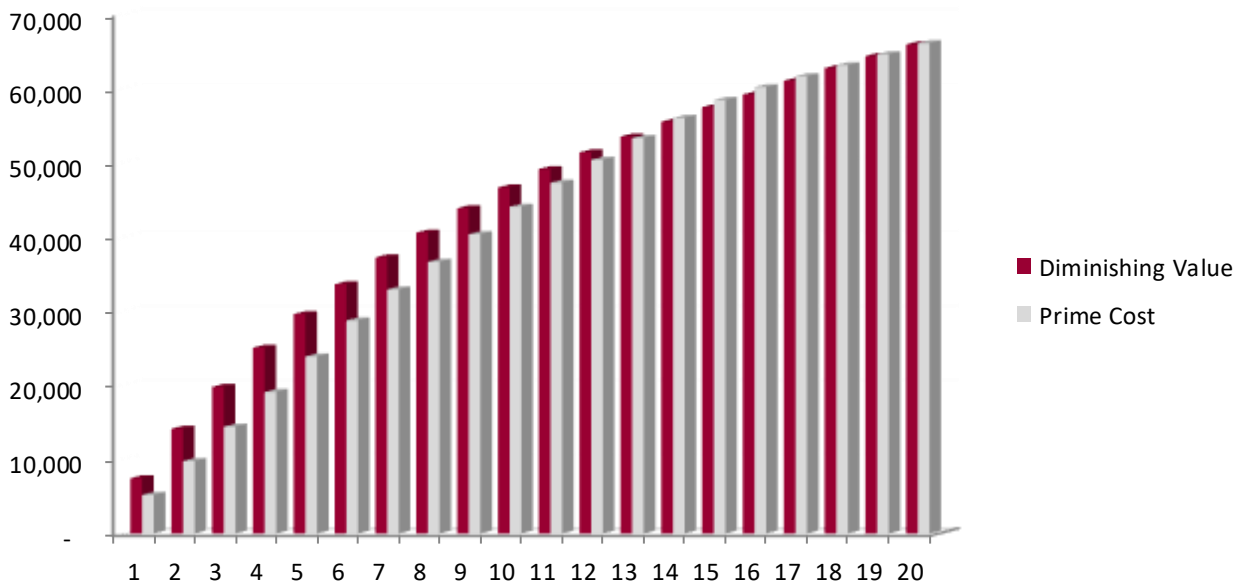
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	13 September 2013
Settlement Date	14 October 2013

Expenditure Analysed

Purchase Price	\$435,000
Stamp Duty	\$13,650
Legals	\$1,496
Post Expenditure	\$11,254
Total Expenditure Analysed	\$461,400

Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

9. Reconciliation of Capital Expenditure

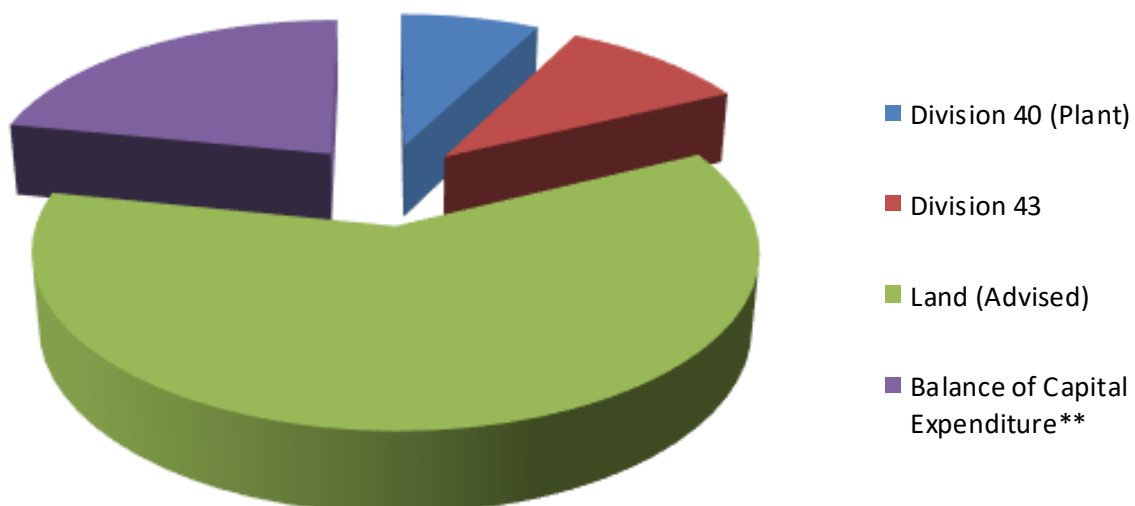
Apportionment of cost relating to:

Division 40 (Plant)	\$34,893
Division 43	\$47,240
Land (Advised)	\$278,472
Balance of Capital Expenditure**	\$100,795
Total Expenditure Analysed	\$461,400

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

** 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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	14-Oct-13	4,119	585	707	565	452	362	290	232	347	217	136
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	14-Oct-13	686	97	118	94	141	88	147				
Blinds Residential	20.00%	14-Oct-13	412	58	71	57	85	53	33	21	13	8	5
Ceiling Fans	40.00%	14-Oct-13	686	195	197	118	66	111					
Curtains and drapes	33.33%	14-Oct-13	2,515	595	640	427	320	200	125	78	49	31	19
Door closers	20.00%	14-Oct-13	247	35	42	34	51	32	20	12	8	5	3
Floor coverings (removable without damage)													
Floating timber	13.33%	14-Oct-13	8,616	815	1,040	901	781	677	587	509	441	382	331
Linoleum & vinyl	20.00%	14-Oct-13	967	137	166	133	199	124	78	49	30	19	12
Furniture	15.00%	14-Oct-13	3,110	331	417	354	301	256	218	185	157	334	209
Garbage disposal													
Garbage bins	30.00%	14-Oct-13	220	47	52	36	32	20	12	8	5	3	2
Hot water systems (excluding piping)													
Gas or electric	16.67%	14-Oct-13	2,471	292	363	303	252	210	175	328	205	128	80
Kitchen assets													
Stoves	13.33%	14-Oct-13	1,991	1,991									
Lights													
Fittings (excluding hardwired)	40.00%	14-Oct-13	1,696	481	486	291	164	102	64	40	25	16	10
Security systems & equipment													
Electronic	30.00%	14-Oct-13	1,648	351	389	272	238	149	93	58	36	23	14
Sunshades	15.00%	14-Oct-13	3,020	321	405	344	293	249	211	180	153	324	203
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	22-Feb-19	280						105	66	41	26	16
Ceiling Fans	40.00%	5-Dec-17	330					124	77	48	30	19	12
Kitchen assets													
Stoves	13.33%	15-Oct-13	1,450	137	175	152	370	231	145	90	56	35	22
Carried forward			34,464	6,469	5,267	4,082	3,746	2,988	2,380	1,903	1,597	1,569	1,073

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	34,464	6,469	5,267	4,082	3,746	2,988	2,380	1,903	1,597	1,569	1,073
Lights													
Fittings (excluding hardwired)	40.00%	10-Jul-15	429			167	98	61	38	24	15	9	6
Pooled Plant Total													
Effective Life Plant Total				6,469	5,267	4,249	2,080	1,296	938	822	861	1,197	748
Total Division 40			34,893	6,469	5,267	4,249	3,844	3,050	2,418	1,927	1,612	1,579	1,079
Division 43 - Capital Works Allowance													
	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 1988	2.50%	14-Oct-13	3,572	170	240	240	240	240	240	240	240	240	240
Building Works - Completed 1997	2.50%	14-Oct-13	5,874	175	247	247	247	247	247	247	247	247	247
Building Works - Completed 2002	2.50%	14-Oct-13	19,750	497	700	700	700	700	700	700	700	700	700
Building Works - Completed 2017	2.50%	27-Jan-17	2,900				31	73	73	73	73	73	73
Building Works - Completed 2018	2.50%	05-Oct-18	4,315						79	108	108	108	108
Structural Improvements - Completed 1993	2.50%	14-Oct-13	1,705	61	86	86	86	86	86	86	86	86	86
Structural Improvements - Completed 2002	2.50%	14-Oct-13	3,624	91	128	128	128	128	128	128	128	128	128
Structural Improvements - Completed 2018	2.50%	01-Oct-18	3,000						56	75	75	75	75
Structural Improvements - Completed 2019	2.50%	20-Oct-19	2,500							44	63	63	63
Total Division 43			47,240	994	1,401	1,401	1,432	1,474	1,609	1,701	1,720	1,720	1,720
Total Depreciation			82,133	7,463	6,668	5,650	5,276	4,524	4,027	3,628	3,332	3,299	2,799

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%	14-Oct-13	4,119	292	412	412	412	412	412	412	412	412	412
Bathroom assets													
Exhaust fans (including light/heating)	10.00%	14-Oct-13	686	49	69	69	69	69	362				
Blinds Residential	10.00%	14-Oct-13	412	29	41	41	41	41	41	41	41	41	41
Ceiling Fans	20.00%	14-Oct-13	686	97	137	137	137	178					
Curtains and drapes	16.67%	14-Oct-13	2,515	297	419	419	419	419	419	123			
Door closers	10.00%	14-Oct-13	247	18	25	25	25	25	25	25	25	25	25
Floor coverings (removable without damage)													
Floating timber	6.67%	14-Oct-13	8,616	408	574	574	574	574	574	574	574	574	574
Linoleum & vinyl	10.00%	14-Oct-13	967	69	97	97	97	97	97	97	97	97	97
Furniture	7.50%	14-Oct-13	3,110	166	233	233	233	233	233	233	233	233	233
Garbage disposal													
Garbage bins	15.00%	14-Oct-13	220	23	33	33	33	33	33	31			
Hot water systems (excluding piping)													
Gas or electric	8.33%	14-Oct-13	2,471	146	206	206	206	206	206	206	206	206	206
Kitchen assets													
Stoves	6.67%	14-Oct-13	1,991	1,991									
Lights													
Fittings (excluding hardwired)	20.00%	14-Oct-13	1,696	241	339	339	339	339	99				
Security systems & equipment													
Electronic	15.00%	14-Oct-13	1,648	175	247	247	247	247	247	237			
Sunshades	7.50%	14-Oct-13	3,020	161	227	227	227	227	227	227	227	227	227
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Bathroom assets													
Exhaust fans (including light/heating)	10.00%	22-Feb-19	280						10	28	28	28	28
Ceiling Fans	20.00%	05-Dec-17	330					37	66	66	66	66	29
Kitchen assets													
Stoves	6.67%	15-Oct-13	1,450	68	97	97	97	97	97	97	97	97	97
Carried forward			34,464	4,230	3,156	3,156	3,156	3,234	3,148	2,397	2,006	2,006	1,969

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				34,464	4,230	3,156	3,156	3,156	3,234	3,148	2,397	2,006	2,006	1,969
Lights														
Fittings (excluding hardwired)	20.00%	10-Jul-15	429			84	86	86	86	86	86	1		
Pooled Plant Total														
Effective Life Plant Total				4,230	3,156	3,240	3,242	3,320	3,234	2,483	2,007	2,006	1,969	
Total Division 40				34,893	4,230	3,156	3,240	3,242	3,320	3,234	2,483	2,007	2,006	1,969
Division 43 - Capital Works Allowance														
	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 1988	2.50%	14-Oct-13	3,572	170	240	240	240	240	240	240	240	240	240	240
Building Works - Completed 1997	2.50%	14-Oct-13	5,874	175	247	247	247	247	247	247	247	247	247	247
Building Works - Completed 2002	2.50%	14-Oct-13	19,750	497	700	700	700	700	700	700	700	700	700	700
Building Works - Completed 2017	2.50%	27-Jan-17	2,900				31	73	73	73	73	73	73	73
Building Works - Completed 2018	2.50%	05-Oct-18	4,315						79	108	108	108	108	108
Structural Improvements - Completed 1993	2.50%	14-Oct-13	1,705	61	86	86	86	86	86	86	86	86	86	86
Structural Improvements - Completed 2002	2.50%	14-Oct-13	3,624	91	128	128	128	128	128	128	128	128	128	128
Structural Improvements - Completed 2018	2.50%	01-Oct-18	3,000						56	75	75	75	75	75
Structural Improvements - Completed 2019	2.50%	20-Oct-19	2,500							44	63	63	63	63
Total Division 43				47,240	994	1,401	1,401	1,432	1,474	1,609	1,701	1,720	1,720	1,720
Total Depreciation				82,133	5,224	4,557	4,641	4,674	4,794	4,843	4,184	3,727	3,726	3,689

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 1988	6 Sep 88 to 9 Sep 88	9,597	2.50%	240	3,572
Building Works - Completed 1997	29 Jul 97 to 1 Aug 97	9,879	2.50%	247	5,874
Building Works - Completed 2002	5 Jan 02 to 8 Jan 02	27,987	2.50%	700	19,750
Building Works - Completed 2017	24 Jan 17 to 27 Jan 17	2,900	2.50%	73	2,900
Building Works - Completed 2018	1 Oct 18 to 5 Oct 18	4,315	2.50%	108	4,315

Sub-total 54,677 1,368 36,411

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	3 Aug 93 to 6 Aug 93	3,444	2.50%	86	1,705
Structural Improvements - Completed 2002	5 Jan 02 to 8 Jan 02	5,136	2.50%	128	3,624
Structural Improvements - Completed 2018	28 Sep 18 to 1 Oct 18	3,000	2.50%	75	3,000
Structural Improvements - Completed 2019	15 Oct 19 to 20 Oct 19	2,500	2.50%	63	2,500

Sub-total 14,080 352 10,829

Totals 68,756 1,720 47,240

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	
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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.