



Tax Depreciation Report

301/297 Lancaster Road,
Ascot QLD 4007

Rostyslav Chernetskay
301/297 Lancaster Road
ASCOT, QLD 4007

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

Rostyslav Chernetskay
301/297 Lancaster Road
ASCOT, QLD 4007

October 2019
Job No: RES4007010

Tax Depreciation Report – 301/297 Lancaster Road, Ascot QLD 4007

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



TABLE OF CONTENTS

1. Property Information	2
2. Report Details	3
3. Capital Allowances	4
4. Capital Works	6
5. Summary of Entitlements – Diminishing Value Method	7
6. Summary of Entitlements – Prime Cost Method	8
7. Comparison Graphs	9
8. Capital Expenditure Analysed	10
9. Reconciliation of Capital Expenditure	10
10. Diminishing Value Depreciation Schedule	11
11. Prime Cost Depreciation Schedule	13
12. Division 43 Capital Works Schedule	15
13. Definition of Terms	16
14. Contact Details	17
15. Disclaimer	18

1. Property Information

Date of Report

23 October 2019

Purchaser

Rostyslav Chernetskay

Property Address

301/297 Lancaster Road, Ascot QLD 4007

Real Property Description

L301/SP278906

Property Type

Residential Unit

Date of Construction

1 October 2019

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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	28 October 19 to 30 June 20	6,724	2,902	9,626	4,354	13,980
2	1 July 20 to 30 June 21	8,155	5,550	13,705	6,478	20,183
3	1 July 21 to 30 June 22	6,734	3,469	10,203	6,478	16,681
4	1 July 22 to 30 June 23	5,029	3,080	8,109	6,478	14,587
5	1 July 23 to 30 June 24	3,893	2,621	6,515	6,478	12,993
6	1 July 24 to 30 June 25	3,106	2,000	5,106	6,478	11,584
7	1 July 25 to 30 June 26	2,505	1,584	4,089	6,478	10,567
8	1 July 26 to 30 June 27	1,818	1,679	3,498	6,478	9,976
9	1 July 27 to 30 June 28	1,509	1,414	2,923	6,478	9,401
10	1 July 28 to 30 June 29	1,152	1,199	2,350	6,478	8,828
11	1 July 29 to 30 June 30	1,026	749	1,775	6,478	8,253
12	1 July 30 to 30 June 31	619	1,111	1,730	6,478	8,208
13	1 July 31 to 30 June 32	578	694	1,272	6,478	7,750
14	1 July 32 to 30 June 33	539	434	973	6,478	7,451
15	1 July 33 to 30 June 34	504	271	775	6,478	7,253
16	1 July 34 to 30 June 35	470	170	639	6,478	7,117
17	1 July 35 to 30 June 36	439	106	545	6,478	7,023
18	1 July 36 to 30 June 37	409	66	476	6,478	6,954
19	1 July 37 to 30 June 38	382	41	423	6,478	6,901
20	1 July 38 to 30 June 39	357	26	382	6,478	6,860
21	1 July 39 to 30 June 40	333	16	349	6,478	6,827
22	1 July 40 to 30 June 41	311	10	321	6,478	6,799
23	1 July 41 to 30 June 42	290	6	296	6,478	6,774
24	1 July 42 to 30 June 43	271	4	275	6,478	6,753
25	1 July 43 to 30 June 44	253	2	255	6,478	6,733
26	1 July 44 to 30 June 45	236	2	237	6,478	6,715
27	1 July 45 to 30 June 46	220	1	221	6,478	6,699
28	1 July 46 to 30 June 47	205	1	206	6,478	6,684
29	1 July 47 to 30 June 48	192	0	192	6,478	6,670
30	1 July 48 to 30 June 49	179	0	179	6,478	6,657
31	1 July 49 to 30 June 50	167	0	167	6,478	6,645
32	1 July 50 to 30 June 51	156	0	156	6,478	6,634
33	1 July 51 to 30 June 52	145	0	145	6,478	6,623
34	1 July 52 to 30 June 53	136	0	136	6,478	6,614
35	1 July 53 to 30 June 54	127	0	127	6,478	6,605
36	1 July 54 to 30 June 55	118	0	118	6,478	6,596
37	1 July 55 to 30 June 56	110	0	110	6,478	6,588
38	1 July 56 to 30 June 57	103	0	103	6,478	6,581
39	1 July 57 to 30 June 58	96	0	96	6,478	6,574
40	2058+	1,346	0	1,346	8,115	9,461
Totals		50,941	29,210	80,150	258,633	338,783

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	28 October 19 to 30 June 20	3,466	2,902	6,368	4,354	10,722
2	1 July 20 to 30 June 21	4,847	4,716	9,563	6,478	16,041
3	1 July 21 to 30 June 22	4,847	2,948	7,795	6,478	14,273
4	1 July 22 to 30 June 23	4,847	1,842	6,689	6,478	13,167
5	1 July 23 to 30 June 24	4,847	1,151	5,998	6,478	12,476
6	1 July 24 to 30 June 25	4,847	720	5,567	6,478	12,045
7	1 July 25 to 30 June 26	4,845	450	5,295	6,478	11,773
8	1 July 26 to 30 June 27	4,573	281	4,854	6,478	11,332
9	1 July 27 to 30 June 28	4,573	176	4,749	6,478	11,227
10	1 July 28 to 30 June 29	4,573	110	4,683	6,478	11,161
11	1 July 29 to 30 June 30	2,776	69	2,845	6,478	9,323
12	1 July 30 to 30 June 31	1,902	43	1,945	6,478	8,423
13	1 July 31 to 30 June 32	1,367	27	1,393	6,478	7,871
14	1 July 32 to 30 June 33	974	17	991	6,478	7,469
15	1 July 33 to 30 June 34	720	10	730	6,478	7,208
16	1 July 34 to 30 June 35	720	7	727	6,478	7,205
17	1 July 35 to 30 June 36	720	4	724	6,478	7,202
18	1 July 36 to 30 June 37	720	3	723	6,478	7,201
19	1 July 37 to 30 June 38	720	2	722	6,478	7,200
20	1 July 38 to 30 June 39	720	1	721	6,478	7,199
21	1 July 39 to 30 June 40	720	1	721	6,478	7,199
22	1 July 40 to 30 June 41	720	0	720	6,478	7,198
23	1 July 41 to 30 June 42	720	0	720	6,478	7,198
24	1 July 42 to 30 June 43	720	0	720	6,478	7,198
25	1 July 43 to 30 June 44	720	0	720	6,478	7,198
26	1 July 44 to 30 June 45	663	0	663	6,478	7,141
27	1 July 45 to 30 June 46	646	0	646	6,478	7,124
28	1 July 46 to 30 June 47	646	0	646	6,478	7,124
29	1 July 47 to 30 June 48	646	0	646	6,478	7,124
30	1 July 48 to 30 June 49	646	0	646	6,478	7,124
31	1 July 49 to 30 June 50	220	0	220	6,478	6,698
32	1 July 50 to 30 June 51	0	0	0	6,478	6,478
33	1 July 51 to 30 June 52	0	0	0	6,478	6,478
34	1 July 52 to 30 June 53	0	0	0	6,478	6,478
35	1 July 53 to 30 June 54	0	0	0	6,478	6,478
36	1 July 54 to 30 June 55	0	0	0	6,478	6,478
37	1 July 55 to 30 June 56	0	0	0	6,478	6,478
38	1 July 56 to 30 June 57	0	0	0	6,478	6,478
39	1 July 57 to 30 June 58	0	0	0	6,478	6,478
40	2058+	0	0	0	8,115	8,115
Totals		64,672	15,479	80,150	258,633	338,783

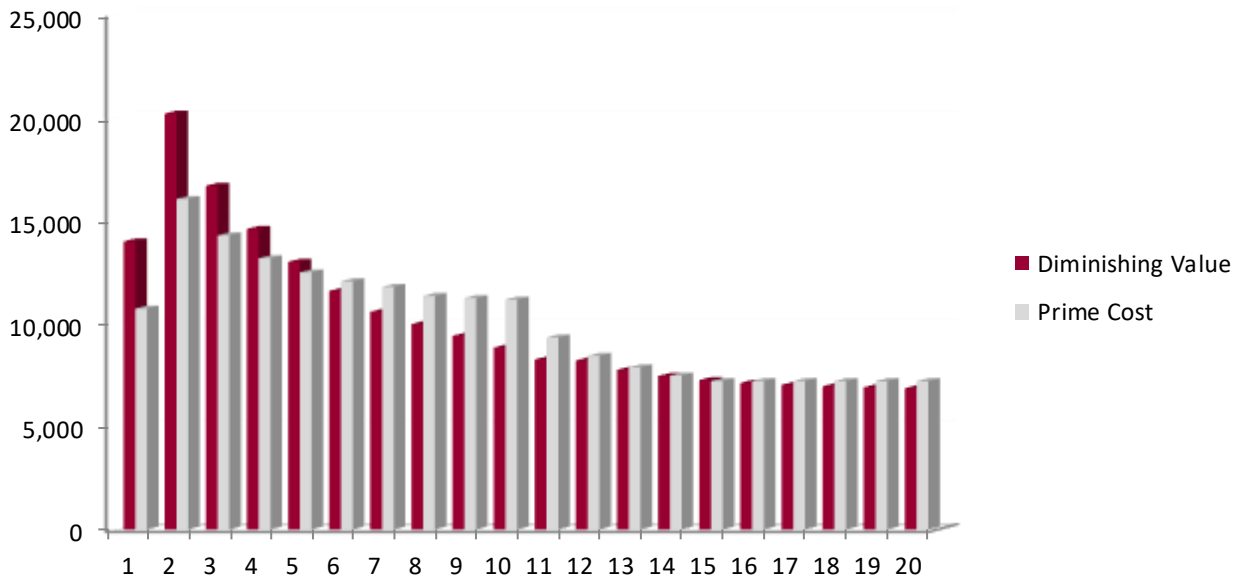
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

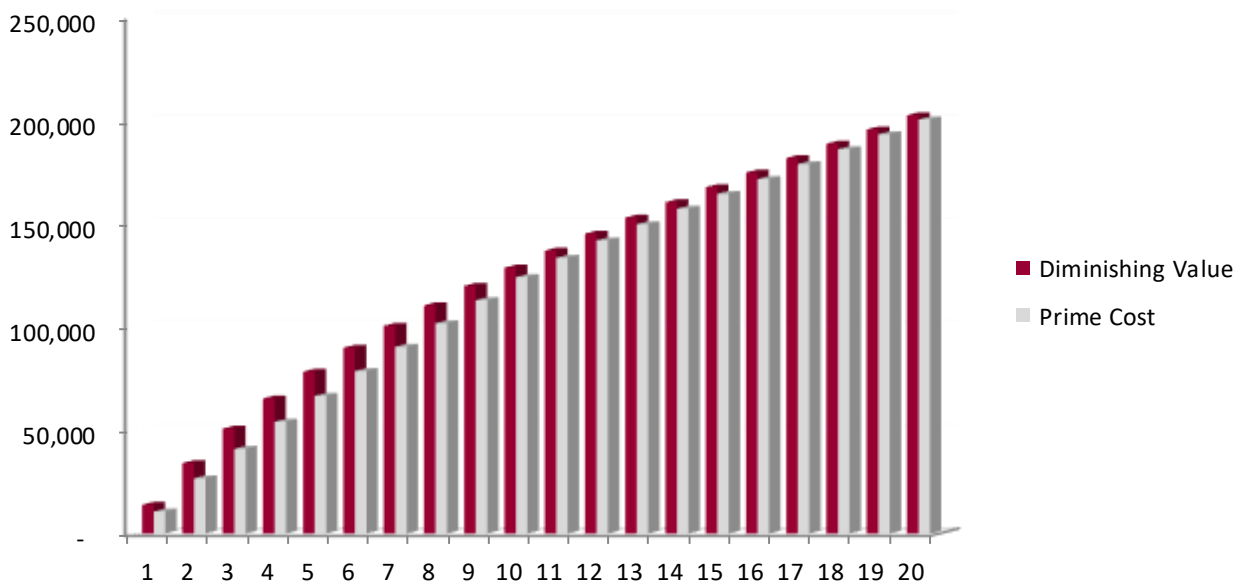
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	1 May 2019
Settlement Date	28 October 2019

Expenditure Analysed

Purchase Price	\$565,000
Stamp Duty	\$18,450
Legals	\$1,500
Total Expenditure Analysed	\$584,950

Historical Construction Details

Construction Start Date	1 April 2019
Construction Completion Date	1 October 2019
Historical Construction Cost (Estimated)*	\$317,064

9. Reconciliation of Capital Expenditure

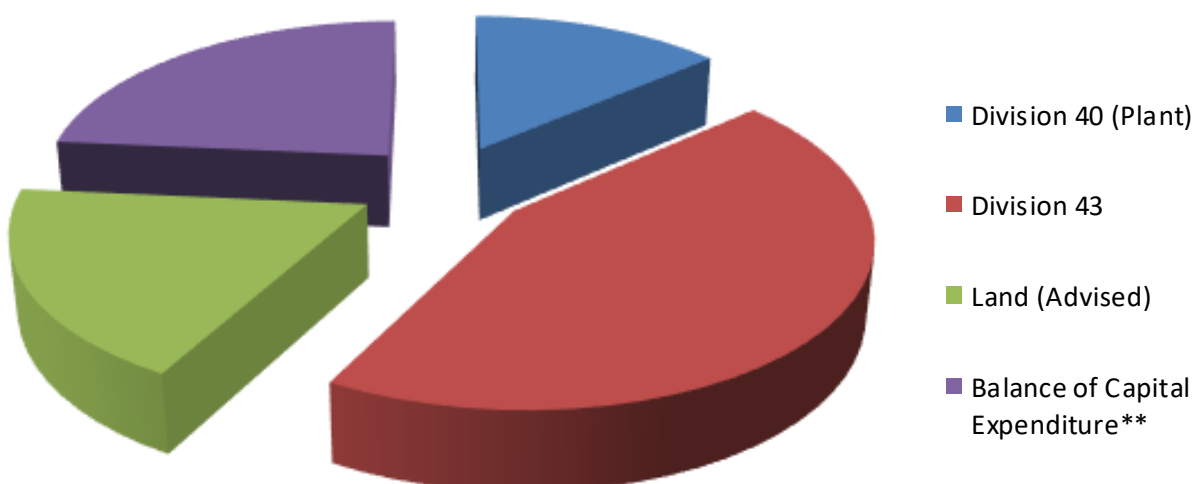
Apportionment of cost relating to:

Division 40 (Plant)	\$80,150
Division 43	\$258,633
Land (Advised)	\$108,480
Balance of Capital Expenditure**	\$137,687
Total Expenditure Analysed	\$584,950

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	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%	28-Oct-19	8,716	1,172	1,509	1,207	966	773	618	494	396	316	253
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	28-Oct-19	908	170	277	173	108	68	42	26	16	10	6
Blinds Residential													
Blinds Residential	20.00%	28-Oct-19	3,813	513	660	528	423	338	270	216	324	203	127
Blinds Residential	18.75%	28-Oct-19	1,634	306	498	311	195	122	76	47	30	19	12
Ceiling Fans													
Ceiling Fans	18.75%	28-Oct-19	2,156	404	657	411	257	160	100	63	39	24	15
Computer systems													
General	18.75%	28-Oct-19	636	119	194	121	76	47	30	18	12	7	5
Door closers													
Door closers	18.75%	28-Oct-19	705	132	215	134	84	52	33	20	13	8	5
Fire control assets													
Detection & alarm systems, detectors	18.75%	28-Oct-19	1,336	250	407	254	159	99	62	39	24	15	9
Emergency warning & intercommunication system	16.67%	28-Oct-19	873	98	291	182	114	71	44	28	17	11	7
Hoses and nozzles	20.00%	28-Oct-19	624	84	203	127	79	49	31	19	12	8	5
Pumps, diesel & electric	8.00%	28-Oct-19	1,843	99	139	128	118	109	100	92	85	365	228
Fire extinguishers	18.75%	28-Oct-19	130	24	40	25	15	10	6	4	2	1	1
Floor coverings (removable without damage)													
Carpets	20.00%	28-Oct-19	5,778	777	1,000	800	640	512	410	328	262	210	315
Furniture													
Furniture	15.00%	28-Oct-19	5,107	515	689	586	498	423	360	306	260	221	188
Furniture	18.75%	28-Oct-19	2,656	498	809	506	316	198	123	77	48	30	19
Garden sheds, freestanding													
Garden sheds, freestanding	20.00%	28-Oct-19	1,951	262	338	270	216	324	203	127	79	49	31
Hot water systems (excluding piping)													
Gas or electric	16.67%	28-Oct-19	3,269	366	484	403	336	280	233	194	365	228	142
Kitchen assets													
Cooktops	16.67%	28-Oct-19	1,929	216	286	238	198	372	232	145	91	57	35
Dishwashers	20.00%	28-Oct-19	2,724	366	472	377	302	241	362	226	141	88	55
Ovens	16.67%	28-Oct-19	2,497	280	370	308	257	214	178	334	209	131	82
Rangehoods	16.67%	28-Oct-19	1,021	114	340	213	133	83	52	32	20	13	8
Laundry assets													
Clothes dryers	20.00%	28-Oct-19	1,475	198	255	204	307	192	120	75	47	29	18
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	28-Oct-19	19,388	869	1,235	1,152	1,076	1,004	937	874	816	762	711
Lights													
Shades, removable	18.75%	28-Oct-19	5,318	997	1,620	1,013	633	396	247	155	97	60	38
Carried forward			76,490	8,831	12,986	9,671	7,503	6,136	4,870	3,941	3,405	2,865	2,314

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			76,490	8,831	12,986	9,671	7,503	6,136	4,870	3,941	3,405	2,865	2,314
MATV - amplifiers & modulators	20.00%	28-Oct-19	1,626	219	281	225	338	211	132	82	52	32	20
Security systems & equipment													
Electronic	30.00%	28-Oct-19	1,827	368	437	306	268	167	105	65	41	26	16
\$300 items	100.00%	28-Oct-19	208	208									
Pooled Plant Total				2,902	5,550	3,469	3,080	2,621	2,000	1,584	1,679	1,414	1,199
Effective Life Plant Total				6,724	8,155	6,734	5,029	3,893	3,106	2,505	1,818	1,509	1,152
Total Division 40			80,150	9,626	13,705	10,203	8,109	6,515	5,106	4,089	3,498	2,923	2,350
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 2019	2.50%	28-Oct-19	251,722	4,238	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305
Structural Improvements - Completed 2019	2.50%	28-Oct-19	6,911	116	173	173	173	173	173	173	173	173	173
Total Division 43			258,633	4,354	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478
Total Depreciation			338,783	13,980	20,183	16,681	14,587	12,993	11,584	10,567	9,976	9,401	8,828

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%	28-Oct-19	8,716	586	872	872	872	872	872	872	872	872	872
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	28-Oct-19	908	170	277	173	108	68	42	26	16	10	6
Blinds Residential	10.00%	28-Oct-19	3,813	256	381	381	381	381	381	381	381	381	381
Blinds Residential	18.75%	28-Oct-19	1,634	306	498	311	195	122	76	47	30	19	12
Ceiling Fans	18.75%	28-Oct-19	2,156	404	657	411	257	160	100	63	39	24	15
Computer systems													
General	18.75%	28-Oct-19	636	119	194	121	76	47	30	18	12	7	5
Door closers	18.75%	28-Oct-19	705	132	215	134	84	52	33	20	13	8	5
Fire control assets													
Detection & alarm systems, detectors	18.75%	28-Oct-19	1,336	250	407	254	159	99	62	39	24	15	9
Emergency warning & intercommunication system	8.33%	28-Oct-19	873	49	73	73	73	73	73	73	73	73	73
Hoses and nozzles	10.00%	28-Oct-19	624	42	62	62	62	62	62	62	62	62	62
Pumps, diesel & electric	4.00%	28-Oct-19	1,843	50	74	74	74	74	74	74	74	74	74
Fire extinguishers	18.75%	28-Oct-19	130	24	40	25	15	10	6	4	2	1	1
Floor coverings (removable without damage)													
Carpets	10.00%	28-Oct-19	5,778	388	578	578	578	578	578	578	578	578	578
Furniture	7.50%	28-Oct-19	5,107	258	383	383	383	383	383	383	383	383	383
Furniture	18.75%	28-Oct-19	2,656	498	809	506	316	198	123	77	48	30	19
Garden sheds, freestanding	10.00%	28-Oct-19	1,951	131	195	195	195	195	195	195	195	195	195
Hot water systems (excluding piping)													
Gas or electric	8.33%	28-Oct-19	3,269	183	272	272	272	272	272	272	272	272	272
Kitchen assets													
Cooktops	8.33%	28-Oct-19	1,929	108	161	161	161	161	161	161	161	161	161
Dishwashers	10.00%	28-Oct-19	2,724	183	272	272	272	272	272	272	272	272	272
Ovens	8.33%	28-Oct-19	2,497	140	208	208	208	208	208	208	208	208	208
Rangehoods	8.33%	28-Oct-19	1,021	57	85	85	85	85	85	85	85	85	85
Laundry assets													
Clothes dryers	10.00%	28-Oct-19	1,475	99	148	148	148	148	148	148	148	148	148
Lifts (including hydraulic & tractions lifts)	3.33%	28-Oct-19	19,388	434	646	646	646	646	646	646	646	646	646
Lights													
Shades, removable	18.75%	28-Oct-19	5,318	997	1,620	1,013	633	396	247	155	97	60	38
Carried forward			76,490	5,867	9,126	7,358	6,252	5,561	5,130	4,860	4,691	4,586	4,520

Prime Cost Depreciation Schedule (cont.)

Assets Generally													
Division 40 - Plant and Equipment	Prime Cost 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			76,490	5,867	9,126	7,358	6,252	5,561	5,130	4,860	4,691	4,586	4,520
MATV - amplifiers & modulators	10.00%	28-Oct-19	1,626	109	163	163	163	163	163	163	163	163	163
Security systems & equipment													
Electronic	15.00%	28-Oct-19	1,827	184	274	274	274	274	274	274	272		
\$300 items	100.00%	28-Oct-19	208	208									
Pooled Plant Total				2,902	4,716	2,948	1,842	1,151	720	450	281	176	110
Effective Life Plant Total				3,466	4,847	4,847	4,847	4,847	4,847	4,845	4,573	4,573	4,573
Total Division 40			80,150	6,368	9,563	7,795	6,689	5,998	5,567	5,295	4,854	4,749	4,683
Division 43 - Capital Works Allowance													
	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
Building Works - Completed 2019	2.50%	28-Oct-19	251,722	4,238	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305
Structural Improvements - Completed 2019	2.50%	28-Oct-19	6,911	116	173	173	173	173	173	173	173	173	173
Total Division 43			258,633	4,354	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478	6,478
Total Depreciation			338,783	10,722	16,041	14,273	13,167	12,476	12,045	11,773	11,332	11,227	11,161

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 2019	1 Apr 19 to 1 Oct 19	252,188	2.50%	6,305	251,722
Sub-total		252,188		6,305	251,722

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	1 Apr 19 to 1 Oct 19	6,924	2.50%	173	6,911
Sub-total		6,924		173	6,911
Totals		259,113		6,478	258,633

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
Postal Address	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
Office Number	1300 669 400
Office Email	info@koste.com.au

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.