



## Tax Depreciation Report

11-17 Frank Heck Cl,  
Beenleigh QLD 4207

Peter Batley  
103 Commodore Dr  
SURFERS PARADISE, QLD 4217

Issue Schedule	
Issue Date:	Issued by:
18 November 2019	Mark Kilroy Bsc (Hons) MRICS

Peter Batley  
103 Commodore Dr  
SURFERS PARADISE, QLD 4217

November 2019  
Job No: COM4207003

### **Tax Depreciation Report – 11-17 Frank Heck Ct, Beenleigh QLD 4207**

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

18 November 2019

### Purchaser

Peter Batley

### Property Address

11-17 Frank Heck Cl, Beenleigh QLD 4207

### Real Property Description

L16 SP208838

### Property Type

Commercial

### Date of Construction

1 July 2019

### 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"> <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>	<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>								
Calculation Example	Calculation Example								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></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><b>100 / 10 Years = 10% (Straight Line)</b></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	5 November 19 to 30 June 20	19,635	9,308	28,943	30,749	59,692
2	1 July 20 to 30 June 21	25,343	15,126	40,469	47,286	87,755
3	1 July 21 to 30 June 22	19,235	9,454	28,688	47,286	75,974
4	1 July 22 to 30 June 23	14,506	6,166	20,672	47,286	67,958
5	1 July 23 to 30 June 24	11,310	3,854	15,164	47,286	62,450
6	1 July 24 to 30 June 25	8,883	2,409	11,292	47,286	58,578
7	1 July 25 to 30 June 26	6,647	1,853	8,501	47,286	55,787
8	1 July 26 to 30 June 27	5,348	1,158	6,507	47,286	53,793
9	1 July 27 to 30 June 28	4,215	1,062	5,276	47,286	52,562
10	1 July 28 to 30 June 29	3,385	664	4,049	47,286	51,335
11	1 July 29 to 30 June 30	2,522	785	3,307	47,286	50,593
12	1 July 30 to 30 June 31	1,665	1,168	2,834	47,286	50,120
13	1 July 31 to 30 June 32	1,340	730	2,070	47,286	49,356
14	1 July 32 to 30 June 33	917	819	1,736	47,286	49,022
15	1 July 33 to 30 June 34	734	512	1,246	47,286	48,532
16	1 July 34 to 30 June 35	587	320	907	47,286	48,193
17	1 July 35 to 30 June 36	306	507	813	47,286	48,099
18	1 July 36 to 30 June 37	245	317	562	47,286	47,848
19	1 July 37 to 30 June 38	0	565	565	47,286	47,851
20	1 July 38 to 30 June 39	0	353	353	47,286	47,639
21	1 July 39 to 30 June 40	0	221	221	47,286	47,507
22	1 July 40 to 30 June 41	0	138	138	47,286	47,424
23	1 July 41 to 30 June 42	0	86	86	47,286	47,372
24	1 July 42 to 30 June 43	0	54	54	47,286	47,340
25	1 July 43 to 30 June 44	0	34	34	47,286	47,320
26	1 July 44 to 30 June 45	0	21	21	47,286	47,307
27	1 July 45 to 30 June 46	0	13	13	47,286	47,299
28	1 July 46 to 30 June 47	0	8	8	47,286	47,294
29	1 July 47 to 30 June 48	0	5	5	47,286	47,291
30	1 July 48 to 30 June 49	0	3	3	47,286	47,289
31	1 July 49 to 30 June 50	0	2	2	47,286	47,288
32	1 July 50 to 30 June 51	0	1	1	47,286	47,287
33	1 July 51 to 30 June 52	0	1	1	47,286	47,287
34	1 July 52 to 30 June 53	0	0	0	47,286	47,286
35	1 July 53 to 30 June 54	0	0	0	47,286	47,286
36	1 July 54 to 30 June 55	0	0	0	47,286	47,286
37	1 July 55 to 30 June 56	0	0	0	47,286	47,286
38	1 July 56 to 30 June 57	0	0	0	47,286	47,286
39	1 July 57 to 30 June 58	0	0	0	47,286	47,286
40	2058+	0	0	0	47,359	47,359
<b>Totals</b>		<b>126,822</b>	<b>57,719</b>	<b>184,541</b>	<b>1,874,976</b>	<b>2,059,517</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	5 November 19 to 30 June 20	9,818	9,308	19,126	30,749	49,875
2	1 July 20 to 30 June 21	15,098	15,126	30,224	47,286	77,510
3	1 July 21 to 30 June 22	15,098	9,454	24,552	47,286	71,838
4	1 July 22 to 30 June 23	15,098	5,909	21,007	47,286	68,293
5	1 July 23 to 30 June 24	15,098	3,693	18,791	47,286	66,077
6	1 July 24 to 30 June 25	12,664	2,308	14,972	47,286	62,258
7	1 July 25 to 30 June 26	11,358	1,443	12,801	47,286	60,087
8	1 July 26 to 30 June 27	11,358	902	12,260	47,286	59,546
9	1 July 27 to 30 June 28	11,358	563	11,921	47,286	59,207
10	1 July 28 to 30 June 29	11,358	352	11,710	47,286	58,996
11	1 July 29 to 30 June 30	4,565	220	4,785	47,286	52,071
12	1 July 30 to 30 June 31	907	138	1,045	47,286	48,331
13	1 July 31 to 30 June 32	382	86	468	47,286	47,754
14	1 July 32 to 30 June 33	101	54	155	47,286	47,441
15	1 July 33 to 30 June 34	101	34	135	47,286	47,421
16	1 July 34 to 30 June 35	101	21	122	47,286	47,408
17	1 July 35 to 30 June 36	101	13	114	47,286	47,400
18	1 July 36 to 30 June 37	101	8	109	47,286	47,395
19	1 July 37 to 30 June 38	101	5	106	47,286	47,392
20	1 July 38 to 30 June 39	101	3	104	47,286	47,390
21	1 July 39 to 30 June 40	30	2	32	47,286	47,318
22	1 July 40 to 30 June 41	0	1	1	47,286	47,287
23	1 July 41 to 30 June 42	0	1	1	47,286	47,287
24	1 July 42 to 30 June 43	0	0	0	47,286	47,286
25	1 July 43 to 30 June 44	0	0	0	47,286	47,286
26	1 July 44 to 30 June 45	0	0	0	47,286	47,286
27	1 July 45 to 30 June 46	0	0	0	47,286	47,286
28	1 July 46 to 30 June 47	0	0	0	47,286	47,286
29	1 July 47 to 30 June 48	0	0	0	47,286	47,286
30	1 July 48 to 30 June 49	0	0	0	47,286	47,286
31	1 July 49 to 30 June 50	0	0	0	47,286	47,286
32	1 July 50 to 30 June 51	0	0	0	47,286	47,286
33	1 July 51 to 30 June 52	0	0	0	47,286	47,286
34	1 July 52 to 30 June 53	0	0	0	47,286	47,286
35	1 July 53 to 30 June 54	0	0	0	47,286	47,286
36	1 July 54 to 30 June 55	0	0	0	47,286	47,286
37	1 July 55 to 30 June 56	0	0	0	47,286	47,286
38	1 July 56 to 30 June 57	0	0	0	47,286	47,286
39	1 July 57 to 30 June 58	0	0	0	47,286	47,286
40	2058+	0	0	0	47,359	47,359
<b>Totals</b>		<b>134,897</b>	<b>49,645</b>	<b>184,541</b>	<b>1,874,976</b>	<b>2,059,517</b>

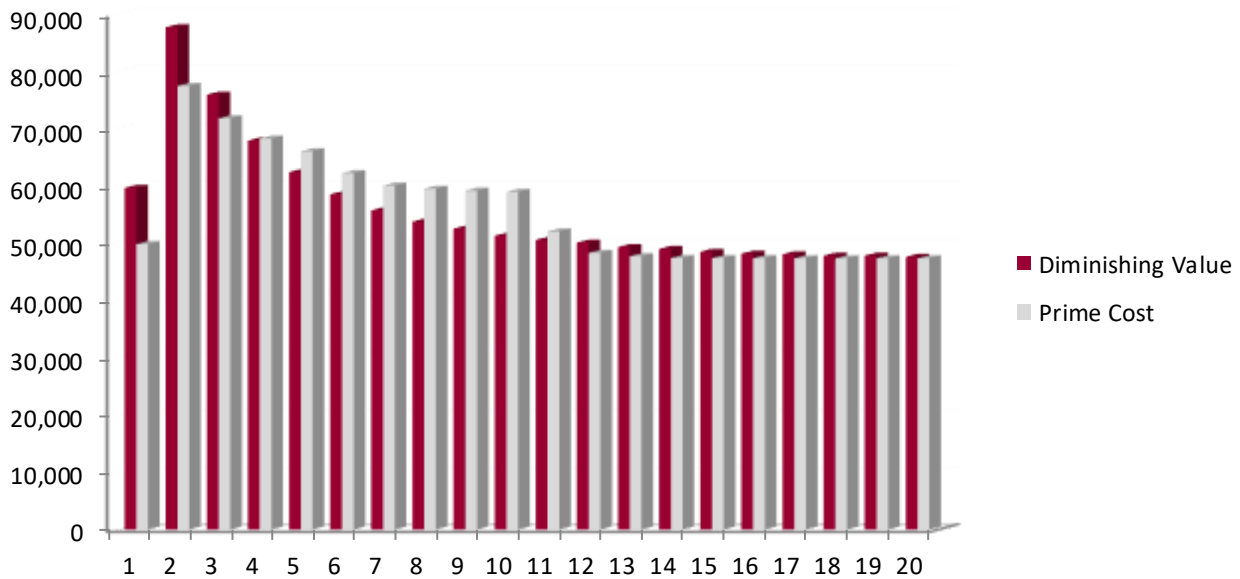
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

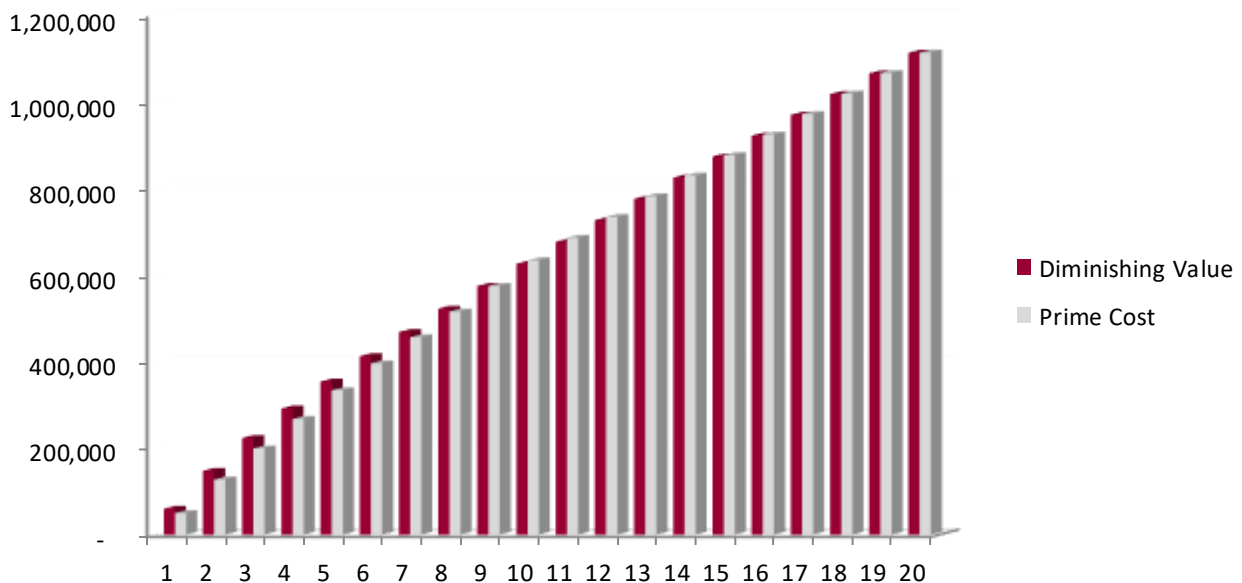
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	5 November 2019
Settlement Date	5 November 2019

### Expenditure Analysed

Purchase Price	\$3,000,000
<b>Total Expenditure Analysed</b>	<b>\$3,161,300</b>

### Historical Construction Details

Construction Start Date	1 August 2018
Construction Completion Date	1 July 2019
Historical Construction Cost (Estimated)*	\$2,035,086

## 9. Reconciliation of Capital Expenditure

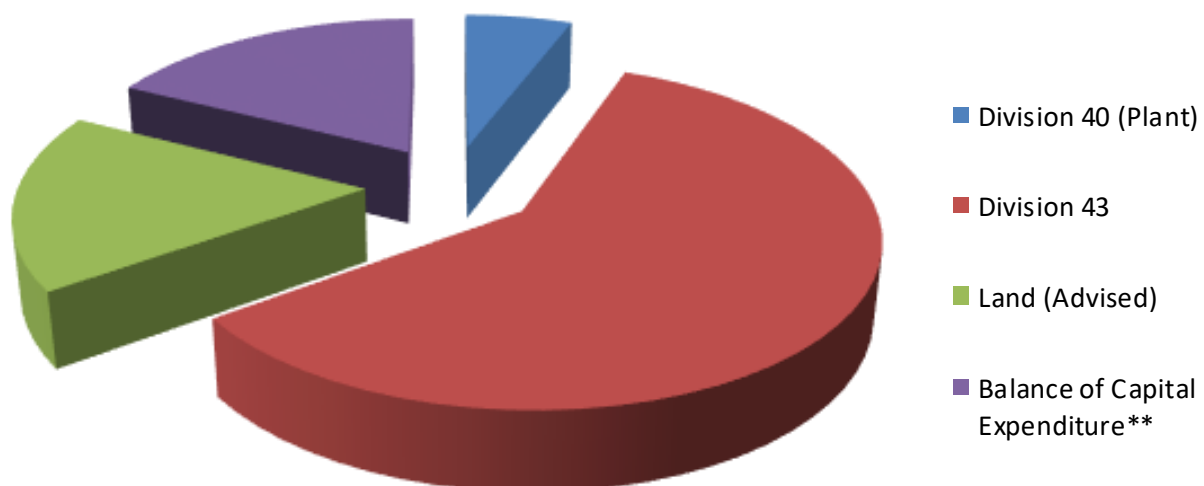
### Apportionment of cost relating to:

Division 40 (Plant)	\$184,541
Division 43	\$1,874,976
Land (Advised)	\$547,040
Balance of Capital Expenditure**	\$554,743
<b>Total Expenditure Analysed</b>	<b>\$3,161,300</b>

### 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												
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	5-Nov-19	49,967	6,498	8,694	6,955	5,564	4,451	3,561	2,849	2,279	1,823	1,459
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	5-Nov-19	2,633	494	802	501	313	196	122	76	48	30	19
<b>Computer systems</b>													
General	40.00%	5-Nov-19	16,119	4,193	4,770	2,862	1,717	1,030	618	348	217	136	85
Door closers	18.75%	5-Nov-19	2,069	388	630	394	246	154	96	60	38	23	15
<b>Electrical Machinery &amp; Equipment :</b>													
Switchboards	10.00%	5-Nov-19	2,015	131	188	170	153	137	124	111	100	338	211
Motors	20.00%	5-Nov-19	9,671	1,258	1,683	1,346	1,077	862	689	551	441	353	282
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	5-Nov-19	3,922	735	1,195	747	467	292	182	114	71	45	28
Hoses and nozzles	20.00%	5-Nov-19	9,671	1,258	1,683	1,346	1,077	862	689	551	441	353	282
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	5-Nov-19	26,741	3,478	4,653	3,722	2,978	2,382	1,906	1,525	1,220	976	781
Furniture	20.00%	5-Nov-19	8,462	1,101	1,472	1,178	942	754	603	482	386	309	247
Furniture	18.75%	5-Nov-19	1,410	264	430	269	168	105	66	41	26	16	10
<b>Garage doors, automatic</b>													
Controls	40.00%	5-Nov-19	2,579	671	763	458	258	161	101	63	39	25	15
<b>Garbage disposal</b>													
Garbage bins	18.75%	5-Nov-19	1,934	363	589	368	230	144	90	56	35	22	14
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	5-Nov-19	9,671	1,048	1,437	1,198	998	832	693	578	481	401	334
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	5-Nov-19	31,042	5,820	9,458	5,911	3,695	2,309	1,443	902	564	352	220
Emergency lighting	18.75%	5-Nov-19	6,635	1,244	2,022	1,264	790	494	308	193	121	75	47
<b>Pooled Plant Total</b>				<b>9,308</b>	<b>15,126</b>	<b>9,454</b>	<b>6,166</b>	<b>3,854</b>	<b>2,409</b>	<b>1,853</b>	<b>1,158</b>	<b>1,062</b>	<b>664</b>
<b>Effective Life Plant Total</b>				<b>19,635</b>	<b>25,343</b>	<b>19,235</b>	<b>14,506</b>	<b>11,310</b>	<b>8,883</b>	<b>6,647</b>	<b>5,348</b>	<b>4,215</b>	<b>3,385</b>
<b>Total Division 40</b>			<b>184,541</b>	<b>28,943</b>	<b>40,469</b>	<b>28,688</b>	<b>20,672</b>	<b>15,164</b>	<b>11,292</b>	<b>8,501</b>	<b>6,507</b>	<b>5,276</b>	<b>4,049</b>
<b>Division 43 - Capital Works Allowance</b>													
	<b>Rate</b>		<b>Opening Value</b>	<b>Year 1</b>	<b>Year2</b>	<b>Year 3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Year8</b>	<b>Year9</b>	<b>Year10</b>
<b>Building Works - Completed 2019</b>	2.50%	05-Nov-19	1,619,180	26,554	40,835	40,835	40,835	40,835	40,835	40,835	40,835	40,835	40,835
<b>Structural Improvements - Completed 2019</b>	2.50%	05-Nov-19	255,796	4,195	6,451	6,451	6,451	6,451	6,451	6,451	6,451	6,451	6,451
<b>Total Division 43</b>			<b>1,874,976</b>	<b>30,749</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>
<b>Total Depreciation</b>			<b>2,059,517</b>	<b>59,692</b>	<b>87,755</b>	<b>75,974</b>	<b>67,958</b>	<b>62,450</b>	<b>58,578</b>	<b>55,787</b>	<b>53,793</b>	<b>52,562</b>	<b>51,335</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%	05-Nov-19	49,967	3,249	4,997	4,997	4,997	4,997	4,997	4,997	4,997	4,997	4,997	
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	18.75%	05-Nov-19	2,633	494	802	501	313	196	122	76	48	30	19	
<b>Computer systems</b>														
General	20.00%	05-Nov-19	16,119	2,096	3,224	3,224	3,224	3,224	1,126					
<b>Door closers</b>														
	18.75%	05-Nov-19	2,069	388	630	394	246	154	96	60	38	23	15	
<b>Electrical Machinery &amp; Equipment :</b>														
Switchboards	5.00%	05-Nov-19	2,015	66	101	101	101	101	101	101	101	101	101	
Motors	10.00%	05-Nov-19	9,671	629	967	967	967	967	967	967	967	967	967	
<b>Fire control assets</b>														
Detection & alarm systems, detectors	18.75%	05-Nov-19	3,922	735	1,195	747	467	292	182	114	71	45	28	
Hoses and nozzles	10.00%	05-Nov-19	9,671	629	967	967	967	967	967	967	967	967	967	
<b>Floor coverings ( removable without damage)</b>														
Carpets	10.00%	05-Nov-19	26,741	1,739	2,674	2,674	2,674	2,674	2,674	2,674	2,674	2,674	2,674	
<b>Furniture</b>														
Furniture	10.00%	05-Nov-19	8,462	550	846	846	846	846	846	846	846	846	846	
Furniture	18.75%	05-Nov-19	1,410	264	430	269	168	105	66	41	26	16	10	
<b>Garage doors, automatic</b>														
Controls	20.00%	05-Nov-19	2,579	335	516	516	516	516	180					
<b>Garbage disposal</b>														
Garbage bins	18.75%	05-Nov-19	1,934	363	589	368	230	144	90	56	35	22	14	
<b>Hot water systems (excluding piping)</b>														
Gas or electric	8.33%	05-Nov-19	9,671	524	806	806	806	806	806	806	806	806	806	
<b>Lights</b>														
Fittings (excluding hardwired)	18.75%	05-Nov-19	31,042	5,820	9,458	5,911	3,695	2,309	1,443	902	564	352	220	
Emergency lighting	18.75%	05-Nov-19	6,635	1,244	2,022	1,264	790	494	308	193	121	75	47	
<b>Pooled Plant Total</b>				<b>9,308</b>	<b>15,126</b>	<b>9,454</b>	<b>5,909</b>	<b>3,693</b>	<b>2,308</b>	<b>1,443</b>	<b>902</b>	<b>563</b>	<b>352</b>	
<b>Effective Life Plant Total</b>				<b>9,818</b>	<b>15,098</b>	<b>15,098</b>	<b>15,098</b>	<b>15,098</b>	<b>12,664</b>	<b>11,358</b>	<b>11,358</b>	<b>11,358</b>	<b>11,358</b>	
<b>Total Division 40</b>			<b>184,541</b>	<b>19,126</b>	<b>30,224</b>	<b>24,552</b>	<b>21,007</b>	<b>18,791</b>	<b>14,972</b>	<b>12,801</b>	<b>12,260</b>	<b>11,921</b>	<b>11,710</b>	
<b>Division 43 - Capital Works Allowance</b>														
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	
<b>Building Works - Completed 2019</b>				2.50%	05-Nov-19	1,619,180	26,554	40,835	40,835	40,835	40,835	40,835	40,835	40,835
<b>Structural Improvements - Completed 2019</b>				2.50%	05-Nov-19	255,796	4,195	6,451	6,451	6,451	6,451	6,451	6,451	6,451
<b>Total Division 43</b>			<b>1,874,976</b>	<b>30,749</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	<b>47,286</b>	
<b>Total Depreciation</b>			<b>2,059,517</b>	<b>49,875</b>	<b>77,510</b>	<b>71,838</b>	<b>68,293</b>	<b>66,077</b>	<b>62,258</b>	<b>60,087</b>	<b>59,546</b>	<b>59,207</b>	<b>58,996</b>	

## 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 Aug 18 to 1 Jul 19	1,633,389	2.50%	40,835	1,619,180
<b>Sub-total</b>		<b>1,633,389</b>		<b>40,835</b>	<b>1,619,180</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	1 Aug 18 to 1 Jul 19	258,040	2.50%	6,451	255,796
<b>Sub-total</b>		<b>258,040</b>		<b>6,451</b>	<b>255,796</b>
<b>Totals</b>		<b>1,891,429</b>		<b>47,286</b>	<b>1,874,976</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	
<b>Company Name</b>	Koste Pty Ltd
<b>Postal Address</b>	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
<b>Office Number</b>	1300 669 400
<b>Office Email</b>	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.