



Tax Depreciation Report

1505/48 Jephson Street,
Toowong QLD 4066

Tim Guo
29 Stanbrough Rd
GUMDALE, QLD 4154

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

Tim Guo
29 Stanbrough Rd
GUMDALE, QLD 4154

November 2019
Job No: RES4066011

Tax Depreciation Report – 1505/48 Jephson Street, Toowong QLD 4066

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

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

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

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

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

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

Yours Sincerely

Koste Pty Ltd

Koste Pty Ltd
Tax Depreciation Quantity Surveyors



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1. Property Information

Date of Report

27 November 2019

Purchaser

Xiaoxing Guo and Sicong Liu

Property Address

1505/48 Jephson Street, Toowong QLD 4066

Real Property Description

L1505 SP275683

Property Type

Residential Unit

Date of Construction

4 June 2018

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 June 18 to 30 June 18	1,626	3,054	4,680	312	4,992
2	1 July 18 to 30 June 19	11,536	4,963	16,499	7,118	23,617
3	1 July 19 to 30 June 20	8,883	3,433	12,316	7,118	19,434
4	1 July 20 to 30 June 21	6,389	3,232	9,621	7,118	16,739
5	1 July 21 to 30 June 22	4,936	2,707	7,643	7,118	14,761
6	1 July 22 to 30 June 23	3,719	2,381	6,100	7,118	13,218
7	1 July 23 to 30 June 24	2,921	1,848	4,768	7,118	11,886
8	1 July 24 to 30 June 25	2,410	1,155	3,565	7,118	10,683
9	1 July 25 to 30 June 26	1,995	722	2,717	7,118	9,835
10	1 July 26 to 30 June 27	1,459	821	2,281	7,118	9,399
11	1 July 27 to 30 June 28	1,223	513	1,736	7,118	8,854
12	1 July 28 to 30 June 29	832	691	1,523	7,118	8,641
13	1 July 29 to 30 June 30	712	432	1,144	7,118	8,262
14	1 July 30 to 30 June 31	478	606	1,084	7,118	8,202
15	1 July 31 to 30 June 32	227	731	958	7,118	8,076
16	1 July 32 to 30 June 33	212	457	668	7,118	7,786
17	1 July 33 to 30 June 34	198	285	483	7,118	7,601
18	1 July 34 to 30 June 35	184	178	363	7,118	7,481
19	1 July 35 to 30 June 36	172	112	284	7,118	7,402
20	1 July 36 to 30 June 37	161	70	230	7,118	7,348
21	1 July 37 to 30 June 38	150	44	193	7,118	7,311
22	1 July 38 to 30 June 39	140	27	167	7,118	7,285
23	1 July 39 to 30 June 40	131	17	148	7,118	7,266
24	1 July 40 to 30 June 41	122	11	132	7,118	7,250
25	1 July 41 to 30 June 42	114	7	120	7,118	7,238
26	1 July 42 to 30 June 43	106	4	110	7,118	7,228
27	1 July 43 to 30 June 44	99	3	102	7,118	7,220
28	1 July 44 to 30 June 45	92	2	94	7,118	7,212
29	1 July 45 to 30 June 46	86	1	87	7,118	7,205
30	1 July 46 to 30 June 47	81	1	81	7,118	7,199
31	1 July 47 to 30 June 48	75	0	76	7,118	7,194
32	1 July 48 to 30 June 49	70	0	70	7,118	7,188
33	1 July 49 to 30 June 50	0	369	369	7,118	7,487
34	1 July 50 to 30 June 51	0	230	230	7,118	7,348
35	1 July 51 to 30 June 52	0	144	144	7,118	7,262
36	1 July 52 to 30 June 53	0	90	90	7,118	7,208
37	1 July 53 to 30 June 54	0	56	56	7,118	7,174
38	1 July 54 to 30 June 55	0	35	35	7,118	7,153
39	1 July 55 to 30 June 56	0	22	22	7,118	7,140
40	2056+	0	37	37	13,728	13,765
Totals		51,537	29,490	81,026	284,524	365,550

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 June 18 to 30 June 18	1,373	3,054	4,427	312	4,739
2	1 July 18 to 30 June 19	5,821	4,963	10,784	7,118	17,902
3	1 July 19 to 30 June 20	5,821	3,102	8,923	7,118	16,041
4	1 July 20 to 30 June 21	5,821	1,939	7,760	7,118	14,878
5	1 July 21 to 30 June 22	5,821	1,212	7,033	7,118	14,151
6	1 July 22 to 30 June 23	5,796	757	6,553	7,118	13,671
7	1 July 23 to 30 June 24	5,269	473	5,742	7,118	12,860
8	1 July 24 to 30 June 25	5,197	296	5,493	7,118	12,611
9	1 July 25 to 30 June 26	5,077	185	5,262	7,118	12,380
10	1 July 26 to 30 June 27	5,077	116	5,193	7,118	12,311
11	1 July 27 to 30 June 28	4,915	72	4,987	7,118	12,105
12	1 July 28 to 30 June 29	1,471	45	1,516	7,118	8,634
13	1 July 29 to 30 June 30	1,445	28	1,473	7,118	8,591
14	1 July 30 to 30 June 31	918	18	936	7,118	8,054
15	1 July 31 to 30 June 32	470	11	481	7,118	7,599
16	1 July 32 to 30 June 33	279	7	286	7,118	7,404
17	1 July 33 to 30 June 34	279	4	283	7,118	7,401
18	1 July 34 to 30 June 35	279	3	282	7,118	7,400
19	1 July 35 to 30 June 36	279	2	281	7,118	7,399
20	1 July 36 to 30 June 37	279	1	280	7,118	7,398
21	1 July 37 to 30 June 38	279	1	280	7,118	7,398
22	1 July 38 to 30 June 39	279	0	279	7,118	7,397
23	1 July 39 to 30 June 40	279	0	279	7,118	7,397
24	1 July 40 to 30 June 41	279	0	279	7,118	7,397
25	1 July 41 to 30 June 42	279	0	279	7,118	7,397
26	1 July 42 to 30 June 43	279	0	279	7,118	7,397
27	1 July 43 to 30 June 44	279	0	279	7,118	7,397
28	1 July 44 to 30 June 45	279	0	279	7,118	7,397
29	1 July 45 to 30 June 46	279	0	279	7,118	7,397
30	1 July 46 to 30 June 47	279	0	279	7,118	7,397
31	1 July 47 to 30 June 48	261	0	261	7,118	7,379
32	1 July 48 to 30 June 49	0	0	0	7,118	7,118
33	1 July 49 to 30 June 50	0	0	0	7,118	7,118
34	1 July 50 to 30 June 51	0	0	0	7,118	7,118
35	1 July 51 to 30 June 52	0	0	0	7,118	7,118
36	1 July 52 to 30 June 53	0	0	0	7,118	7,118
37	1 July 53 to 30 June 54	0	0	0	7,118	7,118
38	1 July 54 to 30 June 55	0	0	0	7,118	7,118
39	1 July 55 to 30 June 56	0	0	0	7,118	7,118
40	2056+	0	0	0	13,728	13,728
Totals		64,738	16,288	81,026	284,524	365,550

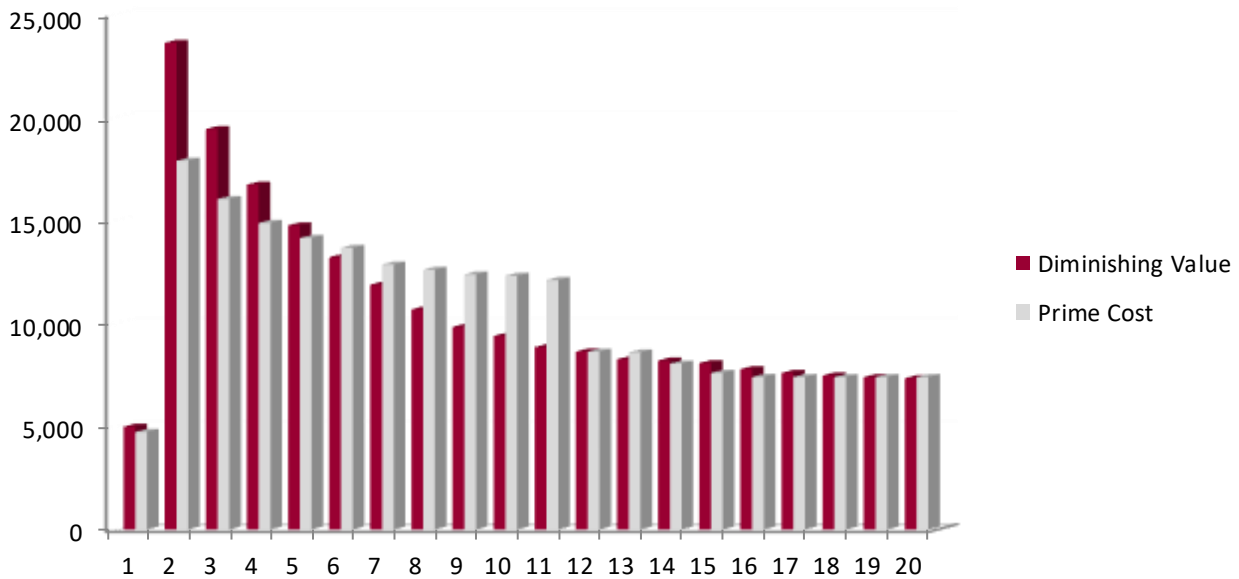
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

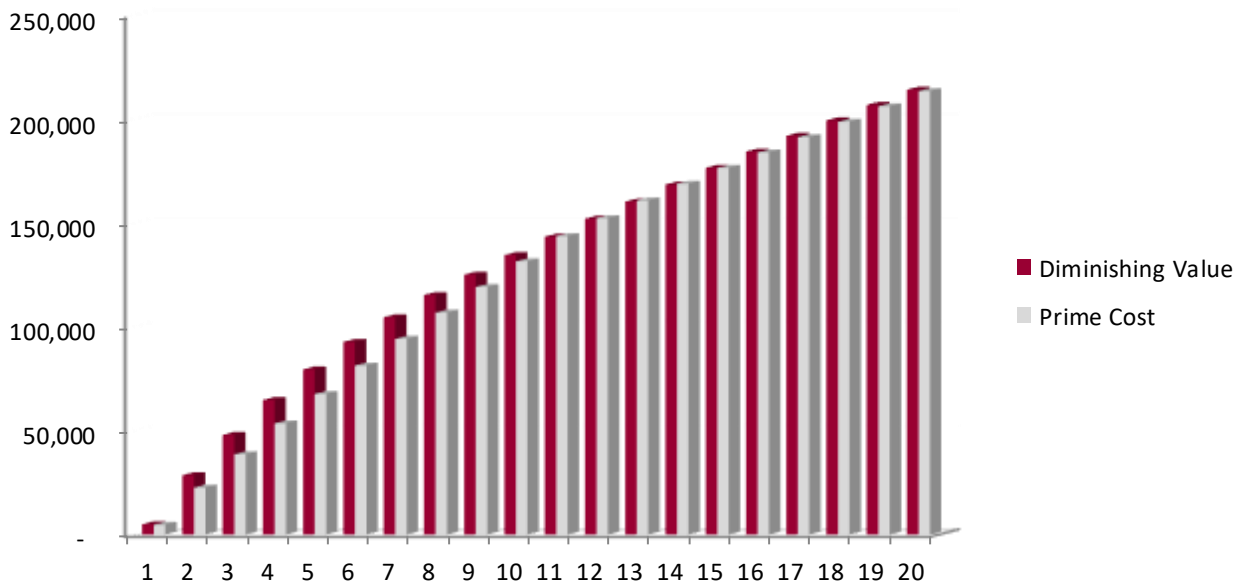
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	18 August 2015
Settlement Date	14 June 2018

Expenditure Analysed

Purchase Price	\$665,000
Legals	\$1,100
Post Expenditure	\$14,510
Total Expenditure Analysed	\$680,610

Historical Construction Details

Construction Start Date	17 September 2015
Construction Completion Date	4 June 2018
Historical Construction Cost (Estimated)*	\$329,603

9. Reconciliation of Capital Expenditure

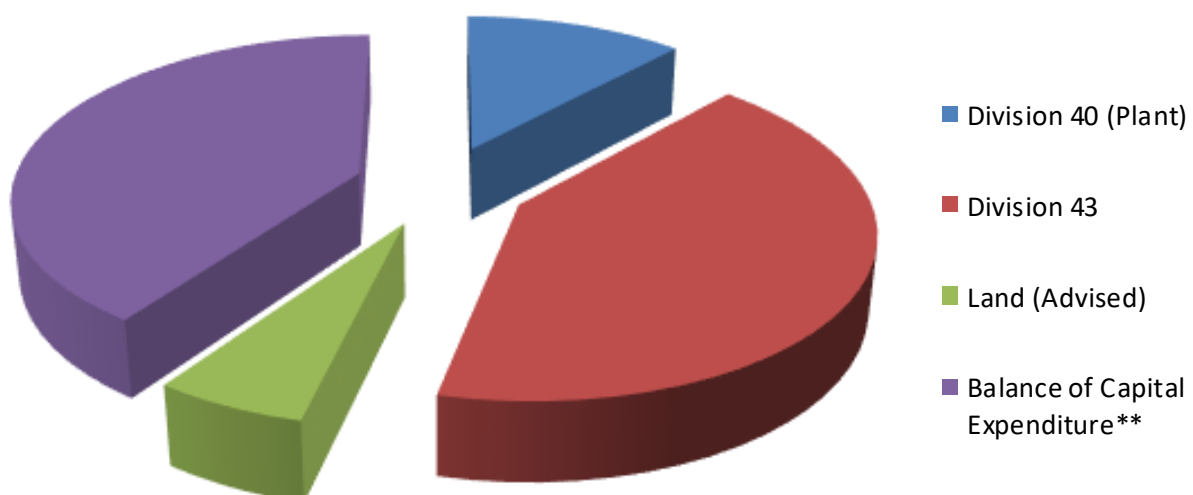
Apportionment of cost relating to:

Division 40 (Plant)	\$81,026
Division 43	\$284,524
Land (Advised)	\$41,047
Balance of Capital Expenditure**	\$274,013
Total Expenditure Analysed	\$680,610

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-Jun-18	17,220	151	3,414	2,731	2,185	1,748	1,398	1,119	895	716	573
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Jun-18	1,359	255	414	259	162	101	63	40	25	15	10
Blinds Residential													
Blinds Residential	20.00%	14-Jun-18	5,936	52	1,177	941	753	603	482	386	309	247	370
Blinds Residential	18.75%	14-Jun-18	544	102	166	104	65	40	25	16	10	6	4
Door closers													
Door closers	18.75%	14-Jun-18	565	106	172	108	67	42	26	16	10	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Jun-18	1,075	202	328	205	128	80	50	31	20	12	8
Emergency warning & intercommunication system	16.67%	14-Jun-18	1,450	11	240	200	375	234	146	91	57	36	22
Stair pressurisation & extraction fans	18.75%	14-Jun-18	303	57	92	58	36	23	14	9	6	3	2
Floor coverings (removable without damage)													
Carpets	20.00%	14-Jun-18	9,275	81	1,839	1,471	1,177	941	753	602	482	386	308
Furniture													
Furniture	15.00%	14-Jun-18	2,175	14	324	276	234	199	169	359	225	140	88
Furniture	18.75%	14-Jun-18	3,769	707	1,148	718	449	280	175	110	68	43	27
Garbage disposal													
Garbage bins	18.75%	14-Jun-18	684	128	208	130	81	51	32	20	12	8	5
Hot water systems (excluding piping)													
Gas or electric	18.75%	14-Jun-18	728	137	222	139	87	54	34	21	13	8	5
Kitchen assets													
Cooktops	16.67%	14-Jun-18	1,541	11	255	212	177	332	207	130	81	51	32
Dishwashers	20.00%	14-Jun-18	2,175	19	431	345	276	221	331	207	129	81	51
Ovens	16.67%	14-Jun-18	1,994	15	330	275	229	191	358	224	140	87	55
Rangehoods	18.75%	14-Jun-18	816	153	249	155	97	61	38	24	15	9	6
Laundry assets													
Clothes dryers	18.75%	14-Jun-18	816	153	249	155	97	61	38	24	15	9	6
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	14-Jun-18	8,364	24	556	519	484	452	422	394	368	343	320
Lights													
Fittings (excluding hardwired)	40.00%	14-Jun-18	2,759	48	1,084	651	366	229	143	89	56	35	22
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	18.75%	14-Jun-18	405	76	123	77	48	30	19	12	7	5	3
Security systems & equipment													
Electronic	30.00%	14-Jun-18	1,281	17	379	332	207	130	81	51	32	20	12
Carried forward			65,232	2,518	13,399	10,059	7,780	6,102	5,006	3,973	2,973	2,267	1,931

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	65,232	2,518	13,399	10,059	7,780	6,102	5,006	3,973	2,973	2,267	1,931
Ventilating plant														
Ventilation plant - fans only	18.75%	14-Jun-18	524	98	160	100	62	39	24	15	10	6	4	
\$300 items	100.00%	14-Jun-18	760	760										
Additional Items (Post Expenditure)														
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Furniture	15.00%	15-Jun-18	6,350	39	947	805	684	581	494	420	357	303	258	
Furniture	18.75%	15-Jun-18	3,850	722	1,173	733	458	286	179	112	70	44	27	
Kitchen assets														
Refrigerators	16.67%	15-Jun-18	1,650	11	273	228	190	356	222	139	87	54	34	
Laundry assets														
Washing machines	18.75%	15-Jun-18	850	159	259	162	101	63	40	25	15	10	6	
Televisions	20.00%	15-Jun-18	1,450	12	288	230	345	216	135	84	53	33	21	
\$300 items	100.00%	15-Jun-18	360	360										
Pooled Plant Total				3,054	4,963	3,433	3,232	2,707	2,381	1,848	1,155	722	821	
Effective Life Plant Total				1,626	11,536	8,883	6,389	4,936	3,719	2,921	2,410	1,995	1,459	
Total Division 40			81,026	4,680	16,499	12,316	9,621	7,643	6,100	4,768	3,565	2,717	2,281	
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 2018	2.50%	14-Jun-18	282,660	310	7,071	7,071	7,071	7,071	7,071	7,071	7,071	7,071	7,071	
Structural Improvements - Completed 2018	2.50%	14-Jun-18	1,864	2	47	47	47	47	47	47	47	47	47	
Total Division 43			284,524	312	7,118	7,118	7,118	7,118	7,118	7,118	7,118	7,118	7,118	
Total Depreciation			365,550	4,992	23,617	19,434	16,739	14,761	13,218	11,886	10,683	9,835	9,399	

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-Jun-18	17,220	75	1,722	1,722	1,722	1,722	1,722	1,722	1,722	1,722	1,722	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	14-Jun-18	1,359	255	414	259	162	101	63	40	25	15	10	
Blinds Residential	10.00%	14-Jun-18	5,936	26	594	594	594	594	594	594	594	594	594	
Blinds Residential	18.75%	14-Jun-18	544	102	166	104	65	40	25	16	10	6	4	
Door closers	18.75%	14-Jun-18	565	106	172	108	67	42	26	16	10	6	4	
Fire control assets														
Detection & alarm systems, detectors	18.75%	14-Jun-18	1,075	202	328	205	128	80	50	31	20	12	8	
Emergency warning & intercommunication system	8.33%	14-Jun-18	1,450	5	121	121	121	121	121	121	121	121	121	
Stair pressurisation & extraction fans	18.75%	14-Jun-18	303	57	92	58	36	23	14	9	6	3	2	
Floor coverings (removable without damage)														
Carpets	10.00%	14-Jun-18	9,275	41	927	927	927	927	927	927	927	927	927	
Furniture	7.50%	14-Jun-18	2,175	7	163	163	163	163	163	163	163	163	163	
Furniture	18.75%	14-Jun-18	3,769	707	1,148	718	449	280	175	110	68	43	27	
Garbage disposal														
Garbage bins	18.75%	14-Jun-18	684	128	208	130	81	51	32	20	12	8	5	
Hot water systems (excluding piping)														
Gas or electric	18.75%	14-Jun-18	728	137	222	139	87	54	34	21	13	8	5	
Kitchen assets														
Cooktops	8.33%	14-Jun-18	1,541	6	128	128	128	128	128	128	128	128	128	
Dishwashers	10.00%	14-Jun-18	2,175	10	218	218	218	218	218	218	218	218	218	
Ovens	8.33%	14-Jun-18	1,994	7	166	166	166	166	166	166	166	166	166	
Rangehoods	18.75%	14-Jun-18	816	153	249	155	97	61	38	24	15	9	6	
Laundry assets														
Clothes dryers	18.75%	14-Jun-18	816	153	249	155	97	61	38	24	15	9	6	
Lifts (including hydraulic & tractions lifts)	3.33%	14-Jun-18	8,364	12	279	279	279	279	279	279	279	279	279	
Lights														
Fittings (excluding hardwired)	20.00%	14-Jun-18	2,759	24	552	552	552	552	527					
MATV - amplifiers & modulators	18.75%	14-Jun-18	405	76	123	77	48	30	19	12	7	5	3	
Security systems & equipment														
Electronic	15.00%	14-Jun-18	1,281	8	192	192	192	192	192	192	120			
Carried forward			65,232	2,296	8,433	7,169	6,379	5,885	5,551	4,831	4,639	4,444	4,396	

Prime Cost Depreciation Schedule (cont.)

Assets Generally		Prime Cost													
Division 40 - Plant and Equipment		Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Brought forward				65,232	2,296	8,433	7,169	6,379	5,885	5,551	4,831	4,639	4,444	4,396	
Ventilating plant															
Ventilation plant - fans only		18.75%	14-Jun-18	524	98	160	100	62	39	24	15	10	6	4	
\$300 items		100.00%	14-Jun-18	760	760										
Additional Items (Post Expenditure)					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Furniture		7.50%	15-Jun-18	6,350	20	476	476	476	476	476	476	476	476	476	
Furniture		18.75%	15-Jun-18	3,850	722	1,173	733	458	286	179	112	70	44	27	
Kitchen assets															
Refrigerators		8.33%	15-Jun-18	1,650	6	138	138	138	138	138	138	138	138	138	
Laundry assets															
Washing machines		18.75%	15-Jun-18	850	159	259	162	101	63	40	25	15	10	6	
Televisions		10.00%	15-Jun-18	1,450	6	145	145	145	145	145	145	145	145	145	
\$300 items		100.00%	15-Jun-18	360	360										
Pooled Plant Total					3,054	4,963	3,102	1,939	1,212	757	473	296	185	116	
Effective Life Plant Total					1,373	5,821	5,821	5,821	5,821	5,796	5,269	5,197	5,077	5,077	
Total Division 40				81,026	4,427	10,784	8,923	7,760	7,033	6,553	5,742	5,493	5,262	5,193	
Division 43 - Capital Works Allowance															
		Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	
Building Works - Completed 2018		2.50%	14-Jun-18	282,660	310	7,071	7,071	7,071	7,071	7,071	7,071	7,071	7,071	7,071	
Structural Improvements - Completed 2018		2.50%	14-Jun-18	1,864	2	47	47	47	47	47	47	47	47	47	
Total Division 43				284,524	312	7,118	7,118	7,118	7,118	7,118	7,118	7,118	7,118	7,118	7,118
Total Depreciation				365,550	4,739	17,902	16,041	14,878	14,151	13,671	12,860	12,611	12,380	12,311	

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 2018	17 Sep 15 to 4 Jun 18	282,853	2.50%	7,071	282,660
Sub-total		282,853		7,071	282,660

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2018	17 Sep 15 to 4 Jun 18	1,865	2.50%	47	1,864
Sub-total		1,865		47	1,864
Totals		284,719		7,118	284,524

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.