



Tax Depreciation Report

305/9 Tully Road,
East Perth, WA, 6004

Whay Chiat Wee
7 Nagal Way
WATTLE GROVE, WA 6107

Issue Schedule	
Issue Date:	Issued by:
12 December 2019	Mark Kilroy Bsc (Hons) MRICS

Whay Chiat Wee
7 Nagal Way
WATTLE GROVE, WA 6107

December 2019
Job No: RES6004005

Tax Depreciation Report – 305/9 Tully Road, East Perth, WA, 6004

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

12 December 2019

Purchaser

Whay Chiat Wee

Property Address

305/9 Tully Road, East Perth, WA, 6004

Real Property Description

LOT 15 S075287

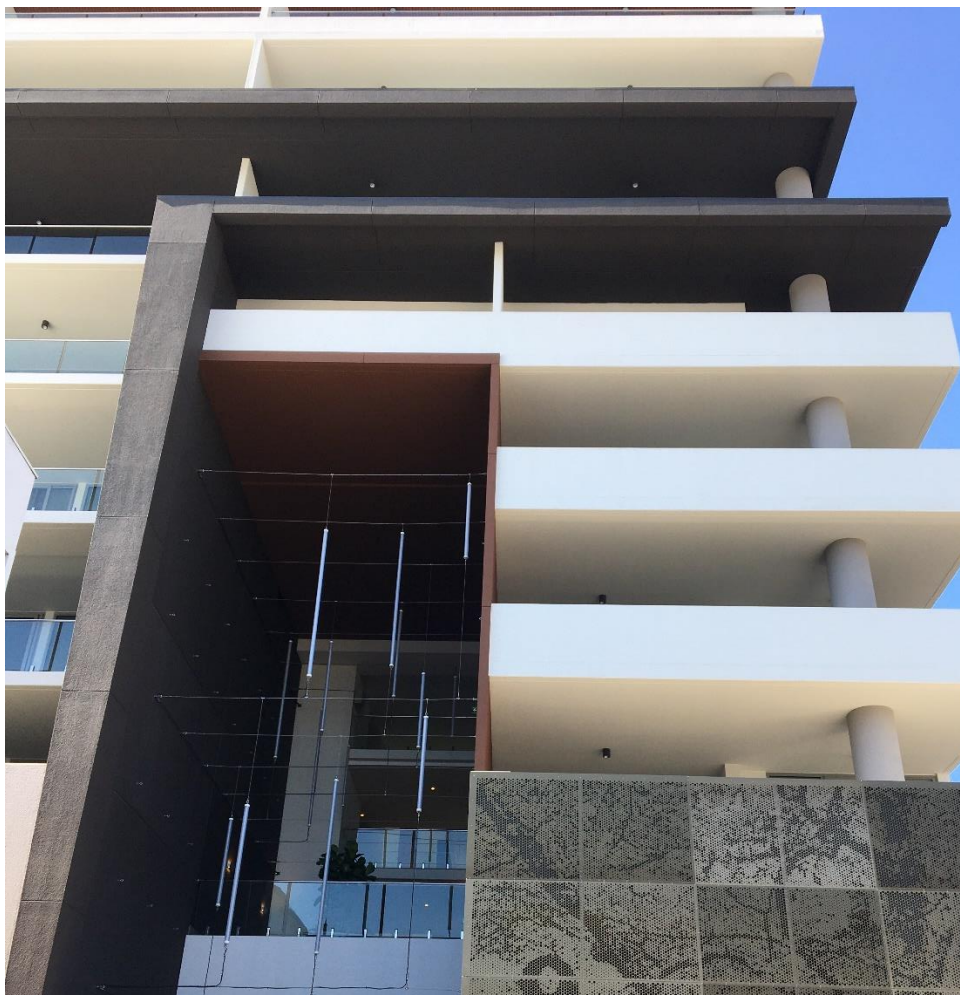
Property Type

Residential House

Date of Construction

28 October 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"> • 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	27 November 19 to 30 June 20	5,656	1,865	7,521	3,299	10,820
2	1 July 20 to 30 June 21	6,597	3,030	9,627	5,591	15,218
3	1 July 21 to 30 June 22	4,169	3,581	7,750	5,591	13,341
4	1 July 22 to 30 June 23	3,336	2,580	5,916	5,591	11,507
5	1 July 23 to 30 June 24	2,264	2,670	4,934	5,591	10,525
6	1 July 24 to 30 June 25	1,595	2,405	4,001	5,591	9,592
7	1 July 25 to 30 June 26	1,240	1,856	3,096	5,591	8,687
8	1 July 26 to 30 June 27	1,065	1,160	2,225	5,591	7,816
9	1 July 27 to 30 June 28	918	725	1,644	5,591	7,235
10	1 July 28 to 30 June 29	796	453	1,249	5,591	6,840
11	1 July 29 to 30 June 30	494	655	1,149	5,591	6,740
12	1 July 30 to 30 June 31	297	783	1,080	5,591	6,671
13	1 July 31 to 30 June 32	277	489	766	5,591	6,357
14	1 July 32 to 30 June 33	259	306	564	5,591	6,155
15	1 July 33 to 30 June 34	241	191	433	5,591	6,024
16	1 July 34 to 30 June 35	225	119	345	5,591	5,936
17	1 July 35 to 30 June 36	210	75	285	5,591	5,876
18	1 July 36 to 30 June 37	196	47	243	5,591	5,834
19	1 July 37 to 30 June 38	183	29	212	5,591	5,803
20	1 July 38 to 30 June 39	171	18	189	5,591	5,780
21	1 July 39 to 30 June 40	160	11	171	5,591	5,762
22	1 July 40 to 30 June 41	149	7	156	5,591	5,747
23	1 July 41 to 30 June 42	139	4	143	5,591	5,734
24	1 July 42 to 30 June 43	130	3	133	5,591	5,724
25	1 July 43 to 30 June 44	121	2	123	5,591	5,714
26	1 July 44 to 30 June 45	113	1	114	5,591	5,705
27	1 July 45 to 30 June 46	106	1	106	5,591	5,697
28	1 July 46 to 30 June 47	98	0	99	5,591	5,690
29	1 July 47 to 30 June 48	92	0	92	5,591	5,683
30	1 July 48 to 30 June 49	86	0	86	5,591	5,677
31	1 July 49 to 30 June 50	80	0	80	5,591	5,671
32	1 July 50 to 30 June 51	75	0	75	5,591	5,666
33	1 July 51 to 30 June 52	70	0	70	5,591	5,661
34	1 July 52 to 30 June 53	0	366	366	5,591	5,957
35	1 July 53 to 30 June 54	0	229	229	5,591	5,820
36	1 July 54 to 30 June 55	0	143	143	5,591	5,734
37	1 July 55 to 30 June 56	0	89	89	5,591	5,680
38	1 July 56 to 30 June 57	0	56	56	5,591	5,647
39	1 July 57 to 30 June 58	0	35	35	5,591	5,626
40	2058+	0	58	58	7,429	7,487
Totals		31,608	24,046	55,654	223,186	278,840

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	27 November 19 to 30 June 20	3,447	1,865	5,312	3,299	8,611
2	1 July 20 to 30 June 21	3,744	3,030	6,774	5,591	12,365
3	1 July 21 to 30 June 22	3,744	1,894	5,638	5,591	11,229
4	1 July 22 to 30 June 23	3,744	1,184	4,928	5,591	10,519
5	1 July 23 to 30 June 24	3,744	740	4,484	5,591	10,075
6	1 July 24 to 30 June 25	3,487	462	3,949	5,591	9,540
7	1 July 25 to 30 June 26	3,308	289	3,597	5,591	9,188
8	1 July 26 to 30 June 27	3,131	181	3,311	5,591	8,902
9	1 July 27 to 30 June 28	3,115	113	3,228	5,591	8,819
10	1 July 28 to 30 June 29	3,115	71	3,186	5,591	8,777
11	1 July 29 to 30 June 30	2,221	44	2,265	5,591	7,856
12	1 July 30 to 30 June 31	1,594	28	1,622	5,591	7,213
13	1 July 31 to 30 June 32	1,219	17	1,237	5,591	6,828
14	1 July 32 to 30 June 33	837	11	848	5,591	6,439
15	1 July 33 to 30 June 34	447	7	454	5,591	6,045
16	1 July 34 to 30 June 35	369	4	373	5,591	5,964
17	1 July 35 to 30 June 36	308	3	311	5,591	5,902
18	1 July 36 to 30 June 37	308	2	310	5,591	5,901
19	1 July 37 to 30 June 38	308	1	309	5,591	5,900
20	1 July 38 to 30 June 39	308	1	309	5,591	5,900
21	1 July 39 to 30 June 40	308	0	308	5,591	5,899
22	1 July 40 to 30 June 41	308	0	308	5,591	5,899
23	1 July 41 to 30 June 42	308	0	308	5,591	5,899
24	1 July 42 to 30 June 43	308	0	308	5,591	5,899
25	1 July 43 to 30 June 44	308	0	308	5,591	5,899
26	1 July 44 to 30 June 45	308	0	308	5,591	5,899
27	1 July 45 to 30 June 46	308	0	308	5,591	5,899
28	1 July 46 to 30 June 47	308	0	308	5,591	5,899
29	1 July 47 to 30 June 48	308	0	308	5,591	5,899
30	1 July 48 to 30 June 49	308	0	308	5,591	5,899
31	1 July 49 to 30 June 50	131	0	131	5,591	5,722
32	1 July 50 to 30 June 51	0	0	0	5,591	5,591
33	1 July 51 to 30 June 52	0	0	0	5,591	5,591
34	1 July 52 to 30 June 53	0	0	0	5,591	5,591
35	1 July 53 to 30 June 54	0	0	0	5,591	5,591
36	1 July 54 to 30 June 55	0	0	0	5,591	5,591
37	1 July 55 to 30 June 56	0	0	0	5,591	5,591
38	1 July 56 to 30 June 57	0	0	0	5,591	5,591
39	1 July 57 to 30 June 58	0	0	0	5,591	5,591
40	2058+	0	0	0	7,429	7,429
Totals		45,709	9,945	55,654	223,186	278,840

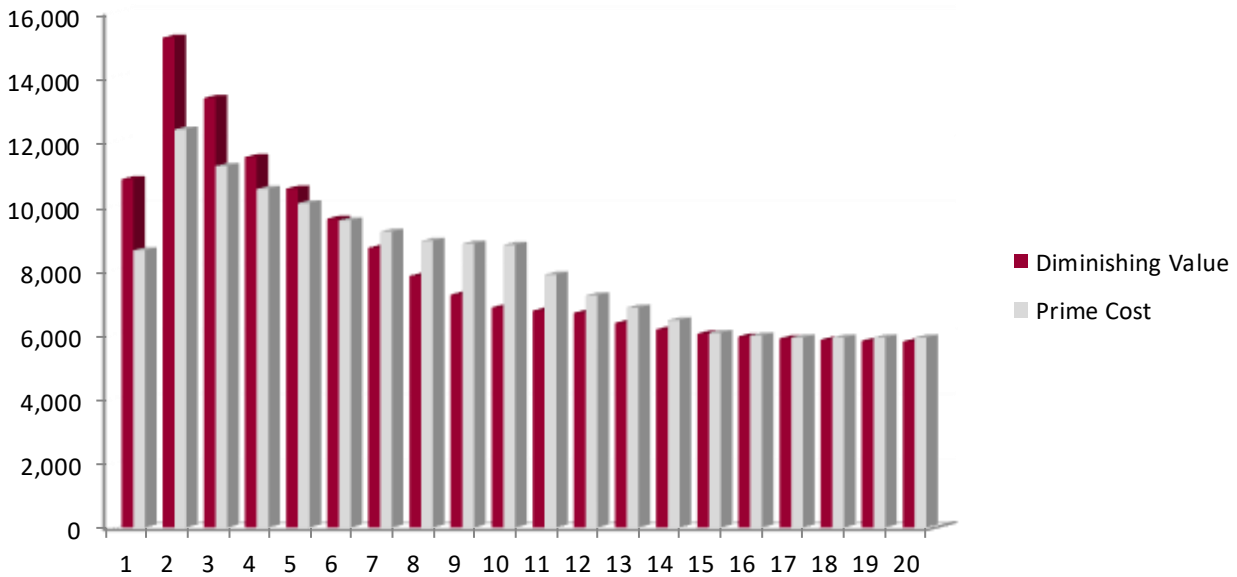
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

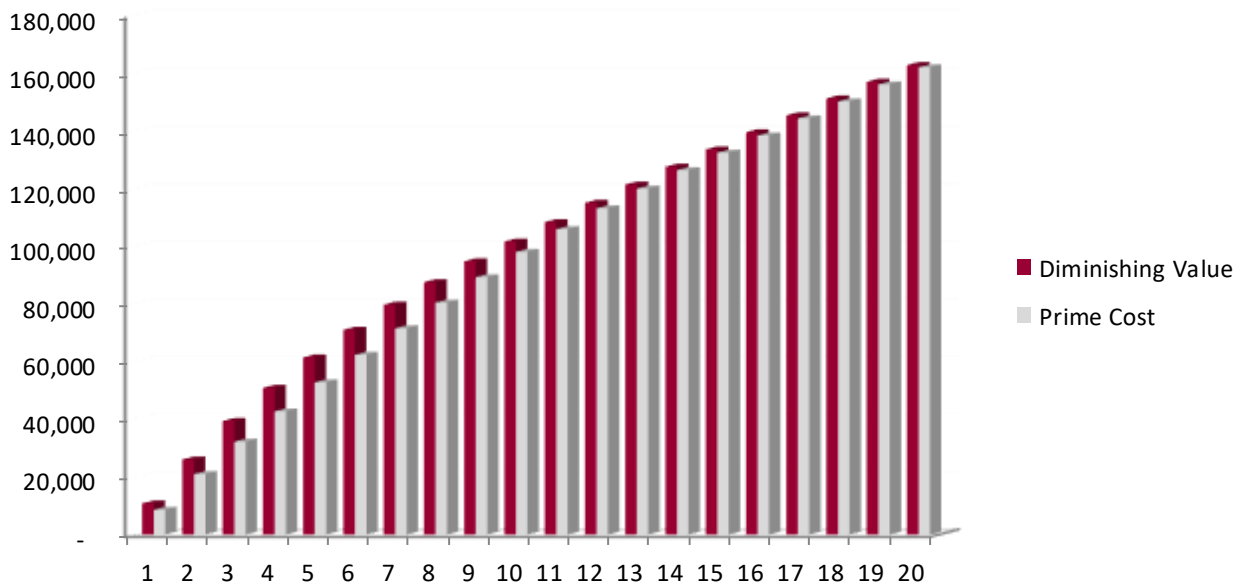
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	11 September 2016
Settlement Date	27 November 2019

Expenditure Analysed

Purchase Price	\$440,000
Post Expenditure	\$10,556
Total Expenditure Analysed	\$450,556

Historical Construction Details

Construction Start Date	31 January 2019
Construction Completion Date	28 October 2019
Historical Construction Cost (Estimated)*	\$260,513

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$55,654
Division 43	\$223,186
Land (Estimated)	\$110,000
Balance of Capital Expenditure**	\$61,716
Total Expenditure Analysed	\$450,556

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%	27-Nov-19	8,374	988	1,477	1,182	945	756	605	484	387	310	248
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	27-Nov-19	765	144	233	146	91	57	36	22	14	9	5
Computer systems													
Building management system	18.75%	27-Nov-19	361	68	110	69	43	27	17	10	7	4	3
Door closers	18.75%	27-Nov-19	460	86	140	88	55	34	21	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	27-Nov-19	1,526	286	465	291	182	114	71	44	28	17	11
Detection & alarm systems, fire indicator panel	18.75%	27-Nov-19	452	85	138	86	54	34	21	13	8	5	3
Emergency warning & intercommunication system	18.75%	27-Nov-19	1,000	188	305	190	119	74	46	29	18	11	7
Floor coverings (removable without damage)													
Carpets	20.00%	27-Nov-19	2,198	259	388	310	248	372	233	145	91	57	35
Floating timber	13.33%	27-Nov-19	2,089	164	257	222	193	167	145	353	221	138	86
Furniture	15.00%	27-Nov-19	1,286	114	176	374	233	146	91	57	36	22	14
Furniture	18.75%	27-Nov-19	1,822	342	555	347	217	135	85	53	33	21	13
Hot water systems (excluding piping)													
Gas or electric	16.67%	27-Nov-19	2,296	226	345	288	240	200	374	234	146	91	57
Kitchen assets													
Cooktops	16.67%	27-Nov-19	1,454	143	219	182	341	213	133	83	52	33	20
Dishwashers	20.00%	27-Nov-19	2,143	253	378	302	242	363	227	142	89	55	35
Ovens	16.67%	27-Nov-19	2,220	218	334	278	232	193	362	226	141	88	55
Rangehoods	18.75%	27-Nov-19	995	187	303	189	118	74	46	29	18	11	7
Laundry assets													
Washing machines	20.00%	27-Nov-19	1,148	136	203	304	190	119	74	46	29	18	11
Lifts (including hydraulic & tractions lifts)	6.67%	27-Nov-19	9,244	364	592	553	516	481	449	419	391	365	341
Lights													
Fittings (excluding hardwired)	40.00%	27-Nov-19	2,180	515	666	375	234	146	91	57	36	22	14
MATV - amplifiers & modulators	18.75%	27-Nov-19	361	68	110	69	43	27	17	10	7	4	3
Security systems & equipment													
Electronic	30.00%	27-Nov-19	1,288	228	318	278	174	109	68	42	27	17	10
Ventilating plant													
Ventilation plant - fans only	18.75%	27-Nov-19	1,203	226	367	229	143	89	56	35	22	14	9
Carried forward			44,865	5,285	8,076	6,350	4,853	3,931	3,269	2,550	1,808	1,318	991

Diminishing Value Depreciation Schedule (cont.)

Assets Generally			Diminishing													
Division 40 - Plant and Equipment			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	
Brought forward					44,865	5,285	8,076	6,350	4,853	3,931	3,269	2,550	1,808	1,318	991	
\$300 items			100.00%	27-Nov-19	989	989										
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%	28-Nov-19	5,550	489	759	645	549	466	396	337	286	243	207	
Furniture			18.75%	28-Nov-19	1,000	188	305	190	119	74	46	29	18	11	7	
Kitchen assets																
Refrigerators			16.67%	28-Nov-19	1,650	162	248	207	172	323	202	126	79	49	31	
Televisions			20.00%	28-Nov-19	1,350	159	238	357	223	140	87	55	34	21	13	
\$300 items			100.00%	28-Nov-19	250	250										
Pooled Plant Total						1,865	3,030	3,581	2,580	2,670	2,405	1,856	1,160	725	453	
Effective Life Plant Total						5,656	6,597	4,169	3,336	2,264	1,595	1,240	1,065	918	796	
Total Division 40					55,654	7,521	9,627	7,750	5,916	4,934	4,001	3,096	2,225	1,644	1,249	
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%	27-Nov-19	220,239	3,256	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517
Building Works - Completed 2019			2.50%	05-Dec-19	756	11	19	19	19	19	19	19	19	19	19	19
Structural Improvements - Completed 2019			2.50%	27-Nov-19	2,191	32	55	55	55	55	55	55	55	55	55	55
Total Division 43					223,186	3,299	5,591	5,591	5,591	5,591	5,591	5,591	5,591	5,591	5,591	5,591
Total Depreciation					278,840	10,820	15,218	13,341	11,507	10,525	9,592	8,687	7,816	7,235	6,840	

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%	27-Nov-19	8,374	494	837	837	837	837	837	837	837	837	837	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	27-Nov-19	765	144	233	146	91	57	36	22	14	9	5	
Computer systems														
Building management system	18.75%	27-Nov-19	361	68	110	69	43	27	17	10	7	4	3	
Door closers														
	18.75%	27-Nov-19	460	86	140	88	55	34	21	13	8	5	3	
Fire control assets														
Detection & alarm systems, detectors	18.75%	27-Nov-19	1,526	286	465	291	182	114	71	44	28	17	11	
Detection & alarm systems, fire indicator panel	18.75%	27-Nov-19	452	85	138	86	54	34	21	13	8	5	3	
Emergency warning & intercommunication system	18.75%	27-Nov-19	1,000	188	305	190	119	74	46	29	18	11	7	
Floor coverings (removable without damage)														
Carpets	10.00%	27-Nov-19	2,198	130	220	220	220	220	220	220	220	220	220	
Floating timber	6.67%	27-Nov-19	2,089	82	139	139	139	139	139	139	139	139	139	
Furniture														
Furniture	7.50%	27-Nov-19	1,286	57	96	96	96	96	96	96	96	96	96	
Furniture	18.75%	27-Nov-19	1,822	342	555	347	217	135	85	53	33	21	13	
Hot water systems (excluding piping)														
Gas or electric	8.33%	27-Nov-19	2,296	113	191	191	191	191	191	191	191	191	191	
Kitchen assets														
Cooktops	8.33%	27-Nov-19	1,454	72	121	121	121	121	121	121	121	121	121	
Dishwashers	10.00%	27-Nov-19	2,143	126	214	214	214	214	214	214	214	214	214	
Ovens	8.33%	27-Nov-19	2,220	109	185	185	185	185	185	185	185	185	185	
Rangehoods	18.75%	27-Nov-19	995	187	303	189	118	74	46	29	18	11	7	
Laundry assets														
Washing machines	10.00%	27-Nov-19	1,148	68	115	115	115	115	115	115	115	115	115	
Lifts (including hydraulic & tractions lifts)														
	3.33%	27-Nov-19	9,244	182	308	308	308	308	308	308	308	308	308	
Lights														
Fittings (excluding hardwired)	20.00%	27-Nov-19	2,180	257	436	436	436	436	179					
MATV - amplifiers & modulators														
	18.75%	27-Nov-19	361	68	110	69	43	27	17	10	7	4	3	
Security systems & equipment														
Electronic	15.00%	27-Nov-19	1,288	114	193	193	193	193	193	193	16			
Ventilating plant														
Ventilation plant - fans only	18.75%	27-Nov-19	1,203	226	367	229	143	89	56	35	22	14	9	
	Carried forward		44,865	3,481	5,780	4,758	4,120	3,720	3,214	2,879	2,604	2,528	2,489	

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			44,865	3,481	5,780	4,758	4,120	3,720	3,214	2,879	2,604	2,528	2,489
\$300 items		100.00%	27-Nov-19	989	989									
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%	28-Nov-19	5,550	245	416	416	416	416	416	416	416	416	416
Furniture		18.75%	28-Nov-19	1,000	188	305	190	119	74	46	29	18	11	7
Kitchen assets														
Refrigerators		8.33%	28-Nov-19	1,650	81	138	138	138	138	138	138	138	138	138
Televisions		10.00%	28-Nov-19	1,350	79	135	135	135	135	135	135	135	135	135
\$300 items		100.00%	28-Nov-19	250	250									
Pooled Plant Total					1,865	3,030	1,894	1,184	740	462	289	181	113	71
Effective Life Plant Total					3,447	3,744	3,744	3,744	3,744	3,487	3,308	3,131	3,115	3,115
Total Division 40				55,654	5,312	6,774	5,638	4,928	4,484	3,949	3,597	3,311	3,228	3,186
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%	27-Nov-19	220,239	3,256	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517
Building Works - Completed 2019		2.50%	05-Dec-19	756	11	19	19	19	19	19	19	19	19	19
Structural Improvements - Completed 2019		2.50%	27-Nov-19	2,191	32	55	55	55	55	55	55	55	55	55
Total Division 43				223,186	3,299	5,591	5,591	5,591	5,591	5,591	5,591	5,591	5,591	5,591
Total Depreciation				278,840	8,611	12,365	11,229	10,519	10,075	9,540	9,188	8,902	8,819	8,777

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	31 Jan 19 to 28 Oct 19	220,693	2.50%	5,517	220,239
Building Works - Completed 2019	30 Nov 19 to 5 Dec 19	756	2.50%	19	756
Sub-total		221,449		5,536	220,995

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	31 Jan 19 to 28 Oct 19	2,196	2.50%	55	2,191
Sub-total		2,196		55	2,191
Totals		223,644		5,591	223,186

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.