



Tax Depreciation Report

504/1772 Coolum Esplanade,
Coolum Beach, QLD 4573

Roger and Kim Caswell
12 Jerome Street
COORPAROO, QLD 4151

Issue Schedule	
Issue Date:	Issued by:
07 January 2020	Mark Kilroy Bsc (Hons) MRICS

Roger and Kim Caswell
12 Jerome Street
COORPAROO, QLD 4151

January 2020
Job No: RES4573020

Tax Depreciation Report – 504/1772 Coolum Esplanade, Coolum Beach, QLD 4573

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

7 January 2020

Purchaser

Roger and Kim Caswell

Property Address

504/1772 Coolum Esplanade, Coolum Beach, QLD 4573

Real Property Description

Lot 504 on SP 301298

Property Type

Residential Unit

Date of Construction

1 November 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				
<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	18 November 19 to 30 June 20	8,149	3,909	12,058	4,321	16,379
2	1 July 20 to 30 June 21	9,558	6,352	15,910	7,028	22,938
3	1 July 21 to 30 June 22	7,426	4,674	12,100	7,028	19,128
4	1 July 22 to 30 June 23	5,699	3,555	9,254	7,028	16,282
5	1 July 23 to 30 June 24	4,716	2,222	6,937	7,028	13,965
6	1 July 24 to 30 June 25	3,913	1,389	5,301	7,028	12,329
7	1 July 25 to 30 June 26	2,913	1,570	4,484	7,028	11,512
8	1 July 26 to 30 June 27	2,089	1,699	3,787	7,028	10,815
9	1 July 27 to 30 June 28	1,611	1,404	3,015	7,028	10,043
10	1 July 28 to 30 June 29	1,368	878	2,245	7,028	9,273
11	1 July 29 to 30 June 30	1,003	854	1,858	7,028	8,886
12	1 July 30 to 30 June 31	869	534	1,403	7,028	8,431
13	1 July 31 to 30 June 32	612	696	1,308	7,028	8,336
14	1 July 32 to 30 June 33	346	798	1,143	7,028	8,171
15	1 July 33 to 30 June 34	323	499	821	7,028	7,849
16	1 July 34 to 30 June 35	301	312	613	7,028	7,641
17	1 July 35 to 30 June 36	281	195	476	7,028	7,504
18	1 July 36 to 30 June 37	262	122	384	7,028	7,412
19	1 July 37 to 30 June 38	245	76	321	7,028	7,349
20	1 July 38 to 30 June 39	228	48	276	7,028	7,304
21	1 July 39 to 30 June 40	213	30	243	7,028	7,271
22	1 July 40 to 30 June 41	199	19	218	7,028	7,246
23	1 July 41 to 30 June 42	186	12	197	7,028	7,225
24	1 July 42 to 30 June 43	173	7	181	7,028	7,209
25	1 July 43 to 30 June 44	162	5	166	7,028	7,194
26	1 July 44 to 30 June 45	151	3	154	7,028	7,182
27	1 July 45 to 30 June 46	141	2	143	7,028	7,171
28	1 July 46 to 30 June 47	132	1	133	7,028	7,161
29	1 July 47 to 30 June 48	123	1	123	7,028	7,151
30	1 July 48 to 30 June 49	115	0	115	7,028	7,143
31	1 July 49 to 30 June 50	107	0	107	7,028	7,135
32	1 July 50 to 30 June 51	100	0	100	7,028	7,128
33	1 July 51 to 30 June 52	93	0	93	7,028	7,121
34	1 July 52 to 30 June 53	87	0	87	7,028	7,115
35	1 July 53 to 30 June 54	81	0	81	7,028	7,109
36	1 July 54 to 30 June 55	76	0	76	7,028	7,104
37	1 July 55 to 30 June 56	71	0	71	7,028	7,099
38	1 July 56 to 30 June 57	0	371	371	7,028	7,399
39	1 July 57 to 30 June 58	0	232	232	7,028	7,260
40	2058+	0	387	387	9,426	9,813
Totals		54,119	32,853	86,972	280,811	367,783

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	18 November 19 to 30 June 20	4,833	3,909	8,742	4,321	13,063
2	1 July 20 to 30 June 21	5,393	6,352	11,745	7,028	18,773
3	1 July 21 to 30 June 22	5,393	3,970	9,363	7,028	16,391
4	1 July 22 to 30 June 23	5,393	2,481	7,874	7,028	14,902
5	1 July 23 to 30 June 24	5,393	1,551	6,944	7,028	13,972
6	1 July 24 to 30 June 25	5,393	969	6,362	7,028	13,390
7	1 July 25 to 30 June 26	5,393	606	5,999	7,028	13,027
8	1 July 26 to 30 June 27	5,109	379	5,488	7,028	12,516
9	1 July 27 to 30 June 28	5,093	237	5,330	7,028	12,358
10	1 July 28 to 30 June 29	5,093	148	5,241	7,028	12,269
11	1 July 29 to 30 June 30	3,076	92	3,168	7,028	10,196
12	1 July 30 to 30 June 31	1,809	58	1,867	7,028	8,895
13	1 July 31 to 30 June 32	1,238	36	1,274	7,028	8,302
14	1 July 32 to 30 June 33	754	23	777	7,028	7,805
15	1 July 33 to 30 June 34	412	14	426	7,028	7,454
16	1 July 34 to 30 June 35	412	9	421	7,028	7,449
17	1 July 35 to 30 June 36	412	6	418	7,028	7,446
18	1 July 36 to 30 June 37	412	3	415	7,028	7,443
19	1 July 37 to 30 June 38	412	2	414	7,028	7,442
20	1 July 38 to 30 June 39	412	1	413	7,028	7,441
21	1 July 39 to 30 June 40	412	1	413	7,028	7,441
22	1 July 40 to 30 June 41	412	1	413	7,028	7,441
23	1 July 41 to 30 June 42	412	0	412	7,028	7,440
24	1 July 42 to 30 June 43	412	0	412	7,028	7,440
25	1 July 43 to 30 June 44	412	0	412	7,028	7,440
26	1 July 44 to 30 June 45	412	0	412	7,028	7,440
27	1 July 45 to 30 June 46	412	0	412	7,028	7,440
28	1 July 46 to 30 June 47	412	0	412	7,028	7,440
29	1 July 47 to 30 June 48	412	0	412	7,028	7,440
30	1 July 48 to 30 June 49	412	0	412	7,028	7,440
31	1 July 49 to 30 June 50	168	0	168	7,028	7,196
32	1 July 50 to 30 June 51	0	0	0	7,028	7,028
33	1 July 51 to 30 June 52	0	0	0	7,028	7,028
34	1 July 52 to 30 June 53	0	0	0	7,028	7,028
35	1 July 53 to 30 June 54	0	0	0	7,028	7,028
36	1 July 54 to 30 June 55	0	0	0	7,028	7,028
37	1 July 55 to 30 June 56	0	0	0	7,028	7,028
38	1 July 56 to 30 June 57	0	0	0	7,028	7,028
39	1 July 57 to 30 June 58	0	0	0	7,028	7,028
40	2058+	0	0	0	9,426	9,426
Totals		66,123	20,848	86,972	280,811	367,783

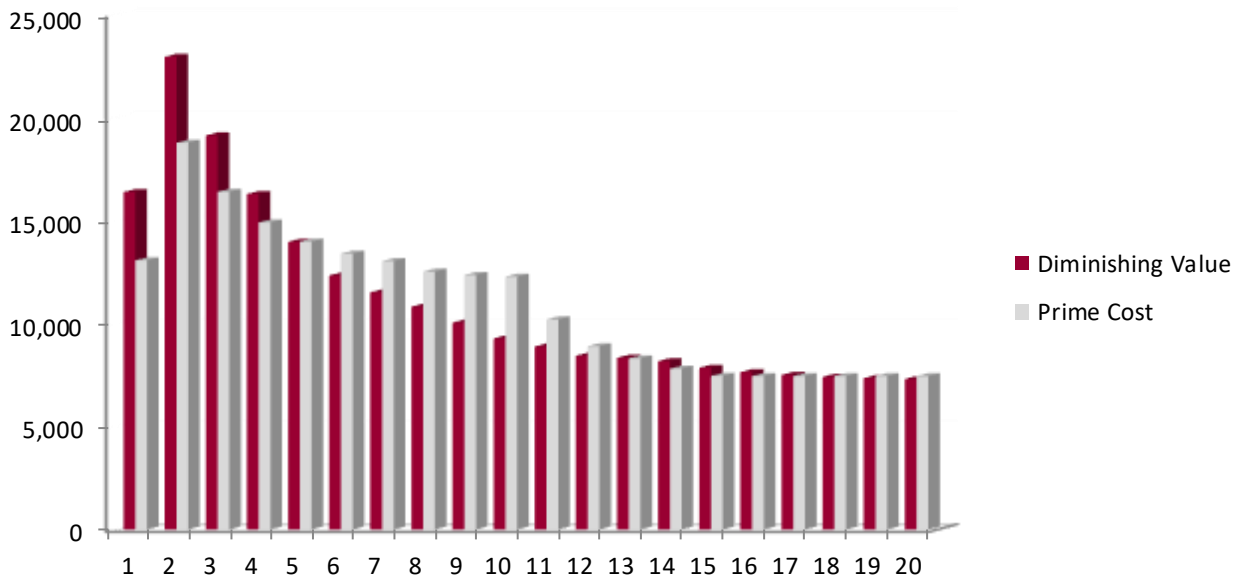
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

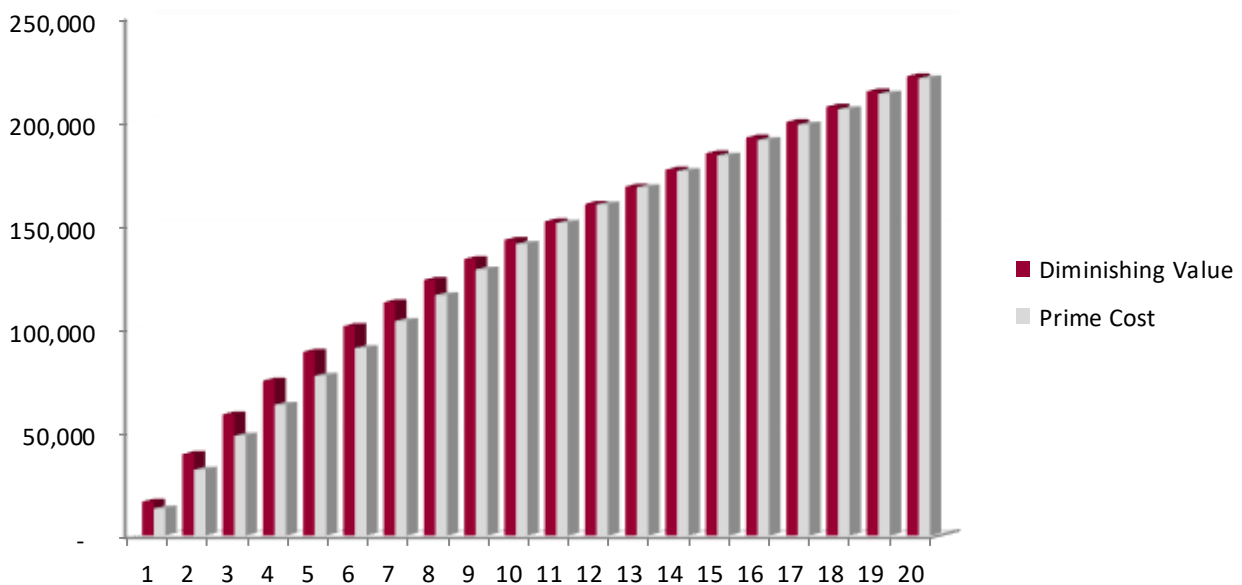
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	Not Provided
Settlement Date	18 November 2019

Expenditure Analysed

Purchase Price	\$645,000
Stamp Duty	\$21,363
Total Expenditure Analysed	\$666,363

Historical Construction Details

Construction Start Date	8 August 2018
Construction Completion Date	1 November 2019
Historical Construction Cost (Estimated)*	\$326,154
Lot Entitlement	124
Overall Lot Entitlement	9,995

9. Reconciliation of Capital Expenditure

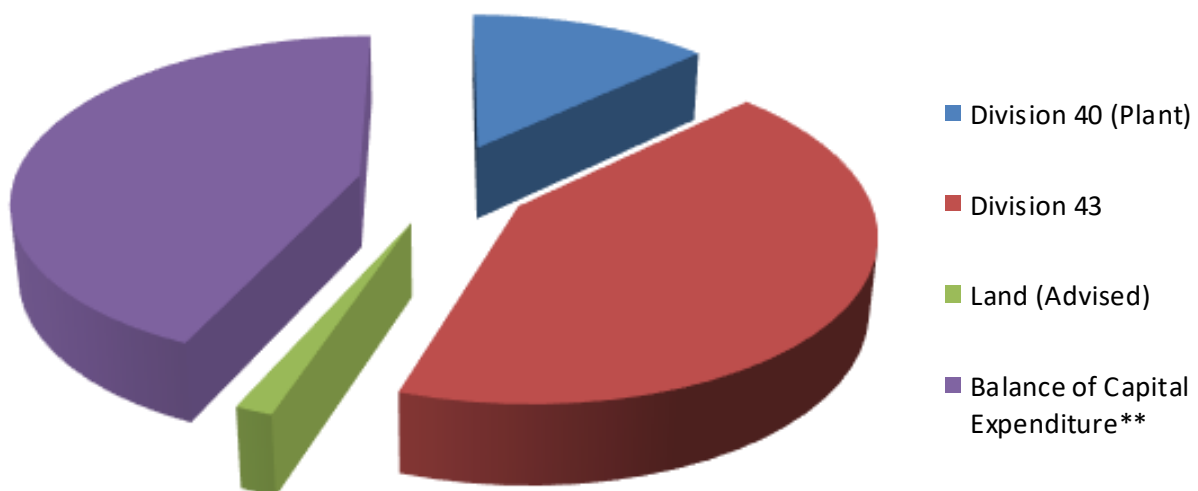
Apportionment of cost relating to:

Division 40 (Plant)	\$86,972
Division 43	\$280,811
Land (Advised)	\$9,995
Balance of Capital Expenditure**	\$288,585
Total Expenditure Analysed	\$666,363

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%	18-Nov-19	16,050	1,973	2,815	2,252	1,802	1,441	1,153	923	738	590	472
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	18-Nov-19	1,831	343	558	349	218	136	85	53	33	21	13
Blinds Residential													
Blinds Residential	20.00%	18-Nov-19	6,931	852	1,216	973	778	622	498	398	319	255	204
Blinds Residential	18.75%	18-Nov-19	1,138	213	347	217	135	85	53	33	21	13	8
Computer systems													
General	18.75%	18-Nov-19	851	160	259	162	101	63	40	25	15	10	6
Building management system	18.75%	18-Nov-19	603	113	184	115	72	45	28	18	11	7	4
Door closers													
Door closers	18.75%	18-Nov-19	601	113	183	115	72	45	28	17	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	18-Nov-19	2,017	378	614	384	240	150	94	59	37	23	14
Detection & alarm systems, fire indicator panel	18.75%	18-Nov-19	754	141	230	144	90	56	35	22	14	9	5
Emergency warning & intercommunication system	18.75%	18-Nov-19	1,570	294	478	299	187	117	73	46	29	18	11
Floor coverings (removable without damage)													
Carpets	20.00%	18-Nov-19	4,024	495	706	565	452	361	289	231	347	217	136
Furniture													
Furniture	15.00%	18-Nov-19	6,360	587	866	736	626	532	452	384	327	278	236
Furniture	18.75%	18-Nov-19	3,270	613	996	623	389	243	152	95	59	37	23
Garage doors, automatic													
Controls	18.75%	18-Nov-19	413	78	126	79	49	31	19	12	8	5	3
Garbage disposal													
Garbage chutes	18.75%	18-Nov-19	566	106	172	108	67	42	26	16	10	6	4
Hot water systems (excluding piping)													
Gas or electric	16.67%	18-Nov-19	3,283	336	491	409	341	284	237	197	370	231	145
Kitchen assets													
Cooktops	16.67%	18-Nov-19	2,675	274	400	333	278	232	193	362	226	141	88
Dishwashers	20.00%	18-Nov-19	3,161	389	555	444	355	284	227	341	213	133	83
Microwave ovens	20.00%	18-Nov-19	1,338	164	235	352	220	137	86	54	34	21	13
Ovens	16.67%	18-Nov-19	3,648	374	546	455	379	316	263	219	183	343	214
Rangehoods	16.67%	18-Nov-19	1,428	146	214	178	334	209	130	81	51	32	20
Laundry assets													
Clothes dryers	20.00%	18-Nov-19	1,338	164	235	352	220	137	86	54	34	21	13
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	18-Nov-19	12,370	507	791	738	689	643	600	560	523	488	455
Carried forward			76,220	8,815	13,217	10,380	8,093	6,212	4,848	4,200	3,610	2,904	2,176

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			76,220	8,815	13,217	10,380	8,093	6,212	4,848	4,200	3,610	2,904	2,176
Lights													
Shades, removable	18.75%	18-Nov-19	6,781	1,271	2,066	1,291	807	504	315	197	123	77	48
MATV - amplifiers & modulators	18.75%	18-Nov-19	453	85	138	86	54	34	21	13	8	5	3
Security systems & equipment													
Electronic	30.00%	18-Nov-19	2,001	369	490	343	300	187	117	73	46	29	18
\$300 items	100.00%	18-Nov-19	1,518	1,518									
Pooled Plant Total				3,909	6,352	4,674	3,555	2,222	1,389	1,570	1,699	1,404	878
Effective Life Plant Total				8,149	9,558	7,426	5,699	4,716	3,913	2,913	2,089	1,611	1,368
Total Division 40			86,972	12,058	15,910	12,100	9,254	6,937	5,301	4,484	3,787	3,015	2,245
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%	18-Nov-19	274,445	4,223	6,869	6,869	6,869	6,869	6,869	6,869	6,869	6,869	6,869
Structural Improvements - Completed 2019	2.50%	18-Nov-19	6,366	98	159	159	159	159	159	159	159	159	159
Total Division 43			280,811	4,321	7,028	7,028	7,028	7,028	7,028	7,028	7,028	7,028	7,028
Total Depreciation			367,783	16,379	22,938	19,128	16,282	13,965	12,329	11,512	10,815	10,043	9,273

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%	18-Nov-19	16,050	987	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	18-Nov-19	1,831	343	558	349	218	136	85	53	33	21	13
Blinds Residential	10.00%	18-Nov-19	6,931	426	693	693	693	693	693	693	693	693	693
Blinds Residential	18.75%	18-Nov-19	1,138	213	347	217	135	85	53	33	21	13	8
Computer systems													
General	18.75%	18-Nov-19	851	160	259	162	101	63	40	25	15	10	6
Building management system	18.75%	18-Nov-19	603	113	184	115	72	45	28	18	11	7	4
Door closers	18.75%	18-Nov-19	601	113	183	115	72	45	28	17	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	18-Nov-19	2,017	378	614	384	240	150	94	59	37	23	14
Detection & alarm systems, fire indicator panel	18.75%	18-Nov-19	754	141	230	144	90	56	35	22	14	9	5
Emergency warning & intercommunication system	18.75%	18-Nov-19	1,570	294	478	299	187	117	73	46	29	18	11
Floor coverings (removable without damage)													
Carpets	10.00%	18-Nov-19	4,024	247	402	402	402	402	402	402	402	402	402
Furniture	7.50%	18-Nov-19	6,360	293	477	477	477	477	477	477	477	477	477
Furniture	18.75%	18-Nov-19	3,270	613	996	623	389	243	152	95	59	37	23
Garage doors, automatic													
Controls	18.75%	18-Nov-19	413	78	126	79	49	31	19	12	8	5	3
Garbage disposal													
Garbage chutes	18.75%	18-Nov-19	566	106	172	108	67	42	26	16	10	6	4
Hot water systems (excluding piping)													
Gas or electric	8.33%	18-Nov-19	3,283	168	274	274	274	274	274	274	274	274	274
Kitchen assets													
Cooktops	8.33%	18-Nov-19	2,675	137	223	223	223	223	223	223	223	223	223
Dishwashers	10.00%	18-Nov-19	3,161	194	316	316	316	316	316	316	316	316	316
Microwave ovens	10.00%	18-Nov-19	1,338	82	134	134	134	134	134	134	134	134	134
Ovens	8.33%	18-Nov-19	3,648	187	304	304	304	304	304	304	304	304	304
Rangehoods	8.33%	18-Nov-19	1,428	73	119	119	119	119	119	119	119	119	119
Laundry assets													
Clothes dryers	10.00%	18-Nov-19	1,338	82	134	134	134	134	134	134	134	134	134
Lifts (including hydraulic & tractions lifts)	3.33%	18-Nov-19	12,370	253	412	412	412	412	412	412	412	412	412
Carried forward			76,220	5,684	9,241	7,686	6,713	6,106	5,726	5,489	5,340	5,248	5,190

Prime Cost Depreciation Schedule (cont.)

Assets Generally		Prime Cost		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	Install Date											
Brought forward				76,220	5,684	9,241	7,686	6,713	6,106	5,726	5,489	5,340	5,248	5,190
Lights														
Shades, removable		18.75%	18-Nov-19	6,781	1,271	2,066	1,291	807	504	315	197	123	77	48
MATV - amplifiers & modulators		18.75%	18-Nov-19	453	85	138	86	54	34	21	13	8	5	3
Security systems & equipment														
Electronic		15.00%	18-Nov-19	2,001	184	300	300	300	300	300	300	16		
\$300 items		100.00%	18-Nov-19	1,518	1,518									
Pooled Plant Total					3,909	6,352	3,970	2,481	1,551	969	606	379	237	148
Effective Life Plant Total					4,833	5,393	5,393	5,393	5,393	5,393	5,393	5,109	5,093	5,093
Total Division 40				86,972	8,742	11,745	9,363	7,874	6,944	6,362	5,999	5,488	5,330	5,241
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%	18-Nov-19	274,445	4,223	6,869	6,869	6,869	6,869	6,869	6,869	6,869	6,869	6,869
Structural Improvements - Completed 2019		2.50%	18-Nov-19	6,366	98	159	159	159	159	159	159	159	159	159
Total Division 43				280,811	4,321	7,028	7,028	7,028	7,028	7,028	7,028	7,028	7,028	7,028
Total Depreciation				367,783	13,063	18,773	16,391	14,902	13,972	13,390	13,027	12,516	12,358	12,269

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	8 Aug 18 to 1 Nov 19	274,765	2.50%	6,869	274,445
Sub-total		274,765		6,869	274,445

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	8 Aug 18 to 1 Nov 19	6,373	2.50%	159	6,366
Sub-total		6,373		159	6,366
Totals		281,138		7,028	280,811

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.