



Tax Depreciation Report

405/1772 Coolum Esplanade,
Coolum Beach, QLD 4573

Alex and Deanne Pinsuti
138 Comleroy Road
KURRAJONG, NSW 2758

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

Alex and Deanne Pinsuti
138 Comleroy Road
KURRAJONG, NSW 2758

January 2020
Job No: RES4573012

Tax Depreciation Report – 405/1772 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

8 January 2020

Purchaser

Alex and Deanne Pinsuti

Property Address

405/1772 Coolum Esplanade, Coolum Beach, QLD 4573

Real Property Description

Lot 405 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	7,967	3,697	11,664	3,974	15,638
2	1 July 20 to 30 June 21	9,407	6,007	15,414	6,463	21,877
3	1 July 21 to 30 June 22	7,291	4,467	11,758	6,463	18,221
4	1 July 22 to 30 June 23	5,583	3,427	9,010	6,463	15,473
5	1 July 23 to 30 June 24	4,615	2,142	6,757	6,463	13,220
6	1 July 24 to 30 June 25	3,825	1,339	5,164	6,463	11,627
7	1 July 25 to 30 June 26	2,833	1,548	4,381	6,463	10,844
8	1 July 26 to 30 June 27	2,014	1,694	3,708	6,463	10,171
9	1 July 27 to 30 June 28	1,544	1,406	2,950	6,463	9,413
10	1 July 28 to 30 June 29	1,121	1,231	2,352	6,463	8,815
11	1 July 29 to 30 June 30	965	769	1,734	6,463	8,197
12	1 July 30 to 30 June 31	835	481	1,316	6,463	7,779
13	1 July 31 to 30 June 32	596	625	1,221	6,463	7,684
14	1 July 32 to 30 June 33	327	758	1,085	6,463	7,548
15	1 July 33 to 30 June 34	306	474	779	6,463	7,242
16	1 July 34 to 30 June 35	285	296	581	6,463	7,044
17	1 July 35 to 30 June 36	266	185	451	6,463	6,914
18	1 July 36 to 30 June 37	249	116	364	6,463	6,827
19	1 July 37 to 30 June 38	232	72	304	6,463	6,767
20	1 July 38 to 30 June 39	216	45	262	6,463	6,725
21	1 July 39 to 30 June 40	202	28	230	6,463	6,693
22	1 July 40 to 30 June 41	189	18	206	6,463	6,669
23	1 July 41 to 30 June 42	176	11	187	6,463	6,650
24	1 July 42 to 30 June 43	164	7	171	6,463	6,634
25	1 July 43 to 30 June 44	153	4	158	6,463	6,621
26	1 July 44 to 30 June 45	143	3	146	6,463	6,609
27	1 July 45 to 30 June 46	134	2	135	6,463	6,598
28	1 July 46 to 30 June 47	125	1	126	6,463	6,589
29	1 July 47 to 30 June 48	116	1	117	6,463	6,580
30	1 July 48 to 30 June 49	109	0	109	6,463	6,572
31	1 July 49 to 30 June 50	101	0	102	6,463	6,565
32	1 July 50 to 30 June 51	95	0	95	6,463	6,558
33	1 July 51 to 30 June 52	88	0	88	6,463	6,551
34	1 July 52 to 30 June 53	82	0	82	6,463	6,545
35	1 July 53 to 30 June 54	77	0	77	6,463	6,540
36	1 July 54 to 30 June 55	72	0	72	6,463	6,535
37	1 July 55 to 30 June 56	67	0	67	6,463	6,530
38	1 July 56 to 30 June 57	0	352	352	6,463	6,815
39	1 July 57 to 30 June 58	0	220	220	6,463	6,683
40	2058+	0	366	366	8,660	9,026
Totals		52,570	31,793	84,364	258,228	342,592

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	4,703	3,697	8,400	3,974	12,374
2	1 July 20 to 30 June 21	5,310	6,007	11,317	6,463	17,780
3	1 July 21 to 30 June 22	5,310	3,754	9,064	6,463	15,527
4	1 July 22 to 30 June 23	5,310	2,347	7,657	6,463	14,120
5	1 July 23 to 30 June 24	5,310	1,467	6,777	6,463	13,240
6	1 July 24 to 30 June 25	5,310	917	6,227	6,463	12,690
7	1 July 25 to 30 June 26	5,310	573	5,883	6,463	12,346
8	1 July 26 to 30 June 27	5,025	358	5,383	6,463	11,846
9	1 July 27 to 30 June 28	5,011	224	5,235	6,463	11,698
10	1 July 28 to 30 June 29	5,011	140	5,151	6,463	11,614
11	1 July 29 to 30 June 30	3,015	87	3,103	6,463	9,566
12	1 July 30 to 30 June 31	1,749	55	1,804	6,463	8,267
13	1 July 31 to 30 June 32	1,177	34	1,211	6,463	7,674
14	1 July 32 to 30 June 33	698	21	719	6,463	7,182
15	1 July 33 to 30 June 34	391	13	404	6,463	6,867
16	1 July 34 to 30 June 35	391	8	399	6,463	6,862
17	1 July 35 to 30 June 36	391	5	396	6,463	6,859
18	1 July 36 to 30 June 37	391	3	394	6,463	6,857
19	1 July 37 to 30 June 38	391	2	393	6,463	6,856
20	1 July 38 to 30 June 39	391	1	392	6,463	6,855
21	1 July 39 to 30 June 40	391	1	392	6,463	6,855
22	1 July 40 to 30 June 41	391	0	391	6,463	6,854
23	1 July 41 to 30 June 42	391	0	391	6,463	6,854
24	1 July 42 to 30 June 43	391	0	391	6,463	6,854
25	1 July 43 to 30 June 44	391	0	391	6,463	6,854
26	1 July 44 to 30 June 45	391	0	391	6,463	6,854
27	1 July 45 to 30 June 46	391	0	391	6,463	6,854
28	1 July 46 to 30 June 47	391	0	391	6,463	6,854
29	1 July 47 to 30 June 48	391	0	391	6,463	6,854
30	1 July 48 to 30 June 49	391	0	391	6,463	6,854
31	1 July 49 to 30 June 50	144	0	144	6,463	6,607
32	1 July 50 to 30 June 51	0	0	0	6,463	6,463
33	1 July 51 to 30 June 52	0	0	0	6,463	6,463
34	1 July 52 to 30 June 53	0	0	0	6,463	6,463
35	1 July 53 to 30 June 54	0	0	0	6,463	6,463
36	1 July 54 to 30 June 55	0	0	0	6,463	6,463
37	1 July 55 to 30 June 56	0	0	0	6,463	6,463
38	1 July 56 to 30 June 57	0	0	0	6,463	6,463
39	1 July 57 to 30 June 58	0	0	0	6,463	6,463
40	2058+	0	0	0	8,660	8,660
Totals		64,648	19,716	84,364	258,228	342,592

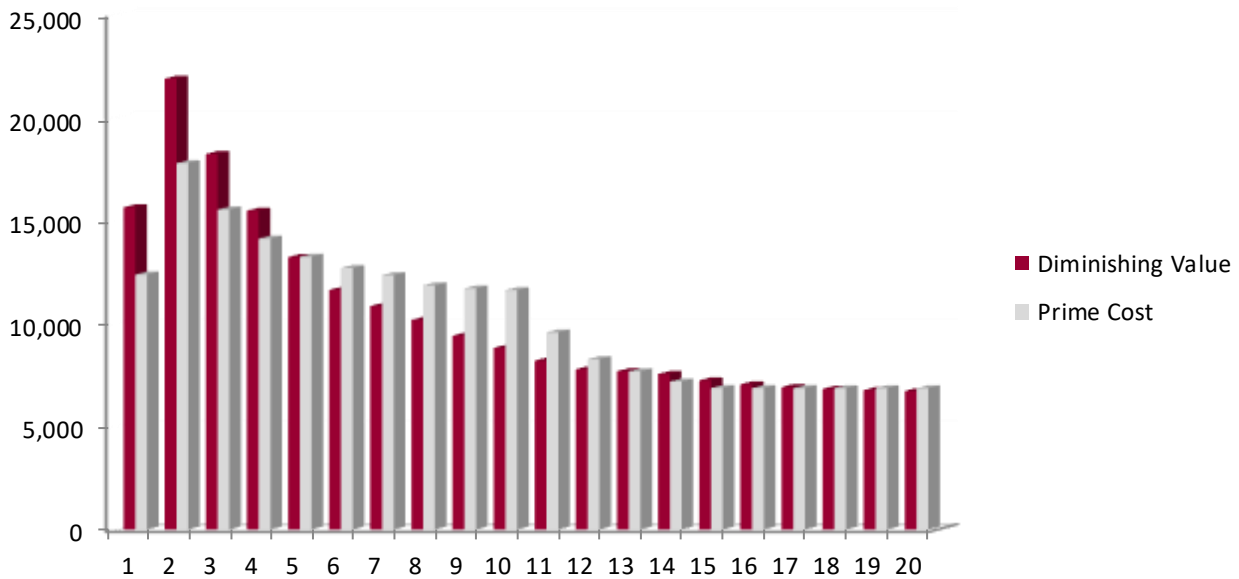
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

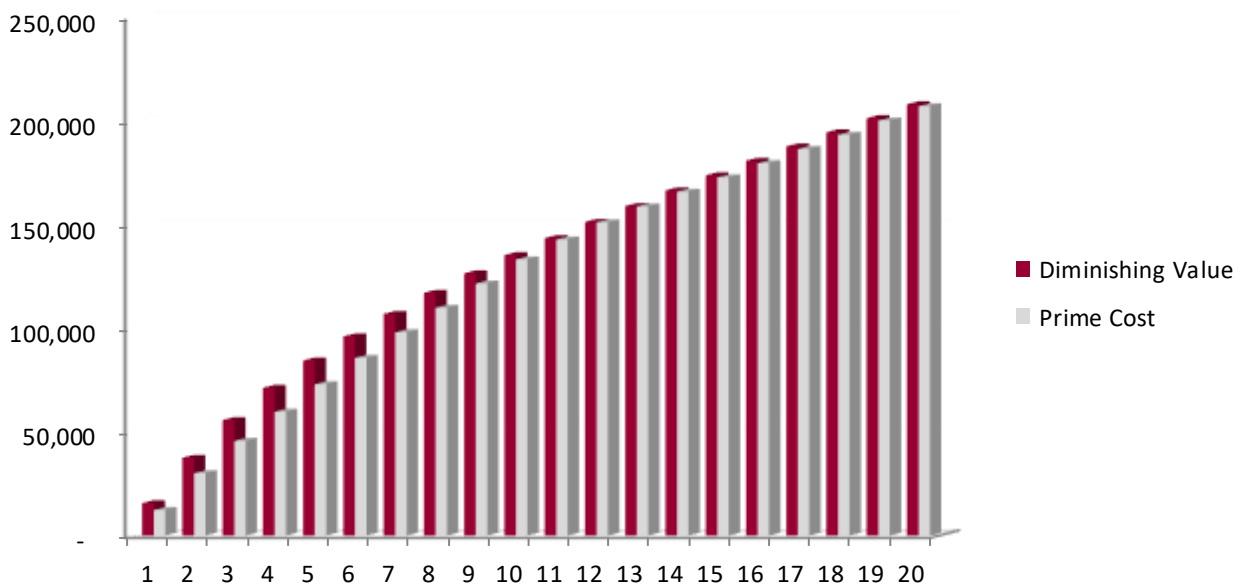
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	\$605,000
Stamp Duty	\$19,863
Total Expenditure Analysed	\$624,863

Historical Construction Details

Construction Start Date	8 August 2018
Construction Completion Date	1 November 2019
Historical Construction Cost (Estimated)*	\$301,592
Lot Entitlement	116
Overall Lot Entitlement	9,995

9. Reconciliation of Capital Expenditure

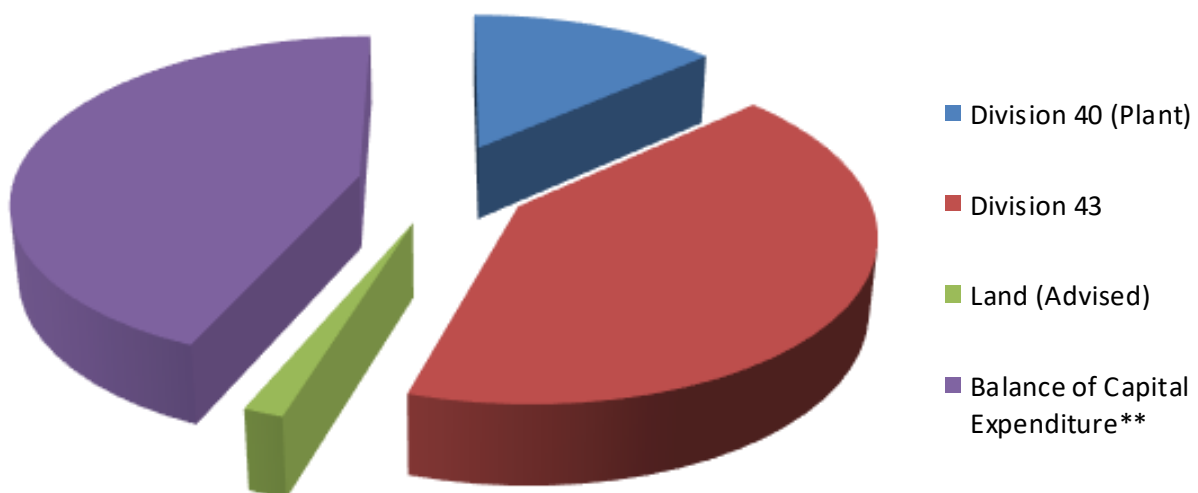
Apportionment of cost relating to:

Division 40 (Plant)	\$84,364
Division 43	\$258,228
Land (Advised)	\$9,995
Balance of Capital Expenditure**	\$272,276
Total Expenditure Analysed	\$624,863

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	16,260	1,999	2,852	2,282	1,825	1,460	1,168	935	748	598	479
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	18-Nov-19	1,855	348	565	353	221	138	86	54	34	21	13
Blinds Residential													
	20.00%	18-Nov-19	6,381	785	1,119	895	716	573	458	367	293	235	352
Computer systems													
General	18.75%	18-Nov-19	862	162	263	164	103	64	40	25	16	10	6
Building management system	18.75%	18-Nov-19	572	107	174	109	68	43	27	17	10	6	4
Door closers													
	18.75%	18-Nov-19	605	113	184	115	72	45	28	18	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	18-Nov-19	2,016	378	614	384	240	150	94	59	37	23	14
Detection & alarm systems, fire indicator panel	18.75%	18-Nov-19	715	134	218	136	85	53	33	21	13	8	5
Emergency warning & intercommunication system	18.75%	18-Nov-19	1,559	292	475	297	186	116	72	45	28	18	11
Floor coverings (removable without damage)													
Carpets	20.00%	18-Nov-19	4,077	501	715	572	458	366	293	234	352	220	137
Furniture													
Furniture	15.00%	18-Nov-19	5,693	525	775	659	560	476	405	344	292	249	211
Furniture	18.75%	18-Nov-19	3,343	627	1,019	637	398	249	155	97	61	38	24
Garage doors, automatic													
Controls	18.75%	18-Nov-19	419	79	128	80	50	31	19	12	8	5	3
Garbage disposal													
Garbage chutes	18.75%	18-Nov-19	536	101	163	102	64	40	25	16	10	6	4
Hot water systems (excluding piping)													
Gas or electric	16.67%	18-Nov-19	3,326	341	498	415	345	288	240	200	375	234	146
Kitchen assets													
Cooktops	16.67%	18-Nov-19	2,710	278	405	338	282	235	195	367	229	143	89
Dishwashers	20.00%	18-Nov-19	3,203	394	562	449	360	288	230	345	216	135	84
Microwave ovens	20.00%	18-Nov-19	1,355	167	238	357	223	139	87	54	34	21	13
Ovens	16.67%	18-Nov-19	3,695	379	553	461	384	320	267	222	185	347	217
Rangehoods	16.67%	18-Nov-19	1,441	148	216	180	337	210	132	82	51	32	20
Laundry assets													
Clothes dryers	20.00%	18-Nov-19	1,355	167	238	357	223	139	87	54	34	21	13
Lifts (including hydraulic & tractions lifts)													
	6.67%	18-Nov-19	11,723	480	749	700	653	609	569	531	495	462	432
Carried forward			73,700	8,503	12,723	10,040	7,851	6,033	4,711	4,098	3,531	2,839	2,283

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			73,700	8,503	12,723	10,040	7,851	6,033	4,711	4,098	3,531	2,839	2,283
Lights													
Shades, removable	18.75%	18-Nov-19	6,805	1,276	2,073	1,296	810	506	316	198	124	77	48
MATV - amplifiers & modulators	18.75%	18-Nov-19	429	80	131	82	51	32	20	12	8	5	3
Security systems & equipment													
Electronic	30.00%	18-Nov-19	1,991	367	487	341	298	187	117	73	46	28	18
\$300 items	100.00%	18-Nov-19	1,438	1,438									
Pooled Plant Total				3,697	6,007	4,467	3,427	2,142	1,339	1,548	1,694	1,406	1,231
Effective Life Plant Total				7,967	9,407	7,291	5,583	4,615	3,825	2,833	2,014	1,544	1,121
Total Division 40			84,364	11,664	15,414	11,758	9,010	6,757	5,164	4,381	3,708	2,950	2,352
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	252,273	3,882	6,314	6,314	6,314	6,314	6,314	6,314	6,314	6,314	6,314
Structural Improvements - Completed 2019	2.50%	18-Nov-19	5,955	92	149	149	149	149	149	149	149	149	149
Total Division 43			258,228	3,974	6,463	6,463	6,463	6,463	6,463	6,463	6,463	6,463	6,463
Total Depreciation			342,592	15,638	21,877	18,221	15,473	13,220	11,627	10,844	10,171	9,413	8,815

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	16,260	1,000	1,626	1,626	1,626	1,626	1,626	1,626	1,626	1,626	1,626
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	18-Nov-19	1,855	348	565	353	221	138	86	54	34	21	13
Blinds Residential													
	10.00%	18-Nov-19	6,381	392	638	638	638	638	638	638	638	638	638
Computer systems													
General	18.75%	18-Nov-19	862	162	263	164	103	64	40	25	16	10	6
Building management system	18.75%	18-Nov-19	572	107	174	109	68	43	27	17	10	6	4
Door closers													
	18.75%	18-Nov-19	605	113	184	115	72	45	28	18	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	18-Nov-19	2,016	378	614	384	240	150	94	59	37	23	14
Detection & alarm systems, fire indicator panel	18.75%	18-Nov-19	715	134	218	136	85	53	33	21	13	8	5
Emergency warning & intercommunication system	18.75%	18-Nov-19	1,559	292	475	297	186	116	72	45	28	18	11
Floor coverings (removable without damage)													
Carpets	10.00%	18-Nov-19	4,077	251	408	408	408	408	408	408	408	408	408
Furniture													
	7.50%	18-Nov-19	5,693	263	427	427	427	427	427	427	427	427	427
	18.75%	18-Nov-19	3,343	627	1,019	637	398	249	155	97	61	38	24
Garage doors, automatic													
Controls	18.75%	18-Nov-19	419	79	128	80	50	31	19	12	8	5	3
Garbage disposal													
Garbage chutes	18.75%	18-Nov-19	536	101	163	102	64	40	25	16	10	6	4
Hot water systems (excluding piping)													
Gas or electric	8.33%	18-Nov-19	3,326	170	277	277	277	277	277	277	277	277	277
Kitchen assets													
Cooktops	8.33%	18-Nov-19	2,710	139	226	226	226	226	226	226	226	226	226
Dishwashers	10.00%	18-Nov-19	3,203	197	320	320	320	320	320	320	320	320	320
Microwave ovens	10.00%	18-Nov-19	1,355	83	135	135	135	135	135	135	135	135	135
Ovens	8.33%	18-Nov-19	3,695	189	308	308	308	308	308	308	308	308	308
Rangehoods	8.33%	18-Nov-19	1,441	74	120	120	120	120	120	120	120	120	120
Laundry assets													
Clothes dryers	10.00%	18-Nov-19	1,355	83	135	135	135	135	135	135	135	135	135
Lifts (including hydraulic & tractions lifts)													
	3.33%	18-Nov-19	11,723	240	391	391	391	391	391	391	391	391	391
Carried forward			73,700	5,421	8,814	7,388	6,497	5,939	5,591	5,374	5,238	5,153	5,100

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				73,700	5,421	8,814	7,388	6,497	5,939	5,591	5,374	5,238	5,153	5,100
Lights														
Shades, removable	18.75%	18-Nov-19	6,805	1,276	2,073	1,296	810	506	316	198	124	77	48	
MATV - amplifiers & modulators	18.75%	18-Nov-19	429	80	131	82	51	32	20	12	8	5	3	
Security systems & equipment														
Electronic	15.00%	18-Nov-19	1,991	184	299	299	299	299	299	299	14			
\$300 items	100.00%	18-Nov-19	1,438	1,438										
Pooled Plant Total					3,697	6,007	3,754	2,347	1,467	917	573	358	224	140
Effective Life Plant Total					4,703	5,310	5,310	5,310	5,310	5,310	5,310	5,025	5,011	5,011
Total Division 40				84,364	8,400	11,317	9,064	7,657	6,777	6,227	5,883	5,383	5,235	5,151
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%	252,273	3,882	6,314	6,314	6,314	6,314	6,314	6,314	6,314	6,314	6,314	
Structural Improvements - Completed 2019		2.50%	5,955	92	149	149	149	149	149	149	149	149	149	
Total Division 43			258,228	3,974	6,463	6,463	6,463	6,463	6,463	6,463	6,463	6,463	6,463	
Total Depreciation			342,592	12,374	17,780	15,527	14,120	13,240	12,690	12,346	11,846	11,698	11,614	

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	252,567	2.50%	6,314	252,273
Sub-total		252,567		6,314	252,273

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	5,962	2.50%	149	5,955
Sub-total		5,962		149	5,955
Totals		258,529		6,463	258,228

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.