



## Tax Depreciation Report

2a / 1 Manchester Road,  
Carrara QLD 4211

Coastal Dental Care Australia Pty Ltd

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

Coastal Dental Care Australia Pty Ltd

January 2020  
Job No: COM4211006

**Tax Depreciation Report – 2a / 1 Manchester Road, Carrara QLD 4211**

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.

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

29 January 2020

### Purchaser

Coastal Dental Care Australia Pty Ltd

### Property Address

2a / 1 Manchester Road, Carrara QLD 4211

### Real Property Description

LOT 323 LP13498

### Property Type

Commercial

### Date of Construction

1 July 2003

### 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"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>	<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>								
Calculation Example	Calculation Example								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>	<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p><b>100 / 10 Years = 10% (Straight Line)</b></p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

## **4. Capital Works**

### **4.1 Entitlement**

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

### **4.2 Method of Depreciation**

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

### **4.3 Method of Depreciation**

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	1 February 20 to 30 June 20	42,094	542	42,636	3,400	46,036
2	1 July 20 to 30 June 21	86,114	1,040	87,154	8,297	95,451
3	1 July 21 to 30 June 22	51,801	1,396	53,198	8,297	61,495
4	1 July 22 to 30 June 23	31,408	1,271	32,680	8,297	40,977
5	1 July 23 to 30 June 24	18,940	1,271	20,211	8,297	28,508
6	1 July 24 to 30 June 25	11,141	1,459	12,600	8,297	20,897
7	1 July 25 to 30 June 26	6,829	1,123	7,952	8,297	16,249
8	1 July 26 to 30 June 27	2,716	2,819	5,535	8,297	13,832
9	1 July 27 to 30 June 28	1,816	1,762	3,578	8,297	11,875
10	1 July 28 to 30 June 29	1,245	1,101	2,346	8,297	10,643
11	1 July 29 to 30 June 30	653	1,367	2,020	8,297	10,317
12	1 July 30 to 30 June 31	0	1,449	1,449	8,297	9,746
13	1 July 31 to 30 June 32	0	906	906	8,297	9,203
14	1 July 32 to 30 June 33	0	566	566	8,297	8,863
15	1 July 33 to 30 June 34	0	354	354	8,297	8,651
16	1 July 34 to 30 June 35	0	221	221	8,297	8,518
17	1 July 35 to 30 June 36	0	138	138	8,297	8,435
18	1 July 36 to 30 June 37	0	86	86	8,297	8,383
19	1 July 37 to 30 June 38	0	54	54	8,297	8,351
20	1 July 38 to 30 June 39	0	34	34	8,297	8,331
21	1 July 39 to 30 June 40	0	21	21	8,297	8,318
22	1 July 40 to 30 June 41	0	13	13	8,297	8,310
23	1 July 41 to 30 June 42	0	8	8	8,297	8,305
24	1 July 42 to 30 June 43	0	5	5	8,213	8,218
25	1 July 43 to 30 June 44	0	3	3	0	3
26	1 July 44 to 30 June 45	0	2	2	0	2
27	1 July 45 to 30 June 46	0	1	1	0	1
28	1 July 46 to 30 June 47	0	1	1	0	1
29	1 July 47 to 30 June 48	0	0	0	0	0
30	1 July 48 to 30 June 49	0	0	0	0	0
31	1 July 49 to 30 June 50	0	0	0	0	0
32	1 July 50 to 30 June 51	0	0	0	0	0
33	1 July 51 to 30 June 52	0	0	0	0	0
34	1 July 52 to 30 June 53	0	0	0	0	0
35	1 July 53 to 30 June 54	0	0	0	0	0
36	1 July 54 to 30 June 55	0	0	0	0	0
37	1 July 55 to 30 June 56	0	0	0	0	0
38	1 July 56 to 30 June 57	0	0	0	0	0
39	1 July 57 to 30 June 58	0	0	0	0	0
40	2058+	0	0	0	0	0
<b>Totals</b>		<b>254,758</b>	<b>19,016</b>	<b>273,774</b>	<b>194,147</b>	<b>467,921</b>

The diminishing value method involves multiplying the remaining amount (or also known as the written down value) of the item by the depreciation rate each year. Hence the term diminishing value method as it diminishes in value each year never quite reaching zero.

### Example

	DV Rate	Opening Value	Year 1	WDV	Year 2
Carpet	20%	\$1,000	\$200	\$800	\$160

## 6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	1 February 20 to 30 June 20	21,047	542	21,589	3,400	24,989
2	1 July 20 to 30 June 21	51,356	881	52,237	8,297	60,534
3	1 July 21 to 30 June 22	51,356	550	51,906	8,297	60,203
4	1 July 22 to 30 June 23	51,356	344	51,700	8,297	59,997
5	1 July 23 to 30 June 24	51,356	215	51,571	8,297	59,868
6	1 July 24 to 30 June 25	31,288	134	31,422	8,297	39,719
7	1 July 25 to 30 June 26	2,396	84	2,480	8,297	10,777
8	1 July 26 to 30 June 27	2,164	52	2,216	8,297	10,513
9	1 July 27 to 30 June 28	2,088	33	2,121	8,297	10,418
10	1 July 28 to 30 June 29	2,088	21	2,109	8,297	10,406
11	1 July 29 to 30 June 30	1,535	13	1,548	8,297	9,845
12	1 July 30 to 30 June 31	745	8	753	8,297	9,050
13	1 July 31 to 30 June 32	649	5	654	8,297	8,951
14	1 July 32 to 30 June 33	483	3	486	8,297	8,783
15	1 July 33 to 30 June 34	210	2	212	8,297	8,509
16	1 July 34 to 30 June 35	176	1	178	8,297	8,475
17	1 July 35 to 30 June 36	128	1	129	8,297	8,426
18	1 July 36 to 30 June 37	128	0	128	8,297	8,425
19	1 July 37 to 30 June 38	128	0	128	8,297	8,425
20	1 July 38 to 30 June 39	128	0	128	8,297	8,425
21	1 July 39 to 30 June 40	78	0	78	8,297	8,375
22	1 July 40 to 30 June 41	0	0	0	8,297	8,297
23	1 July 41 to 30 June 42	0	0	0	8,297	8,297
24	1 July 42 to 30 June 43	0	0	0	8,213	8,213
25	1 July 43 to 30 June 44	0	0	0	0	0
26	1 July 44 to 30 June 45	0	0	0	0	0
27	1 July 45 to 30 June 46	0	0	0	0	0
28	1 July 46 to 30 June 47	0	0	0	0	0
29	1 July 47 to 30 June 48	0	0	0	0	0
30	1 July 48 to 30 June 49	0	0	0	0	0
31	1 July 49 to 30 June 50	0	0	0	0	0
32	1 July 50 to 30 June 51	0	0	0	0	0
33	1 July 51 to 30 June 52	0	0	0	0	0
34	1 July 52 to 30 June 53	0	0	0	0	0
35	1 July 53 to 30 June 54	0	0	0	0	0
36	1 July 54 to 30 June 55	0	0	0	0	0
37	1 July 55 to 30 June 56	0	0	0	0	0
38	1 July 56 to 30 June 57	0	0	0	0	0
39	1 July 57 to 30 June 58	0	0	0	0	0
40	2058+	0	0	0	0	0
<b>Totals</b>		<b>270,884</b>	<b>2,891</b>	<b>273,774</b>	<b>194,147</b>	<b>467,921</b>

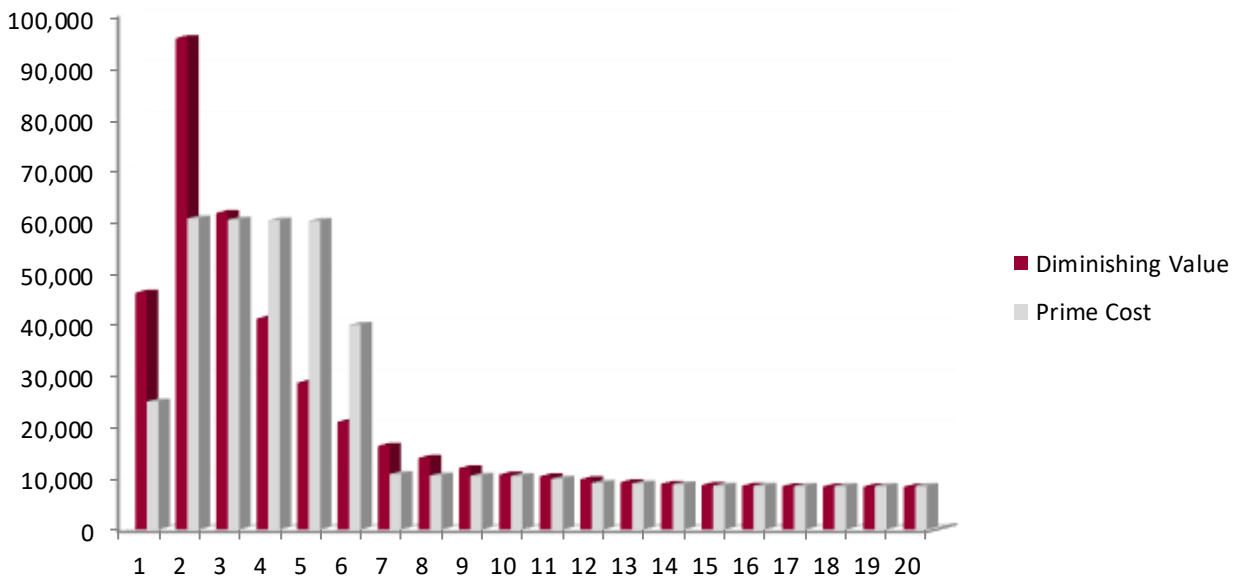
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

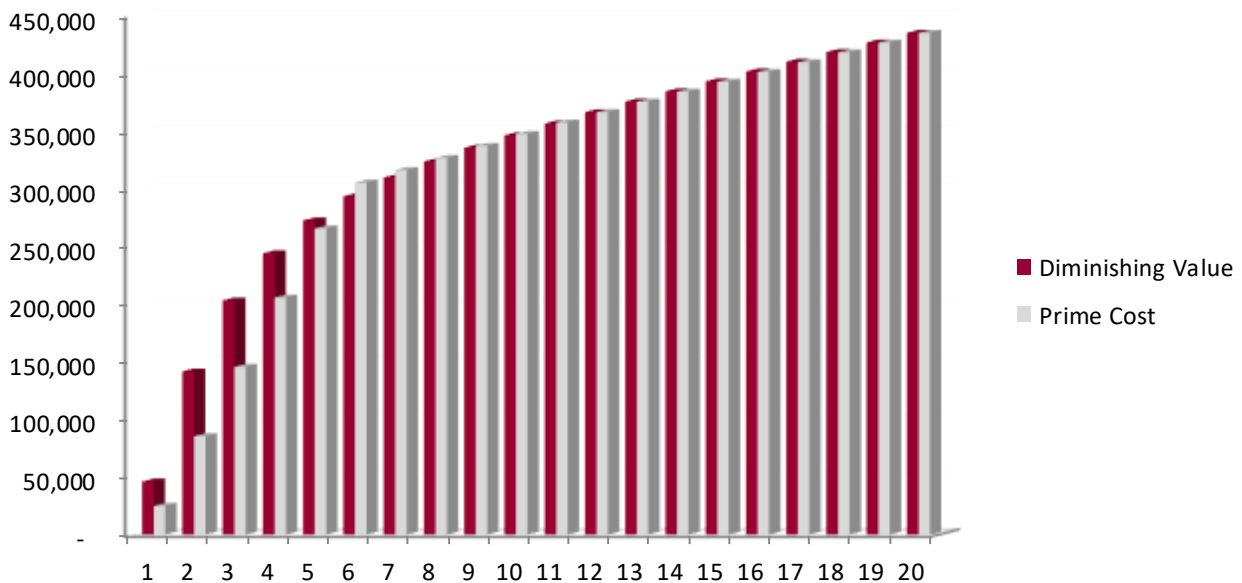
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

## 8. Capital Expenditure Analysed

### Purchase Details

Contract Date	1 February 2020
Settlement Date	1 February 2020

### Expenditure Analysed

Purchase Price	\$985,000
<b>Total Expenditure Analysed</b>	<b>\$985,000</b>

### Historical Construction Details

Construction Start Date	1 May 2003
Construction Completion Date	1 July 2003
Historical Construction Cost (Estimated)*	\$331,875

## 9. Reconciliation of Capital Expenditure

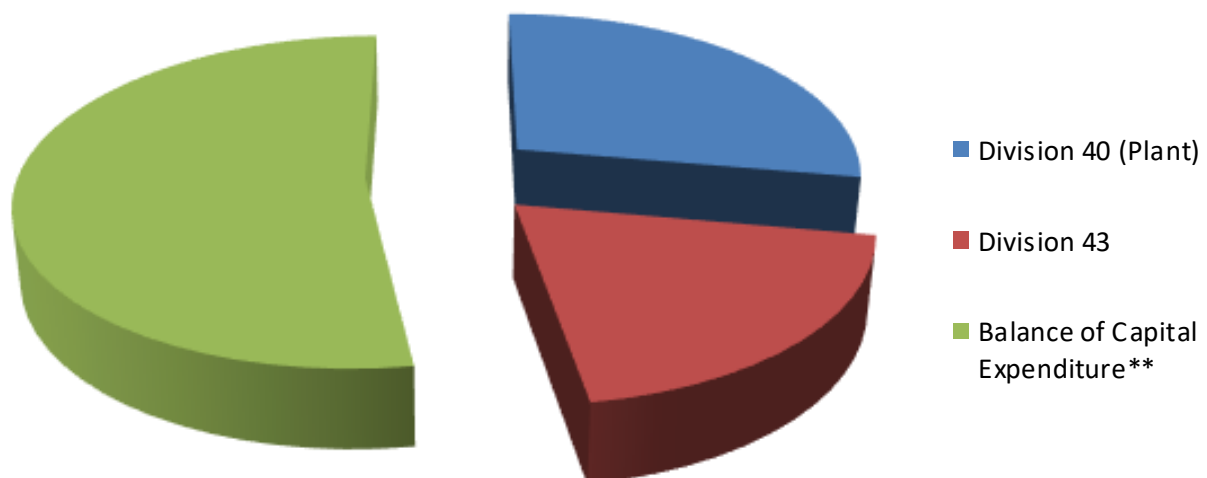
### Apportionment of cost relating to:

Division 40 (Plant)	\$273,774
Division 43	\$194,147
Balance of Capital Expenditure**	\$517,079
<b>Total Expenditure Analysed</b>	<b>\$985,000</b>

### Notes

\* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

\*\* Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



## 10. Diminishing Value Depreciation Schedule

Assets Generally 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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	1-Feb-20	3,588	294	659	527	422	337	270	216	324	202	126
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	1-Feb-20	374	70	114	71	45	28	17	11	7	4	3
<b>Computer systems</b>													
General	40.00%	1-Feb-20	14,760	2,420	4,936	2,962	1,777	1,066	640	384	216	135	84
<b>Electrical Machinery &amp; Equipment :</b>													
Switchboards	10.00%	1-Feb-20	2,563	105	246	221	199	179	161	145	131	118	106
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	1-Feb-20	451	85	137	86	54	34	21	13	8	5	3
Fire extinguishers	18.75%	1-Feb-20	697	131	212	133	83	52	32	20	13	8	5
<b>Floor coverings ( removable without damage)</b>													
Floating timber	13.33%	1-Feb-20	1,230	67	155	134	116	101	87	76	185	115	72
Linoleum & vinyl	20.00%	1-Feb-20	9,840	807	1,807	1,445	1,156	925	740	592	474	379	303
<b>Furniture</b>													
	15.00%	1-Feb-20	3,946	243	556	472	401	341	290	247	210	178	151
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	1-Feb-20	1,845	126	286	239	199	166	138	115	216	135	84
<b>Kitchen assets</b>													
Microwave ovens	18.75%	1-Feb-20	292	55	89	56	35	22	14	8	5	3	2
Refrigerators	16.67%	1-Feb-20	1,025	70	159	133	111	92	77	64	120	75	47
<b>Lights</b>													
Shades, removable	40.00%	1-Feb-20	1,912	313	639	384	230	138	83	50	28	17	11
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	1-Feb-20	2,050	252	539	378	264	185	130	91	79	50	31
<b>Televisions</b>													
	18.75%	1-Feb-20	1,076	202	328	205	128	80	50	31	20	12	8
Carried forward			45,648	5,239	10,863	7,445	5,220	3,746	2,750	2,063	2,034	1,437	1,037

## 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
<b>Division 40 - Plant and Equipment</b>													
Brought forward			45,648	5,239	10,863	7,445	5,220	3,746	2,750	2,063	2,034	1,437	1,037
<b>Dentists' assets</b>													
Dental chairs	40.00%	1-Feb-20	16,495	2,704	5,516	3,310	1,986	1,192	715	429	241	151	94
Digital x-ray systems (including intra-oral storage phosphor plates)	40.00%	1-Feb-20	15,290	2,507	5,113	3,068	1,841	1,104	663	373	233	146	91
Intra-oral camera systems (incorporating camera and integrated processor)	40.00%	1-Feb-20	121,910	19,985	40,770	24,462	14,677	8,806	5,284	3,170	1,902	1,141	685
Air compressors	40.00%	1-Feb-20	6,014	986	2,011	1,207	724	434	244	153	95	60	37
suction units	40.00%	1-Feb-20	10,000	1,639	3,344	2,007	1,204	722	433	244	152	95	60
Dental units	40.00%	1-Feb-20	8,173	1,340	2,733	1,640	984	590	332	208	130	81	51
Handpiece cleaners	40.00%	1-Feb-20	3,616	593	1,209	726	435	245	153	96	60	37	23
Dental instrument	40.00%	1-Feb-20	21,463	3,519	7,178	4,307	2,584	1,550	930	558	314	196	123
Ultrasonic scalers (standalone)	40.00%	1-Feb-20	1,752	287	586	330	206	129	80	50	31	20	12
Oral surgical motors	40.00%	1-Feb-20	23,413	3,838	7,830	4,698	2,819	1,691	1,015	609	342	214	134
<b>Pooled Plant Total</b>				542	1,040	1,396	1,271	1,271	1,459	1,123	2,819	1,762	1,101
<b>Effective Life Plant Total</b>				42,094	86,114	51,801	31,408	18,940	11,141	6,829	2,716	1,816	1,245
<b>Total Division 40</b>			273,774	42,636	87,154	53,198	32,680	20,211	12,600	7,952	5,535	3,578	2,346
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Building Works - Completed 2003</b>	2.50%	01-Feb-20	194,147	3,400	8,297	8,297	8,297	8,297	8,297	8,297	8,297	8,297	8,297
<b>Total Division 43</b>			194,147	3,400	8,297	8,297	8,297	8,297	8,297	8,297	8,297	8,297	8,297
<b>Total Depreciation</b>			467,921	46,036	95,451	61,495	40,977	28,508	20,897	16,249	13,832	11,875	10,643

## 11. Prime Cost Depreciation Schedule

Assets Generally		Prime Cost											
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	01-Feb-20	3,588	147	359	359	359	359	359	359	359	359	359
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	01-Feb-20	374	70	114	71	45	28	17	11	7	4	3
<b>Computer systems</b>													
General	20.00%	01-Feb-20	14,760	1,210	2,952	2,952	2,952	2,952	1,742				
<b>Electrical Machinery &amp; Equipment :</b>													
Switchboards	5.00%	01-Feb-20	2,563	53	128	128	128	128	128	128	128	128	128
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	01-Feb-20	451	85	137	86	54	34	21	13	8	5	3
Fire extinguishers	18.75%	01-Feb-20	697	131	212	133	83	52	32	20	13	8	5
<b>Floor coverings ( removable without damage)</b>													
Floating timber	6.67%	01-Feb-20	1,230	34	82	82	82	82	82	82	82	82	82
Linoleum & vinyl	10.00%	01-Feb-20	9,840	403	984	984	984	984	984	984	984	984	984
<b>Furniture</b>													
	7.50%	01-Feb-20	3,946	121	296	296	296	296	296	296	296	296	296
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	01-Feb-20	1,845	63	154	154	154	154	154	154	154	154	154
<b>Kitchen assets</b>													
Microwave ovens	18.75%	01-Feb-20	292	55	89	56	35	22	14	8	5	3	2
Refrigerators	8.33%	01-Feb-20	1,025	35	85	85	85	85	85	85	85	85	85
<b>Lights</b>													
Shades, removable	20.00%	01-Feb-20	1,912	157	382	382	382	382	227				
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	01-Feb-20	2,050	126	308	308	308	308	308	308	76		
<b>Televisions</b>													
	18.75%	01-Feb-20	1,076	202	328	205	128	80	50	31	20	12	8
Carried forward			45,648	2,890	6,611	6,280	6,074	5,945	4,499	2,480	2,216	2,121	2,109

## 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
<b>Brought forward</b>				<b>45,648</b>	<b>2,890</b>	<b>6,611</b>	<b>6,280</b>	<b>6,074</b>	<b>5,945</b>	<b>4,499</b>	<b>2,480</b>	<b>2,216</b>	<b>2,121</b>	<b>2,109</b>
<b>Dentists' assets</b>														
Dental chairs	20.00%	01-Feb-20	16,495	1,352	3,299	3,299	3,299	3,299	3,299	1,947				
Digital x-ray systems (including intra-oral storage phosphor plates)	20.00%	01-Feb-20	15,290	1,253	3,058	3,058	3,058	3,058	3,058	1,805				
Intra-oral camera systems (incorporating camera and integrated processor)	20.00%	01-Feb-20	121,910	9,993	24,382	24,382	24,382	24,382	24,382	14,389				
Air compressors	20.00%	01-Feb-20	6,014	493	1,203	1,203	1,203	1,203	1,203	709				
suction units	20.00%	01-Feb-20	10,000	820	2,000	2,000	2,000	2,000	2,000	1,180				
Dental units	20.00%	01-Feb-20	8,173	670	1,635	1,635	1,635	1,635	1,635	963				
Handpiece cleaners	20.00%	01-Feb-20	3,616	296	723	723	723	723	723	428				
Dental instrument	20.00%	01-Feb-20	21,463	1,759	4,293	4,293	4,293	4,293	4,293	2,532				
Ultrasonic scalers (standalone)	20.00%	01-Feb-20	1,752	144	350	350	350	350	350	208				
Oral surgical motors	20.00%	01-Feb-20	23,413	1,919	4,683	4,683	4,683	4,683	4,683	2,761				
<b>Pooled Plant Total</b>					<b>542</b>	<b>881</b>	<b>550</b>	<b>344</b>	<b>215</b>	<b>134</b>	<b>84</b>	<b>52</b>	<b>33</b>	<b>21</b>
<b>Effective Life Plant Total</b>					<b>21,047</b>	<b>51,356</b>	<b>51,356</b>	<b>51,356</b>	<b>51,356</b>	<b>31,288</b>	<b>2,396</b>	<b>2,164</b>	<b>2,088</b>	<b>2,088</b>
<b>Total Division 40</b>				<b>273,774</b>	<b>21,589</b>	<b>52,237</b>	<b>51,906</b>	<b>51,700</b>	<b>51,571</b>	<b>31,422</b>	<b>2,480</b>	<b>2,216</b>	<b>2,121</b>	<b>2,109</b>
<b>Division 43 - Capital Works Allowance</b>														
<b>Building Works - Completed 2003</b>		<b>2.50%</b>	<b>01-Feb-20</b>	<b>194,147</b>	<b>3,400</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>
<b>Total Division 43</b>				<b>194,147</b>	<b>3,400</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>	<b>8,297</b>
<b>Total Depreciation</b>				<b>467,921</b>	<b>24,989</b>	<b>60,534</b>	<b>60,203</b>	<b>59,997</b>	<b>59,868</b>	<b>39,719</b>	<b>10,777</b>	<b>10,513</b>	<b>10,418</b>	<b>10,406</b>



## 12. Division 43 Capital Works Schedule

The table below outlines the amount of Division 43 building write-off available for this property. The building write-off is claimed over forty years from the construction date of the works completed and is the remaining value after plant and equipment has been taken out.

### Qualifying Building Allowance

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Building Works - Completed 2003	1 May 03 to 1 Jul 03	331,875	2.50%	8,297	194,147
<b>Sub-total</b>		<b>331,875</b>		<b>8,297</b>	<b>194,147</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
<b>Sub-total</b>					
<b>Totals</b>		<b>331,875</b>		<b>8,297</b>	<b>194,147</b>

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

### 13. Definition of Terms

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
<b>Decline in Value</b>	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.

## 14. Contact Details

COMPANY DETAILS	
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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.