



Tax Depreciation Report

405/31 Mascar Street,
Upper Mount Gravatt, QLD

Carol and Ricardo Amorim
6 Poulton Avenue
BEVERLEY PARK, NSW 2217

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

Carol and Ricardo Amorim
6 Poulton Avenue
BEVERLEY PARK, NSW 2217

January 2020
Job No: RES4122019

Tax Depreciation Report – 405/31 Mascar Street, Upper Mount Gravatt, QLD

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



TABLE OF CONTENTS

1. Property Information.....	2
2. Report Details.....	3
3. Capital Allowances	4
4. Capital Works	6
5. Summary of Entitlements – Diminishing Value Method	7
6. Summary of Entitlements – Prime Cost Method.....	8
7. Comparison Graphs.....	9
8. Capital Expenditure Analysed	10
9. Reconciliation of Capital Expenditure	10
10. Diminishing Value Depreciation Schedule.....	11
11. Prime Cost Depreciation Schedule	13
12. Division 43 Capital Works Schedule	15
13. Definition of Terms	16
14. Contact Details	17
15. Disclaimer.....	18

1. Property Information

Date of Report

24 January 2020

Purchaser

Carol and Ricardo Amorim

Property Address

405/31 Mascar Street, Upper Mount Gravatt, QLD

Real Property Description

405/SP304510

Property Type

Residential Unit

Date of Construction

1 December 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	20 December 19 to 30 June 20	4,020	3,948	7,968	3,571	11,539
2	1 July 20 to 30 June 21	5,944	7,107	13,050	6,772	19,822
3	1 July 21 to 30 June 22	4,470	5,075	9,545	6,772	16,317
4	1 July 22 to 30 June 23	3,704	3,172	6,876	6,772	13,648
5	1 July 23 to 30 June 24	2,925	2,331	5,257	6,772	12,029
6	1 July 24 to 30 June 25	1,912	2,512	4,424	6,772	11,196
7	1 July 25 to 30 June 26	1,481	1,911	3,392	6,772	10,164
8	1 July 26 to 30 June 27	1,097	1,499	2,596	6,772	9,368
9	1 July 27 to 30 June 28	948	937	1,884	6,772	8,656
10	1 July 28 to 30 June 29	823	585	1,409	6,772	8,181
11	1 July 29 to 30 June 30	719	366	1,085	6,772	7,857
12	1 July 30 to 30 June 31	632	229	861	6,772	7,633
13	1 July 31 to 30 June 32	371	496	866	6,772	7,638
14	1 July 32 to 30 June 33	346	310	656	6,772	7,428
15	1 July 33 to 30 June 34	323	194	516	6,772	7,288
16	1 July 34 to 30 June 35	301	121	422	6,772	7,194
17	1 July 35 to 30 June 36	281	76	357	6,772	7,129
18	1 July 36 to 30 June 37	262	47	310	6,772	7,082
19	1 July 37 to 30 June 38	245	30	275	6,772	7,047
20	1 July 38 to 30 June 39	229	18	247	6,772	7,019
21	1 July 39 to 30 June 40	213	12	225	6,772	6,997
22	1 July 40 to 30 June 41	199	7	206	6,772	6,978
23	1 July 41 to 30 June 42	186	5	190	6,772	6,962
24	1 July 42 to 30 June 43	174	3	176	6,772	6,948
25	1 July 43 to 30 June 44	162	2	164	6,772	6,936
26	1 July 44 to 30 June 45	151	1	152	6,772	6,924
27	1 July 45 to 30 June 46	141	1	142	6,772	6,914
28	1 July 46 to 30 June 47	132	0	132	6,772	6,904
29	1 July 47 to 30 June 48	123	0	123	6,772	6,895
30	1 July 48 to 30 June 49	115	0	115	6,772	6,887
31	1 July 49 to 30 June 50	107	0	107	6,772	6,879
32	1 July 50 to 30 June 51	100	0	100	6,772	6,872
33	1 July 51 to 30 June 52	93	0	93	6,772	6,865
34	1 July 52 to 30 June 53	87	0	87	6,772	6,859
35	1 July 53 to 30 June 54	81	0	81	6,772	6,853
36	1 July 54 to 30 June 55	76	0	76	6,772	6,848
37	1 July 55 to 30 June 56	71	0	71	6,772	6,843
38	1 July 56 to 30 June 57	0	371	371	6,772	7,143
39	1 July 57 to 30 June 58	0	232	232	6,772	7,004
40	2058+	0	387	387	9,599	9,986
Totals		33,244	31,985	65,229	270,506	335,735

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	20 December 19 to 30 June 20	2,187	3,948	6,135	3,571	9,706
2	1 July 20 to 30 June 21	3,475	6,416	9,891	6,772	16,663
3	1 July 21 to 30 June 22	3,475	4,010	7,485	6,772	14,257
4	1 July 22 to 30 June 23	3,475	2,506	5,981	6,772	12,753
5	1 July 23 to 30 June 24	3,475	1,566	5,041	6,772	11,813
6	1 July 24 to 30 June 25	3,475	979	4,454	6,772	11,226
7	1 July 25 to 30 June 26	3,475	612	4,087	6,772	10,859
8	1 July 26 to 30 June 27	3,291	382	3,673	6,772	10,445
9	1 July 27 to 30 June 28	3,258	239	3,497	6,772	10,269
10	1 July 28 to 30 June 29	3,258	149	3,407	6,772	10,179
11	1 July 29 to 30 June 30	2,122	93	2,216	6,772	8,988
12	1 July 30 to 30 June 31	1,086	58	1,144	6,772	7,916
13	1 July 31 to 30 June 32	817	36	853	6,772	7,625
14	1 July 32 to 30 June 33	544	23	567	6,772	7,339
15	1 July 33 to 30 June 34	410	14	424	6,772	7,196
16	1 July 34 to 30 June 35	410	9	419	6,772	7,191
17	1 July 35 to 30 June 36	410	6	416	6,772	7,188
18	1 July 36 to 30 June 37	410	3	413	6,772	7,185
19	1 July 37 to 30 June 38	410	2	412	6,772	7,184
20	1 July 38 to 30 June 39	410	1	411	6,772	7,183
21	1 July 39 to 30 June 40	410	1	411	6,772	7,183
22	1 July 40 to 30 June 41	410	1	411	6,772	7,183
23	1 July 41 to 30 June 42	410	0	410	6,772	7,182
24	1 July 42 to 30 June 43	410	0	410	6,772	7,182
25	1 July 43 to 30 June 44	410	0	410	6,772	7,182
26	1 July 44 to 30 June 45	410	0	410	6,772	7,182
27	1 July 45 to 30 June 46	410	0	410	6,772	7,182
28	1 July 46 to 30 June 47	410	0	410	6,772	7,182
29	1 July 47 to 30 June 48	410	0	410	6,772	7,182
30	1 July 48 to 30 June 49	410	0	410	6,772	7,182
31	1 July 49 to 30 June 50	200	0	200	6,772	6,972
32	1 July 50 to 30 June 51	0	0	0	6,772	6,772
33	1 July 51 to 30 June 52	0	0	0	6,772	6,772
34	1 July 52 to 30 June 53	0	0	0	6,772	6,772
35	1 July 53 to 30 June 54	0	0	0	6,772	6,772
36	1 July 54 to 30 June 55	0	0	0	6,772	6,772
37	1 July 55 to 30 June 56	0	0	0	6,772	6,772
38	1 July 56 to 30 June 57	0	0	0	6,772	6,772
39	1 July 57 to 30 June 58	0	0	0	6,772	6,772
40	2058+	0	0	0	9,599	9,599
Totals		44,173	21,057	65,229	270,506	335,735

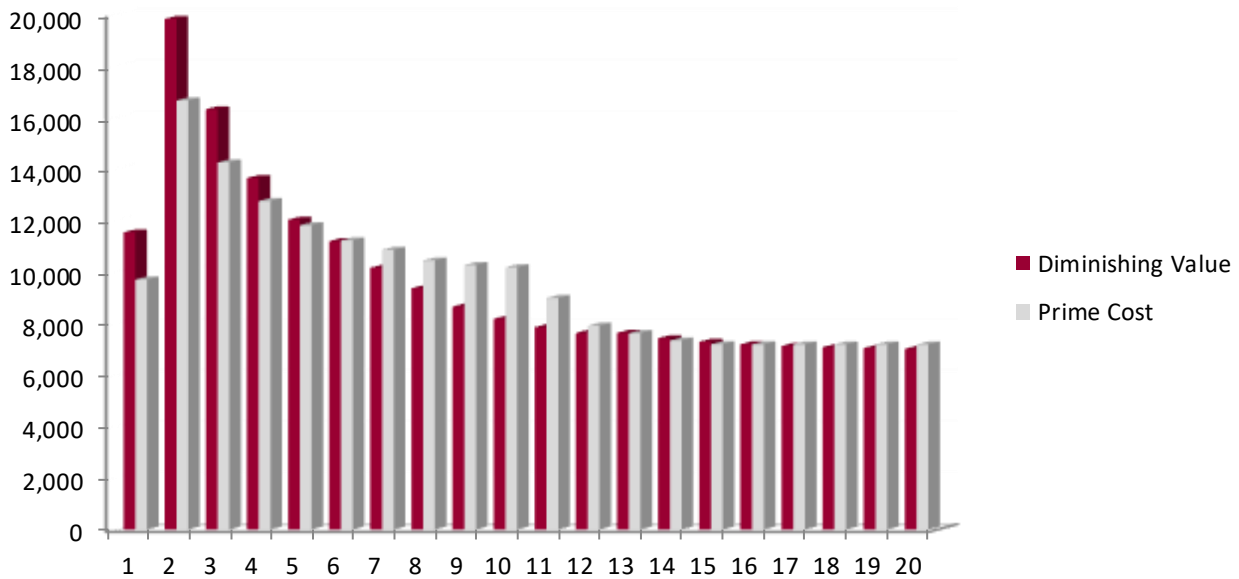
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

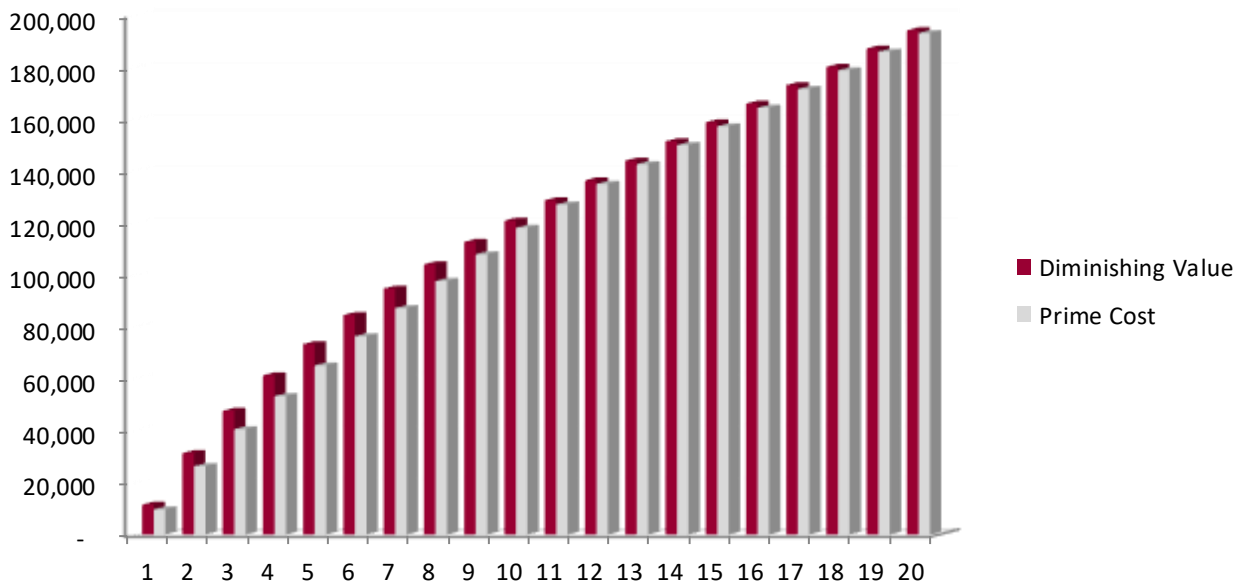
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	20 December 2019

Expenditure Analysed

Purchase Price	\$513,000
Stamp Duty	\$16,413
Total Expenditure Analysed	\$529,413

Historical Construction Details

Construction Start Date	7 October 2018
Construction Completion Date	1 December 2019
Historical Construction Cost (Estimated)*	\$316,216
Lot Entitlement	236
Overall Lot Entitlement	9,960

9. Reconciliation of Capital Expenditure

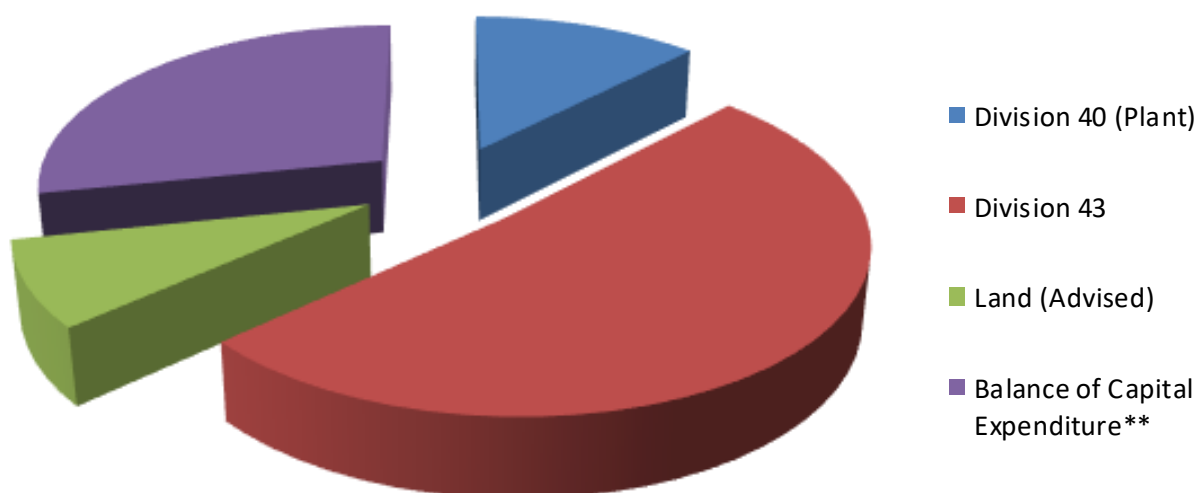
Apportionment of cost relating to:

Division 40 (Plant)	\$65,229
Division 43	\$270,506
Land (Advised)	\$44,015
Balance of Capital Expenditure**	\$149,662
Total Expenditure Analysed	\$529,412

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%	20-Dec-19	12,242	1,291	2,190	1,752	1,402	1,121	897	718	574	459	367
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	20-Dec-19	927	174	283	177	110	69	43	27	17	11	7
Blinds Residential													
Blinds Residential	20.00%	20-Dec-19	2,504	264	448	358	287	229	344	215	134	84	53
Blinds Residential	18.75%	20-Dec-19	2,152	403	656	410	256	160	100	63	39	24	15
Ceiling Fans													
Ceiling Fans	18.75%	20-Dec-19	1,948	365	593	371	232	145	91	57	35	22	14
Computer systems													
General	18.75%	20-Dec-19	649	122	198	124	77	48	30	19	12	7	5
Door closers													
Door closers	18.75%	20-Dec-19	476	89	145	91	57	35	22	14	9	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	20-Dec-19	2,125	399	648	405	253	158	99	62	39	24	15
Detection & alarm systems, fire indicator panel	16.67%	20-Dec-19	1,099	97	167	313	196	122	76	48	30	19	12
Emergency warning & intercommunication system	18.75%	20-Dec-19	560	105	171	107	67	42	26	16	10	6	4
Pumps, diesel & electric	18.75%	20-Dec-19	374	70	114	71	44	28	17	11	7	4	3
Floor coverings (removable without damage)													
Carpets	20.00%	20-Dec-19	3,459	365	619	495	396	317	253	203	304	190	119
Furniture													
Furniture	15.00%	20-Dec-19	2,226	176	308	261	222	189	161	341	213	133	83
Furniture	18.75%	20-Dec-19	5,594	1,049	1,704	1,065	666	416	260	163	102	63	40
Hot water systems (excluding piping)													
Gas or electric	18.75%	20-Dec-19	791	148	241	151	94	59	37	23	14	9	6
Kitchen assets													
Cooktops	16.67%	20-Dec-19	1,762	155	268	223	186	349	218	136	85	53	33
Dishwashers	20.00%	20-Dec-19	2,504	264	448	358	287	229	344	215	134	84	53
Microwave ovens	20.00%	20-Dec-19	1,020	108	342	214	134	84	52	33	20	13	8
Ovens	16.67%	20-Dec-19	2,226	196	338	282	235	196	367	229	143	90	56
Rangehoods	16.67%	20-Dec-19	1,020	90	349	218	136	85	53	33	21	13	8
Laundry assets													
Clothes dryers	18.75%	20-Dec-19	835	157	254	159	99	62	39	24	15	9	6
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	20-Dec-19	12,307	433	792	739	690	644	601	561	523	488	456
Lights													
Shades, removable	18.75%	20-Dec-19	3,523	661	1,073	671	419	262	164	102	64	40	25
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	18.75%	20-Dec-19	769	144	234	146	92	57	36	22	14	9	5
Carried forward			63,092	7,323	12,583	9,161	6,636	5,107	4,330	3,334	2,560	1,862	1,394

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													
			63,092	7,323	12,583	9,161	6,636	5,107	4,330	3,334	2,560	1,862	1,394
Brought forward													
Security systems & equipment													
Electronic	30.00%	20-Dec-19	1,449	229	366	320	200	125	78	49	31	19	12
Ventilating plant													
Ventilation plant - fans only	18.75%	20-Dec-19	334	63	102	64	40	25	16	10	6	4	2
\$300 items	100.00%	20-Dec-19	354	354									
Pooled Plant Total				3,948	7,107	5,075	3,172	2,331	2,512	1,911	1,499	937	585
Effective Life Plant Total				4,020	5,944	4,470	3,704	2,925	1,912	1,481	1,097	948	823
Total Division 40			65,229	7,968	13,050	9,545	6,876	5,257	4,424	3,392	2,596	1,884	1,409
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2019	2.50%	20-Dec-19	265,565	3,506	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648
Structural Improvements - Completed 2019	2.50%	20-Dec-19	4,941	65	124	124	124	124	124	124	124	124	124
Total Division 43			270,506	3,571	6,772	6,772	6,772	6,772	6,772	6,772	6,772	6,772	6,772
Total Depreciation			335,735	11,539	19,822	16,317	13,648	12,029	11,196	10,164	9,368	8,656	8,181

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%	20-Dec-19	12,242	646	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	20-Dec-19	927	174	283	177	110	69	43	27	17	11	7
Blinds Residential	10.00%	20-Dec-19	2,504	132	250	250	250	250	250	250	250	250	250
Blinds Residential	18.75%	20-Dec-19	2,152	403	656	410	256	160	100	63	39	24	15
Ceiling Fans	18.75%	20-Dec-19	1,948	365	593	371	232	145	91	57	35	22	14
Computer systems													
General	18.75%	20-Dec-19	649	122	198	124	77	48	30	19	12	7	5
Door closers	18.75%	20-Dec-19	476	89	145	91	57	35	22	14	9	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	20-Dec-19	2,125	399	648	405	253	158	99	62	39	24	15
Detection & alarm systems, fire indicator panel	8.33%	20-Dec-19	1,099	48	92	92	92	92	92	92	92	92	92
Emergency warning & intercommunication system	18.75%	20-Dec-19	560	105	171	107	67	42	26	16	10	6	4
Pumps, diesel & electric	18.75%	20-Dec-19	374	70	114	71	44	28	17	11	7	4	3
Floor coverings (removable without damage)													
Carpets	10.00%	20-Dec-19	3,459	182	346	346	346	346	346	346	346	346	346
Furniture	7.50%	20-Dec-19	2,226	88	167	167	167	167	167	167	167	167	167
Furniture	18.75%	20-Dec-19	5,594	1,049	1,704	1,065	666	416	260	163	102	63	40
Hot water systems (excluding piping)													
Gas or electric	18.75%	20-Dec-19	791	148	241	151	94	59	37	23	14	9	6
Kitchen assets													
Cooktops	8.33%	20-Dec-19	1,762	77	147	147	147	147	147	147	147	147	147
Dishwashers	10.00%	20-Dec-19	2,504	132	250	250	250	250	250	250	250	250	250
Microwave ovens	10.00%	20-Dec-19	1,020	54	102	102	102	102	102	102	102	102	102
Ovens	8.33%	20-Dec-19	2,226	98	185	185	185	185	185	185	185	185	185
Rangehoods	8.33%	20-Dec-19	1,020	45	85	85	85	85	85	85	85	85	85
Laundry assets													
Clothes dryers	18.75%	20-Dec-19	835	157	254	159	99	62	39	24	15	9	6
Lifts (including hydraulic & tractions lifts)	3.33%	20-Dec-19	12,307	216	410	410	410	410	410	410	410	410	410
Lights													
Shades, removable	18.75%	20-Dec-19	3,523	661	1,073	671	419	262	164	102	64	40	25
MATV - amplifiers & modulators	18.75%	20-Dec-19	769	144	234	146	92	57	36	22	14	9	5
Carried forward			63,092	5,604	9,572	7,204	5,724	4,799	4,221	3,860	3,634	3,493	3,405

Prime Cost Depreciation Schedule (cont.)

Assets Generally		Prime Cost											
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Brought forward			63,092	5,604	9,572	7,204	5,724	4,799	4,221	3,860	3,634	3,493	3,405
Security systems & equipment													
Electronic	15.00%	20-Dec-19	1,449	115	217	217	217	217	217	217	33		
Ventilating plant													
Ventilation plant - fans only	18.75%	20-Dec-19	334	63	102	64	40	25	16	10	6	4	2
\$300 items	100.00%	20-Dec-19	354	354									
Pooled Plant Total				3,948	6,416	4,010	2,506	1,566	979	612	382	239	149
Effective Life Plant Total				2,187	3,475	3,475	3,475	3,475	3,475	3,475	3,291	3,258	3,258
Total Division 40			65,229	6,135	9,891	7,485	5,981	5,041	4,454	4,087	3,673	3,497	3,407
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%	20-Dec-19	265,565	3,506	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648
Structural Improvements - Completed 2019	2.50%	20-Dec-19	4,941	65	124	124	124	124	124	124	124	124	124
Total Division 43			270,506	3,571	6,772	6,772	6,772	6,772	6,772	6,772	6,772	6,772	6,772
Total Depreciation			335,735	9,706	16,663	14,257	12,753	11,813	11,226	10,859	10,445	10,269	10,179

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	7 Oct 18 to 1 Dec 19	265,911	2.50%	6,648	265,565
Sub-total		265,911		6,648	265,565

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	7 Oct 18 to 1 Dec 19	4,948	2.50%	124	4,941
Sub-total		4,948		124	4,941
Totals		270,859		6,772	270,506

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.