



Tax Depreciation Report

706/31 Mascar Street,
Upper Mount Gravatt, QLD

David and Bettina Rowe
15 Wanaka Place
GLENORIE, NSW 2157

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

David and Bettina Rowe
15 Wanaka Place
GLENORIE, NSW 2157

January 2020
Job No: RES4122038

Tax Depreciation Report – 706/31 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



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1. Property Information

Date of Report

21 January 2020

Purchaser

Dabero Custodian Pty Ltd

Property Address

706/31 Mascar Street, Upper Mount Gravatt, QLD

Real Property Description

706/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	6 January 20 to 30 June 20	3,861	3,846	7,707	3,237	10,944
2	1 July 20 to 30 June 21	6,254	6,973	13,227	6,732	19,959
3	1 July 21 to 30 June 22	4,699	5,035	9,734	6,732	16,466
4	1 July 22 to 30 June 23	3,896	3,147	7,043	6,732	13,775
5	1 July 23 to 30 June 24	3,079	2,332	5,411	6,732	12,143
6	1 July 24 to 30 June 25	2,188	2,178	4,366	6,732	11,098
7	1 July 25 to 30 June 26	1,565	2,038	3,603	6,732	10,335
8	1 July 26 to 30 June 27	1,162	1,592	2,755	6,732	9,487
9	1 July 27 to 30 June 28	1,005	995	2,000	6,732	8,732
10	1 July 28 to 30 June 29	873	622	1,495	6,732	8,227
11	1 July 29 to 30 June 30	764	389	1,153	6,732	7,885
12	1 July 30 to 30 June 31	672	243	915	6,732	7,647
13	1 July 31 to 30 June 32	397	522	919	6,732	7,651
14	1 July 32 to 30 June 33	371	326	696	6,732	7,428
15	1 July 33 to 30 June 34	346	204	550	6,732	7,282
16	1 July 34 to 30 June 35	323	127	450	6,732	7,182
17	1 July 35 to 30 June 36	301	80	381	6,732	7,113
18	1 July 36 to 30 June 37	281	50	331	6,732	7,063
19	1 July 37 to 30 June 38	262	31	294	6,732	7,026
20	1 July 38 to 30 June 39	245	19	264	6,732	6,996
21	1 July 39 to 30 June 40	229	12	241	6,732	6,973
22	1 July 40 to 30 June 41	213	8	221	6,732	6,953
23	1 July 41 to 30 June 42	199	5	204	6,732	6,936
24	1 July 42 to 30 June 43	186	3	189	6,732	6,921
25	1 July 43 to 30 June 44	173	2	175	6,732	6,907
26	1 July 44 to 30 June 45	162	1	163	6,732	6,895
27	1 July 45 to 30 June 46	151	1	152	6,732	6,884
28	1 July 46 to 30 June 47	141	0	141	6,732	6,873
29	1 July 47 to 30 June 48	132	0	132	6,732	6,864
30	1 July 48 to 30 June 49	123	0	123	6,732	6,855
31	1 July 49 to 30 June 50	115	0	115	6,732	6,847
32	1 July 50 to 30 June 51	107	0	107	6,732	6,839
33	1 July 51 to 30 June 52	100	0	100	6,732	6,832
34	1 July 52 to 30 June 53	93	0	93	6,732	6,825
35	1 July 53 to 30 June 54	87	0	87	6,732	6,819
36	1 July 54 to 30 June 55	81	0	81	6,732	6,813
37	1 July 55 to 30 June 56	76	0	76	6,732	6,808
38	1 July 56 to 30 June 57	71	0	71	6,732	6,803
39	1 July 57 to 30 June 58	0	371	371	6,732	7,103
40	2058+	0	619	619	9,587	10,206
Totals		34,983	31,771	66,755	268,640	335,395

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	6 January 20 to 30 June 20	2,119	3,846	5,965	3,237	9,202
2	1 July 20 to 30 June 21	3,623	6,249	9,872	6,732	16,604
3	1 July 21 to 30 June 22	3,623	3,906	7,529	6,732	14,261
4	1 July 22 to 30 June 23	3,623	2,441	6,064	6,732	12,796
5	1 July 23 to 30 June 24	3,623	1,526	5,149	6,732	11,881
6	1 July 24 to 30 June 25	3,623	954	4,577	6,732	11,309
7	1 July 25 to 30 June 26	3,623	596	4,219	6,732	10,951
8	1 July 26 to 30 June 27	3,438	372	3,811	6,732	10,543
9	1 July 27 to 30 June 28	3,396	233	3,629	6,732	10,361
10	1 July 28 to 30 June 29	3,396	146	3,542	6,732	10,274
11	1 July 29 to 30 June 30	2,298	91	2,389	6,732	9,121
12	1 July 30 to 30 June 31	1,141	57	1,198	6,732	7,930
13	1 July 31 to 30 June 32	893	36	929	6,732	7,661
14	1 July 32 to 30 June 33	587	22	609	6,732	7,341
15	1 July 33 to 30 June 34	438	14	452	6,732	7,184
16	1 July 34 to 30 June 35	438	9	447	6,732	7,179
17	1 July 35 to 30 June 36	438	5	443	6,732	7,175
18	1 July 36 to 30 June 37	438	3	441	6,732	7,173
19	1 July 37 to 30 June 38	438	2	440	6,732	7,172
20	1 July 38 to 30 June 39	438	1	439	6,732	7,171
21	1 July 39 to 30 June 40	438	1	439	6,732	7,171
22	1 July 40 to 30 June 41	438	1	439	6,732	7,171
23	1 July 41 to 30 June 42	438	0	438	6,732	7,170
24	1 July 42 to 30 June 43	438	0	438	6,732	7,170
25	1 July 43 to 30 June 44	438	0	438	6,732	7,170
26	1 July 44 to 30 June 45	438	0	438	6,732	7,170
27	1 July 45 to 30 June 46	438	0	438	6,732	7,170
28	1 July 46 to 30 June 47	438	0	438	6,732	7,170
29	1 July 47 to 30 June 48	438	0	438	6,732	7,170
30	1 July 48 to 30 June 49	438	0	438	6,732	7,170
31	1 July 49 to 30 June 50	229	0	229	6,732	6,961
32	1 July 50 to 30 June 51	0	0	0	6,732	6,732
33	1 July 51 to 30 June 52	0	0	0	6,732	6,732
34	1 July 52 to 30 June 53	0	0	0	6,732	6,732
35	1 July 53 to 30 June 54	0	0	0	6,732	6,732
36	1 July 54 to 30 June 55	0	0	0	6,732	6,732
37	1 July 55 to 30 June 56	0	0	0	6,732	6,732
38	1 July 56 to 30 June 57	0	0	0	6,732	6,732
39	1 July 57 to 30 June 58	0	0	0	6,732	6,732
40	2058+	0	0	0	9,587	9,587
Totals		46,244	20,511	66,755	268,640	335,395

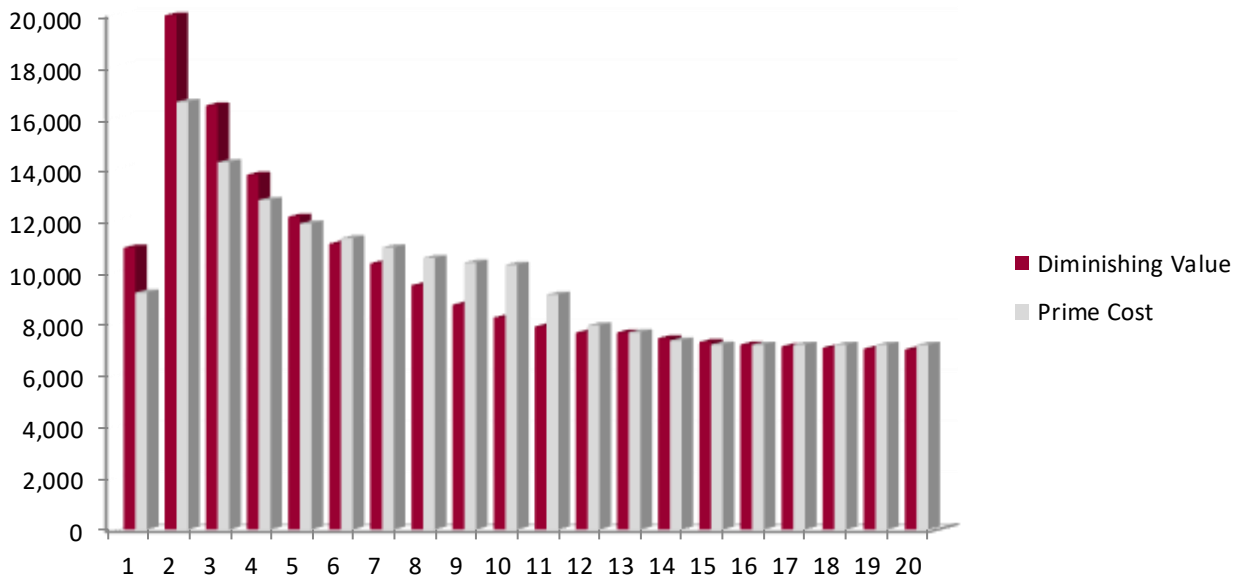
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

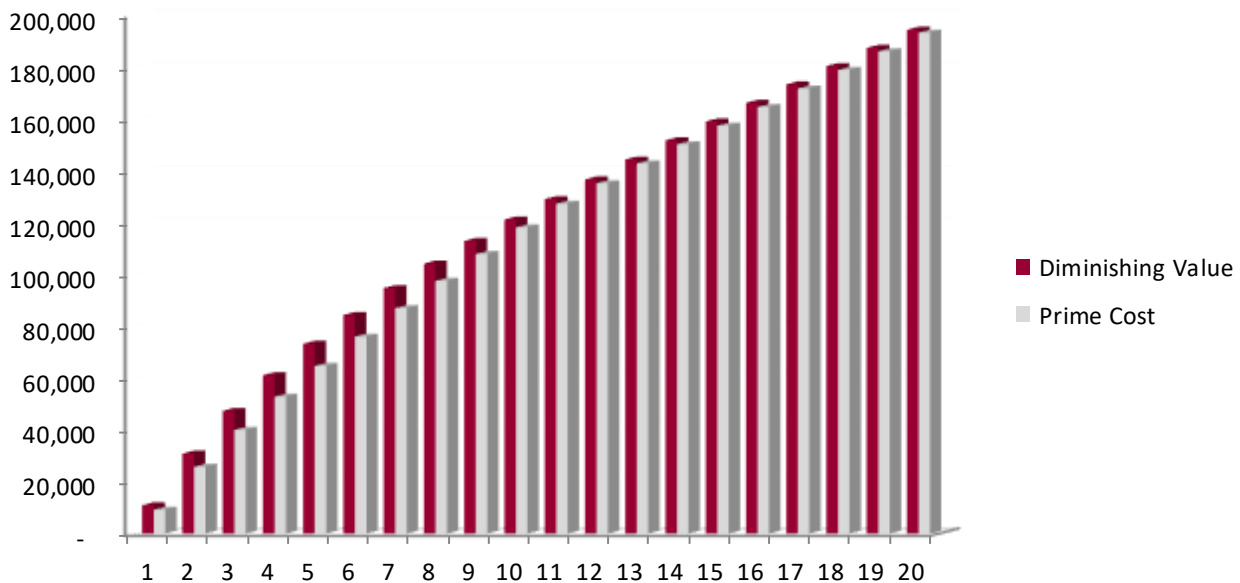
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	6 January 2020

Expenditure Analysed

Purchase Price	\$528,500
Stamp Duty	\$16,994
Total Expenditure Analysed	\$545,494

Historical Construction Details

Construction Start Date	7 October 2018
Construction Completion Date	1 December 2019
Historical Construction Cost (Estimated)*	\$314,185
Lot Entitlement	243
Overall Lot Entitlement	9,960

9. Reconciliation of Capital Expenditure

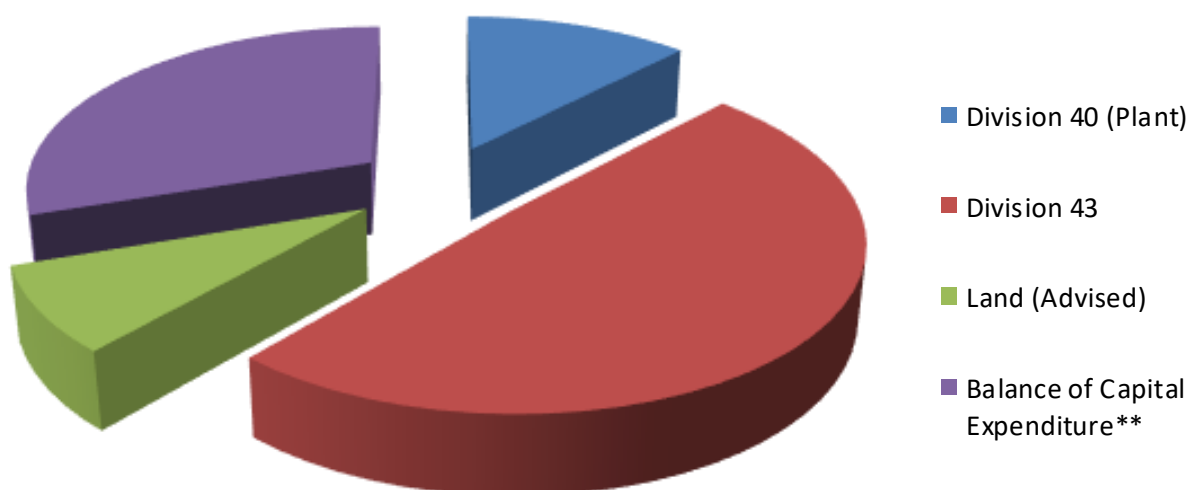
Apportionment of cost relating to:

Division 40 (Plant)	\$66,755
Division 43	\$268,640
Land (Advised)	\$45,328
Balance of Capital Expenditure**	\$164,771
Total Expenditure Analysed	\$545,494

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%	6-Jan-20	12,697	1,221	2,295	1,836	1,469	1,175	940	752	602	481	385
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	6-Jan-20	962	180	293	183	114	72	45	28	17	11	7
Blinds Residential													
Blinds Residential	20.00%	6-Jan-20	2,597	250	469	376	300	240	361	225	141	88	55
Blinds Residential	18.75%	6-Jan-20	754	141	230	144	90	56	35	22	14	9	5
Ceiling Fans													
Ceiling Fans	18.75%	6-Jan-20	2,020	379	615	385	240	150	94	59	37	23	14
Computer systems													
General	18.75%	6-Jan-20	673	126	205	128	80	50	31	20	12	8	5
Door closers													
Door closers	18.75%	6-Jan-20	495	93	151	94	59	37	23	14	9	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	6-Jan-20	2,219	416	676	423	264	165	103	64	40	25	16
Detection & alarm systems, fire indicator panel	16.67%	6-Jan-20	1,173	94	180	337	211	132	82	51	32	20	13
Emergency warning & intercommunication system	18.75%	6-Jan-20	598	112	182	114	71	45	28	17	11	7	4
Pumps, diesel & electric	18.75%	6-Jan-20	399	75	122	76	47	30	19	12	7	5	3
Floor coverings (removable without damage)													
Carpets	20.00%	6-Jan-20	3,587	345	648	519	415	332	266	212	319	199	125
Furniture													
Furniture	15.00%	6-Jan-20	2,308	167	321	273	232	197	168	356	223	139	87
Furniture	18.75%	6-Jan-20	5,823	1,092	1,774	1,109	693	433	271	169	106	66	41
Hot water systems (excluding piping)													
Gas or electric	18.75%	6-Jan-20	845	158	257	161	101	63	39	25	15	10	6
Kitchen assets													
Cooktops	16.67%	6-Jan-20	1,828	146	280	233	195	365	228	143	89	56	35
Dishwashers	20.00%	6-Jan-20	2,597	250	469	376	300	240	361	225	141	88	55
Microwave ovens	20.00%	6-Jan-20	1,058	102	359	224	140	88	55	34	21	13	8
Ovens	16.67%	6-Jan-20	2,308	185	354	295	246	205	171	320	200	125	78
Rangehoods	16.67%	6-Jan-20	1,058	85	365	228	143	89	56	35	22	14	8
Laundry assets													
Clothes dryers	18.75%	6-Jan-20	866	162	264	165	103	64	40	25	16	10	6
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	6-Jan-20	13,142	421	848	791	739	689	644	601	561	523	488
Lights													
Shades, removable	18.75%	6-Jan-20	3,678	690	1,121	700	438	274	171	107	67	42	26
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	18.75%	6-Jan-20	821	154	250	156	98	61	38	24	15	9	6
Carried forward			64,507	7,044	12,730	9,326	6,788	5,252	4,266	3,541	2,716	1,975	1,480

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													
			64,507	7,044	12,730	9,326	6,788	5,252	4,266	3,541	2,716	1,975	1,480
Brought forward													
Security systems & equipment													
Electronic	30.00%	6-Jan-20	1,513	218	388	340	212	133	83	52	32	20	13
Ventilating plant													
Ventilation plant - fans only	18.75%	6-Jan-20	357	67	109	68	42	27	17	10	6	4	3
\$300 items	100.00%	6-Jan-20	378	378									
Pooled Plant Total				3,846	6,973	5,035	3,147	2,332	2,178	2,038	1,592	995	622
Effective Life Plant Total				3,861	6,254	4,699	3,896	3,079	2,188	1,565	1,162	1,005	873
Total Division 40			66,755	7,707	13,227	9,734	7,043	5,411	4,366	3,603	2,755	2,000	1,495
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%	06-Jan-20	263,558	3,176	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605
Structural Improvements - Completed 2019	2.50%	06-Jan-20	5,082	61	127	127	127	127	127	127	127	127	127
Total Division 43			268,640	3,237	6,732	6,732	6,732	6,732	6,732	6,732	6,732	6,732	6,732
Total Depreciation			335,395	10,944	19,959	16,466	13,775	12,143	11,098	10,335	9,487	8,732	8,227

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%	06-Jan-20	12,697	611	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	06-Jan-20	962	180	293	183	114	72	45	28	17	11	7
Blinds Residential	10.00%	06-Jan-20	2,597	125	260	260	260	260	260	260	260	260	260
Blinds Residential	18.75%	06-Jan-20	754	141	230	144	90	56	35	22	14	9	5
Ceiling Fans	18.75%	06-Jan-20	2,020	379	615	385	240	150	94	59	37	23	14
Computer systems													
General	18.75%	06-Jan-20	673	126	205	128	80	50	31	20	12	8	5
Door closers	18.75%	06-Jan-20	495	93	151	94	59	37	23	14	9	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	06-Jan-20	2,219	416	676	423	264	165	103	64	40	25	16
Detection & alarm systems, fire indicator panel	8.33%	06-Jan-20	1,173	47	98	98	98	98	98	98	98	98	98
Emergency warning & intercommunication system	18.75%	06-Jan-20	598	112	182	114	71	45	28	17	11	7	4
Pumps, diesel & electric	18.75%	06-Jan-20	399	75	122	76	47	30	19	12	7	5	3
Floor coverings (removable without damage)													
Carpets	10.00%	06-Jan-20	3,587	173	359	359	359	359	359	359	359	359	359
Furniture	7.50%	06-Jan-20	2,308	83	173	173	173	173	173	173	173	173	173
Furniture	18.75%	06-Jan-20	5,823	1,092	1,774	1,109	693	433	271	169	106	66	41
Hot water systems (excluding piping)													
Gas or electric	18.75%	06-Jan-20	845	158	257	161	101	63	39	25	15	10	6
Kitchen assets													
Cooktops	8.33%	06-Jan-20	1,828	73	152	152	152	152	152	152	152	152	152
Dishwashers	10.00%	06-Jan-20	2,597	125	260	260	260	260	260	260	260	260	260
Microwave ovens	10.00%	06-Jan-20	1,058	51	106	106	106	106	106	106	106	106	106
Ovens	8.33%	06-Jan-20	2,308	93	192	192	192	192	192	192	192	192	192
Rangehoods	8.33%	06-Jan-20	1,058	42	88	88	88	88	88	88	88	88	88
Laundry assets													
Clothes dryers	18.75%	06-Jan-20	866	162	264	165	103	64	40	25	16	10	6
Lifts (including hydraulic & tractions lifts)	3.33%	06-Jan-20	13,142	211	438	438	438	438	438	438	438	438	438
Lights													
Shades, removable	18.75%	06-Jan-20	3,678	690	1,121	700	438	274	171	107	67	42	26
MATV - amplifiers & modulators	18.75%	06-Jan-20	821	154	250	156	98	61	38	24	15	9	6
Carried forward			64,507	5,412	9,537	7,234	5,795	4,895	4,333	3,982	3,762	3,625	3,539

Prime Cost Depreciation Schedule (cont.)

Assets Generally													
Division 40 - Plant and Equipment	Prime Cost 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			64,507	5,412	9,537	7,234	5,795	4,895	4,333	3,982	3,762	3,625	3,539
Security systems & equipment													
Electronic	15.00%	06-Jan-20	1,513	109	227	227	227	227	227	227	42		
Ventilating plant													
Ventilation plant - fans only	18.75%	06-Jan-20	357	67	109	68	42	27	17	10	6	4	3
\$300 items	100.00%	06-Jan-20	378	378									
Pooled Plant Total				3,846	6,249	3,906	2,441	1,526	954	596	372	233	146
Effective Life Plant Total				2,119	3,623	3,623	3,623	3,623	3,623	3,623	3,438	3,396	3,396
Total Division 40			66,755	5,965	9,872	7,529	6,064	5,149	4,577	4,219	3,811	3,629	3,542
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%	06-Jan-20	263,558	3,176	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605	6,605
Structural Improvements - Completed 2019	2.50%	06-Jan-20	5,082	61	127	127	127	127	127	127	127	127	127
Total Division 43			268,640	3,237	6,732	6,732	6,732	6,732	6,732	6,732	6,732	6,732	6,732
Total Depreciation			335,395	9,202	16,604	14,261	12,796	11,881	11,309	10,951	10,543	10,361	10,274

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	264,210	2.50%	6,605	263,558
Sub-total		264,210		6,605	263,558

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	5,094	2.50%	127	5,082
Sub-total		5,094		127	5,082
Totals		269,304		6,732	268,640

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.