



Tax Depreciation Report

404/31 Mascar Street,
Upper Mount Gravatt, QLD

Brooke Baxter
24/6-14 Park Street
SUTHERLAND, NSW 2232

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

Brooke Baxter
24/6-14 Park Street
SUTHERLAND, NSW 2232

January 2020
Job No: RES4122020

Tax Depreciation Report – 404/31 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

20 January 2020

Purchaser

Brooke Baxter

Property Address

404/31 Mascar Street, Upper Mount Gravatt, QLD

Real Property Description

404/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				
<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	19 December 19 to 30 June 20	3,551	4,307	7,858	3,524	11,382
2	1 July 20 to 30 June 21	5,346	7,341	12,688	6,648	19,336
3	1 July 21 to 30 June 22	4,129	4,893	9,022	6,648	15,670
4	1 July 22 to 30 June 23	3,256	3,369	6,625	6,648	13,273
5	1 July 23 to 30 June 24	2,563	2,442	5,005	6,648	11,653
6	1 July 24 to 30 June 25	1,810	2,211	4,021	6,648	10,669
7	1 July 25 to 30 June 26	1,202	2,077	3,279	6,648	9,927
8	1 July 26 to 30 June 27	1,030	1,298	2,328	6,648	8,976
9	1 July 27 to 30 June 28	887	811	1,699	6,648	8,347
10	1 July 28 to 30 June 29	769	507	1,276	6,648	7,924
11	1 July 29 to 30 June 30	671	317	988	6,648	7,636
12	1 July 30 to 30 June 31	588	198	786	6,648	7,434
13	1 July 31 to 30 June 32	338	464	801	6,648	7,449
14	1 July 32 to 30 June 33	315	290	605	6,648	7,253
15	1 July 33 to 30 June 34	294	181	475	6,648	7,123
16	1 July 34 to 30 June 35	274	113	388	6,648	7,036
17	1 July 35 to 30 June 36	256	71	327	6,648	6,975
18	1 July 36 to 30 June 37	239	44	283	6,648	6,931
19	1 July 37 to 30 June 38	223	28	251	6,648	6,899
20	1 July 38 to 30 June 39	208	17	226	6,648	6,874
21	1 July 39 to 30 June 40	194	11	205	6,648	6,853
22	1 July 40 to 30 June 41	181	7	188	6,648	6,836
23	1 July 41 to 30 June 42	169	4	174	6,648	6,822
24	1 July 42 to 30 June 43	158	3	161	6,648	6,809
25	1 July 43 to 30 June 44	147	2	149	6,648	6,797
26	1 July 44 to 30 June 45	138	1	139	6,648	6,787
27	1 July 45 to 30 June 46	128	1	129	6,648	6,777
28	1 July 46 to 30 June 47	120	0	120	6,648	6,768
29	1 July 47 to 30 June 48	112	0	112	6,648	6,760
30	1 July 48 to 30 June 49	104	0	105	6,648	6,753
31	1 July 49 to 30 June 50	97	0	98	6,648	6,746
32	1 July 50 to 30 June 51	91	0	91	6,648	6,739
33	1 July 51 to 30 June 52	85	0	85	6,648	6,733
34	1 July 52 to 30 June 53	79	0	79	6,648	6,727
35	1 July 53 to 30 June 54	74	0	74	6,648	6,722
36	1 July 54 to 30 June 55	69	0	69	6,648	6,717
37	1 July 55 to 30 June 56	0	362	362	6,648	7,010
38	1 July 56 to 30 June 57	0	227	227	6,648	6,875
39	1 July 57 to 30 June 58	0	142	142	6,648	6,790
40	2058+	0	236	236	9,421	9,657
Totals		29,899	31,974	61,873	265,569	327,442

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	19 December 19 to 30 June 20	1,937	4,307	6,244	3,524	9,768
2	1 July 20 to 30 June 21	3,045	6,999	10,044	6,648	16,692
3	1 July 21 to 30 June 22	3,045	4,375	7,420	6,648	14,068
4	1 July 22 to 30 June 23	3,045	2,734	5,779	6,648	12,427
5	1 July 23 to 30 June 24	3,045	1,709	4,754	6,648	11,402
6	1 July 24 to 30 June 25	3,045	1,068	4,113	6,648	10,761
7	1 July 25 to 30 June 26	3,045	667	3,712	6,648	10,360
8	1 July 26 to 30 June 27	2,865	417	3,283	6,648	9,931
9	1 July 27 to 30 June 28	2,838	261	3,099	6,648	9,747
10	1 July 28 to 30 June 29	2,838	163	3,001	6,648	9,649
11	1 July 29 to 30 June 30	1,840	102	1,941	6,648	8,589
12	1 July 30 to 30 June 31	939	64	1,003	6,648	7,651
13	1 July 31 to 30 June 32	722	40	762	6,648	7,410
14	1 July 32 to 30 June 33	502	25	527	6,648	7,175
15	1 July 33 to 30 June 34	374	16	390	6,648	7,038
16	1 July 34 to 30 June 35	374	10	384	6,648	7,032
17	1 July 35 to 30 June 36	374	6	380	6,648	7,028
18	1 July 36 to 30 June 37	374	4	378	6,648	7,026
19	1 July 37 to 30 June 38	374	2	376	6,648	7,024
20	1 July 38 to 30 June 39	374	1	375	6,648	7,023
21	1 July 39 to 30 June 40	374	1	375	6,648	7,023
22	1 July 40 to 30 June 41	374	1	375	6,648	7,023
23	1 July 41 to 30 June 42	374	0	374	6,648	7,022
24	1 July 42 to 30 June 43	374	0	374	6,648	7,022
25	1 July 43 to 30 June 44	374	0	374	6,648	7,022
26	1 July 44 to 30 June 45	374	0	374	6,648	7,022
27	1 July 45 to 30 June 46	374	0	374	6,648	7,022
28	1 July 46 to 30 June 47	374	0	374	6,648	7,022
29	1 July 47 to 30 June 48	374	0	374	6,648	7,022
30	1 July 48 to 30 June 49	374	0	374	6,648	7,022
31	1 July 49 to 30 June 50	166	0	166	6,648	6,814
32	1 July 50 to 30 June 51	0	0	0	6,648	6,648
33	1 July 51 to 30 June 52	0	0	0	6,648	6,648
34	1 July 52 to 30 June 53	0	0	0	6,648	6,648
35	1 July 53 to 30 June 54	0	0	0	6,648	6,648
36	1 July 54 to 30 June 55	0	0	0	6,648	6,648
37	1 July 55 to 30 June 56	0	0	0	6,648	6,648
38	1 July 56 to 30 June 57	0	0	0	6,648	6,648
39	1 July 57 to 30 June 58	0	0	0	6,648	6,648
40	2058+	0	0	0	9,421	9,421
Totals		38,901	22,972	61,873	265,569	327,442

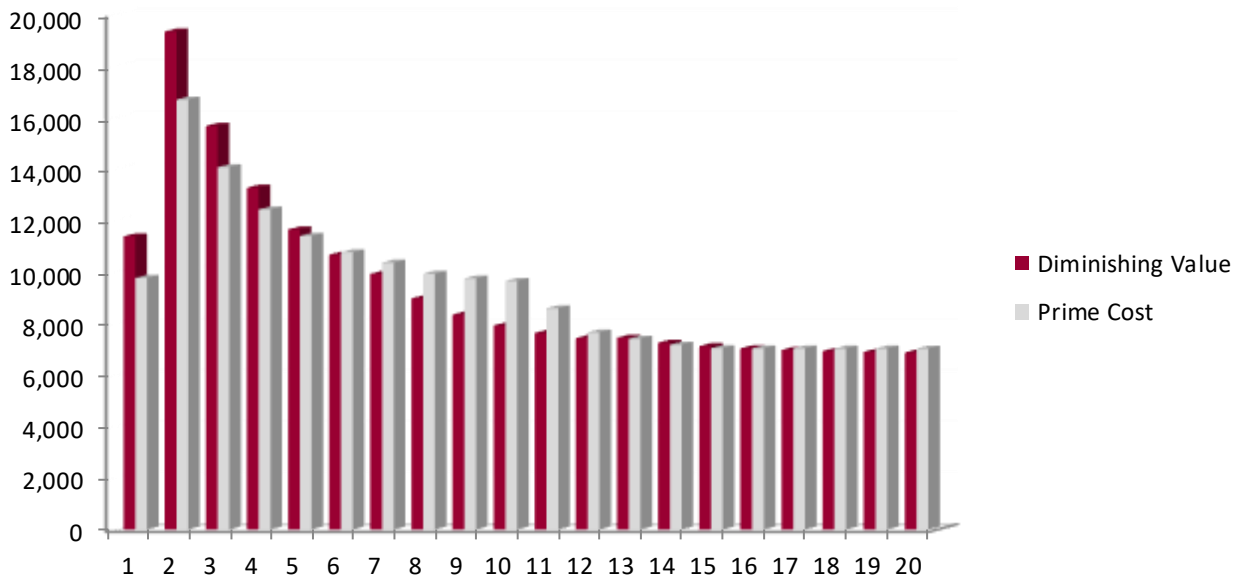
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

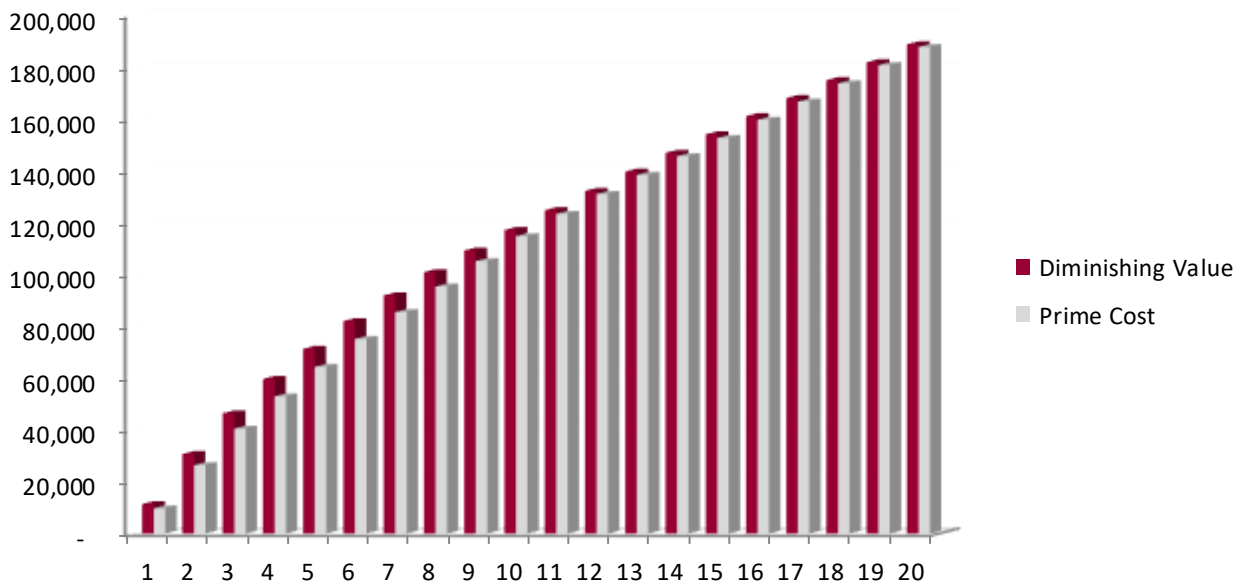
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	19 December 2019

Expenditure Analysed

Purchase Price	\$485,500
Stamp Duty	\$15,418
Total Expenditure Analysed	\$500,918

Historical Construction Details

Construction Start Date	7 October 2018
Construction Completion Date	1 December 2019
Historical Construction Cost (Estimated)*	\$310,416
Lot Entitlement	223
Overall Lot Entitlement	9,960

9. Reconciliation of Capital Expenditure

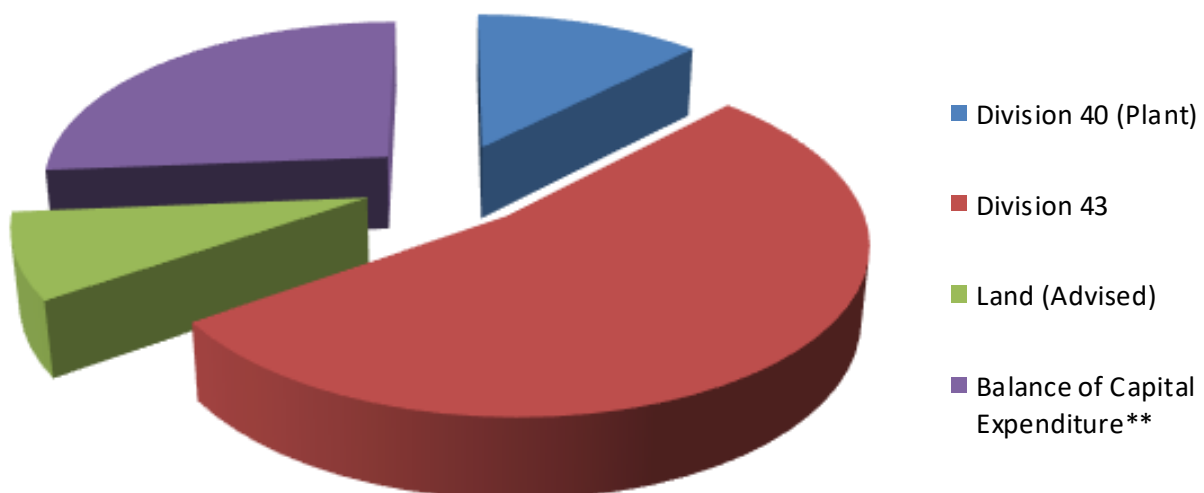
Apportionment of cost relating to:

Division 40 (Plant)	\$61,873
Division 43	\$265,569
Land (Advised)	\$41,581
Balance of Capital Expenditure**	\$131,895
Total Expenditure Analysed	\$500,918

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%	19-Dec-19	11,802	1,251	2,110	1,688	1,350	1,080	864	691	553	443	354
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	19-Dec-19	894	168	272	170	106	67	42	26	16	10	6
Blinds Residential													
Blinds Residential	20.00%	19-Dec-19	1,448	154	259	207	311	194	121	76	47	30	19
Blinds Residential	18.75%	19-Dec-19	3,040	570	926	579	362	226	141	88	55	35	22
Ceiling Fans													
Ceiling Fans	18.75%	19-Dec-19	1,878	352	572	358	223	140	87	55	34	21	13
Computer systems													
General	18.75%	19-Dec-19	626	117	191	119	74	47	29	18	11	7	4
Door closers													
Door closers	18.75%	19-Dec-19	455	85	139	87	54	34	21	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	19-Dec-19	2,023	379	616	385	241	150	94	59	37	23	14
Detection & alarm systems, fire indicator panel	16.67%	19-Dec-19	1,001	88	342	214	134	84	52	33	20	13	8
Emergency warning & intercommunication system	18.75%	19-Dec-19	510	96	156	97	61	38	24	15	9	6	4
Pumps, diesel & electric	18.75%	19-Dec-19	340	64	104	65	41	25	16	10	6	4	2
Floor coverings (removable without damage)													
Carpets	20.00%	19-Dec-19	3,335	354	596	477	382	305	244	366	229	143	89
Furniture													
Furniture	15.00%	19-Dec-19	2,146	171	296	252	214	182	155	329	205	128	80
Furniture	18.75%	19-Dec-19	5,355	1,004	1,632	1,020	637	398	249	156	97	61	38
Hot water systems (excluding piping)													
Gas or electric	18.75%	19-Dec-19	721	135	220	137	86	54	34	21	13	8	5
Kitchen assets													
Cooktops	16.67%	19-Dec-19	1,699	150	258	215	179	336	210	131	82	51	32
Dishwashers	20.00%	19-Dec-19	2,414	256	432	345	276	221	331	207	129	81	51
Microwave ovens	18.75%	19-Dec-19	983	184	300	187	117	73	46	29	18	11	7
Ovens	16.67%	19-Dec-19	2,146	190	326	272	226	189	354	221	138	86	54
Rangehoods	18.75%	19-Dec-19	983	184	300	187	117	73	46	29	18	11	7
Laundry assets													
Clothes dryers	18.75%	19-Dec-19	805	151	245	153	96	60	37	23	15	9	6
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	19-Dec-19	11,210	396	721	673	628	586	547	511	477	445	415
Lights													
Shades, removable	18.75%	19-Dec-19	3,354	629	1,022	639	399	249	156	97	61	38	24
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	18.75%	19-Dec-19	701	131	213	133	83	52	33	20	13	8	5
Carried forward			59,867	7,259	12,247	8,659	6,398	4,863	3,933	3,224	2,293	1,677	1,263

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													
			59,867	7,259	12,247	8,659	6,398	4,863	3,933	3,224	2,293	1,677	1,263
Brought forward													
Security systems & equipment													
Electronic	30.00%	19-Dec-19	1,379	219	348	304	190	119	74	46	29	18	11
Ventilating plant													
Ventilation plant - fans only	18.75%	19-Dec-19	304	57	93	58	36	23	14	9	6	3	2
\$300 items	100.00%	19-Dec-19	322	322									
Pooled Plant Total				4,307	7,341	4,893	3,369	2,442	2,211	2,077	1,298	811	507
Effective Life Plant Total				3,551	5,346	4,129	3,256	2,563	1,810	1,202	1,030	887	769
Total Division 40			61,873	7,858	12,688	9,022	6,625	5,005	4,021	3,279	2,328	1,699	1,276
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%	19-Dec-19	260,900	3,462	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531
Structural Improvements - Completed 2019	2.50%	19-Dec-19	4,669	62	117	117	117	117	117	117	117	117	117
Total Division 43			265,569	3,524	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648
Total Depreciation			327,442	11,382	19,336	15,670	13,273	11,653	10,669	9,927	8,976	8,347	7,924

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%	19-Dec-19	11,802	626	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180	1,180
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	19-Dec-19	894	168	272	170	106	67	42	26	16	10	6
Blinds Residential	10.00%	19-Dec-19	1,448	77	145	145	145	145	145	145	145	145	145
Blinds Residential	18.75%	19-Dec-19	3,040	570	926	579	362	226	141	88	55	35	22
Ceiling Fans	18.75%	19-Dec-19	1,878	352	572	358	223	140	87	55	34	21	13
Computer systems													
General	18.75%	19-Dec-19	626	117	191	119	74	47	29	18	11	7	4
Door closers	18.75%	19-Dec-19	455	85	139	87	54	34	21	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	19-Dec-19	2,023	379	616	385	241	150	94	59	37	23	14
Detection & alarm systems, fire indicator panel	8.33%	19-Dec-19	1,001	44	83	83	83	83	83	83	83	83	83
Emergency warning & intercommunication system	18.75%	19-Dec-19	510	96	156	97	61	38	24	15	9	6	4
Pumps, diesel & electric	18.75%	19-Dec-19	340	64	104	65	41	25	16	10	6	4	2
Floor coverings (removable without damage)													
Carpets	10.00%	19-Dec-19	3,335	177	333	333	333	333	333	333	333	333	333
Furniture	7.50%	19-Dec-19	2,146	85	161	161	161	161	161	161	161	161	161
Furniture	18.75%	19-Dec-19	5,355	1,004	1,632	1,020	637	398	249	156	97	61	38
Hot water systems (excluding piping)													
Gas or electric	18.75%	19-Dec-19	721	135	220	137	86	54	34	21	13	8	5
Kitchen assets													
Cooktops	8.33%	19-Dec-19	1,699	75	142	142	142	142	142	142	142	142	142
Dishwashers	10.00%	19-Dec-19	2,414	128	241	241	241	241	241	241	241	241	241
Microwave ovens	18.75%	19-Dec-19	983	184	300	187	117	73	46	29	18	11	7
Ovens	8.33%	19-Dec-19	2,146	95	179	179	179	179	179	179	179	179	179
Rangehoods	18.75%	19-Dec-19	983	184	300	187	117	73	46	29	18	11	7
Laundry assets													
Clothes dryers	18.75%	19-Dec-19	805	151	245	153	96	60	37	23	15	9	6
Lifts (including hydraulic & tractions lifts)	3.33%	19-Dec-19	11,210	198	374	374	374	374	374	374	374	374	374
Lights													
Shades, removable	18.75%	19-Dec-19	3,354	629	1,022	639	399	249	156	97	61	38	24
MATV - amplifiers & modulators	18.75%	19-Dec-19	701	131	213	133	83	52	33	20	13	8	5
Carried forward			59,867	5,755	9,745	7,155	5,536	4,524	3,892	3,497	3,250	3,095	2,999

Prime Cost Depreciation Schedule (cont.)

Assets Generally	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
Division 40 - Plant and Equipment													
Brought forward			59,867	5,755	9,745	7,155	5,536	4,524	3,892	3,497	3,250	3,095	2,999
Security systems & equipment													
Electronic	15.00%	19-Dec-19	1,379	110	207	207	207	207	207	207	27		
Ventilating plant													
Ventilation plant - fans only	18.75%	19-Dec-19	304	57	93	58	36	23	14	9	6	3	2
\$300 items	100.00%	19-Dec-19	322	322									
Pooled Plant Total				4,307	6,999	4,375	2,734	1,709	1,068	667	417	261	163
Effective Life Plant Total				1,937	3,045	3,045	3,045	3,045	3,045	3,045	2,865	2,838	2,838
Total Division 40			61,873	6,244	10,044	7,420	5,779	4,754	4,113	3,712	3,283	3,099	3,001
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%	19-Dec-19	260,900	3,462	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531
Structural Improvements - Completed 2019	2.50%	19-Dec-19	4,669	62	117	117	117	117	117	117	117	117	117
Total Division 43			265,569	3,524	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648	6,648
Total Depreciation			327,442	9,768	16,692	14,068	12,427	11,402	10,761	10,360	9,931	9,747	9,649

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	261,222	2.50%	6,531	260,900
Sub-total		261,222		6,531	260,900

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	4,675	2.50%	117	4,669
Sub-total		4,675		117	4,669
Totals		265,897		6,648	265,569

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.