



Tax Depreciation Report

17 Tail Street ,
Footscray VIC 3011

Antony & Caitlyn Prceвич
PO Box 675
NOWRA , NSW 2541

Issue Schedule	
Issue Date:	Issued by:
11 March 2020	Mark Kilroy Bsc (Hons) MRICS

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PO Box 675
NOWRA , NSW 2541

March 2020
Job No: RES3011017

Tax Depreciation Report – 17 Tail Street , Footscray VIC 3011

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

11 March 2020

Purchaser

Antony & Caitlyn Prcevich

Property Address

17 Tail Street , Footscray VIC 3011

Real Property Description

LOT 1 TP676950

Property Type

Residential Unit

Date of Construction

Pre 1985

Date Available To Generate Income

30 September 2018

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	Division 40 - Capital Allowance (Eligible)			Division 43 Capital Works	Eligible Total	Capital Loss - See Appendix A	
		Effective Life	Pooled Plant	Total Div 40			Div 40 Yearly	Cumulative
1	3 July 18 to 30 June 19	996	1,324	2,320	1,055	3,375	2,672	2,672
2	1 July 19 to 30 June 20	1,166	2,151	3,317	1,132	4,449	3,192	5,864
3	1 July 20 to 30 June 21	973	1,344	2,317	1,132	3,449	2,106	7,970
4	1 July 21 to 30 June 22	660	1,182	1,842	1,132	2,974	1,411	9,380
5	1 July 22 to 30 June 23	552	739	1,291	1,132	2,423	1,147	10,527
6	1 July 23 to 30 June 24	275	814	1,089	1,132	2,221	754	11,281
7	1 July 24 to 30 June 25	238	509	747	1,132	1,879	713	11,995
8	1 July 25 to 30 June 26	207	318	525	1,132	1,657	445	12,440
9	1 July 26 to 30 June 27	179	199	378	1,132	1,510	278	12,719
10	1 July 27 to 30 June 28	155	124	279	1,132	1,411	175	12,893
11	1 July 28 to 30 June 29	134	78	212	1,132	1,344	109	13,002
12	1 July 29 to 30 June 30	0	376	376	1,132	1,508	68	13,071
13	1 July 30 to 30 June 31	0	235	235	1,132	1,367	43	13,113
14	1 July 31 to 30 June 32	0	147	147	1,132	1,279	27	13,140
15	1 July 32 to 30 June 33	0	92	92	1,132	1,224	16	13,156
16	1 July 33 to 30 June 34	0	57	57	1,132	1,189	11	13,167
17	1 July 34 to 30 June 35	0	36	36	1,104	1,140	6	13,173
18	1 July 35 to 30 June 36	0	22	22	869	891	4	13,178
19	1 July 36 to 30 June 37	0	14	14	868	882	3	13,180
20	1 July 37 to 30 June 38	0	9	9	868	877	1	13,182
21	1 July 38 to 30 June 39	0	5	5	868	873	1	13,183
22	1 July 39 to 30 June 40	0	3	3	868	871	1	13,184
23	1 July 40 to 30 June 41	0	2	2	868	870	1	13,185
24	1 July 41 to 30 June 42	0	1	1	868	869	1	13,185
25	1 July 42 to 30 June 43	0	1	1	868	869	0	13,185
26	1 July 43 to 30 June 44	0	1	1	868	869	0	13,185
27	1 July 44 to 30 June 45	0	0	0	661	661	0	13,185
28	1 July 45 to 30 June 46	0	0	0	275	275	0	13,186
29	1 July 46 to 30 June 47	0	0	0	275	275	0	13,186
30	1 July 47 to 30 June 48	0	0	0	275	275	0	13,186
31	1 July 48 to 30 June 49	0	0	0	275	275	0	13,186
32	1 July 49 to 30 June 50	0	0	0	275	275	0	13,186
33	1 July 50 to 30 June 51	0	0	0	275	275	0	13,186
34	1 July 51 to 30 June 52	0	0	0	275	275	0	13,186
35	1 July 52 to 30 June 53	0	0	0	275	275	0	13,186
36	1 July 53 to 30 June 54	0	0	0	275	275	0	13,186
37	1 July 54 to 30 June 55	0	0	0	275	275	0	13,186
38	1 July 55 to 30 June 56	0	0	0	275	275	0	13,186
39	1 July 56 to 30 June 57	0	0	0	275	275	0	13,186
40	2057+	0	0	0	364	364	0	13,186
Totals		4,539	9,783	15,318	31,277	46,595	13,186	13,186

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	Division 40 - Capital Allowance (Eligible)			Division 43 Capital Works	Eligible Total	Capital Loss - See Appendix A	
		Effective Life	Pooled Plant	Total Div 40			Div 40 Yearly	Cumulative
1	3 July 18 to 30 June 19	498	1,324	1,822	1,055	2,877	2,215	2,215
2	1 July 19 to 30 June 20	666	2,151	2,817	1,132	3,949	2,903	5,118
3	1 July 20 to 30 June 21	666	1,344	2,010	1,132	3,142	1,986	7,104
4	1 July 21 to 30 June 22	666	840	1,506	1,132	2,638	1,414	8,518
5	1 July 22 to 30 June 23	666	525	1,191	1,132	2,323	1,056	9,573
6	1 July 23 to 30 June 24	666	328	994	1,132	2,126	832	10,405
7	1 July 24 to 30 June 25	666	205	871	1,132	2,003	525	10,931
8	1 July 25 to 30 June 26	666	128	794	1,132	1,926	435	11,365
9	1 July 26 to 30 June 27	666	80	746	1,132	1,878	380	11,745
10	1 July 27 to 30 June 28	666	50	716	1,132	1,848	346	12,091
11	1 July 28 to 30 June 29	464	31	495	1,132	1,627	325	12,416
12	1 July 29 to 30 June 30	396	20	416	1,132	1,548	311	12,727
13	1 July 30 to 30 June 31	303	12	315	1,132	1,447	155	12,882
14	1 July 31 to 30 June 32	271	8	279	1,132	1,411	145	13,027
15	1 July 32 to 30 June 33	271	5	276	1,132	1,408	141	13,168
16	1 July 33 to 30 June 34	64	3	67	1,132	1,199	9	13,177
17	1 July 34 to 30 June 35	0	2	2	1,104	1,106	2	13,179
18	1 July 35 to 30 June 36	0	1	1	869	870	1	13,181
19	1 July 36 to 30 June 37	0	1	1	868	869	1	13,181
20	1 July 37 to 30 June 38	0	0	0	868	868	1	13,182
21	1 July 38 to 30 June 39	0	0	0	868	868	0	13,182
22	1 July 39 to 30 June 40	0	0	0	868	868	0	13,183
23	1 July 40 to 30 June 41	0	0	0	868	868	0	13,183
24	1 July 41 to 30 June 42	0	0	0	868	868	0	13,183
25	1 July 42 to 30 June 43	0	0	0	868	868	0	13,183
26	1 July 43 to 30 June 44	0	0	0	868	868	0	13,183
27	1 July 44 to 30 June 45	0	0	0	661	661	0	13,183
28	1 July 45 to 30 June 46	0	0	0	275	275	0	13,183
29	1 July 46 to 30 June 47	0	0	0	275	275	0	13,183
30	1 July 47 to 30 June 48	0	0	0	275	275	0	13,183
31	1 July 48 to 30 June 49	0	0	0	275	275	0	13,183
32	1 July 49 to 30 June 50	0	0	0	275	275	0	13,183
33	1 July 50 to 30 June 51	0	0	0	275	275	0	13,183
34	1 July 51 to 30 June 52	0	0	0	275	275	0	13,183
35	1 July 52 to 30 June 53	0	0	0	275	275	0	13,183
36	1 July 53 to 30 June 54	0	0	0	275	275	0	13,183
37	1 July 54 to 30 June 55	0	0	0	275	275	0	13,183
38	1 July 55 to 30 June 56	0	0	0	275	275	0	13,183
39	1 July 56 to 30 June 57	0	0	0	275	275	0	13,183
40	2057+	0	0	0	364	364	0	13,183
Totals		8,263	7,058	15,321	31,277	46,598	13,183	13,183

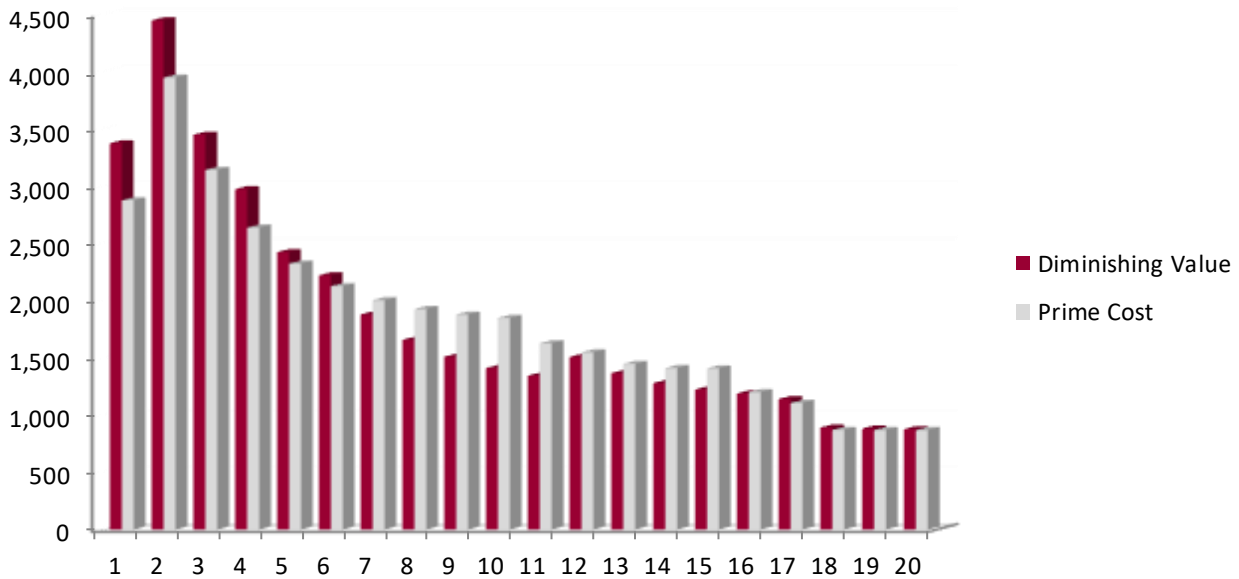
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

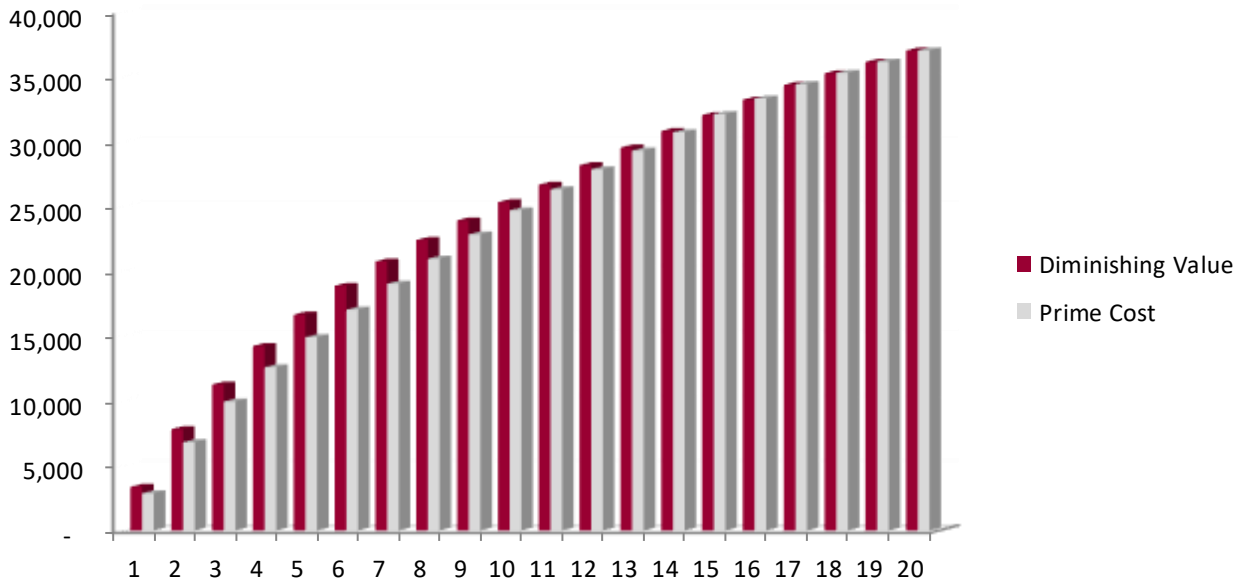
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	3 June 2018
Settlement Date	3 July 2018
Available To Generate Income	30 September 2018

Expenditure Analysed

Purchase Price	\$963,000
Stamp Duty	\$40,710
Post Expenditure	\$27,000
Total Expenditure Analysed	\$1,030,710

Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

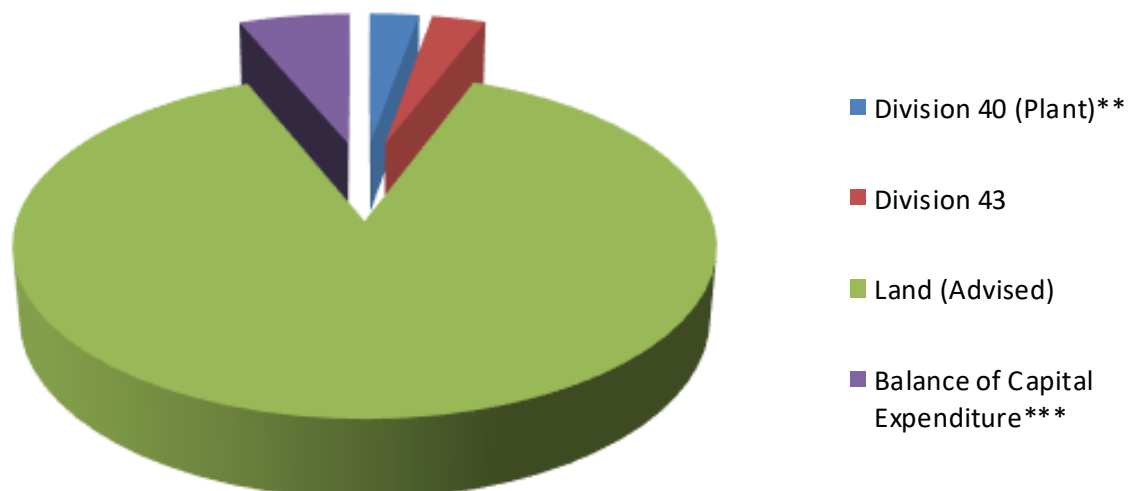
Division 40 (Plant)**	\$28,504
Division 43	\$31,277
Land (Advised)	\$906,779
Balance of Capital Expenditure***	\$64,150
Total Expenditure Analysed	\$1,030,710

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

** Some assets in Division 40 (Plant) may not be eligible for yearly depreciation claim but for capital gain deduction only. Please go to Summary of Entitlements and detailed schedules for more information

*** 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	Eligibility For Depreciation	Diminishing Value Rate	Start Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Bathroom assets														
Exhaust fans (including light/heating)	NO	18.75%	3-Jul-18	1,482	278	452	282	176	110	69	43	27	17	11
Blinds Residential														
	NO	18.75%	3-Jul-18	823	154	251	157	98	61	38	24	15	9	6
Curtains and drapes														
Curtains and drapes	NO	33.33%	3-Jul-18	1,022	338	257	160	100	63	39	24	15	10	6
Curtains and drapes	NO	18.75%	3-Jul-18	1,300	244	396	248	155	97	60	38	24	15	9
Fire control assets														
Detection & alarm systems, detectors	NO	18.75%	3-Jul-18	450	84	137	86	54	33	21	13	8	5	3
Furniture														
	NO	18.75%	3-Jul-18	1,245	233	379	237	148	93	58	36	23	14	9
Garbage disposal														
Garbage bins	NO	18.75%	3-Jul-18	327	61	100	62	39	24	15	10	6	4	2
Heating units														
Electronic	NO	13.33%	3-Jul-18	2,045	270	237	205	178	154	133	325	203	127	79
Hot water systems (excluding piping)														
Gas or electric	NO	16.67%	3-Jul-18	1,840	304	256	213	178	333	208	130	81	51	32
Lights														
Shades, removable	NO	18.75%	3-Jul-18	2,392	449	729	456	285	178	111	70	43	27	17
\$300 items														
	NO	100.00%	3-Jul-18	256	256									
Additional Items (Post Expenditure)					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	YES	20.00%	30-Sep-18	2,700	404	459	367	294	235	353	220	138	86	54
Floor coverings (removable without damage)														
Floating timber	YES	13.33%	30-Sep-18	4,061	405	487	422	366	317	275	238	207	179	155
Furniture														
	YES	18.75%	30-Sep-18	2,150	403	655	409	256	160	100	62	39	24	15
Hot water systems (excluding piping)														
Gas or electric	YES	16.67%	30-Sep-18	1,500	187	219	182	342	214	134	83	52	33	20
Kitchen assets														
Cooktops	YES	18.75%	30-Sep-18	1,100	206	335	209	131	82	51	32	20	12	8
Dishwashers	YES	18.75%	30-Sep-18	1,760	330	536	335	209	131	82	51	32	20	12
Ovens	YES	18.75%	30-Sep-18	1,700	319	518	324	202	126	79	49	31	19	12
Carried forward				779,735	28,154	4,926	6,403	4,356	3,211	2,412	1,827	1,450	964	652

Diminishing Value Depreciation Schedule (cont.)

Assets Generally	Eligibility	Diminishing	Start 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	For Depreciation	Value Rate												
Brought forward			779,735	28,154	4,926	6,403	4,356	3,211	2,412	1,827	1,450	964	652	
Lights														
Shades, removable	YES	18.75%	30-Sep-18	350	66	107	67	42	26	16	10	6	4	2
Pooled Plant Total					2,828	4,851	3,032	2,237	1,731	1,435	1,222	764	477	298
Effective Life Plant Total					2,164	1,658	1,391	1,016	706	408	238	207	179	155
Total Division 40				28,504	4,992	6,509	4,423	3,253	2,438	1,843	1,460	970	656	454
Division 43 - Capital Works Allowance														
		Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1995		2.50%	03-Jul-18	3,540	208	210	210	210	210	210	210	210	210	210
Building Works - Completed 2005		2.50%	03-Jul-18	12,980	483	487	487	487	487	487	487	487	487	487
Building Works - Completed 2018		2.50%	30-Sep-18	9,019	168	225	225	225	225	225	225	225	225	225
Structural Improvements - Completed 1995		2.50%	03-Jul-18	919	54	54	54	54	54	54	54	54	54	54
Structural Improvements - Completed 2005		2.50%	03-Jul-18	2,819	105	106	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2018		2.50%	30-Sep-18	2,000	37	50	50	50	50	50	50	50	50	50
Total Division 43				31,277	1,055	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132

11. Prime Cost Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Eligibility For Depreciation	Prime Cost Rate	Start Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Bathroom assets														
Exhaust fans (including light/heating)	NO	18.75%	03-Jul-18	1,482	278	452	282	176	110	69	43	27	17	11
Blinds Residential														
	NO	18.75%	03-Jul-18	823	154	251	157	98	61	38	24	15	9	6
Curtains and drapes														
	NO	16.67%	03-Jul-18	1,022	169	170	170	170	170	170	3			
	NO	18.75%	03-Jul-18	1,300	244	396	248	155	97	60	38	24	15	9
Fire control assets														
Detection & alarm systems, detectors	NO	18.75%	03-Jul-18	450	84	137	86	54	33	21	13	8	5	3
Furniture														
	NO	18.75%	03-Jul-18	1,245	233	379	237	148	93	58	36	23	14	9
Garbage disposal														
Garbage bins	NO	18.75%	03-Jul-18	327	61	100	62	39	24	15	10	6	4	2
Heating units														
Electronic	NO	6.67%	03-Jul-18	2,045	135	136	136	136	136	136	136	136	136	136
Hot water systems (excluding piping)														
Gas or electric	NO	8.33%	03-Jul-18	1,840	152	153	153	153	153	153	153	153	153	153
Lights														
Shades, removable	NO	18.75%	03-Jul-18	2,392	449	729	456	285	178	111	70	43	27	17
\$300 items														
	NO	100.00%	03-Jul-18	256	256									
Additional Items (Post Expenditure)														
	Eligibility				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	YES	10.00%	30-Sep-18	2,700	202	270	270	270	270	270	270	270	270	270
Floor coverings (removable without damage)														
Floating timber	YES	6.67%	30-Sep-18	4,061	202	271	271	271	271	271	271	271	271	271
Furniture														
	YES	18.75%	30-Sep-18	2,150	403	655	409	256	160	100	62	39	24	15
Hot water systems (excluding piping)														
Gas or electric	YES	8.33%	30-Sep-18	1,500	93	125	125	125	125	125	125	125	125	125
Kitchen assets														
Cooktops	YES	18.75%	30-Sep-18	1,100	206	335	209	131	82	51	32	20	12	8
Dishwashers	YES	18.75%	30-Sep-18	1,760	330	536	335	209	131	82	51	32	20	12
Ovens	YES	18.75%	30-Sep-18	1,700	319	518	324	202	126	79	49	31	19	12
Carried forward				779,735	28,154	3,972	5,613	3,930	2,878	2,221	1,810	1,386	1,223	1,122

Prime Cost Depreciation Schedule (cont.)

Assets Generally	Eligibility For Depreciation	Prime Cost Rate	Start 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			779,735	28,154	3,972	5,613	3,930	2,878	2,221	1,810	1,386	1,223	1,122
Lights														
Shades, removable	YES	18.75%	30-Sep-18	350	66	107	67	42	26	16	10	6	4	2
Pooled Plant Total					2,828	4,595	2,872	1,795	1,122	701	438	274	171	107
Effective Life Plant Total					1,209	1,125	1,125	1,125	1,125	1,125	958	955	955	955
Total Division 40				28,504	4,037	5,720	3,997	2,920	2,247	1,826	1,397	1,229	1,126	1,062
Division 43 - Capital Works Allowance														
		Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1995		2.50%	03-Jul-18	3,540	208	210	210	210	210	210	210	210	210	210
Building Works - Completed 2005		2.50%	03-Jul-18	12,980	483	487	487	487	487	487	487	487	487	487
Building Works - Completed 2018		2.50%	30-Sep-18	9,019	168	225	225	225	225	225	225	225	225	225
Structural Improvements - Completed 1995		2.50%	03-Jul-18	919	54	54	54	54	54	54	54	54	54	54
Structural Improvements - Completed 2005		2.50%	03-Jul-18	2,819	105	106	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2018		2.50%	30-Sep-18	2,000	37	50	50	50	50	50	50	50	50	50
Total Division 43				31,277	1,055	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132

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 1995	1 May 95 to 31 May 95	8,381	2.50%	210	3,540
Building Works - Completed 2005	1 Feb 05 to 3 Mar 05	19,477	2.50%	487	12,980
Building Works - Completed 2018	3 Jul 18 to 30 Sep 18	9,019	2.50%	225	9,019
Sub-total		36,877		922	25,539

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1995	1 May 95 to 31 May 95	2,175	2.50%	54	919
Structural Improvements - Completed 2005	1 Feb 05 to 3 Mar 05	4,229	2.50%	106	2,819
Structural Improvements - Completed 2018	3 Jul 18 to 30 Sep 18	2,000	2.50%	50	2,000
Sub-total		8,405		210	5,738
Totals		45,282		1,132	31,277

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.