



Tax Depreciation Report

902B/2 Wests Road,
Maribyrnong VIC 3032

Chun Hoe Chew
No 3, Jalan Palma 111F
Twin Palms SG Long
KAJANG, SELANGOR, MALAYSIA 43000

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

Chun Hoe Chew
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Twin Palms SG Long
KAJANG, SELANGOR, MALAYSIA 43000

March 2020
Job No: RES3032010

Tax Depreciation Report – 902B/2 Wests Road, Maribyrnong VIC 3032

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

12 March 2020

Purchaser

Chun Hoe Chew

Property Address

902B/2 Wests Road, Maribyrnong VIC 3032

Real Property Description

LOT 902B PS738881

Property Type

Residential Unit

Date of Construction

4 November 2018

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	14 November 18 to 30 June 19	6,216	3,511	9,727	3,689	13,416
2	1 July 19 to 30 June 20	7,886	5,929	13,815	5,905	19,720
3	1 July 20 to 30 June 21	5,997	4,721	10,718	5,905	16,623
4	1 July 21 to 30 June 22	5,078	2,950	8,029	5,905	13,934
5	1 July 22 to 30 June 23	4,313	1,844	6,157	5,905	12,062
6	1 July 23 to 30 June 24	3,675	1,153	4,828	5,905	10,733
7	1 July 24 to 30 June 25	2,801	1,413	4,214	5,905	10,119
8	1 July 25 to 30 June 26	2,083	1,569	3,652	5,905	9,557
9	1 July 26 to 30 June 27	1,821	980	2,802	5,905	8,707
10	1 July 27 to 30 June 28	1,597	613	2,210	5,905	8,115
11	1 July 28 to 30 June 29	1,108	1,027	2,135	5,905	8,040
12	1 July 29 to 30 June 30	996	642	1,638	5,905	7,543
13	1 July 30 to 30 June 31	747	739	1,486	5,905	7,391
14	1 July 31 to 30 June 32	685	462	1,147	5,905	7,052
15	1 July 32 to 30 June 33	628	288	917	5,905	6,822
16	1 July 33 to 30 June 34	455	523	978	5,905	6,883
17	1 July 34 to 30 June 35	425	327	752	5,905	6,657
18	1 July 35 to 30 June 36	397	204	601	5,905	6,506
19	1 July 36 to 30 June 37	370	128	498	5,905	6,403
20	1 July 37 to 30 June 38	346	80	425	5,905	6,330
21	1 July 38 to 30 June 39	323	50	372	5,905	6,277
22	1 July 39 to 30 June 40	301	31	332	5,905	6,237
23	1 July 40 to 30 June 41	281	19	300	5,905	6,205
24	1 July 41 to 30 June 42	262	12	274	5,905	6,179
25	1 July 42 to 30 June 43	245	8	252	5,905	6,157
26	1 July 43 to 30 June 44	228	5	233	5,905	6,138
27	1 July 44 to 30 June 45	213	3	216	5,905	6,121
28	1 July 45 to 30 June 46	199	2	201	5,905	6,106
29	1 July 46 to 30 June 47	186	1	187	5,905	6,092
30	1 July 47 to 30 June 48	173	1	174	5,905	6,079
31	1 July 48 to 30 June 49	162	0	162	5,905	6,067
32	1 July 49 to 30 June 50	151	0	151	5,905	6,056
33	1 July 50 to 30 June 51	141	0	141	5,905	6,046
34	1 July 51 to 30 June 52	132	0	132	5,905	6,037
35	1 July 52 to 30 June 53	123	0	123	5,905	6,028
36	1 July 53 to 30 June 54	115	0	115	5,905	6,020
37	1 July 54 to 30 June 55	107	0	107	5,905	6,012
38	1 July 55 to 30 June 56	100	0	100	5,905	6,005
39	1 July 56 to 30 June 57	93	0	93	5,905	5,998
40	2057+	1,304	0	1,304	7,981	9,285
Totals		52,465	29,234	81,699	236,060	317,759

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	14 November 18 to 30 June 19	3,449	3,511	6,960	3,689	10,649
2	1 July 19 to 30 June 20	4,431	5,706	10,137	5,905	16,042
3	1 July 20 to 30 June 21	4,431	3,566	7,997	5,905	13,902
4	1 July 21 to 30 June 22	4,431	2,229	6,660	5,905	12,565
5	1 July 22 to 30 June 23	4,431	1,393	5,824	5,905	11,729
6	1 July 23 to 30 June 24	4,431	871	5,302	5,905	11,207
7	1 July 24 to 30 June 25	4,431	544	4,975	5,905	10,880
8	1 July 25 to 30 June 26	4,214	340	4,554	5,905	10,459
9	1 July 26 to 30 June 27	4,205	213	4,418	5,905	10,323
10	1 July 27 to 30 June 28	4,205	133	4,338	5,905	10,243
11	1 July 28 to 30 June 29	3,242	83	3,325	5,905	9,230
12	1 July 29 to 30 June 30	2,666	52	2,718	5,905	8,623
13	1 July 30 to 30 June 31	1,925	32	1,958	5,905	7,863
14	1 July 31 to 30 June 32	1,385	20	1,406	5,905	7,311
15	1 July 32 to 30 June 33	1,149	13	1,162	5,905	7,067
16	1 July 33 to 30 June 34	835	8	843	5,905	6,748
17	1 July 34 to 30 June 35	656	5	661	5,905	6,566
18	1 July 35 to 30 June 36	656	3	659	5,905	6,564
19	1 July 36 to 30 June 37	656	2	658	5,905	6,563
20	1 July 37 to 30 June 38	656	1	657	5,905	6,562
21	1 July 38 to 30 June 39	631	1	632	5,905	6,537
22	1 July 39 to 30 June 40	624	0	624	5,905	6,529
23	1 July 40 to 30 June 41	624	0	624	5,905	6,529
24	1 July 41 to 30 June 42	624	0	624	5,905	6,529
25	1 July 42 to 30 June 43	624	0	624	5,905	6,529
26	1 July 43 to 30 June 44	624	0	624	5,905	6,529
27	1 July 44 to 30 June 45	624	0	624	5,905	6,529
28	1 July 45 to 30 June 46	624	0	624	5,905	6,529
29	1 July 46 to 30 June 47	624	0	624	5,905	6,529
30	1 July 47 to 30 June 48	624	0	624	5,905	6,529
31	1 July 48 to 30 June 49	240	0	240	5,905	6,145
32	1 July 49 to 30 June 50	0	0	0	5,905	5,905
33	1 July 50 to 30 June 51	0	0	0	5,905	5,905
34	1 July 51 to 30 June 52	0	0	0	5,905	5,905
35	1 July 52 to 30 June 53	0	0	0	5,905	5,905
36	1 July 53 to 30 June 54	0	0	0	5,905	5,905
37	1 July 54 to 30 June 55	0	0	0	5,905	5,905
38	1 July 55 to 30 June 56	0	0	0	5,905	5,905
39	1 July 56 to 30 June 57	0	0	0	5,905	5,905
40	2057+	0	0	0	7,981	7,981
Totals		62,973	18,727	81,699	236,060	317,759

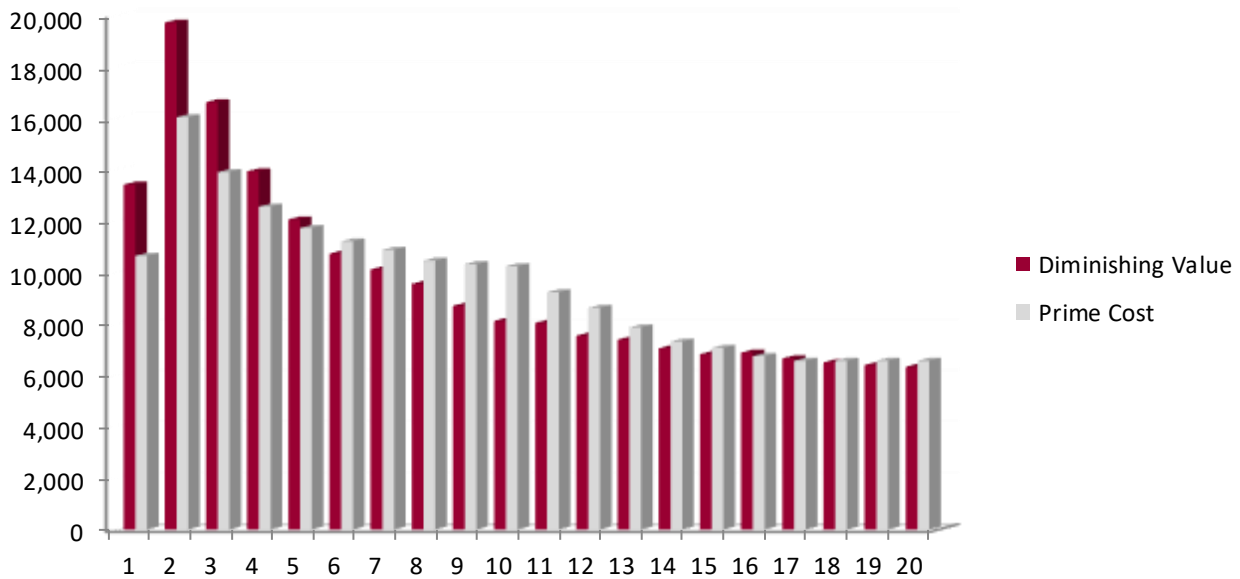
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

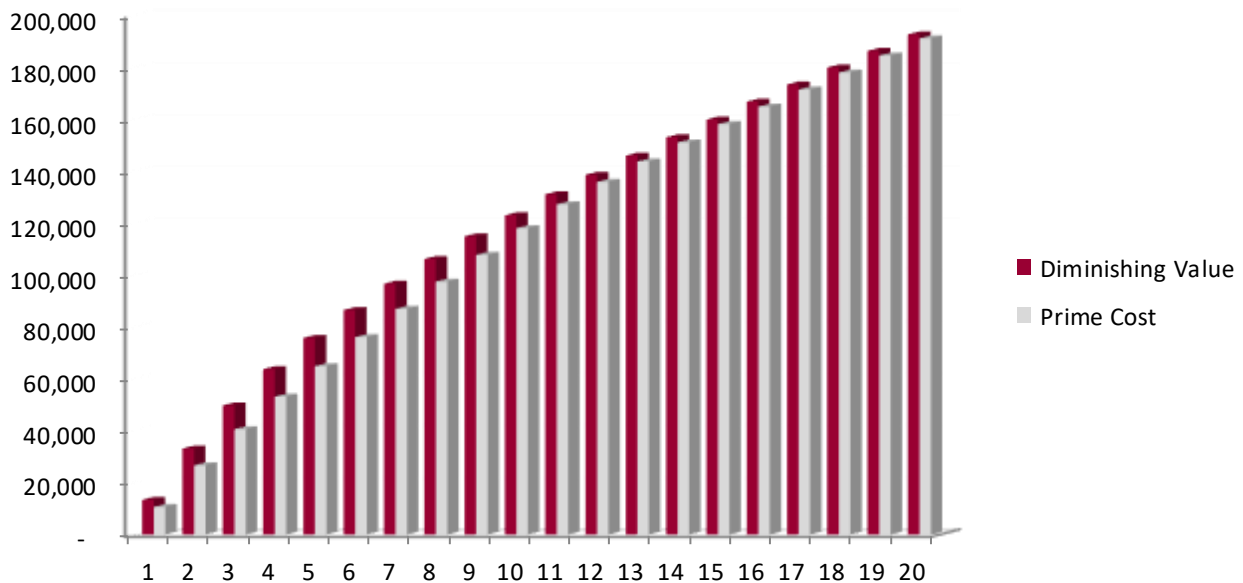
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	24 October 2015
Settlement Date	14 November 2018

Expenditure Analysed

Purchase Price	\$513,000
Stamp Duty	\$25,850
Total Expenditure Analysed	\$538,850

Historical Construction Details

Construction Start Date	28 April 2017
Construction Completion Date	4 November 2018
Historical Construction Cost (Estimated)*	\$280,309
Lot Entitlement	51
Overall Lot Entitlement	9,322

9. Reconciliation of Capital Expenditure

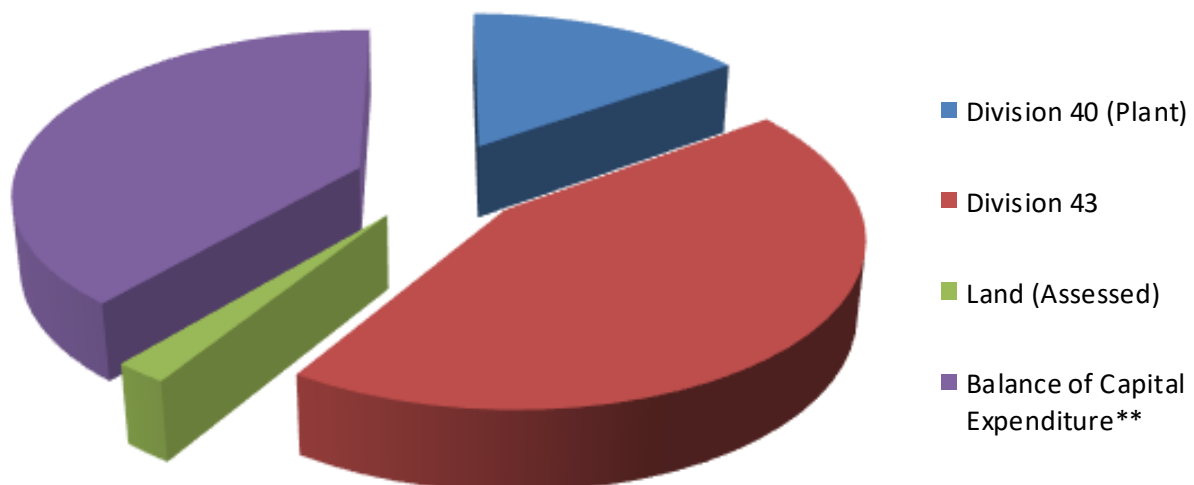
Apportionment of cost relating to:

Division 40 (Plant)	\$81,699
Division 43	\$236,060
Land (Assessed)	\$11,493
Balance of Capital Expenditure**	\$209,598
Total Expenditure Analysed	\$538,850

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	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													
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	14-Nov-18	6,820	852	1,194	955	764	611	489	391	313	250	200
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Nov-18	2,131	400	649	406	254	159	99	62	39	24	15
Computer systems													
General	18.75%	14-Nov-18	995	186	303	189	118	74	46	29	18	11	7
Door closers	18.75%	14-Nov-18	662	124	202	126	79	49	31	19	12	8	5
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Nov-18	2,568	481	782	489	306	191	119	75	47	29	18
Detection & alarm systems, fire indicator panel	18.75%	14-Nov-18	311	58	95	59	37	23	14	9	6	4	2
Emergency warning & intercommunication system	18.75%	14-Nov-18	872	163	266	166	104	65	41	25	16	10	6
Hoses and nozzles	18.75%	14-Nov-18	403	76	123	77	48	30	19	12	7	5	3
Fire sprinklers - pumps only	10.00%	14-Nov-18	635	40	223	139	87	54	34	21	13	8	5
Floor coverings (removable without damage)													
Carpets	20.00%	14-Nov-18	3,879	485	679	543	434	348	278	222	334	209	130
Floating timber	13.33%	14-Nov-18	7,389	615	903	783	678	588	509	442	383	332	287
Furniture	15.00%	14-Nov-18	4,365	409	594	504	429	364	310	263	224	190	162
Furniture	18.75%	14-Nov-18	3,442	645	1,049	655	410	256	160	100	63	39	24
Hot water systems (excluding piping)													
Gas or electric	16.67%	14-Nov-18	7,463	777	1,114	929	774	645	537	448	373	311	259
Kitchen assets													
Cooktops	16.67%	14-Nov-18	2,415	251	361	301	250	209	174	326	204	127	80
Dishwashers	20.00%	14-Nov-18	3,410	426	597	477	382	306	244	367	229	143	90
Ovens	16.67%	14-Nov-18	3,126	325	467	389	324	270	225	188	352	220	137
Rangehoods	16.67%	14-Nov-18	1,279	133	191	358	224	140	87	55	34	21	13
Laundry assets													
Clothes dryers	20.00%	14-Nov-18	1,279	160	224	336	210	131	82	51	32	20	13
Lifts (including hydraulic & tractions lifts)	6.67%	14-Nov-18	18,726	780	1,196	1,117	1,042	973	908	847	791	738	689
Lights													
Shades, removable	18.75%	14-Nov-18	4,852	910	1,478	924	577	361	226	141	88	55	34
MATV - amplifiers & modulators	18.75%	14-Nov-18	871	163	265	166	104	65	40	25	16	10	6
Security systems & equipment													
Electronic	30.00%	14-Nov-18	1,506	282	367	321	201	126	78	49	31	19	12
Carried forward			79,397	8,743	13,321	10,409	7,835	6,036	4,752	4,167	3,623	2,783	2,199

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													
			79,397	8,743	13,321	10,409	7,835	6,036	4,752	4,167	3,623	2,783	2,199
Brought forward													
Ventilating plant													
Ventilation plant - fans only	18.75%	14-Nov-18	1,622	304	494	309	193	121	75	47	29	18	12
\$300 items	100.00%	14-Nov-18	680	680									
Pooled Plant Total				3,511	5,929	4,721	2,950	1,844	1,153	1,413	1,569	980	613
Effective Life Plant Total				6,216	7,886	5,997	5,078	4,313	3,675	2,801	2,083	1,821	1,597
Total Division 40			81,699	9,727	13,815	10,718	8,029	6,157	4,828	4,214	3,652	2,802	2,210
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 2018	2.50%	14-Nov-18	234,522	3,665	5,867	5,867	5,867	5,867	5,867	5,867	5,867	5,867	5,867
Structural Improvements - Completed 2018	2.50%	14-Nov-18	1,538	24	38	38	38	38	38	38	38	38	38
Total Division 43			236,060	3,689	5,905	5,905	5,905	5,905	5,905	5,905	5,905	5,905	5,905
Total Depreciation			317,759	13,416	19,720	16,623	13,934	12,062	10,733	10,119	9,557	8,707	8,115

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%	14-Nov-18	6,820	426	682	682	682	682	682	682	682	682	682
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Nov-18	2,131	400	649	406	254	159	99	62	39	24	15
Computer systems													
General	18.75%	14-Nov-18	995	186	303	189	118	74	46	29	18	11	7
Door closers													
	18.75%	14-Nov-18	662	124	202	126	79	49	31	19	12	8	5
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Nov-18	2,568	481	782	489	306	191	119	75	47	29	18
Detection & alarm systems, fire indicator panel	18.75%	14-Nov-18	311	58	95	59	37	23	14	9	6	4	2
Emergency warning & intercommunication system	18.75%	14-Nov-18	872	163	266	166	104	65	41	25	16	10	6
Hoses and nozzles	18.75%	14-Nov-18	403	76	123	77	48	30	19	12	7	5	3
Fire sprinklers - pumps only													
	5.00%	14-Nov-18 only	635	20	32	32	32	32	32	32	32	32	32
Floor coverings (removable without damage)													
Carpets	10.00%	14-Nov-18	3,879	242	388	388	388	388	388	388	388	388	388
Floating timber	6.67%	14-Nov-18	7,389	308	493	493	493	493	493	493	493	493	493
Furniture													
Furniture	7.50%	14-Nov-18	4,365	205	327	327	327	327	327	327	327	327	327
Furniture	18.75%	14-Nov-18	3,442	645	1,049	655	410	256	160	100	63	39	24
Hot water systems (excluding piping)													
Gas or electric	8.33%	14-Nov-18	7,463	388	622	622	622	622	622	622	622	622	622
Kitchen assets													
Cooktops	8.33%	14-Nov-18	2,415	126	201	201	201	201	201	201	201	201	201
Dishwashers	10.00%	14-Nov-18	3,410	213	341	341	341	341	341	341	341	341	341
Ovens	8.33%	14-Nov-18	3,126	163	260	260	260	260	260	260	260	260	260
Rangehoods	8.33%	14-Nov-18	1,279	67	107	107	107	107	107	107	107	107	107
Laundry assets													
Clothes dryers	10.00%	14-Nov-18	1,279	80	128	128	128	128	128	128	128	128	128
Lifts (including hydraulic & tractions lifts)													
	3.33%	14-Nov-18	18,726	390	624	624	624	624	624	624	624	624	624
Lights													
Shades, removable	18.75%	14-Nov-18	4,852	910	1,478	924	577	361	226	141	88	55	34
MATV - amplifiers & modulators													
	18.75%	14-Nov-18	871	163	265	166	104	65	40	25	16	10	6
Security systems & equipment													
Electronic	15.00%	14-Nov-18	1,506	141	226	226	226	226	226	226	9		
Carried forward			79,397	5,975	9,643	7,688	6,467	5,703	5,226	4,928	4,525	4,399	4,326

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			79,397	5,975	9,643	7,688	6,467	5,703	5,226	4,928	4,525	4,399	4,326
Ventilating plant													
Ventilation plant - fans only	18.75%	14-Nov-18	1,622	304	494	309	193	121	75	47	29	18	12
\$300 items	100.00%	14-Nov-18	680	680									
Pooled Plant Total				3,511	5,706	3,566	2,229	1,393	871	544	340	213	133
Effective Life Plant Total				3,449	4,431	4,431	4,431	4,431	4,431	4,431	4,214	4,205	4,205
Total Division 40			81,699	6,960	10,137	7,997	6,660	5,824	5,302	4,975	4,554	4,418	4,338
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 2018	2.50%	14-Nov-18	234,522	3,665	5,867	5,867	5,867	5,867	5,867	5,867	5,867	5,867	5,867
Structural Improvements - Completed 2018	2.50%	14-Nov-18	1,538	24	38	38	38	38	38	38	38	38	38
Total Division 43			236,060	3,689	5,905	5,905	5,905	5,905	5,905	5,905	5,905	5,905	5,905
Total Depreciation			317,759	10,649	16,042	13,902	12,565	11,729	11,207	10,880	10,459	10,323	10,243

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 2018	28 Apr 17 to 4 Nov 18	234,683	2.50%	5,867	234,522
Sub-total		234,683		5,867	234,522

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2018	28 Apr 17 to 4 Nov 18	1,539	2.50%	38	1,538
Sub-total		1,539		38	1,538
Totals		236,222		5,905	236,060

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	
Company Name	Koste Pty Ltd
Postal Address	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
Office Number	1300 669 400
Office Email	info@koste.com.au

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.