



## Tax Depreciation Report (Landlord Costs)

Grd Flr 275 George Street,  
Brisbane QLD 4000

Charterhall Wholesale Management Limited ACN 006765206  
and The Trust Company (RE Services) Limited ACN 003278831  
22/69 Ann Street  
BRISBANE, QLD 4000

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



Charterhall Wholesale Management Limited ACN 006765206  
and The Trust Company (RE Services) Limited ACN 003278831  
22/69 Ann Street  
BRISBANE, QLD 4000

March 2020  
Job No: COM4000019

### **Tax Depreciation Report – Grd Flr 275 George Street, Brisbane QLD 4000**

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.

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

koste.com.au  
info@koste.com.au  
phone 1300 669 400  
fax 1300 669 454



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## 1. Property Information

### Date of Report

25 March 2020

### Purchaser

Charterhall Wholesale Management Limited ACN 006765206 and The Trust Company (RE Services) Limit

### Property Address

Grd Flr 275 George Street, Brisbane QLD 4000

### Property Type

Commercial

### Date of Construction

1 March 2020

### 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"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>					<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example					Calculation Example				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></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><b>100 / 10 Years = 10% (Straight Line)</b></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	1 March 20 to 30 June 20	8,027	4,187	12,214	1,217	13,431
2	1 July 20 to 30 June 21	22,762	6,805	29,566	3,682	33,248
3	1 July 21 to 30 June 22	18,155	4,944	23,099	3,682	26,781
4	1 July 22 to 30 June 23	14,610	3,426	18,036	3,682	21,718
5	1 July 23 to 30 June 24	11,854	2,142	13,996	3,682	17,678
6	1 July 24 to 30 June 25	9,626	1,338	10,964	3,682	14,646
7	1 July 25 to 30 June 26	7,822	837	8,658	3,682	12,340
8	1 July 26 to 30 June 27	6,360	523	6,883	3,682	10,565
9	1 July 27 to 30 June 28	5,176	327	5,503	3,682	9,185
10	1 July 28 to 30 June 29	4,098	534	4,633	3,682	8,315
11	1 July 29 to 30 June 30	3,335	334	3,669	3,682	7,351
12	1 July 30 to 30 June 31	2,715	209	2,924	3,682	6,606
13	1 July 31 to 30 June 32	2,213	130	2,343	3,682	6,025
14	1 July 32 to 30 June 33	1,805	82	1,886	3,682	5,568
15	1 July 33 to 30 June 34	1,306	364	1,670	3,682	5,352
16	1 July 34 to 30 June 35	892	560	1,452	3,682	5,134
17	1 July 35 to 30 June 36	735	350	1,085	3,682	4,767
18	1 July 36 to 30 June 37	606	219	825	3,682	4,507
19	1 July 37 to 30 June 38	500	137	637	3,682	4,319
20	1 July 38 to 30 June 39	220	446	667	3,682	4,349
21	1 July 39 to 30 June 40	187	279	466	3,682	4,148
22	1 July 40 to 30 June 41	159	174	334	3,682	4,016
23	1 July 41 to 30 June 42	0	447	447	3,682	4,129
24	1 July 42 to 30 June 43	0	280	280	3,682	3,962
25	1 July 43 to 30 June 44	0	175	175	3,682	3,857
26	1 July 44 to 30 June 45	0	109	109	3,682	3,791
27	1 July 45 to 30 June 46	0	68	68	3,682	3,750
28	1 July 46 to 30 June 47	0	43	43	3,682	3,725
29	1 July 47 to 30 June 48	0	27	27	3,682	3,709
30	1 July 48 to 30 June 49	0	17	17	3,682	3,699
31	1 July 49 to 30 June 50	0	10	10	3,682	3,692
32	1 July 50 to 30 June 51	0	7	7	3,682	3,689
33	1 July 51 to 30 June 52	0	4	4	3,682	3,686
34	1 July 52 to 30 June 53	0	3	3	3,682	3,685
35	1 July 53 to 30 June 54	0	2	2	3,682	3,684
36	1 July 54 to 30 June 55	0	1	1	3,682	3,683
37	1 July 55 to 30 June 56	0	1	1	3,682	3,683
38	1 July 56 to 30 June 57	0	0	0	3,682	3,682
39	1 July 57 to 30 June 58	0	0	0	3,682	3,682
40	2058+	0	0	0	6,164	6,164
<b>Totals</b>		<b>123,163</b>	<b>29,539</b>	<b>152,703</b>	<b>147,297</b>	<b>300,000</b>

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	1 March 20 to 30 June 20	4,014	4,187	8,201	1,217	9,418
2	1 July 20 to 30 June 21	12,140	6,805	18,945	3,682	22,627
3	1 July 21 to 30 June 22	12,140	4,253	16,393	3,682	20,075
4	1 July 22 to 30 June 23	12,140	2,658	14,798	3,682	18,480
5	1 July 23 to 30 June 24	12,140	1,661	13,801	3,682	17,483
6	1 July 24 to 30 June 25	12,140	1,038	13,178	3,682	16,860
7	1 July 25 to 30 June 26	12,140	649	12,789	3,682	16,471
8	1 July 26 to 30 June 27	12,140	406	12,546	3,682	16,228
9	1 July 27 to 30 June 28	12,140	253	12,393	3,682	16,075
10	1 July 28 to 30 June 29	12,140	158	12,298	3,682	15,980
11	1 July 29 to 30 June 30	8,992	99	9,091	3,682	12,773
12	1 July 30 to 30 June 31	2,632	62	2,694	3,682	6,376
13	1 July 31 to 30 June 32	2,568	39	2,606	3,682	6,288
14	1 July 32 to 30 June 33	2,437	24	2,461	3,682	6,143
15	1 July 33 to 30 June 34	280	15	295	3,682	3,977
16	1 July 34 to 30 June 35	188	9	197	3,682	3,879
17	1 July 35 to 30 June 36	0	6	6	3,682	3,688
18	1 July 36 to 30 June 37	0	4	4	3,682	3,686
19	1 July 37 to 30 June 38	0	2	2	3,682	3,684
20	1 July 38 to 30 June 39	0	1	1	3,682	3,683
21	1 July 39 to 30 June 40	0	1	1	3,682	3,683
22	1 July 40 to 30 June 41	0	1	1	3,682	3,683
23	1 July 41 to 30 June 42	0	0	0	3,682	3,682
24	1 July 42 to 30 June 43	0	0	0	3,682	3,682
25	1 July 43 to 30 June 44	0	0	0	3,682	3,682
26	1 July 44 to 30 June 45	0	0	0	3,682	3,682
27	1 July 45 to 30 June 46	0	0	0	3,682	3,682
28	1 July 46 to 30 June 47	0	0	0	3,682	3,682
29	1 July 47 to 30 June 48	0	0	0	3,682	3,682
30	1 July 48 to 30 June 49	0	0	0	3,682	3,682
31	1 July 49 to 30 June 50	0	0	0	3,682	3,682
32	1 July 50 to 30 June 51	0	0	0	3,682	3,682
33	1 July 51 to 30 June 52	0	0	0	3,682	3,682
34	1 July 52 to 30 June 53	0	0	0	3,682	3,682
35	1 July 53 to 30 June 54	0	0	0	3,682	3,682
36	1 July 54 to 30 June 55	0	0	0	3,682	3,682
37	1 July 55 to 30 June 56	0	0	0	3,682	3,682
38	1 July 56 to 30 June 57	0	0	0	3,682	3,682
39	1 July 57 to 30 June 58	0	0	0	3,682	3,682
40	2058+	0	0	0	6,164	6,164
<b>Totals</b>		<b>130,370</b>	<b>22,333</b>	<b>152,703</b>	<b>147,297</b>	<b>300,000</b>

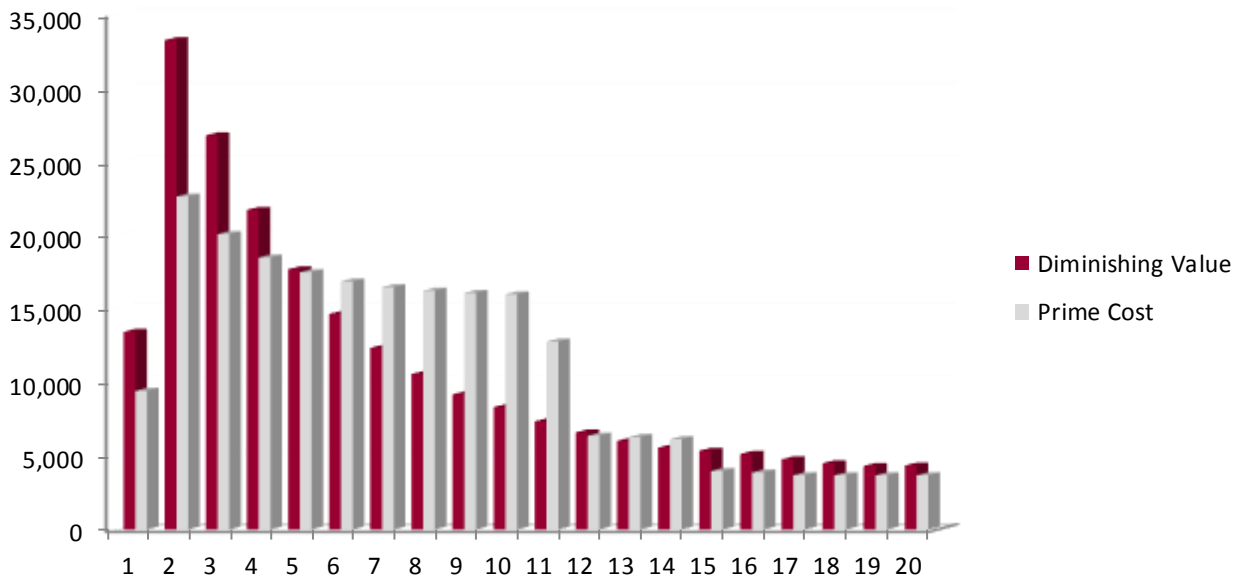
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

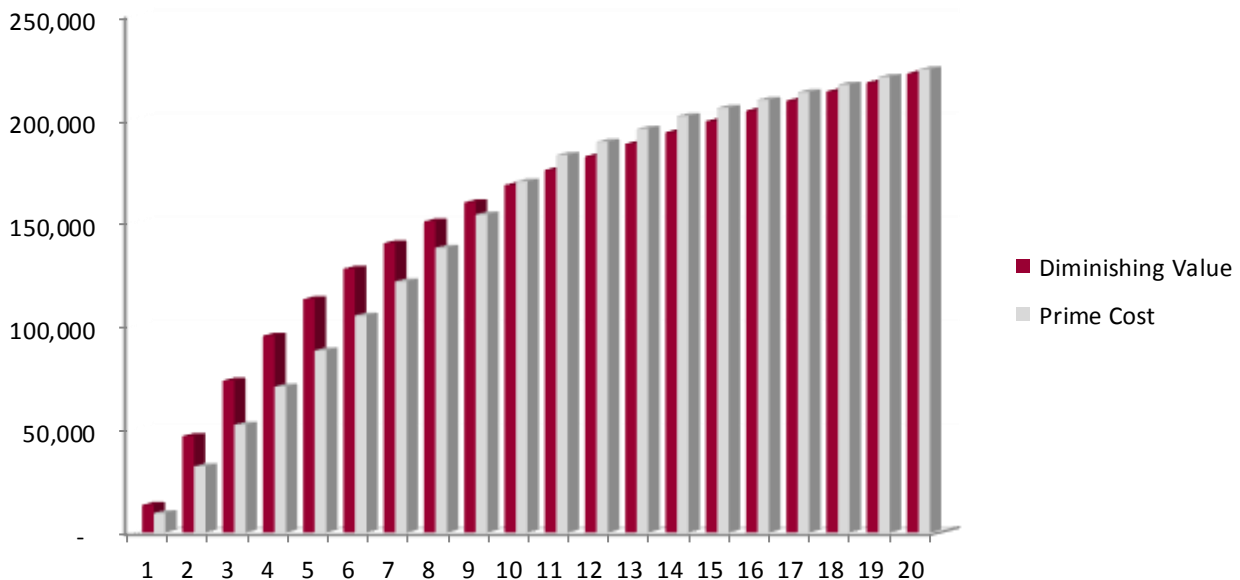
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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

### Construction Details

Contract Date	1 December 2019
Handover Date	1 March 2020

### Expenditure Analysed

Construction Cost	\$300,000
Stamp Duty	N/A
<b>Total Expenditure Analysed</b>	<b>\$300,000</b>

### Historical Construction Details

Construction Start Date	1 December 2019
Construction Completion Date	1 March 2020
Historical Construction Cost - Contribution	\$300,000

## 9. Reconciliation of Capital Expenditure

### Apportionment of cost relating to:

Division 40 (Plant)	\$152,703
Division 43	\$147,297
Balance of Capital Expenditure**	\$0
<b>Total Expenditure Analysed</b>	<b>\$300,000</b>

### 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
<b>Division 40 - Plant and Equipment</b>													
Counters, freestanding (including check-out and service counters)	20.00%	1-Mar-20	16,250	1,074	3,035	2,428	1,942	1,554	1,243	995	796	637	509
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	1-Mar-20	1,920	360	585	366	229	143	89	56	35	22	14
Emergency warning & intercommunication system	16.67%	1-Mar-20	1,140	63	180	337	210	131	82	51	32	20	13
Fire extinguishers	18.75%	1-Mar-20	390	73	119	74	46	29	18	11	7	4	3
<b>Floor coverings ( removable without damage)</b>													
Linoleum & vinyl	20.00%	1-Mar-20	21,600	1,428	4,034	3,227	2,582	2,066	1,652	1,322	1,058	846	677
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>													
	18.75%	1-Mar-20	1,152	216	351	219	137	86	54	33	21	13	8
<b>Heating units</b>													
Electronic	13.33%	1-Mar-20	1,250	55	159	138	337	210	131	82	51	32	20
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	1-Mar-20	1,200	66	189	354	221	138	87	54	34	21	13
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	1-Mar-20	16,661	3,124	5,076	3,173	1,983	1,239	775	484	303	189	118
Emergency lighting	18.75%	1-Mar-20	1,710	321	521	326	204	127	80	50	31	19	12
<b>Mirrors, freestanding</b>													
	13.33%	1-Mar-20	2,893	128	369	320	277	240	208	180	156	135	330
<b>Display Shelving and Cabinetry</b>													
	20.00%	1-Mar-20	57,225	3,784	10,688	8,551	6,840	5,472	4,378	3,502	2,802	2,241	1,793
<b>Signage for business identification (including lighting for signs)</b>													
	15.00%	1-Mar-20	28,812	1,429	4,107	3,491	2,968	2,522	2,144	1,822	1,549	1,317	1,119
<b>Signage for business identification (including lighting for signs)</b>													
	18.75%	1-Mar-20	500	94	152	95	60	37	23	15	9	6	4
<b>Pooled Plant Total</b>				<b>4,187</b>	<b>6,805</b>	<b>4,944</b>	<b>3,426</b>	<b>2,142</b>	<b>1,338</b>	<b>837</b>	<b>523</b>	<b>327</b>	<b>534</b>
<b>Effective Life Plant Total</b>				<b>8,027</b>	<b>22,762</b>	<b>18,155</b>	<b>14,610</b>	<b>11,854</b>	<b>9,626</b>	<b>7,822</b>	<b>6,360</b>	<b>5,176</b>	<b>4,098</b>
<b>Total Division 40</b>			<b>152,703</b>	<b>12,214</b>	<b>29,566</b>	<b>23,099</b>	<b>18,036</b>	<b>13,996</b>	<b>10,964</b>	<b>8,658</b>	<b>6,883</b>	<b>5,503</b>	<b>4,633</b>
<b>Division 43 - Capital Works Allowance</b>													
	<b>Rate</b>		<b>Opening Value</b>	<b>Year 1</b>	<b>Year2</b>	<b>Year 3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Year8</b>	<b>Year9</b>	<b>Year10</b>
<b>Building Works - Completed 2020</b>		<b>2.50%</b>	<b>01-Mar-20</b>	<b>147,297</b>	<b>1,217</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>
<b>Total Division 43</b>			<b>147,297</b>	<b>1,217</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>
<b>Total Depreciation</b>			<b>300,000</b>	<b>13,431</b>	<b>33,248</b>	<b>26,781</b>	<b>21,718</b>	<b>17,678</b>	<b>14,646</b>	<b>12,340</b>	<b>10,565</b>	<b>9,185</b>	<b>8,315</b>

## 11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost	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	Rate												
<b>Counters, freestanding (including check-out and service counters)</b>	10.00%	01-Mar-20	16,250	537	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	01-Mar-20	1,920	360	585	366	229	143	89	56	35	22	14
Emergency warning & intercommunication system	8.33%	01-Mar-20	1,140	31	95	95	95	95	95	95	95	95	95
Fire extinguishers	18.75%	01-Mar-20	390	73	119	74	46	29	18	11	7	4	3
<b>Floor coverings ( removable without damage)</b>													
Linoleum & vinyl	10.00%	01-Mar-20	21,600	714	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>													
	18.75%	01-Mar-20	1,152	216	351	219	137	86	54	33	21	13	8
<b>Heating units</b>													
Electronic	6.67%	01-Mar-20	1,250	28	83	83	83	83	83	83	83	83	83
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	01-Mar-20	1,200	33	100	100	100	100	100	100	100	100	100
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	01-Mar-20	16,661	3,124	5,076	3,173	1,983	1,239	775	484	303	189	118
Emergency lighting	18.75%	01-Mar-20	1,710	321	521	326	204	127	80	50	31	19	12
<b>Mirrors, freestanding</b>	6.67%	01-Mar-20	2,893	64	193	193	193	193	193	193	193	193	193
<b>Display Shelving and Cabinetry</b>	10.00%	01-Mar-20	57,225	1,892	5,723	5,723	5,723	5,723	5,723	5,723	5,723	5,723	5,723
<b>Signage for business identification (including lighting for signs)</b>	7.50%	01-Mar-20	28,812	714	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161
<b>Signage for business identification (including lighting for signs)</b>	18.75%	01-Mar-20	500	94	152	95	60	37	23	15	9	6	4
<b>Pooled Plant Total</b>				<b>4,187</b>	<b>6,805</b>	<b>4,253</b>	<b>2,658</b>	<b>1,661</b>	<b>1,038</b>	<b>649</b>	<b>406</b>	<b>253</b>	<b>158</b>
<b>Effective Life Plant Total</b>				<b>4,014</b>	<b>12,140</b>	<b>12,140</b>	<b>12,140</b>	<b>12,140</b>	<b>12,140</b>	<b>12,140</b>	<b>12,140</b>	<b>12,140</b>	<b>12,140</b>
<b>Total Division 40</b>			<b>152,703</b>	<b>8,201</b>	<b>18,945</b>	<b>16,393</b>	<b>14,798</b>	<b>13,801</b>	<b>13,178</b>	<b>12,789</b>	<b>12,546</b>	<b>12,393</b>	<b>12,298</b>
<b>Division 43 - Capital Works Allowance</b>													
<b>Building Works - Completed 2020</b>	2.50%	01-Mar-20	147,297	1,217	3,682	3,682	3,682	3,682	3,682	3,682	3,682	3,682	3,682
<b>Total Division 43</b>			<b>147,297</b>	<b>1,217</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>	<b>3,682</b>
<b>Total Depreciation</b>			<b>300,000</b>	<b>9,418</b>	<b>22,627</b>	<b>20,075</b>	<b>18,480</b>	<b>17,483</b>	<b>16,860</b>	<b>16,471</b>	<b>16,228</b>	<b>16,075</b>	<b>15,980</b>

## 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 2020	1 Dec 19 to 1 Mar 20	147,297	2.50%	3,682	147,297
<b>Sub-total</b>		<b>147,297</b>		<b>3,682</b>	<b>147,297</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
<b>Sub-total</b>					
<b>Totals</b>		<b>147,297</b>		<b>3,682</b>	<b>147,297</b>

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

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	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.
<b>Decline in Value</b>	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.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	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.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	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.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	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	
<b>Company Name</b>	Koste Pty Ltd
<b>Postal Address</b>	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
<b>Office Number</b>	1300 669 400
<b>Office Email</b>	info@koste.com.au

LEAD SURVEYOR DETAILS	
<b>Surveyors Name</b>	Mark Kilroy
<b>Tax Agent Number</b>	24370523
<b>Contact Number</b>	1300 669 400
<b>Email</b>	accounts@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.