



## Tax Depreciation Report

507/63 Coolum Terrace,  
Coolum Beach, QLD 4573

Virginia Ryan  
76/15 Dunes Ct  
PERIGAN SPRINGS, QLD 4573

Issue Schedule	
Issue Date:	Issued by:
01 April 2020	Mark Kilroy Bsc (Hons) MRICS

Virginia Ryan  
76/15 Dunes Ct  
PERIGAN SPRINGS, QLD 4573

April 2020  
Job No: RES4573023

**Tax Depreciation Report – 507/63 Coolum Terrace, Coolum Beach, QLD 4573**

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



## TABLE OF CONTENTS

1. Property Information .....	2
2. Report Details .....	3
3. Capital Allowances .....	4
4. Capital Works .....	6
5. Summary of Entitlements – Diminishing Value Method .....	7
6. Summary of Entitlements – Prime Cost Method .....	8
7. Comparison Graphs .....	9
8. Capital Expenditure Analysed .....	10
9. Reconciliation of Capital Expenditure .....	10
10. Diminishing Value Depreciation Schedule .....	11
11. Prime Cost Depreciation Schedule .....	13
12. Division 43 Capital Works Schedule .....	15
13. Definition of Terms .....	16
14. Contact Details .....	17
15. Disclaimer .....	18

## 1. Property Information

### Date of Report

1 April 2020

### Purchaser

Virgina Ryan

### Property Address

507/63 Coolum Terrace,, Coolum Beach, QLD 4573

### Real Property Description

Lot 507 on SP 301298

### Property Type

Residential Unit

### Date of Construction

1 November 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"> <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	25 November 19 to 30 June 20	7,582	4,274	11,856	5,284	17,140
2	1 July 20 to 30 June 21	9,989	7,305	17,295	8,871	26,166
3	1 July 21 to 30 June 22	7,529	5,148	12,676	8,871	21,547
4	1 July 22 to 30 June 23	5,976	3,537	9,513	8,871	18,384
5	1 July 23 to 30 June 24	4,631	2,510	7,141	8,871	16,012
6	1 July 24 to 30 June 25	3,645	1,891	5,535	8,871	14,406
7	1 July 25 to 30 June 26	2,693	1,908	4,601	8,871	13,472
8	1 July 26 to 30 June 27	2,084	1,529	3,614	8,871	12,485
9	1 July 27 to 30 June 28	1,735	956	2,691	8,871	11,562
10	1 July 28 to 30 June 29	1,151	1,245	2,396	8,871	11,267
11	1 July 29 to 30 June 30	805	1,090	1,896	8,871	10,767
12	1 July 30 to 30 June 31	692	681	1,373	8,871	10,244
13	1 July 31 to 30 June 32	598	426	1,023	8,871	9,894
14	1 July 32 to 30 June 33	519	266	786	8,871	9,657
15	1 July 33 to 30 June 34	270	512	782	8,871	9,653
16	1 July 34 to 30 June 35	252	320	572	8,871	9,443
17	1 July 35 to 30 June 36	235	200	435	8,871	9,306
18	1 July 36 to 30 June 37	219	125	344	8,871	9,215
19	1 July 37 to 30 June 38	205	78	283	8,871	9,154
20	1 July 38 to 30 June 39	191	49	240	8,871	9,111
21	1 July 39 to 30 June 40	178	31	209	8,871	9,080
22	1 July 40 to 30 June 41	166	19	185	8,871	9,056
23	1 July 41 to 30 June 42	155	12	167	8,871	9,038
24	1 July 42 to 30 June 43	145	7	152	8,871	9,023
25	1 July 43 to 30 June 44	135	5	140	8,871	9,011
26	1 July 44 to 30 June 45	126	3	129	8,871	9,000
27	1 July 45 to 30 June 46	118	2	120	8,871	8,991
28	1 July 46 to 30 June 47	110	1	111	8,871	8,982
29	1 July 47 to 30 June 48	103	1	103	8,871	8,974
30	1 July 48 to 30 June 49	96	0	96	8,871	8,967
31	1 July 49 to 30 June 50	89	0	90	8,871	8,961
32	1 July 50 to 30 June 51	83	0	84	8,871	8,955
33	1 July 51 to 30 June 52	78	0	78	8,871	8,949
34	1 July 52 to 30 June 53	73	0	73	8,871	8,944
35	1 July 53 to 30 June 54	68	0	68	8,871	8,939
36	1 July 54 to 30 June 55	0	356	356	8,871	9,227
37	1 July 55 to 30 June 56	0	223	223	8,871	9,094
38	1 July 56 to 30 June 57	0	139	139	8,871	9,010
39	1 July 57 to 30 June 58	0	87	87	8,871	8,958
40	2058+	0	145	145	11,876	12,021
<b>Totals</b>		<b>52,726</b>	<b>35,082</b>	<b>87,808</b>	<b>354,258</b>	<b>442,066</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	25 November 19 to 30 June 20	4,132	4,274	8,406	5,284	13,690
2	1 July 20 to 30 June 21	5,793	6,945	12,738	8,871	21,609
3	1 July 21 to 30 June 22	5,793	4,341	10,134	8,871	19,005
4	1 July 22 to 30 June 23	5,793	2,713	8,506	8,871	17,377
5	1 July 23 to 30 June 24	5,793	1,696	7,489	8,871	16,360
6	1 July 24 to 30 June 25	5,603	1,060	6,663	8,871	15,534
7	1 July 25 to 30 June 26	5,472	662	6,134	8,871	15,005
8	1 July 26 to 30 June 27	5,076	414	5,490	8,871	14,361
9	1 July 27 to 30 June 28	5,047	259	5,306	8,871	14,177
10	1 July 28 to 30 June 29	5,047	162	5,209	8,871	14,080
11	1 July 29 to 30 June 30	2,892	101	2,993	8,871	11,864
12	1 July 30 to 30 June 31	1,430	63	1,493	8,871	10,364
13	1 July 31 to 30 June 32	946	39	985	8,871	9,856
14	1 July 32 to 30 June 33	544	25	569	8,871	9,440
15	1 July 33 to 30 June 34	344	15	359	8,871	9,230
16	1 July 34 to 30 June 35	344	10	354	8,871	9,225
17	1 July 35 to 30 June 36	344	6	350	8,871	9,221
18	1 July 36 to 30 June 37	344	4	348	8,871	9,219
19	1 July 37 to 30 June 38	344	2	346	8,871	9,217
20	1 July 38 to 30 June 39	344	1	345	8,871	9,216
21	1 July 39 to 30 June 40	344	1	345	8,871	9,216
22	1 July 40 to 30 June 41	344	1	345	8,871	9,216
23	1 July 41 to 30 June 42	344	0	344	8,871	9,215
24	1 July 42 to 30 June 43	344	0	344	8,871	9,215
25	1 July 43 to 30 June 44	344	0	344	8,871	9,215
26	1 July 44 to 30 June 45	344	0	344	8,871	9,215
27	1 July 45 to 30 June 46	344	0	344	8,871	9,215
28	1 July 46 to 30 June 47	344	0	344	8,871	9,215
29	1 July 47 to 30 June 48	344	0	344	8,871	9,215
30	1 July 48 to 30 June 49	344	0	344	8,871	9,215
31	1 July 49 to 30 June 50	150	0	150	8,871	9,021
32	1 July 50 to 30 June 51	0	0	0	8,871	8,871
33	1 July 51 to 30 June 52	0	0	0	8,871	8,871
34	1 July 52 to 30 June 53	0	0	0	8,871	8,871
35	1 July 53 to 30 June 54	0	0	0	8,871	8,871
36	1 July 54 to 30 June 55	0	0	0	8,871	8,871
37	1 July 55 to 30 June 56	0	0	0	8,871	8,871
38	1 July 56 to 30 June 57	0	0	0	8,871	8,871
39	1 July 57 to 30 June 58	0	0	0	8,871	8,871
40	2058+	0	0	0	11,876	11,876
<b>Totals</b>		<b>65,014</b>	<b>22,794</b>	<b>87,808</b>	<b>354,258</b>	<b>442,066</b>

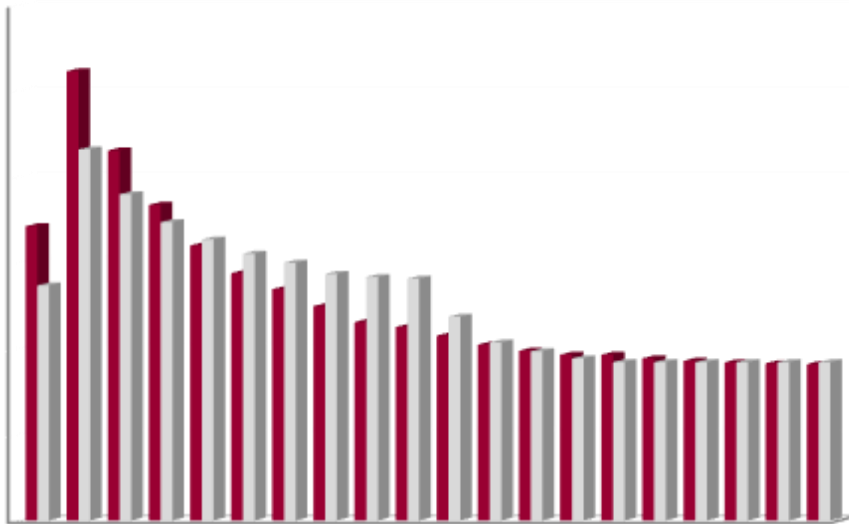
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### 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

### Purchase Details

Contract Date	Not Provided
Settlement Date	25 November 2019

### Expenditure Analysed

Purchase Price	\$660,000
Stamp Duty	\$21,925
<b>Total Expenditure Analysed</b>	<b>\$683,125</b>

### Historical Construction Details

Construction Start Date	8 August 2018
Construction Completion Date	1 November 2019
Historical Construction Cost (Estimated)*	\$410,192
Lot Entitlement	127
Overall Lot Entitlement	9,995

## 9. Reconciliation of Capital Expenditure

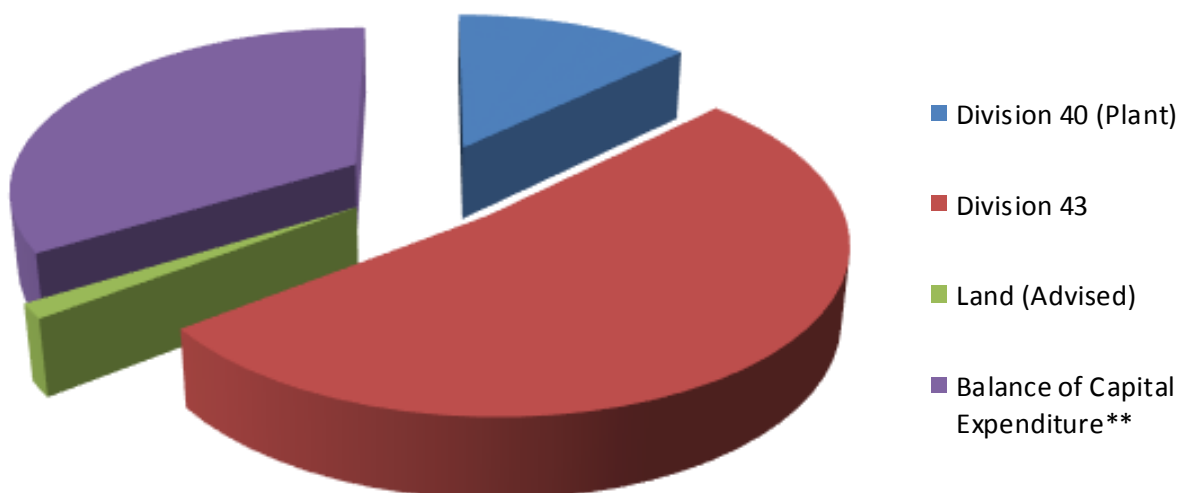
### Apportionment of cost relating to:

Division 40 (Plant)	\$87,808
Division 43	\$354,258
Land (Advised)	\$9,995
Balance of Capital Expenditure**	\$231,064
<b>Total Expenditure Analysed</b>	<b>\$683,125</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 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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	25-Nov-19	19,027	2,267	3,352	2,682	2,145	1,716	1,373	1,098	879	703	562
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	25-Nov-19	1,996	374	608	380	238	148	93	58	36	23	14
<b>Blinds Residential</b>													
Blinds Residential	20.00%	25-Nov-19	7,040	839	1,240	992	794	635	508	406	325	260	208
Blinds Residential	18.75%	25-Nov-19	991	186	302	189	118	74	46	29	18	11	7
<b>Ceiling Fans</b>													
Ceiling Fans	18.75%	25-Nov-19	1,487	279	453	283	177	111	69	43	27	17	11
<b>Computer systems</b>													
General	18.75%	25-Nov-19	694	130	211	132	83	52	32	20	13	8	5
Building management system	18.75%	25-Nov-19	504	94	154	96	60	37	23	15	9	6	4
<b>Door closers</b>													
Door closers	18.75%	25-Nov-19	503	94	153	96	60	37	23	15	9	6	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	25-Nov-19	2,111	396	643	402	251	157	98	61	38	24	15
Detection & alarm systems, fire indicator panel	18.75%	25-Nov-19	630	118	192	120	75	47	29	18	11	7	4
Emergency warning & intercommunication system	18.75%	25-Nov-19	1,630	306	497	310	194	121	76	47	30	19	12
Pumps, diesel & electric	18.75%	25-Nov-19	239	45	73	46	28	18	11	7	4	3	2
<b>Fire sprinklers - pumps only</b>													
Fire sprinklers - pumps only	18.75%	25-Nov-19	239	45	73	46	28	18	11	7	4	3	2
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	25-Nov-19	5,472	652	964	771	617	494	395	316	253	202	303
Artificial grass	40.00%	25-Nov-19	1,606	383	489	275	172	108	67	42	26	16	10
<b>Furniture</b>													
Furniture	15.00%	25-Nov-19	3,702	331	506	430	365	311	264	224	191	162	344
Furniture	18.75%	25-Nov-19	4,610	864	1,404	878	549	343	214	134	84	52	33
<b>Garage doors, automatic</b>													
Controls	18.75%	25-Nov-19	337	63	103	64	40	25	16	10	6	4	2
<b>Garbage disposal</b>													
Garbage chutes	18.75%	25-Nov-19	472	89	144	90	56	35	22	14	9	5	3
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	25-Nov-19	2,677	266	402	335	279	233	194	363	227	142	89
<b>Kitchen assets</b>													
Cooktops	16.67%	25-Nov-19	2,677	266	402	335	279	233	194	363	227	142	89
Dishwashers	20.00%	25-Nov-19	2,380	283	419	335	268	215	322	201	126	79	49
Microwave ovens	20.00%	25-Nov-19	1,160	138	204	307	192	120	75	47	29	18	11
Ovens	16.67%	25-Nov-19	2,974	295	447	372	310	258	215	179	336	210	131
Rangehoods	16.67%	25-Nov-19	1,365	135	205	171	320	200	125	78	49	31	19
Carried forward			66,523	8,938	13,640	10,136	7,699	5,744	4,496	3,797	2,967	2,152	1,933

## 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
<b>Division 40 - Plant and Equipment</b>													
Brought forward			66,523	8,938	13,640	10,136	7,699	5,744	4,496	3,797	2,967	2,152	1,933
<b>Laundry assets</b>													
Clothes dryers	20.00%	25-Nov-19	1,091	130	360	225	141	88	55	34	21	13	8
Lifts (including hydraulic & tractions lifts)	6.67%	25-Nov-19	10,331	410	661	617	576	538	502	468	437	408	381
<b>Lights</b>													
Shades, removable	18.75%	25-Nov-19	5,730	1,074	1,746	1,091	682	426	266	167	104	65	41
MATV - amplifiers & modulators	18.75%	25-Nov-19	378	71	115	72	45	28	18	11	7	4	3
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	25-Nov-19	2,832	506	698	488	342	299	187	117	73	46	29
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	25-Nov-19	242	45	74	46	29	18	11	7	4	3	2
\$300 items	100.00%	25-Nov-19	682	682									
<b>Pooled Plant Total</b>				<b>4,274</b>	<b>7,305</b>	<b>5,148</b>	<b>3,537</b>	<b>2,510</b>	<b>1,891</b>	<b>1,908</b>	<b>1,529</b>	<b>956</b>	<b>1,245</b>
<b>Effective Life Plant Total</b>				<b>7,582</b>	<b>9,989</b>	<b>7,529</b>	<b>5,976</b>	<b>4,631</b>	<b>3,645</b>	<b>2,693</b>	<b>2,084</b>	<b>1,735</b>	<b>1,151</b>
<b>Total Division 40</b>			<b>87,808</b>	<b>11,856</b>	<b>17,295</b>	<b>12,676</b>	<b>9,513</b>	<b>7,141</b>	<b>5,535</b>	<b>4,601</b>	<b>3,614</b>	<b>2,691</b>	<b>2,396</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2019</b>	2.50%	25-Nov-19	347,742	5,187	8,708	8,708	8,708	8,708	8,708	8,708	8,708	8,708	8,708
<b>Structural Improvements - Completed 2019</b>	2.50%	25-Nov-19	6,516	97	163	163	163	163	163	163	163	163	163
<b>Total Division 43</b>			<b>354,258</b>	<b>5,284</b>	<b>8,871</b>	<b>8,871</b>	<b>8,871</b>	<b>8,871</b>	<b>8,871</b>	<b>8,871</b>	<b>8,871</b>	<b>8,871</b>	<b>8,871</b>
<b>Total Depreciation</b>			<b>442,066</b>	<b>17,140</b>	<b>26,166</b>	<b>21,547</b>	<b>18,384</b>	<b>16,012</b>	<b>14,406</b>	<b>13,472</b>	<b>12,485</b>	<b>11,562</b>	<b>11,267</b>

## 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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	25-Nov-19	19,027	1,133	1,903	1,903	1,903	1,903	1,903	1,903	1,903	1,903	1,903
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	25-Nov-19	1,996	374	608	380	238	148	93	58	36	23	14
<b>Blinds Residential</b>	10.00%	25-Nov-19	7,040	419	704	704	704	704	704	704	704	704	704
<b>Blinds Residential</b>	18.75%	25-Nov-19	991	186	302	189	118	74	46	29	18	11	7
<b>Ceiling Fans</b>	18.75%	25-Nov-19	1,487	279	453	283	177	111	69	43	27	17	11
<b>Computer systems</b>													
General	18.75%	25-Nov-19	694	130	211	132	83	52	32	20	13	8	5
Building management system	18.75%	25-Nov-19	504	94	154	96	60	37	23	15	9	6	4
<b>Door closers</b>	18.75%	25-Nov-19	503	94	153	96	60	37	23	15	9	6	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	25-Nov-19	2,111	396	643	402	251	157	98	61	38	24	15
Detection & alarm systems, fire indicator panel	18.75%	25-Nov-19	630	118	192	120	75	47	29	18	11	7	4
Emergency warning & intercommunication system	18.75%	25-Nov-19	1,630	306	497	310	194	121	76	47	30	19	12
Pumps, diesel & electric	18.75%	25-Nov-19	239	45	73	46	28	18	11	7	4	3	2
<b>Fire sprinklers - pumps only</b>	18.75%	25-Nov-19	239	45	73	46	28	18	11	7	4	3	2
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	25-Nov-19	5,472	326	547	547	547	547	547	547	547	547	547
Artificial grass	20.00%	25-Nov-19	1,606	191	321	321	321	321	131				
<b>Furniture</b>	7.50%	25-Nov-19	3,702	165	278	278	278	278	278	278	278	278	278
<b>Furniture</b>	18.75%	25-Nov-19	4,610	864	1,404	878	549	343	214	134	84	52	33
<b>Garage doors, automatic</b>													
Controls	18.75%	25-Nov-19	337	63	103	64	40	25	16	10	6	4	2
<b>Garbage disposal</b>													
Garbage chutes	18.75%	25-Nov-19	472	89	144	90	56	35	22	14	9	5	3
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	25-Nov-19	2,677	133	223	223	223	223	223	223	223	223	223
<b>Kitchen assets</b>													
Cooktops	8.33%	25-Nov-19	2,677	133	223	223	223	223	223	223	223	223	223
Dishwashers	10.00%	25-Nov-19	2,380	142	238	238	238	238	238	238	238	238	238
Microwave ovens	10.00%	25-Nov-19	1,160	69	116	116	116	116	116	116	116	116	116
Ovens	8.33%	25-Nov-19	2,974	148	248	248	248	248	248	248	248	248	248
Rangehoods	8.33%	25-Nov-19	1,365	68	114	114	114	114	114	114	114	114	114
<b>Carried forward</b>			<b>66,523</b>	<b>6,010</b>	<b>9,925</b>	<b>8,046</b>	<b>6,872</b>	<b>6,138</b>	<b>5,489</b>	<b>5,072</b>	<b>4,893</b>	<b>4,781</b>	<b>4,711</b>

## Prime Cost Depreciation Schedule (cont.)

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	
Brought forward			66,523	6,010	9,925	8,046	6,872	6,138	5,489	5,072	4,893	4,781	4,711	
<b>Laundry assets</b>														
Clothes dryers	10.00%	25-Nov-19	1,091	65	109	109	109	109	109	109	109	109	109	
<b>Lifts (including hydraulic &amp; tractions lifts)</b>														
Lifts (including hydraulic & tractions lifts)	3.33%	25-Nov-19	10,331	205	344	344	344	344	344	344	344	344	344	
<b>Lights</b>														
Shades, removable	18.75%	25-Nov-19	5,730	1,074	1,746	1,091	682	426	266	167	104	65	41	
<b>MATV - amplifiers &amp; modulators</b>														
MATV - amplifiers & modulators	18.75%	25-Nov-19	378	71	115	72	45	28	18	11	7	4	3	
<b>Security systems &amp; equipment</b>														
Electronic	15.00%	25-Nov-19	2,832	253	425	425	425	425	425	425	29			
<b>Ventilating plant</b>														
Ventilation plant - fans only	18.75%	25-Nov-19	242	45	74	46	29	18	11	7	4	3	2	
<b>\$300 items</b>														
\$300 items	100.00%	25-Nov-19	682	682										
<b>Pooled Plant Total</b>				4,274	6,945	4,341	2,713	1,696	1,060	662	414	259	162	
<b>Effective Life Plant Total</b>				4,132	5,793	5,793	5,793	5,793	5,603	5,472	5,076	5,047	5,047	
<b>Total Division 40</b>			87,808	8,406	12,738	10,134	8,506	7,489	6,663	6,134	5,490	5,306	5,209	
<b>Division 43 - Capital Works Allowance</b>														
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	
<b>Building Works - Completed 2019</b>	2.50%	25-Nov-19	347,742	5,187	8,708	8,708	8,708	8,708	8,708	8,708	8,708	8,708	8,708	
<b>Structural Improvements - Completed 2019</b>	2.50%	25-Nov-19	6,516	97	163	163	163	163	163	163	163	163	163	
<b>Total Division 43</b>			354,258	5,284	8,871	8,871	8,871	8,871	8,871	8,871	8,871	8,871	8,871	
<b>Total Depreciation</b>			442,066	13,690	21,609	19,005	17,377	16,360	15,534	15,005	14,361	14,177	14,080	



## 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	8 Aug 18 to 1 Nov 19	348,314	2.50%	8,708	347,742
<b>Sub-total</b>		<b>348,314</b>		<b>8,708</b>	<b>347,742</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	8 Aug 18 to 1 Nov 19	6,527	2.50%	163	6,516
<b>Sub-total</b>		<b>6,527</b>		<b>163</b>	<b>6,516</b>
<b>Totals</b>		<b>354,841</b>		<b>8,871</b>	<b>354,258</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.