



Tax Depreciation Report

4 Dromos Street,
Eight Mile Plains, QLD 4113

Chun-Hung Yeh
4 Dromos Street
EIGHT MILE PLAINS, QLD 4113

Issue Schedule	
Issue Date:	Issued by:
24 August 2020	Mark Kilroy Bsc (Hons) MRICS

Chun-Hung Yeh
4 Dromos Street
EIGHT MILE PLAINS, QLD 4113

August 2020
Job No: RES4113008

Tax Depreciation Report – 4 Dromos Street, Eight Mile Plains, QLD 4113

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

24 August 2020

Purchaser

CHY Investment Pty Ltd ATF CHY Investment Family Trust

Property Address

4 Dromos Street, Eight Mile Plains, QLD 4113

Real Property Description

L4 SP307428

Property Type

House

Date of Construction

17 September 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"> • 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	17 September 20 to 30 June 21	12,364	6,634	18,998	10,252	29,250
2	1 July 21 to 30 June 22	12,404	11,800	24,204	13,084	37,288
3	1 July 22 to 30 June 23	9,735	7,375	17,110	13,084	30,194
4	1 July 23 to 30 June 24	6,851	6,279	13,130	13,084	26,214
5	1 July 24 to 30 June 25	4,988	4,585	9,573	13,084	22,657
6	1 July 25 to 30 June 26	3,979	2,865	6,845	13,084	19,929
7	1 July 26 to 30 June 27	2,907	2,134	5,042	13,084	18,126
8	1 July 27 to 30 June 28	2,203	1,683	3,886	13,084	16,970
9	1 July 28 to 30 June 29	1,784	1,052	2,836	13,084	15,920
10	1 July 29 to 30 June 30	1,283	963	2,246	13,084	15,330
11	1 July 30 to 30 June 31	1,042	602	1,644	13,084	14,728
12	1 July 31 to 30 June 32	847	376	1,223	13,084	14,307
13	1 July 32 to 30 June 33	508	575	1,083	13,084	14,167
14	1 July 33 to 30 June 34	416	360	776	13,084	13,860
15	1 July 34 to 30 June 35	200	577	777	13,084	13,861
16	1 July 35 to 30 June 36	0	661	661	13,084	13,745
17	1 July 36 to 30 June 37	0	413	413	13,084	13,497
18	1 July 37 to 30 June 38	0	258	258	13,084	13,342
19	1 July 38 to 30 June 39	0	161	161	13,084	13,245
20	1 July 39 to 30 June 40	0	101	101	13,084	13,185
21	1 July 40 to 30 June 41	0	63	63	13,084	13,147
22	1 July 41 to 30 June 42	0	39	39	13,084	13,123
23	1 July 42 to 30 June 43	0	25	25	13,084	13,109
24	1 July 43 to 30 June 44	0	15	15	13,084	13,099
25	1 July 44 to 30 June 45	0	10	10	13,084	13,094
26	1 July 45 to 30 June 46	0	6	6	13,084	13,090
27	1 July 46 to 30 June 47	0	4	4	13,084	13,088
28	1 July 47 to 30 June 48	0	2	2	13,084	13,086
29	1 July 48 to 30 June 49	0	1	1	13,084	13,085
30	1 July 49 to 30 June 50	0	1	1	13,084	13,085
31	1 July 50 to 30 June 51	0	1	1	13,084	13,085
32	1 July 51 to 30 June 52	0	0	0	13,084	13,084
33	1 July 52 to 30 June 53	0	0	0	13,084	13,084
34	1 July 53 to 30 June 54	0	0	0	13,084	13,084
35	1 July 54 to 30 June 55	0	0	0	13,084	13,084
36	1 July 55 to 30 June 56	0	0	0	13,084	13,084
37	1 July 56 to 30 June 57	0	0	0	13,084	13,084
38	1 July 57 to 30 June 58	0	0	0	13,084	13,084
39	1 July 58 to 30 June 59	0	0	0	13,084	13,084
40	2059+	0	0	0	15,923	15,923
Totals		61,513	49,623	111,136	523,367	634,503

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	17 September 20 to 30 June 21	6,182	6,634	12,816	10,252	23,068
2	1 July 21 to 30 June 22	7,888	10,780	18,668	13,084	31,752
3	1 July 22 to 30 June 23	7,888	6,738	14,626	13,084	27,710
4	1 July 23 to 30 June 24	7,888	4,211	12,099	13,084	25,183
5	1 July 24 to 30 June 25	7,888	2,632	10,520	13,084	23,604
6	1 July 25 to 30 June 26	7,888	1,645	9,533	13,084	22,617
7	1 July 26 to 30 June 27	7,307	1,028	8,335	13,084	21,419
8	1 July 27 to 30 June 28	6,119	643	6,762	13,084	19,846
9	1 July 28 to 30 June 29	5,802	402	6,203	13,084	19,287
10	1 July 29 to 30 June 30	5,721	251	5,972	13,084	19,056
11	1 July 30 to 30 June 31	2,390	157	2,547	13,084	15,631
12	1 July 31 to 30 June 32	1,459	98	1,557	13,084	14,641
13	1 July 32 to 30 June 33	916	61	977	13,084	14,061
14	1 July 33 to 30 June 34	418	38	456	13,084	13,540
15	1 July 34 to 30 June 35	0	24	24	13,084	13,108
16	1 July 35 to 30 June 36	0	15	15	13,084	13,099
17	1 July 36 to 30 June 37	0	9	9	13,084	13,093
18	1 July 37 to 30 June 38	0	6	6	13,084	13,090
19	1 July 38 to 30 June 39	0	4	4	13,084	13,088
20	1 July 39 to 30 June 40	0	2	2	13,084	13,086
21	1 July 40 to 30 June 41	0	1	1	13,084	13,085
22	1 July 41 to 30 June 42	0	1	1	13,084	13,085
23	1 July 42 to 30 June 43	0	1	1	13,084	13,085
24	1 July 43 to 30 June 44	0	0	0	13,084	13,084
25	1 July 44 to 30 June 45	0	0	0	13,084	13,084
26	1 July 45 to 30 June 46	0	0	0	13,084	13,084
27	1 July 46 to 30 June 47	0	0	0	13,084	13,084
28	1 July 47 to 30 June 48	0	0	0	13,084	13,084
29	1 July 48 to 30 June 49	0	0	0	13,084	13,084
30	1 July 49 to 30 June 50	0	0	0	13,084	13,084
31	1 July 50 to 30 June 51	0	0	0	13,084	13,084
32	1 July 51 to 30 June 52	0	0	0	13,084	13,084
33	1 July 52 to 30 June 53	0	0	0	13,084	13,084
34	1 July 53 to 30 June 54	0	0	0	13,084	13,084
35	1 July 54 to 30 June 55	0	0	0	13,084	13,084
36	1 July 55 to 30 June 56	0	0	0	13,084	13,084
37	1 July 56 to 30 June 57	0	0	0	13,084	13,084
38	1 July 57 to 30 June 58	0	0	0	13,084	13,084
39	1 July 58 to 30 June 59	0	0	0	13,084	13,084
40	2059+	0	0	0	15,923	15,923
Totals		75,754	35,381	111,136	523,367	634,503

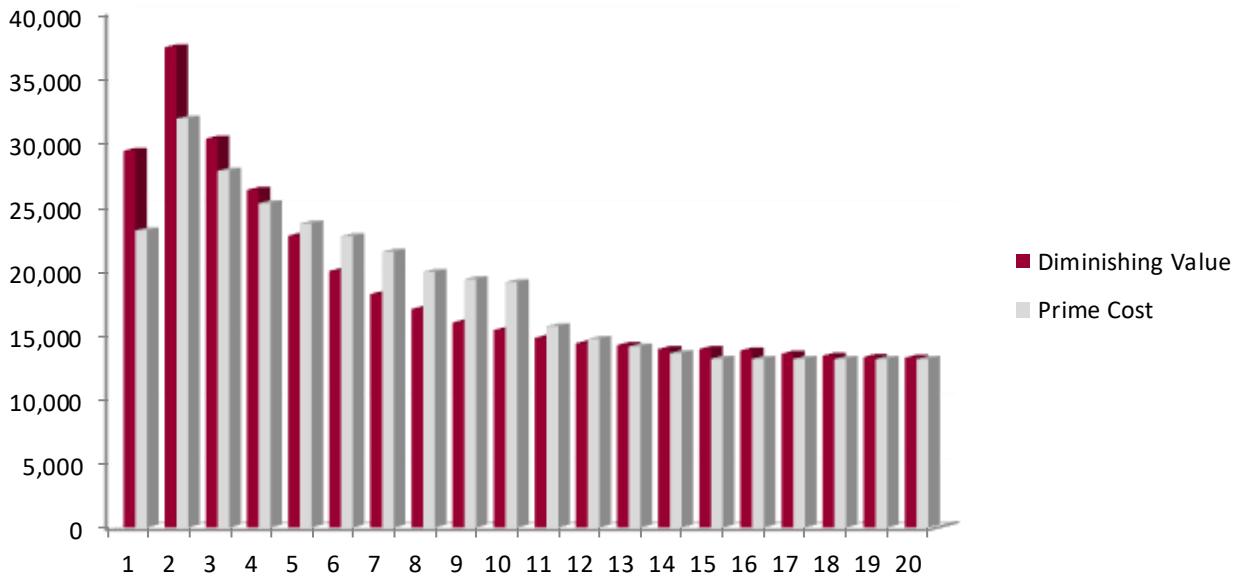
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

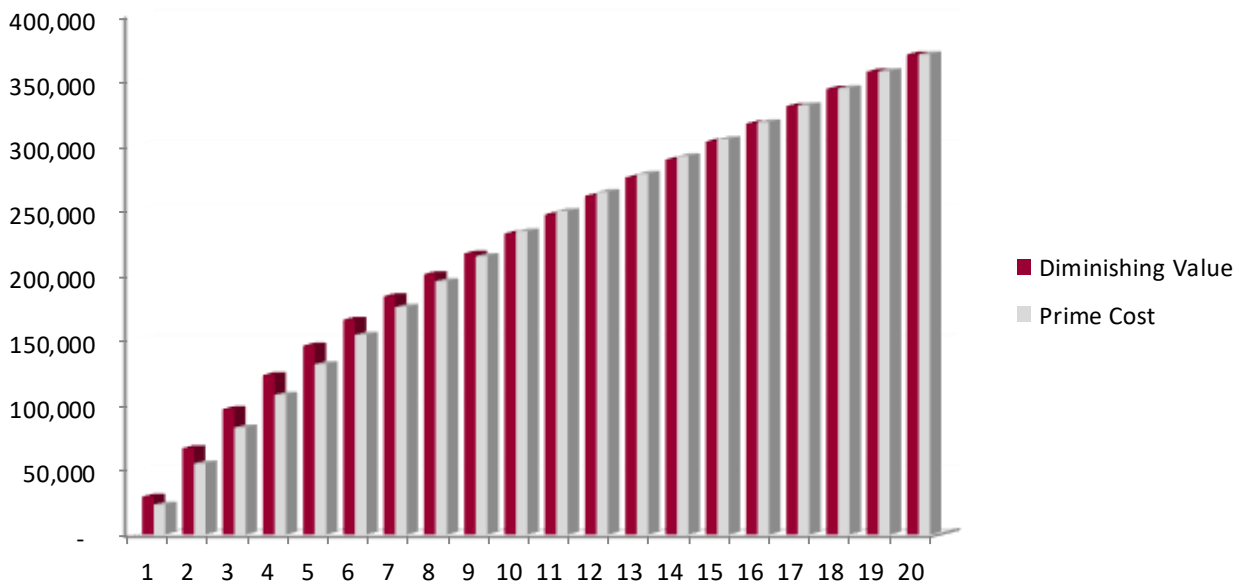
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	18 November 2019
Handover Date	17 September 2020

Expenditure Analysed

Construction Cost	\$608,000
Post Expenditure	\$35,073
Total Expenditure Analysed	\$643,073

Historical Construction Details

Construction Start Date	18 November 2019
Construction Completion Date	17 September 2020
Historical Construction Cost (Estimated)*	\$608,000

9. Reconciliation of Capital Expenditure

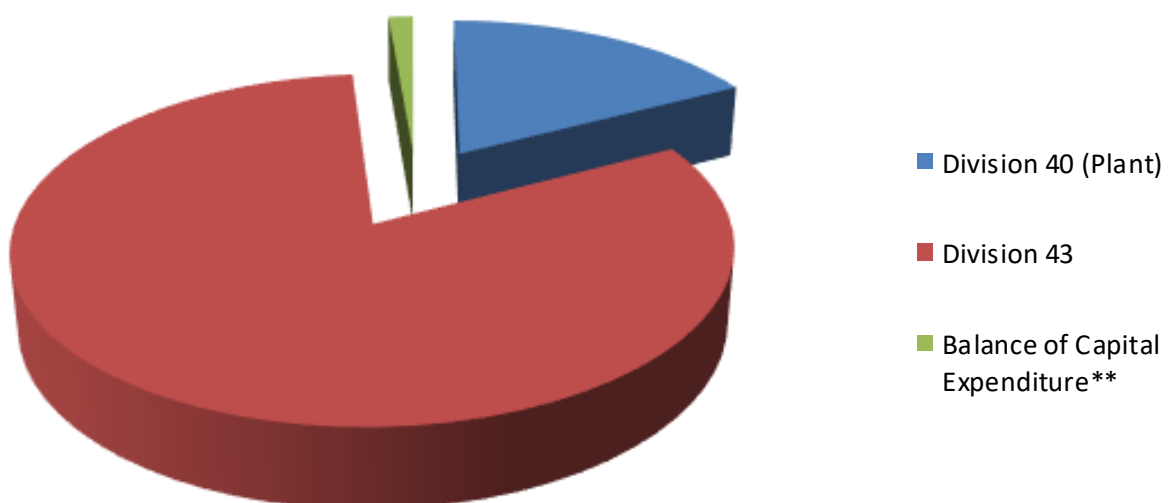
Apportionment of cost relating to:

Division 40 (Plant)	\$111,136
Division 43	\$523,367
Balance of Capital Expenditure**	\$8,570
Total Expenditure Analysed	\$643,073

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	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	Value Rate												
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	17-Sep-20	12,525	1,963	2,112	1,690	1,352	1,082	865	692	554	443	354
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	17-Sep-20	2,571	482	783	490	306	191	120	75	47	29	18
Blinds Residential													
Blinds Residential	20.00%	17-Sep-20	1,163	182	368	230	144	90	56	35	22	14	9
Blinds Residential	18.75%	17-Sep-20	1,934	363	589	368	230	144	90	56	35	22	14
Ceiling Fans													
Ceiling Fans	18.75%	17-Sep-20	501	94	153	95	60	37	23	15	9	6	4
Computer systems													
General	18.75%	17-Sep-20	461	87	141	88	55	34	21	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	17-Sep-20	2,610	489	795	497	311	194	121	76	47	30	19
Floor coverings (removable without damage)													
Linoleum & vinyl	20.00%	17-Sep-20	21,601	3,385	3,643	2,915	2,332	1,865	1,492	1,194	955	764	611
Furniture													
Furniture	15.00%	17-Sep-20	1,384	163	183	156	331	207	129	81	50	32	20
Furniture	18.75%	17-Sep-20	3,672	688	1,119	699	437	273	171	107	67	42	26
Garage doors, automatic													
Controls	18.75%	17-Sep-20	211	40	64	40	25	16	10	6	4	2	1
Motors	20.00%	17-Sep-20	1,582	248	267	213	320	200	125	78	49	31	19
Hot water systems (excluding piping)													
Gas or electric	16.67%	17-Sep-20	1,978	258	287	239	199	373	233	146	91	57	36
Kitchen assets													
Cooktops	16.67%	17-Sep-20	1,516	198	220	183	343	215	134	84	52	33	20
Dishwashers	25.00%	17-Sep-20	1,780	349	358	268	302	189	118	74	46	29	18
Microwave ovens	18.75%	17-Sep-20	857	161	261	163	102	64	40	25	16	10	6
Ovens	16.67%	17-Sep-20	1,648	215	239	199	373	233	146	91	57	36	22
Rangehoods	18.75%	17-Sep-20	989	185	301	188	118	74	46	29	18	11	7
Lights													
Shades, removable	18.75%	17-Sep-20	9,961	1,868	3,035	1,897	1,185	741	463	289	181	113	71
Security systems & equipment													
Electronic	30.00%	17-Sep-20	7,119	1,674	1,634	1,144	801	560	392	343	215	134	84
Additional Items (Post Expenditure)													
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	20.00%	17-Sep-20	5,759	903	971	777	622	497	398	318	255	204	306
Blinds Residential	18.75%	17-Sep-20	729	137	222	139	87	54	34	21	13	8	5
Carried forward			82,551	14,130	17,745	12,678	10,033	7,333	5,228	3,848	2,791	2,053	1,672

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													
Brought forward			82,551	14,130	17,745	12,678	10,033	7,333	5,228	3,848	2,791	2,053	1,672
Curtains and drapes	33.33%	17-Sep-20	3,499	914	862	575	383	287	180	112	70	44	27
Curtains and drapes	18.75%	17-Sep-20	4,666	875	1,422	888	555	347	217	136	85	53	33
Furniture	15.00%	17-Sep-20	8,800	1,035	1,165	990	842	715	608	517	439	373	317
Furniture	18.75%	17-Sep-20	5,320	998	1,621	1,013	633	396	247	155	97	60	38
Kitchen assets													
Refrigerators	16.67%	17-Sep-20	3,200	418	464	386	322	268	224	186	349	218	136
Refrigerators	18.75%	17-Sep-20	900	169	274	171	107	67	42	26	16	10	6
Laundry assets													
Clothes dryers	28.57%	17-Sep-20	1,050	235	306	191	119	75	47	29	18	11	7
Washing machines	25.00%	17-Sep-20	1,150	225	347	217	135	85	53	33	21	13	8
Pooled Plant Total				6,634	11,800	7,375	6,279	4,585	2,865	2,134	1,683	1,052	963
Effective Life Plant Total				12,364	12,404	9,735	6,851	4,988	3,979	2,907	2,203	1,784	1,283
Total Division 40			111,136	18,998	24,204	17,110	13,130	9,573	6,845	5,042	3,886	2,836	2,246
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 2020	2.50%	17-Sep-20	503,723	9,867	12,593	12,593	12,593	12,593	12,593	12,593	12,593	12,593	12,593
Structural Improvements - Completed 2020	2.50%	17-Sep-20	19,644	385	491	491	491	491	491	491	491	491	491
Total Division 43			523,367	10,252	13,084	13,084	13,084	13,084	13,084	13,084	13,084	13,084	13,084
Total Depreciation			634,503	29,250	37,288	30,194	26,214	22,657	19,929	18,126	16,970	15,920	15,330

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													
Air-conditioning assets (excl. ducting, pipes & vents)														
Mini split system upto 20KW	10.00%	17-Sep-20	12,525	981	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	17-Sep-20	2,571	482	783	490	306	191	120	75	47	29	18	
Blinds Residential	10.00%	17-Sep-20	1,163	91	116	116	116	116	116	116	116	116	116	116
Blinds Residential	18.75%	17-Sep-20	1,934	363	589	368	230	144	90	56	35	22	14	
Ceiling Fans	18.75%	17-Sep-20	501	94	153	95	60	37	23	15	9	6	4	
Computer systems														
General	18.75%	17-Sep-20	461	87	141	88	55	34	21	13	8	5	3	
Fire control assets														
Detection & alarm systems, detectors	18.75%	17-Sep-20	2,610	489	795	497	311	194	121	76	47	30	19	
Floor coverings (removable without damage)														
Linoleum & vinyl	10.00%	17-Sep-20	21,601	1,693	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Furniture	7.50%	17-Sep-20	1,384	81	104	104	104	104	104	104	104	104	104	104
Furniture	18.75%	17-Sep-20	3,672	688	1,119	699	437	273	171	107	67	42	26	
Garage doors, automatic														
Controls	18.75%	17-Sep-20	211	40	64	40	25	16	10	6	4	2	1	
Motors	10.00%	17-Sep-20	1,582	124	158	158	158	158	158	158	158	158	158	158
Hot water systems (excluding piping)														
Gas or electric	8.33%	17-Sep-20	1,978	129	165	165	165	165	165	165	165	165	165	165
Kitchen assets														
Cooktops	8.33%	17-Sep-20	1,516	99	126	126	126	126	126	126	126	126	126	126
Dishwashers	12.50%	17-Sep-20	1,780	174	222	222	222	222	222	222	222	222	52	
Microwave ovens	18.75%	17-Sep-20	857	161	261	163	102	64	40	25	16	10	6	
Ovens	8.33%	17-Sep-20	1,648	108	137	137	137	137	137	137	137	137	137	137
Rangehoods	18.75%	17-Sep-20	989	185	301	188	118	74	46	29	18	11	7	
Lights														
Shades, removable	18.75%	17-Sep-20	9,961	1,868	3,035	1,897	1,185	741	463	289	181	113	71	
Security systems & equipment														
Electronic	15.00%	17-Sep-20	7,119	837	1,068	1,068	1,068	1,068	1,068	1,068	943			
Additional Items (Post Expenditure)					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	10.00%	17-Sep-20	5,759	451	576	576	576	576	576	576	576	576	576	576
Blinds Residential	18.75%	17-Sep-20	729	137	222	139	87	54	34	21	13	8	5	
Carried forward			82,551	9,361	13,548	10,749	8,999	7,906	7,223	6,670	5,461	5,124	4,968	

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			82,551	9,361	13,548	10,749	8,999	7,906	7,223	6,670	5,461	5,124	4,968	
Curtains and drapes	16.67%	17-Sep-20	3,499	457	583	583	583	583	583	127				
Curtains and drapes	18.75%	17-Sep-20	4,666	875	1,422	888	555	347	217	136	85	53	33	
Furniture	7.50%	17-Sep-20	8,800	517	660	660	660	660	660	660	660	660	660	
Furniture	18.75%	17-Sep-20	5,320	998	1,621	1,013	633	396	247	155	97	60	38	
Kitchen assets														
Refrigerators	8.33%	17-Sep-20	3,200	209	267	267	267	267	267	267	267	267	267	
Refrigerators	18.75%	17-Sep-20	900	169	274	171	107	67	42	26	16	10	6	
Laundry assets														
Clothes dryers	14.29%	17-Sep-20	1,050	118	150	150	150	150	150	150	32			
Washing machines	12.50%	17-Sep-20	1,150	113	144	144	144	144	144	144	144	29		
Pooled Plant Total				6,634	10,780	6,738	4,211	2,632	1,645	1,028	643	402	251	
Effective Life Plant Total				6,182	7,888	7,888	7,888	7,888	7,888	7,307	6,119	5,802	5,721	
Total Division 40			111,136	12,816	18,668	14,626	12,099	10,520	9,533	8,335	6,762	6,203	5,972	
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 2020	2.50%	17-Sep-20	503,723	9,867	12,593	12,593	12,593	12,593	12,593	12,593	12,593	12,593	12,593	
Structural Improvements - Completed 2020	2.50%	17-Sep-20	19,644	385	491	491	491	491	491	491	491	491	491	
Total Division 43			523,367	10,252	13,084	13,084	13,084	13,084	13,084	13,084	13,084	13,084	13,084	
Total Depreciation			634,503	23,068	31,752	27,710	25,183	23,604	22,617	21,419	19,846	19,287	19,056	

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	18 Nov 19 to 17 Sep 20	503,723	2.50%	12,593	503,723
Sub-total		503,723		12,593	503,723

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2020	18 Nov 19 to 17 Sep 20	19,644	2.50%	491	19,644
Sub-total		19,644		491	19,644
Totals		523,368		13,084	523,367

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

LEAD SURVEYOR DETAILS	
Surveyors Name	Mark Kilroy
Tax Agent Number	24370523
Contact Number	1300 669 400
Email	mark@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.