



## Tax Depreciation Report

31 East Beaumont Road,  
Park Ridge QLD 4125

Jordan and Sherah Reeves  
115 Camberwell Circuit  
ROBINA, QLD 4226

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

Jordan and Sherah Reeves  
115 Camberwell Circuit  
ROBINA, QLD 4226

September 2020  
Job No: RES4125040

### **Tax Depreciation Report – 31 East Beaumont Road, Park Ridge QLD 4125**

We thank you for choosing Koste Pty Ltd to prepare the attached Tax Depreciation report and schedule for the above property.

This report has been prepared to provide an independent review of Tax Depreciation entitlements available on the subject property, under The Income Tax Assessment Act 1997.

Koste Pty Ltd are a registered tax agent (24836767) who comply with the Tax Agent Services Act 2009. The attached schedule is based on an apportionment of the total expenditure, together with the Tax Commissioners current intentions in preparing this document.

As you continue to grow your portfolio, we would be pleased to provide you with free estimates of tax depreciation allowances on purchases. We can also provide updates for \$100+GST on any revised depreciation reports which may include new capital works and write-offs on disposed assets over the coming years.

The majority of our custom is based on repeat customers and from word of mouth. Testimonials are important to our business especially on social media including Google+, LinkedIn and Facebook. If you are pleased with our service and have some time to write a short testimonial on either social media or via an email, this would be greatly appreciated.

If you or your accountant require any further clarification on the contents of this report, please do not hesitate in contacting a member of our team on 1300 669 400 where they would be more than happy to assist.

Yours Sincerely

*Koste Pty Ltd*

Koste Pty Ltd  
Tax Depreciation Quantity Surveyors



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## 1. Property Information

### Date of Report

11 September 2020

### Purchaser

Jordan and Sherah Reeves

### Property Address

31 East Beaumont Road, Park Ridge QLD 4125

### Real Property Description

L27 SP172398

### Property Type

Dual Occupancy

### Date of Construction

28 August 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	28 August 20 to 30 June 21	5,610	3,148	8,758	5,205	13,963
2	1 July 21 to 30 June 22	5,061	5,220	10,281	6,208	16,489
3	1 July 22 to 30 June 23	4,026	3,263	7,289	6,208	13,497
4	1 July 23 to 30 June 24	3,207	2,039	5,247	6,208	11,455
5	1 July 24 to 30 June 25	2,559	1,275	3,834	6,208	10,042
6	1 July 25 to 30 June 26	1,446	1,812	3,258	6,208	9,466
7	1 July 26 to 30 June 27	1,002	1,456	2,458	6,208	8,666
8	1 July 27 to 30 June 28	677	1,223	1,900	6,208	8,108
9	1 July 28 to 30 June 29	549	765	1,314	6,208	7,522
10	1 July 29 to 30 June 30	287	834	1,121	6,208	7,329
11	1 July 30 to 30 June 31	230	521	751	6,208	6,959
12	1 July 31 to 30 June 32	0	670	670	6,208	6,878
13	1 July 32 to 30 June 33	0	419	419	6,208	6,627
14	1 July 33 to 30 June 34	0	262	262	6,208	6,470
15	1 July 34 to 30 June 35	0	164	164	6,208	6,372
16	1 July 35 to 30 June 36	0	102	102	6,208	6,310
17	1 July 36 to 30 June 37	0	64	64	6,208	6,272
18	1 July 37 to 30 June 38	0	40	40	6,208	6,248
19	1 July 38 to 30 June 39	0	25	25	6,208	6,233
20	1 July 39 to 30 June 40	0	16	16	6,208	6,224
21	1 July 40 to 30 June 41	0	10	10	6,208	6,218
22	1 July 41 to 30 June 42	0	6	6	6,208	6,214
23	1 July 42 to 30 June 43	0	4	4	6,208	6,212
24	1 July 43 to 30 June 44	0	2	2	6,208	6,210
25	1 July 44 to 30 June 45	0	1	1	6,208	6,209
26	1 July 45 to 30 June 46	0	1	1	6,208	6,209
27	1 July 46 to 30 June 47	0	1	1	6,208	6,209
28	1 July 47 to 30 June 48	0	0	0	6,208	6,208
29	1 July 48 to 30 June 49	0	0	0	6,208	6,208
30	1 July 49 to 30 June 50	0	0	0	6,208	6,208
31	1 July 50 to 30 June 51	0	0	0	6,208	6,208
32	1 July 51 to 30 June 52	0	0	0	6,208	6,208
33	1 July 52 to 30 June 53	0	0	0	6,208	6,208
34	1 July 53 to 30 June 54	0	0	0	6,208	6,208
35	1 July 54 to 30 June 55	0	0	0	6,208	6,208
36	1 July 55 to 30 June 56	0	0	0	6,208	6,208
37	1 July 56 to 30 June 57	0	0	0	6,208	6,208
38	1 July 57 to 30 June 58	0	0	0	6,208	6,208
39	1 July 58 to 30 June 59	0	0	0	6,208	6,208
40	2059+	0	0	0	7,179	7,179
<b>Totals</b>		<b>24,653</b>	<b>23,344</b>	<b>47,997</b>	<b>248,288</b>	<b>296,285</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	28 August 20 to 30 June 21	2,977	3,148	6,125	5,205	11,330
2	1 July 21 to 30 June 22	3,142	5,115	8,257	6,208	14,465
3	1 July 22 to 30 June 23	3,142	3,197	6,339	6,208	12,547
4	1 July 23 to 30 June 24	3,142	1,998	5,140	6,208	11,348
5	1 July 24 to 30 June 25	3,142	1,249	4,391	6,208	10,599
6	1 July 25 to 30 June 26	3,073	781	3,854	6,208	10,062
7	1 July 26 to 30 June 27	3,058	488	3,546	6,208	9,754
8	1 July 27 to 30 June 28	3,058	305	3,363	6,208	9,571
9	1 July 28 to 30 June 29	2,309	191	2,500	6,208	8,708
10	1 July 29 to 30 June 30	2,169	119	2,288	6,208	8,496
11	1 July 30 to 30 June 31	1,049	74	1,124	6,208	7,332
12	1 July 31 to 30 June 32	825	47	872	6,208	7,080
13	1 July 32 to 30 June 33	122	29	151	6,208	6,359
14	1 July 33 to 30 June 34	0	18	18	6,208	6,226
15	1 July 34 to 30 June 35	0	11	11	6,208	6,219
16	1 July 35 to 30 June 36	0	7	7	6,208	6,215
17	1 July 36 to 30 June 37	0	4	4	6,208	6,212
18	1 July 37 to 30 June 38	0	3	3	6,208	6,211
19	1 July 38 to 30 June 39	0	2	2	6,208	6,210
20	1 July 39 to 30 June 40	0	1	1	6,208	6,209
21	1 July 40 to 30 June 41	0	1	1	6,208	6,209
22	1 July 41 to 30 June 42	0	0	0	6,208	6,208
23	1 July 42 to 30 June 43	0	0	0	6,208	6,208
24	1 July 43 to 30 June 44	0	0	0	6,208	6,208
25	1 July 44 to 30 June 45	0	0	0	6,208	6,208
26	1 July 45 to 30 June 46	0	0	0	6,208	6,208
27	1 July 46 to 30 June 47	0	0	0	6,208	6,208
28	1 July 47 to 30 June 48	0	0	0	6,208	6,208
29	1 July 48 to 30 June 49	0	0	0	6,208	6,208
30	1 July 49 to 30 June 50	0	0	0	6,208	6,208
31	1 July 50 to 30 June 51	0	0	0	6,208	6,208
32	1 July 51 to 30 June 52	0	0	0	6,208	6,208
33	1 July 52 to 30 June 53	0	0	0	6,208	6,208
34	1 July 53 to 30 June 54	0	0	0	6,208	6,208
35	1 July 54 to 30 June 55	0	0	0	6,208	6,208
36	1 July 55 to 30 June 56	0	0	0	6,208	6,208
37	1 July 56 to 30 June 57	0	0	0	6,208	6,208
38	1 July 57 to 30 June 58	0	0	0	6,208	6,208
39	1 July 58 to 30 June 59	0	0	0	6,208	6,208
40	2059+	0	0	0	7,179	7,179
<b>Totals</b>		<b>31,209</b>	<b>16,789</b>	<b>47,997</b>	<b>248,288</b>	<b>296,285</b>

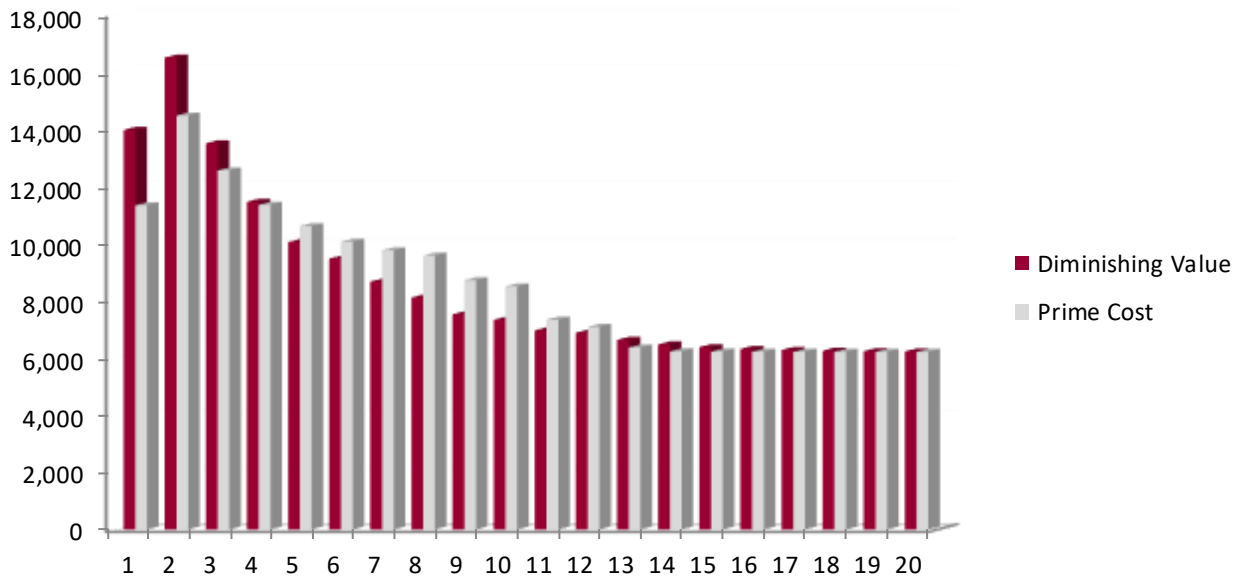
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

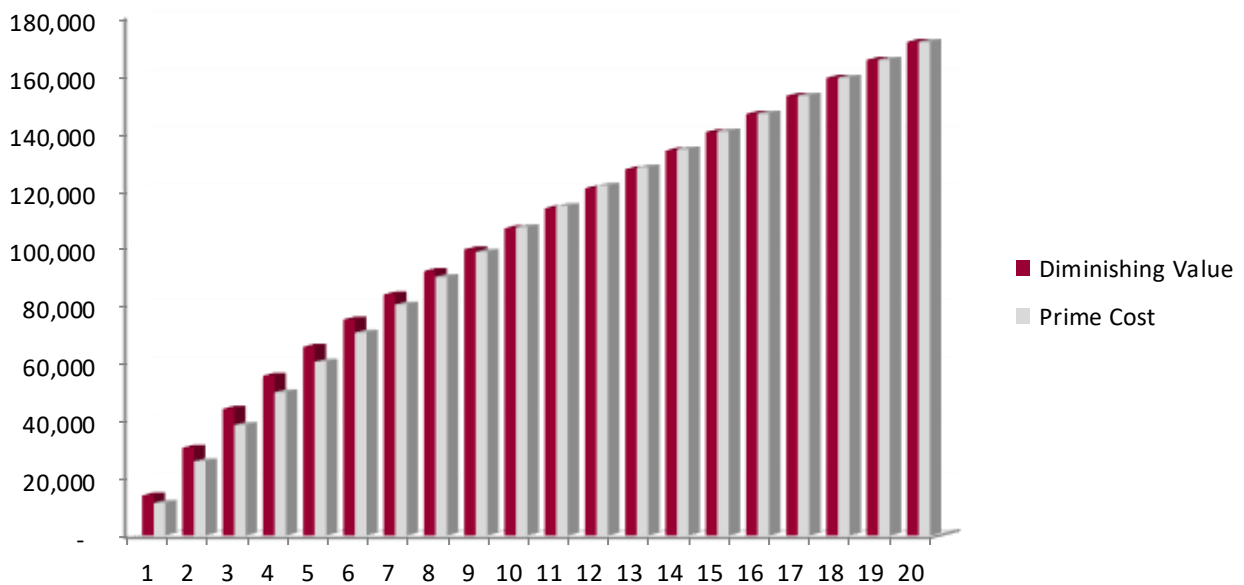
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	31 March 2020
Handover Date	28 August 2020

### Expenditure Analysed

Construction Cost	\$300,900
<b>Total Expenditure Analysed</b>	<b>\$300,900</b>

### Historical Construction Details

Construction Start Date	31 March 2020
Construction Completion Date	28 August 2020
Historical Construction Cost (Advised)*	\$300,900
Lot Entitlement	1
Overall Lot Entitlement	1

## 9. Reconciliation of Capital Expenditure

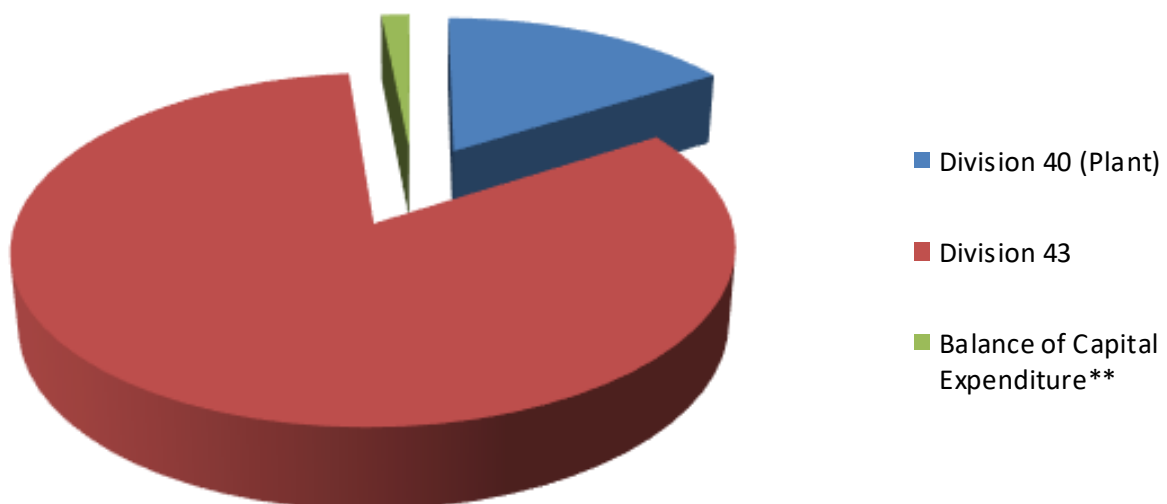
### Apportionment of cost relating to:

Division 40 (Plant)	\$47,997
Division 43	\$248,288
Balance of Capital Expenditure**	\$4,615
<b>Total Expenditure Analysed</b>	<b>\$300,900</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	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													
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>														
Mini split system upto 20KW	20.00%	28-Aug-20	10,284	1,724	1,712	1,369	1,096	876	701	561	449	359	287	
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	18.75%	28-Aug-20	330	62	100	63	39	25	15	10	6	4	2	
<b>Blinds Residential</b>														
	18.75%	28-Aug-20	2,478	465	755	472	295	184	115	72	45	28	18	
<b>Ceiling Fans</b>														
	18.75%	28-Aug-20	2,307	433	703	439	275	172	107	67	42	26	16	
<b>Computer systems</b>														
General	18.75%	28-Aug-20	923	173	281	176	110	69	43	27	17	10	7	
<b>Fire control assets</b>														
Detection & alarm systems, detectors	18.75%	28-Aug-20	2,030	381	619	387	242	151	94	59	37	23	14	
<b>Floor coverings ( removable without damage)</b>														
Carpets	25.00%	28-Aug-20	3,944	827	779	585	438	329	370	231	144	90	56	
<b>Furniture</b>														
	18.75%	28-Aug-20	5,412	1,015	1,649	1,031	644	403	252	157	98	61	38	
<b>Garage doors, automatic</b>														
Controls	40.00%	28-Aug-20	422	141	105	66	41	26	16	10	6	4	2	
Motors	20.00%	28-Aug-20	3,164	531	527	421	337	270	216	324	202	126	79	
<b>Hot water systems (excluding piping)</b>														
Gas or electric	16.67%	28-Aug-20	4,746	663	681	567	473	394	328	273	228	190	356	
<b>Kitchen assets</b>														
Cooktops	16.67%	28-Aug-20	2,241	313	321	268	223	186	349	218	136	85	53	
Dishwashers	25.00%	28-Aug-20	3,164	663	625	469	352	264	297	185	116	72	45	
Ovens	16.67%	28-Aug-20	2,900	405	416	347	289	241	201	167	313	196	122	
Rangehoods	18.75%	28-Aug-20	1,187	222	362	226	141	88	55	34	22	13	8	
<b>Lights</b>														
Shades, removable	18.75%	28-Aug-20	2,123	398	647	404	253	158	99	62	39	24	15	
<b>\$300 items</b>														
	100.00%	28-Aug-20	343	343										
<b>Pooled Plant Total</b>				<b>3,148</b>	<b>5,220</b>	<b>3,263</b>	<b>2,039</b>	<b>1,275</b>	<b>1,812</b>	<b>1,456</b>	<b>1,223</b>	<b>765</b>	<b>834</b>	
<b>Effective Life Plant Total</b>				<b>5,610</b>	<b>5,061</b>	<b>4,026</b>	<b>3,207</b>	<b>2,559</b>	<b>1,446</b>	<b>1,002</b>	<b>677</b>	<b>549</b>	<b>287</b>	
<b>Total Division 40</b>			<b>47,997</b>	<b>8,758</b>	<b>10,281</b>	<b>7,289</b>	<b>5,247</b>	<b>3,834</b>	<b>3,258</b>	<b>2,458</b>	<b>1,900</b>	<b>1,314</b>	<b>1,121</b>	
<b>Division 43 - Capital Works Allowance</b>														
	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>Building Works - Completed 2020</b>				<b>237,345</b>	<b>4,975</b>	<b>5,934</b>	<b>5,934</b>	<b>5,934</b>	<b>5,934</b>	<b>5,934</b>	<b>5,934</b>	<b>5,934</b>	<b>5,934</b>	<b>5,934</b>
<b>Structural Improvements - Completed 2020</b>				<b>10,943</b>	<b>230</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>
<b>Total Division 43</b>			<b>248,288</b>	<b>5,205</b>	<b>6,208</b>	<b>6,208</b>	<b>6,208</b>	<b>6,208</b>	<b>6,208</b>	<b>6,208</b>	<b>6,208</b>	<b>6,208</b>	<b>6,208</b>	
<b>Total Depreciation</b>			<b>296,285</b>	<b>13,963</b>	<b>16,489</b>	<b>13,497</b>	<b>11,455</b>	<b>10,042</b>	<b>9,466</b>	<b>8,666</b>	<b>8,108</b>	<b>7,522</b>	<b>7,329</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%	28-Aug-20	10,284	862	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,028	1,028
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	28-Aug-20	330	62	100	63	39	25	15	10	6	4	2
<b>Blinds Residential</b>	18.75%	28-Aug-20	2,478	465	755	472	295	184	115	72	45	28	18
<b>Ceiling Fans</b>	18.75%	28-Aug-20	2,307	433	703	439	275	172	107	67	42	26	16
<b>Computer systems</b>													
General	18.75%	28-Aug-20	923	173	281	176	110	69	43	27	17	10	7
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	28-Aug-20	2,030	381	619	387	242	151	94	59	37	23	14
<b>Floor coverings ( removable without damage)</b>													
Carpets	12.50%	28-Aug-20	3,944	413	493	493	493	493	493	493	493	80	
<b>Furniture</b>	18.75%	28-Aug-20	5,412	1,015	1,649	1,031	644	403	252	157	98	61	38
<b>Garage doors, automatic</b>													
Controls	20.00%	28-Aug-20	422	71	84	84	84	84	15				
Motors	10.00%	28-Aug-20	3,164	265	316	316	316	316	316	316	316	316	316
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	28-Aug-20	4,746	332	396	396	396	396	396	396	396	396	396
<b>Kitchen assets</b>													
Cooktops	8.33%	28-Aug-20	2,241	157	187	187	187	187	187	187	187	187	187
Dishwashers	12.50%	28-Aug-20	3,164	332	396	396	396	396	396	396	396	61	
Ovens	8.33%	28-Aug-20	2,900	203	242	242	242	242	242	242	242	242	242
Rangehoods	18.75%	28-Aug-20	1,187	222	362	226	141	88	55	34	22	13	8
<b>Lights</b>													
Shades, removable	18.75%	28-Aug-20	2,123	398	647	404	253	158	99	62	39	24	15
<b>\$300 items</b>	100.00%	28-Aug-20	343	343									
<b>Pooled Plant Total</b>				3,148	5,115	3,197	1,998	1,249	781	488	305	191	119
<b>Effective Life Plant Total</b>				2,977	3,142	3,142	3,142	3,142	3,073	3,058	3,058	2,309	2,169
<b>Total Division 40</b>			47,997	6,125	8,257	6,339	5,140	4,391	3,854	3,546	3,363	2,500	2,288
<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 2020</b>	2.50%	28-Aug-20	237,345	4,975	5,934	5,934	5,934	5,934	5,934	5,934	5,934	5,934	5,934
<b>Structural Improvements - Completed 2020</b>	2.50%	28-Aug-20	10,943	230	274	274	274	274	274	274	274	274	274
<b>Total Division 43</b>			248,288	5,205	6,208	6,208	6,208	6,208	6,208	6,208	6,208	6,208	6,208
<b>Total Depreciation</b>			296,285	11,330	14,465	12,547	11,348	10,599	10,062	9,754	9,571	8,708	8,496

## 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	31 Mar 20 to 28 Aug 20	237,345	2.50%	5,934	237,345
<b>Sub-total</b>		<b>237,345</b>		<b>5,934</b>	<b>237,345</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2020	31 Mar 20 to 28 Aug 20	10,943	2.50%	274	10,943
<b>Sub-total</b>		<b>10,943</b>		<b>274</b>	<b>10,943</b>
<b>Totals</b>		<b>248,288</b>		<b>6,208</b>	<b>248,288</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	
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LEAD SURVEYOR DETAILS	
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## **15. Disclaimer**

This report has been prepared for the exclusive use of the parties named within this report, Koste Pty Ltd does not accept any contractual, tortious or other form of liability for any consequences that may arise from any other person acting upon or using this valuation.