



Tax Depreciation Report

47 Nepean Street,
Broadmeadows VIC 3047

Dean Munro
47 Nepean Street
BROADMEADOWS, VIC 3047

Issue Schedule	
Issue Date:	Issued by:
06 September 2018	Mark Kilroy Bsc (Hons) MRICS

Dean Munro
47 Nepean Street
BROADMEADOWS, VIC 3047

September 2018
Job No: RES3047002

Tax Depreciation Report – 47 Nepean Street, Broadmeadows VIC 3047

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

6 September 2018

Purchaser

Dean Munro

Property Address

47 Nepean Street, Broadmeadows VIC 3047

Real Property Description

LOT 1 PS530201

Property Type

Residential House

Date of Construction

1 January 1997

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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.					Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
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				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
200 / 10 Years = 20% (Adjusted Value)					100 / 10 Years = 10% (Straight Line)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.					If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
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	8 September 17 to 30 June 18	10,821	6,770	17,591	1,920	19,511
2	1 July 18 to 30 June 19	4,177	5,763	9,939	2,383	12,322
3	1 July 19 to 30 June 20	3,111	4,300	7,411	2,383	9,794
4	1 July 20 to 30 June 21	2,546	2,687	5,233	2,383	7,616
5	1 July 21 to 30 June 22	1,772	2,323	4,095	2,383	6,478
6	1 July 22 to 30 June 23	1,455	1,452	2,906	2,383	5,289
7	1 July 23 to 30 June 24	860	1,588	2,448	2,383	4,831
8	1 July 24 to 30 June 25	398	1,663	2,061	2,383	4,444
9	1 July 25 to 30 June 26	161	1,358	1,519	2,383	3,902
10	1 July 26 to 30 June 27	139	849	988	2,383	3,371
11	1 July 27 to 30 June 28	0	870	870	2,383	3,253
12	1 July 28 to 30 June 29	0	544	544	2,383	2,927
13	1 July 29 to 30 June 30	0	340	340	2,383	2,723
14	1 July 30 to 30 June 31	0	212	212	2,383	2,595
15	1 July 31 to 30 June 32	0	133	133	2,383	2,516
16	1 July 32 to 30 June 33	0	83	83	2,383	2,466
17	1 July 33 to 30 June 34	0	52	52	2,383	2,435
18	1 July 34 to 30 June 35	0	32	32	2,383	2,415
19	1 July 35 to 30 June 36	0	20	20	2,383	2,403
20	1 July 36 to 30 June 37	0	13	13	1,712	1,725
21	1 July 37 to 30 June 38	0	8	8	1,060	1,068
22	1 July 38 to 30 June 39	0	5	5	1,037	1,042
23	1 July 39 to 30 June 40	0	3	3	851	854
24	1 July 40 to 30 June 41	0	2	2	850	852
25	1 July 41 to 30 June 42	0	1	1	850	851
26	1 July 42 to 30 June 43	0	1	1	850	851
27	1 July 43 to 30 June 44	0	0	0	850	850
28	1 July 44 to 30 June 45	0	0	0	850	850
29	1 July 45 to 30 June 46	0	0	0	850	850
30	1 July 46 to 30 June 47	0	0	0	850	850
31	1 July 47 to 30 June 48	0	0	0	850	850
32	1 July 48 to 30 June 49	0	0	0	850	850
33	1 July 49 to 30 June 50	0	0	0	850	850
34	1 July 50 to 30 June 51	0	0	0	850	850
35	1 July 51 to 30 June 52	0	0	0	850	850
36	1 July 52 to 30 June 53	0	0	0	850	850
37	1 July 53 to 30 June 54	0	0	0	652	652
38	1 July 54 to 30 June 55	0	0	0	102	102
39	1 July 55 to 30 June 56	0	0	0	102	102
40	2056+	0	0	0	140	140
Totals		25,439	31,072	56,511	61,520	118,031

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	8 September 17 to 30 June 18	8,766	6,770	15,536	1,920	17,456
2	1 July 18 to 30 June 19	2,595	5,385	7,980	2,383	10,363
3	1 July 19 to 30 June 20	2,563	3,366	5,929	2,383	8,312
4	1 July 20 to 30 June 21	2,555	2,104	4,659	2,383	7,042
5	1 July 21 to 30 June 22	2,555	1,315	3,870	2,383	6,253
6	1 July 22 to 30 June 23	2,555	822	3,377	2,383	5,760
7	1 July 23 to 30 June 24	2,555	514	3,069	2,383	5,452
8	1 July 24 to 30 June 25	2,555	321	2,876	2,383	5,259
9	1 July 25 to 30 June 26	2,555	201	2,756	2,383	5,139
10	1 July 26 to 30 June 27	2,555	125	2,680	2,383	5,063
11	1 July 27 to 30 June 28	1,333	78	1,412	2,383	3,795
12	1 July 28 to 30 June 29	1,008	49	1,057	2,383	3,440
13	1 July 29 to 30 June 30	567	31	597	2,383	2,980
14	1 July 30 to 30 June 31	356	19	375	2,383	2,758
15	1 July 31 to 30 June 32	243	12	255	2,383	2,638
16	1 July 32 to 30 June 33	65	7	72	2,383	2,455
17	1 July 33 to 30 June 34	0	5	5	2,383	2,388
18	1 July 34 to 30 June 35	0	3	3	2,383	2,386
19	1 July 35 to 30 June 36	0	2	2	2,383	2,385
20	1 July 36 to 30 June 37	0	1	1	1,712	1,713
21	1 July 37 to 30 June 38	0	1	1	1,060	1,061
22	1 July 38 to 30 June 39	0	0	0	1,037	1,037
23	1 July 39 to 30 June 40	0	0	0	851	851
24	1 July 40 to 30 June 41	0	0	0	850	850
25	1 July 41 to 30 June 42	0	0	0	850	850
26	1 July 42 to 30 June 43	0	0	0	850	850
27	1 July 43 to 30 June 44	0	0	0	850	850
28	1 July 44 to 30 June 45	0	0	0	850	850
29	1 July 45 to 30 June 46	0	0	0	850	850
30	1 July 46 to 30 June 47	0	0	0	850	850
31	1 July 47 to 30 June 48	0	0	0	850	850
32	1 July 48 to 30 June 49	0	0	0	850	850
33	1 July 49 to 30 June 50	0	0	0	850	850
34	1 July 50 to 30 June 51	0	0	0	850	850
35	1 July 51 to 30 June 52	0	0	0	850	850
36	1 July 52 to 30 June 53	0	0	0	850	850
37	1 July 53 to 30 June 54	0	0	0	652	652
38	1 July 54 to 30 June 55	0	0	0	102	102
39	1 July 55 to 30 June 56	0	0	0	102	102
40	2056+	0	0	0	140	140
Totals		35,380	21,130	56,511	61,520	118,031

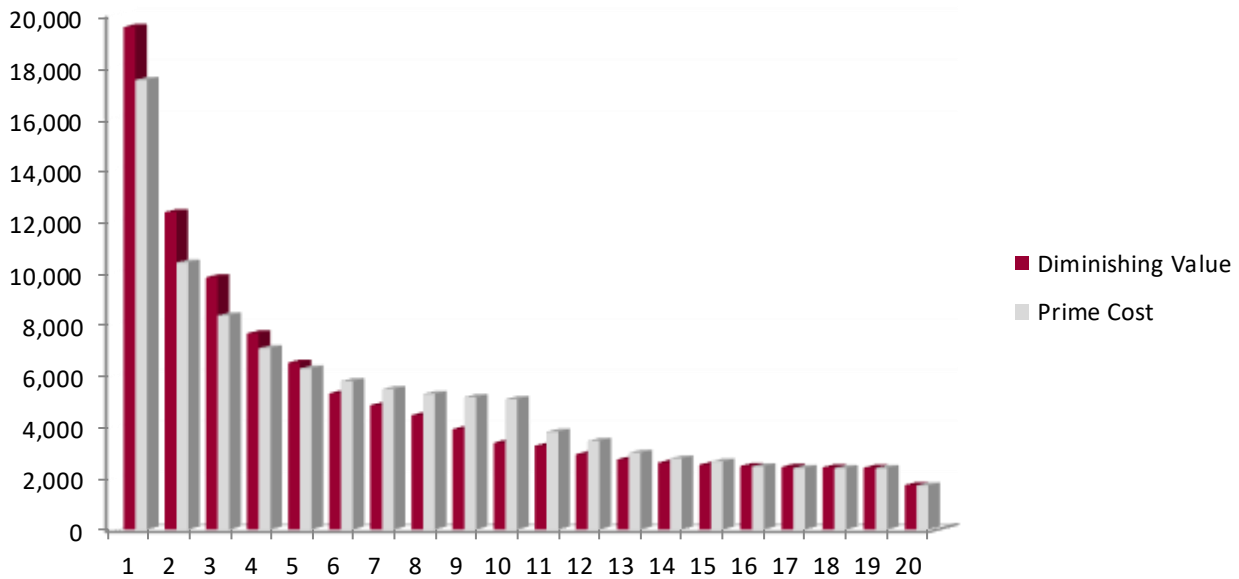
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

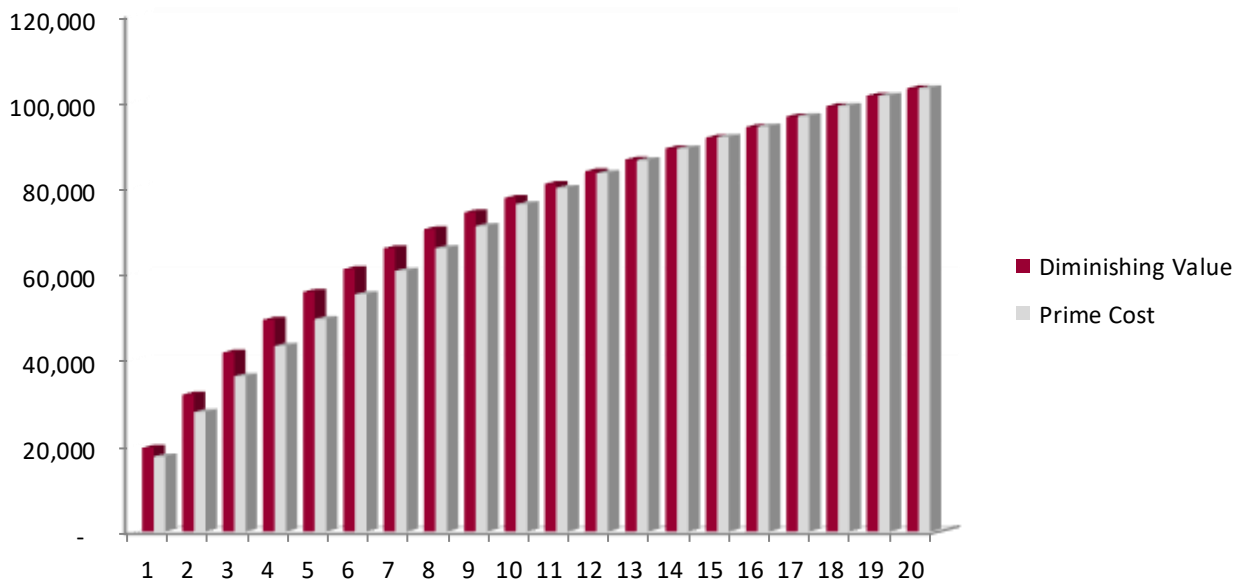
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	29 July 2017
Settlement Date	8 September 2017

Expenditure Analysed

Purchase Price	\$425,000
Legals	\$1,000
Post Expenditure	\$25,000
Total Expenditure Analysed	\$451,000

Historical Construction Details

Construction Start Date	5 July 1996
Construction Completion Date	1 January 1997
Historical Construction Cost (Estimated)*	\$86,406

9. Reconciliation of Capital Expenditure

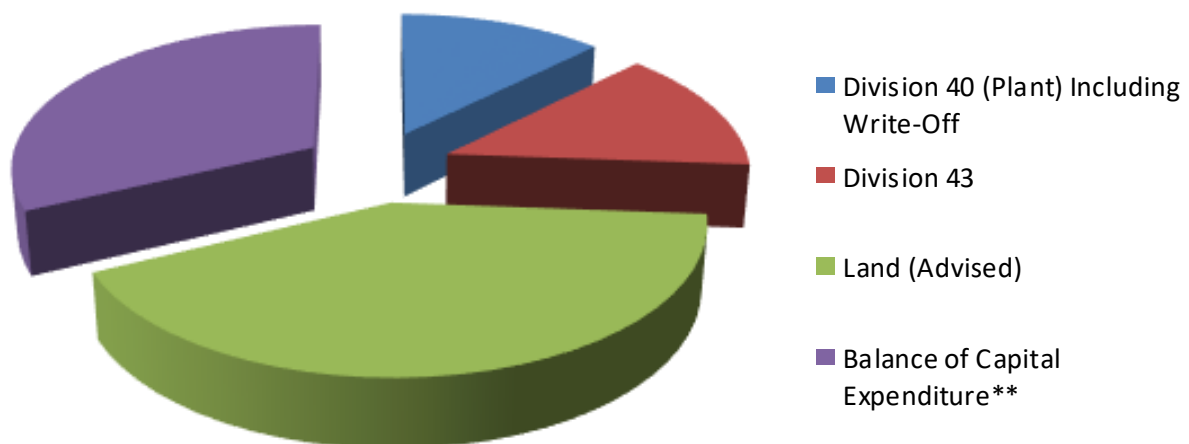
Apportionment of cost relating to:

Division 40 (Plant) Including Write-Off	\$56,511
Division 43	\$61,520
Land (Advised)	\$188,000
Balance of Capital Expenditure**	\$144,969
Total Expenditure Analysed	\$451,000

Notes

* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

** Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



10. Diminishing Value Depreciation Schedule

Assets Generally	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment													
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	8-Sep-17	4,827	780	809	647	518	414	332	265	212	318	199
Bathroom assets													
Shower curtains (excl. curtain rods & screens)	100.00%	8-Sep-17	80	80									
Blinds Residential													
	18.75%	8-Sep-17	3,456	3,456									
Ceiling Fans													
	18.75%	8-Sep-17	1,689	317	515	322	201	126	79	49	31	19	12
Curtains and drapes													
	18.75%	8-Sep-17	695	130	212	132	83	52	32	20	13	8	5
Door closers													
	18.75%	8-Sep-17	579	109	176	110	69	43	27	17	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	8-Sep-17	1,416	265	431	270	169	105	66	41	26	16	10
Floor coverings (removable without damage)													
Carpets	20.00%	8-Sep-17	5,869	5,869									
Furniture													
	18.75%	8-Sep-17	2,172	407	662	414	259	162	101	63	39	25	15
Garden sheds, freestanding													
	20.00%	8-Sep-17	804	130	253	158	99	62	39	24	15	9	6
Heating units													
Gas, steam & liquid fuel	20.00%	8-Sep-17	4,022	650	674	540	432	345	276	221	332	207	129
Hot water systems (excluding piping)													
Gas or electric	16.67%	8-Sep-17	2,413	325	348	290	242	201	168	315	197	123	77
Kitchen assets													
Cooktops	16.67%	8-Sep-17	1,368	184	197	370	231	144	90	56	35	22	14
Dishwashers	20.00%	8-Sep-17	1,931	312	324	259	207	311	194	121	76	47	30
Ovens	16.67%	8-Sep-17	1,770	238	255	213	177	332	208	130	81	51	32
Rangehoods	18.75%	8-Sep-17	724	136	221	138	86	54	34	21	13	8	5
Lights													
Shades, removable	18.75%	8-Sep-17	1,529	287	466	291	182	114	71	44	28	17	11
\$300 items													
	100.00%	8-Sep-17	257	257									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	1-Oct-17	350	66	107	67	42	26	16	10	6	4	2
Curtains and drapes													
	18.75%	1-Oct-17	2,340	439	713	446	279	174	109	68	42	27	17
Carried forward			38,293	14,439	6,363	4,666	3,274	2,665	1,841	1,467	1,156	908	568

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			38,293	14,439	6,363	4,666	3,274	2,665	1,841	1,467	1,156	908	568
Floor coverings (removable without damage)													
Floating timber	13.33%	1-Oct-17	3,648	362	438	380	329	285	247	214	186	161	139
Linoleum & vinyl	20.00%	1-Oct-17	390	58	124	78	49	30	19	12	7	5	3
Furniture													
Furniture	15.00%	1-Oct-17	2,700	302	360	306	260	221	188	160	339	212	132
Furniture	18.75%	1-Oct-17	4,180	784	1,274	796	497	311	194	121	76	47	30
Kitchen assets													
Refrigerators	16.67%	1-Oct-17	1,200	149	175	328	205	128	80	50	31	20	12
Refrigerators	18.75%	1-Oct-17	350	66	107	67	42	26	16	10	6	4	2
Laundry assets													
Clothes dryers	18.75%	1-Oct-17	900	169	274	171	107	67	42	26	16	10	6
Washing machines	18.75%	1-Oct-17	750	141	229	143	89	56	35	22	14	9	5
Televisions	20.00%	1-Oct-17	3,500	522	596	477	381	305	244	366	229	143	89
\$300 items	100.00%	1-Oct-17	600	600									
Pooled Plant Total				6,770	5,763	4,300	2,687	2,323	1,452	1,588	1,663	1,358	849
Effective Life Plant Total				10,821	4,177	3,111	2,546	1,772	1,455	860	398	161	139
Total Division 40			56,511	17,591	9,939	7,411	5,233	4,095	2,906	2,448	2,061	1,519	988
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1997	2.50%	08-Sep-17	22,429	939	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162
Building Works - Completed 1999	2.50%	08-Sep-17	3,968	148	183	183	183	183	183	183	183	183	183
Building Works - Completed 2014	2.50%	08-Sep-17	27,335	605	748	748	748	748	748	748	748	748	748
Building Works - Completed 2017	2.50%	01-Oct-17	2,292	42	57	57	57	57	57	57	57	57	57
Structural Improvements - Completed 1997	2.50%	08-Sep-17	3,106	130	161	161	161	161	161	161	161	161	161
Structural Improvements - Completed 1999	2.50%	08-Sep-17	590	22	27	27	27	27	27	27	27	27	27
Structural Improvements - Completed 2017	2.50%	01-Oct-17	1,800	34	45	45	45	45	45	45	45	45	45
Total Division 43			61,520	1,920	2,383	2,383	2,383	2,383	2,383	2,383	2,383	2,383	2,383
Total Depreciation			118,031	19,511	12,322	9,794	7,616	6,478	5,289	4,831	4,444	3,902	3,371

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%	08-Sep-17	4,827	390	483	483	483	483	483	483	483	483	483	483
Bathroom assets														
Shower curtains (excl. curtain rods & screens)	50.00%	08-Sep-17	80	33	40	8								
Blinds Residential														
	18.75%	08-Sep-17	3,456	3,456										
Ceiling Fans														
	18.75%	08-Sep-17	1,689	317	515	322	201	126	79	49	31	19	12	
Curtains and drapes														
	18.75%	08-Sep-17	695	130	212	132	83	52	32	20	13	8	5	
Door closers														
	18.75%	08-Sep-17	579	109	176	110	69	43	27	17	11	7	4	
Fire control assets														
Detection & alarm systems, detectors	18.75%	08-Sep-17	1,416	265	431	270	169	105	66	41	26	16	10	
Floor coverings (removable without damage)														
Carpets	10.00%	08-Sep-17	5,869	5,869										
Furniture														
	18.75%	08-Sep-17	2,172	407	662	414	259	162	101	63	39	25	15	
Garden sheds, freestanding														
	10.00%	08-Sep-17	804	65	80	80	80	80	80	80	80	80	80	80
Heating units														
Gas, steam & liquid fuel	10.00%	08-Sep-17	4,022	325	402	402	402	402	402	402	402	402	402	402
Hot water systems (excluding piping)														
Gas or electric	8.33%	08-Sep-17	2,413	163	201	201	201	201	201	201	201	201	201	201
Kitchen assets														
Cooktops	8.33%	08-Sep-17	1,368	92	114	114	114	114	114	114	114	114	114	114
Dishwashers	10.00%	08-Sep-17	1,931	156	193	193	193	193	193	193	193	193	193	193
Ovens	8.33%	08-Sep-17	1,770	119	147	147	147	147	147	147	147	147	147	147
Rangehoods	18.75%	08-Sep-17	724	136	221	138	86	54	34	21	13	8	5	
Lights														
Shades, removable	18.75%	08-Sep-17	1,529	287	466	291	182	114	71	44	28	17	11	
\$300 items														
	100.00%	08-Sep-17	257	257										
Additional Items (Post Expenditure)					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	01-Oct-17	350	66	107	67	42	26	16	10	6	4	2	
Curtains and drapes														
	18.75%	01-Oct-17	2,340	439	713	446	279	174	109	68	42	27	17	
Carried forward			38,293	13,081	5,162	3,817	2,988	2,475	2,154	1,954	1,829	1,750	1,702	

Prime Cost Depreciation Schedule (cont.)

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												
Brought forward			38,293	13,081	5,162	3,817	2,988	2,475	2,154	1,954	1,829	1,750	1,702
Floor coverings (removable without damage)													
Floating timber	6.67%	01-Oct-17	3,648	181	243	243	243	243	243	243	243	243	243
Linoleum & vinyl	10.00%	01-Oct-17	390	29	39	39	39	39	39	39	39	39	39
Furniture													
Furniture	7.50%	01-Oct-17	2,700	151	203	203	203	203	203	203	203	203	203
Furniture	18.75%	01-Oct-17	4,180	784	1,274	796	497	311	194	121	76	47	30
Kitchen assets													
Refrigerators	8.33%	01-Oct-17	1,200	75	100	100	100	100	100	100	100	100	100
Refrigerators	18.75%	01-Oct-17	350	66	107	67	42	26	16	10	6	4	2
Laundry assets													
Clothes dryers	18.75%	01-Oct-17	900	169	274	171	107	67	42	26	16	10	6
Washing machines	18.75%	01-Oct-17	750	141	229	143	89	56	35	22	14	9	5
Televisions													
Televisions	10.00%	01-Oct-17	3,500	261	350	350	350	350	350	350	350	350	350
\$300 items													
\$300 items	100.00%	01-Oct-17	600	600									
Pooled Plant Total				6,770	5,385	3,366	2,104	1,315	822	514	321	201	125
Effective Life Plant Total				8,766	2,595	2,563	2,555	2,555	2,555	2,555	2,555	2,555	2,555
Total Division 40			56,511	15,536	7,980	5,929	4,659	3,870	3,377	3,069	2,876	2,756	2,680
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 1997													
Building Works - Completed 1997	2.50%	08-Sep-17	22,429	939	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162
Building Works - Completed 1999													
Building Works - Completed 1999	2.50%	08-Sep-17	3,968	148	183	183	183	183	183	183	183	183	183
Building Works - Completed 2014													
Building Works - Completed 2014	2.50%	08-Sep-17	27,335	605	748	748	748	748	748	748	748	748	748
Building Works - Completed 2017													
Building Works - Completed 2017	2.50%	01-Oct-17	2,292	42	57	57	57	57	57	57	57	57	57
Structural Improvements - Completed 1997													
Structural Improvements - Completed 1997	2.50%	08-Sep-17	3,106	130	161	161	161	161	161	161	161	161	161
Structural Improvements - Completed 1999													
Structural Improvements - Completed 1999	2.50%	08-Sep-17	590	22	27	27	27	27	27	27	27	27	27
Structural Improvements - Completed 2017													
Structural Improvements - Completed 2017	2.50%	01-Oct-17	1,800	34	45	45	45	45	45	45	45	45	45
Total Division 43			61,520	1,920	2,383	2,383	2,383	2,383	2,383	2,383	2,383	2,383	2,383
Total Depreciation			118,031	17,456	10,363	8,312	7,042	6,253	5,760	5,452	5,259	5,139	5,063

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 1997	5 Jul 96 to 1 Jan 97	46,481	2.50%	1,162	22,429
Building Works - Completed 1999	1 May 99 to 31 May 99	7,311	2.50%	183	3,968
Building Works - Completed 2014	2 Mar 14 to 1 Apr 14	29,908	2.50%	748	27,335
Building Works - Completed 2017	1 Sep 17 to 1 Oct 17	2,292	2.50%	57	2,292

Sub-total 85,992 2,150 56,024

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1997	5 Jul 96 to 1 Jan 97	6,437	2.50%	161	3,106
Structural Improvements - Completed 1999	1 May 99 to 31 May 99	1,088	2.50%	27	590
Structural Improvements - Completed 2017	1 Sep 17 to 1 Oct 17	1,800	2.50%	45	1,800

Sub-total 9,325 233 5,496

Totals 95,317 2,383 61,520

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

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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.