



Tax Depreciation Report

71 Christina Stead Street,
Franklin ACT 2913

Gauthier Tshibindi
62 Craigholm St
SYLVANIA, NSW 2224

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

Gauthier Tshibindi
62 Craigholm St
SYLVANIA, NSW 2224

September 2018
Job No: RES2913001

Tax Depreciation Report – 71 Christina Stead Street, Franklin ACT 2913

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

13 September 2018

Purchaser

Gauthier Tshibindi

Property Address

71 Christina Stead Street, Franklin ACT 2913

Real Property Description

BLOCK:GUNG:FRAN:012:0007:0002

Property Type

Residential House

Date of Construction

2 January 2009

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	Original Assets **			Post Expenditure			Division 43	Totals
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40		
1	1 July 09 to 30 June 10	8,537	0	8,537	0	0	0	8,454	8,454
2	1 July 10 to 30 June 11	6,630	0	6,630	0	0	0	8,477	8,477
3	1 July 11 to 30 June 12	5,181	0	5,181	0	0	0	8,477	8,477
4	1 July 12 to 30 June 13	4,081	0	4,081	0	0	0	8,786	8,786
5	1 July 13 to 30 June 14	3,236	0	3,236	114	0	114	8,797	8,911
6	1 July 14 to 30 June 15	2,581	0	2,581	127	0	127	8,863	8,990
7	1 July 15 to 30 June 16	2,069	0	2,069	102	0	102	8,944	9,046
8	1 July 16 to 30 June 17	943	1,436	2,379	0	153	153	9,131	9,284
9	1 July 17 to 30 June 18	768	897	1,665	1,175	602	1,777	9,273	11,050
10	1 July 18 to 30 June 19	625	561	1,186	1,742	376	2,118	9,439	11,557
11	1 July 19 to 30 June 20	160	1,006	1,166	1,314	235	1,549	9,439	10,988
12	1 July 20 to 30 June 21	0	969	969	736	443	1,179	9,439	10,618
13	1 July 21 to 30 June 22	0	605	605	589	277	865	9,439	10,304
14	1 July 22 to 30 June 23	0	378	378	471	173	644	9,439	10,083
15	1 July 23 to 30 June 24	0	236	236	377	108	485	9,439	9,924
16	1 July 24 to 30 June 25	0	148	148	301	68	369	9,439	9,808
17	1 July 25 to 30 June 26	0	92	92	241	42	283	9,439	9,722
18	1 July 26 to 30 June 27	0	58	58	0	388	388	9,439	9,827
19	1 July 27 to 30 June 28	0	36	36	0	243	243	9,439	9,682
20	1 July 28 to 30 June 29	0	23	23	0	152	152	9,439	9,591
21	1 July 29 to 30 June 30	0	14	14	0	95	95	9,439	9,534
22	1 July 30 to 30 June 31	0	9	9	0	59	59	9,439	9,498
23	1 July 31 to 30 June 32	0	6	6	0	37	37	9,439	9,476
24	1 July 32 to 30 June 33	0	3	3	0	23	23	9,439	9,462
25	1 July 33 to 30 June 34	0	2	2	0	14	14	9,439	9,453
26	1 July 34 to 30 June 35	0	1	1	0	9	9	9,439	9,448
27	1 July 35 to 30 June 36	0	1	1	0	6	6	9,439	9,445
28	1 July 36 to 30 June 37	0	1	1	0	4	4	9,439	9,443
29	1 July 37 to 30 June 38	0	0	0	0	2	2	9,439	9,441
30	1 July 38 to 30 June 39	0	0	0	0	1	1	9,439	9,440
31	1 July 39 to 30 June 40	0	0	0	0	1	1	9,439	9,440
32	1 July 40 to 30 June 41	0	0	0	0	1	1	9,439	9,440
33	1 July 41 to 30 June 42	0	0	0	0	0	0	9,439	9,439
34	1 July 42 to 30 June 43	0	0	0	0	0	0	9,439	9,439
35	1 July 43 to 30 June 44	0	0	0	0	0	0	9,439	9,439
36	1 July 44 to 30 June 45	0	0	0	0	0	0	9,439	9,439
37	1 July 45 to 30 June 46	0	0	0	0	0	0	9,439	9,439
38	1 July 46 to 30 June 47	0	0	0	0	0	0	9,439	9,439
39	1 July 47 to 30 June 48	0	0	0	0	0	0	9,439	9,439
40	2048+	0	0	0	0	0	0	15,160	15,160
Totals		34,812	6,482	41,294	7,289	3,511	10,800	377,532	388,332

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	Original Assets **			Post Expenditure			Division 43	Totals
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40		
1	1 July 09 to 30 June 10	4,269	0	4,269	0	0	0	8,454	8,454
2	1 July 10 to 30 June 11	4,279	0	4,279	0	0	0	8,477	8,477
3	1 July 11 to 30 June 12	4,279	0	4,279	0	0	0	8,477	8,477
4	1 July 12 to 30 June 13	4,279	0	4,279	0	0	0	8,786	8,786
5	1 July 13 to 30 June 14	4,279	0	4,279	57	0	57	8,797	8,854
6	1 July 14 to 30 June 15	3,837	0	3,837	75	0	75	8,863	8,938
7	1 July 15 to 30 June 16	3,384	0	3,384	75	0	75	8,944	9,019
8	1 July 16 to 30 June 17	3,365	0	3,365	75	0	75	9,131	9,206
9	1 July 17 to 30 June 18	3,365	0	3,365	708	0	708	9,273	9,981
10	1 July 18 to 30 June 19	3,363	0	3,363	1,188	0	1,188	9,439	10,627
11	1 July 19 to 30 June 20	914	0	914	1,188	0	1,188	9,439	10,627
12	1 July 20 to 30 June 21	893	0	893	1,188	0	1,188	9,439	10,627
13	1 July 21 to 30 June 22	444	0	444	1,188	0	1,188	9,439	10,627
14	1 July 22 to 30 June 23	170	0	170	1,188	0	1,188	9,439	10,627
15	1 July 23 to 30 June 24	29	0	29	917	0	917	9,439	10,356
16	1 July 24 to 30 June 25	29	0	29	746	0	746	9,439	10,185
17	1 July 25 to 30 June 26	29	0	29	746	0	746	9,439	10,185
18	1 July 26 to 30 June 27	29	0	29	746	0	746	9,439	10,185
19	1 July 27 to 30 June 28	29	0	29	370	0	370	9,439	9,809
20	1 July 28 to 30 June 29	29	0	29	96	0	96	9,439	9,535
21	1 July 29 to 30 June 30	0	0	0	64	0	64	9,439	9,503
22	1 July 30 to 30 June 31	0	0	0	25	0	25	9,439	9,464
23	1 July 31 to 30 June 32	0	0	0	25	0	25	9,439	9,464
24	1 July 32 to 30 June 33	0	0	0	25	0	25	9,439	9,464
25	1 July 33 to 30 June 34	0	0	0	25	0	25	9,439	9,464
26	1 July 34 to 30 June 35	0	0	0	25	0	25	9,439	9,464
27	1 July 35 to 30 June 36	0	0	0	25	0	25	9,439	9,464
28	1 July 36 to 30 June 37	0	0	0	25	0	25	9,439	9,464
29	1 July 37 to 30 June 38	0	0	0	11	0	11	9,439	9,450
30	1 July 38 to 30 June 39	0	0	0	0	0	0	9,439	9,439
31	1 July 39 to 30 June 40	0	0	0	0	0	0	9,439	9,439
32	1 July 40 to 30 June 41	0	0	0	0	0	0	9,439	9,439
33	1 July 41 to 30 June 42	0	0	0	0	0	0	9,439	9,439
34	1 July 42 to 30 June 43	0	0	0	0	0	0	9,439	9,439
35	1 July 43 to 30 June 44	0	0	0	0	0	0	9,439	9,439
36	1 July 44 to 30 June 45	0	0	0	0	0	0	9,439	9,439
37	1 July 45 to 30 June 46	0	0	0	0	0	0	9,439	9,439
38	1 July 46 to 30 June 47	0	0	0	0	0	0	9,439	9,439
39	1 July 47 to 30 June 48	0	0	0	0	0	0	9,439	9,439
40	2048+	0	0	0	0	0	0	15,160	15,160
Totals		41,294	0	41,294	10,800	0	10,800	377,532	388,332

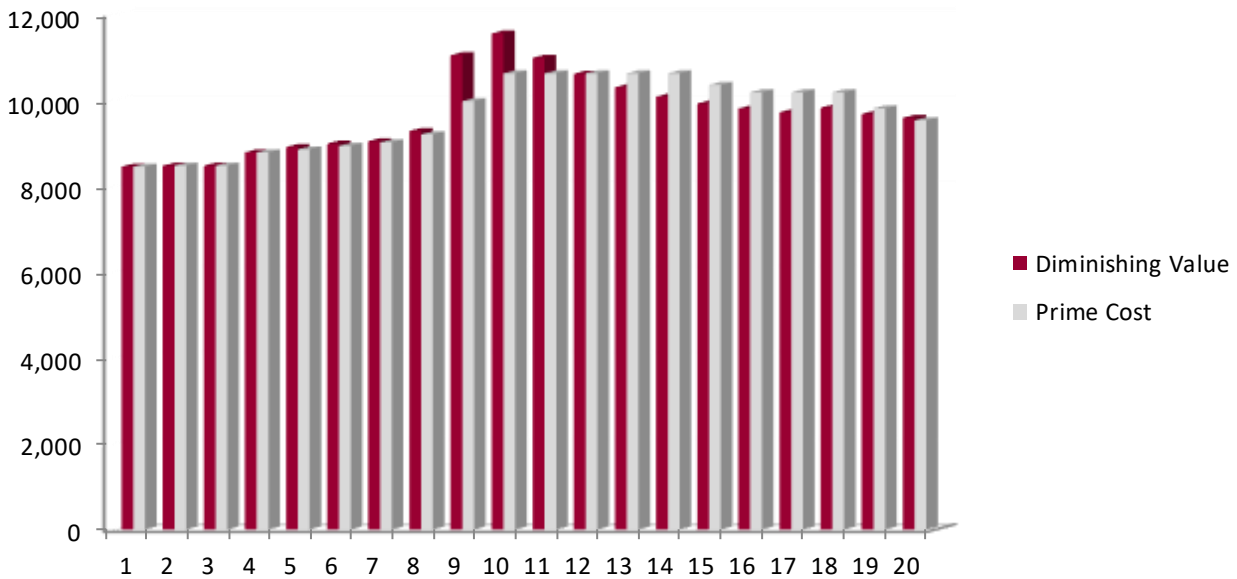
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

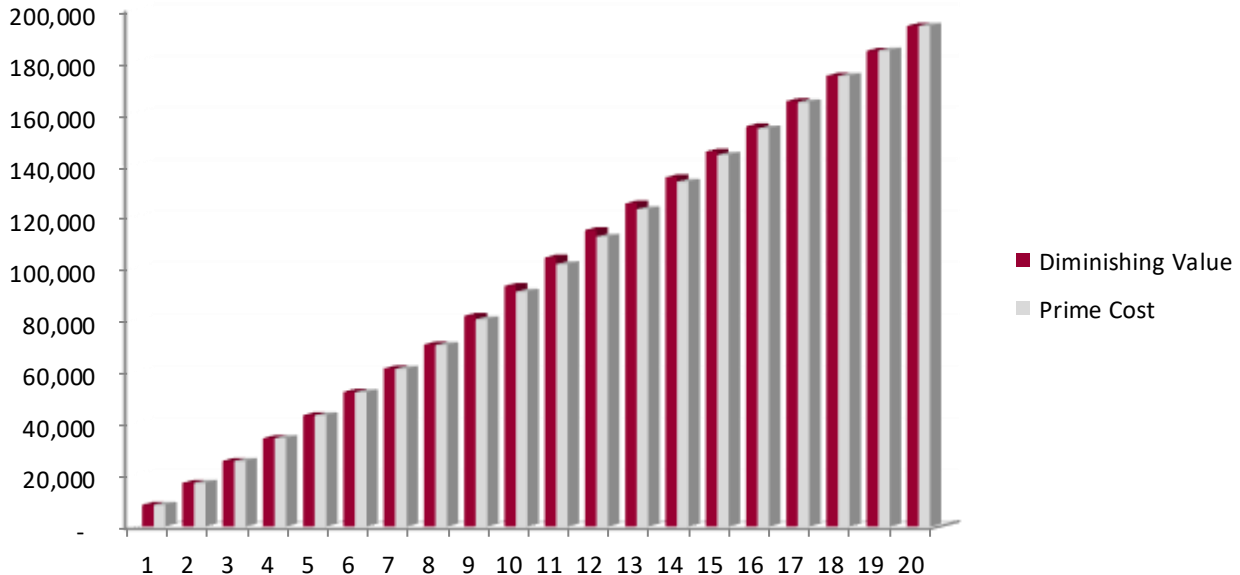
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	2 January 2009
Handover Date	1 July 2009

Expenditure Analysed

Construction Cost	\$385,000
Post Expenditure	\$49,240
Total Expenditure Analysed	\$434,240

Historical Construction Details

Construction Start Date	2 January 2009
Construction Completion Date	1 July 2009
Historical Construction Cost (Advised)*	\$385,000

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

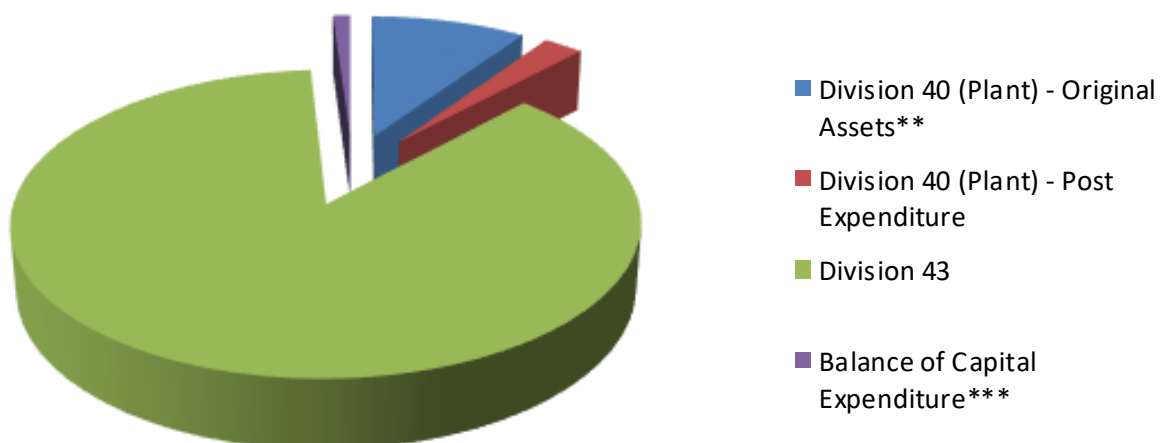
Division 40 (Plant) - Original Assets**	\$41,294
Division 40 (Plant) - Post Expenditure	\$10,800
Division 43	\$377,532
Balance of Capital Expenditure***	\$4,614
Total Expenditure Analysed	\$434,240

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

** Division 40 (Plant) - Original Assets has been excluded as the property was purchased post 9 May 2017 or as the property was available for rent after 1 July 2017

*** 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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	1-Jul-09	8,570	1,709	1,372	1,098	878	703	562	450	360	288	230
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	1-Jul-09	923	184	148	118	95	76	61	48	73	45	28
Blinds Residential													
	20.00%	1-Jul-09	4,113	820	659	527	422	337	270	216	324	202	126
Curtains and drapes													
	33.33%	1-Jul-09	2,633	875	586	391	260	174	116	77	58	36	23
Door closers													
	20.00%	1-Jul-09	237	47	38	30	24	19	16	12	19	12	7
Fire control assets													
Detection & alarm systems, detectors	10.00%	1-Jul-09	580	58	52	47	42	38	34	31	104	65	41
Floor coverings (removable without damage)													
Carpets	20.00%	1-Jul-09	7,692	1,534	1,232	985	788	631	504	404	323	258	207
Furniture													
	15.00%	1-Jul-09	5,419	811	691	588	499	425	361	307	261	222	188
Garage doors, automatic													
Motors	20.00%	1-Jul-09	1,582	316	253	203	162	130	104	83	125	78	49
Garbage disposal													
Garbage bins	30.00%	1-Jul-09	211	63	44	31	22	15	11	7	7	4	3
Hot water systems (excluding piping)													
Gas or electric	16.67%	1-Jul-09	2,373	394	330	275	229	191	159	133	248	155	97
Kitchen assets													
Cooktops	16.67%	1-Jul-09	1,121	186	156	130	108	90	75	63	117	73	46
Dishwashers	20.00%	1-Jul-09	1,582	316	253	203	162	130	104	83	125	78	49
Ovens	16.67%	1-Jul-09	1,450	241	202	168	140	117	97	81	152	95	59
Rangehoods	16.67%	1-Jul-09	593	99	82	69	57	48	40	33	62	39	24
Lights													
Shades, removable	40.00%	1-Jul-09	2,215	884	533	320	192	115	69	41	23	15	9
	#N/A												
Curtains and drapes	33.33%	1-Dec-17	2,200									424	592
	#N/A												
Floor coverings (removable without damage)													
	#N/A												
Carpets	20.00%	1-Dec-17	6,500									752	1,150
	#N/A												
Garden sheds, freestanding	20.00%	26-Sep-13	750					114	127	102	153	95	60
Carried forward			50,744	8,537	6,630	5,181	4,081	3,350	2,709	2,170	2,531	2,936	2,987

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		50,744	8,537	6,630	5,181	4,081	3,350	2,709	2,170	2,531	2,936	2,987
	#N/A												
Kitchen assets													
	#N/A												
Cooktops	16.67%	25-Jan-18	850									319	199
	#N/A												
Pumps	10.00%	1-Dec-17	500									188	117
	#N/A												
Pooled Plant Total													
											1,588	1,499	937
Effective Life Plant Total													
											943	1,943	2,367
Total Division 40			52,094	8,537	6,630	5,181	4,081	3,350	2,709	2,170	2,531	3,442	3,304
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 2009	2.50%	01-Jul-09	324,603	8,093	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115
Building Works - Completed 2012	2.50%	13-Jul-12	11,200				270	280	280	280	280	280	280
Building Works - Completed 2014	2.50%	14-Dec-14	4,850						66	121	121	121	121
Building Works - Completed 2016	2.50%	16-May-16	8,500							26	213	213	213
Building Works - Completed 2018	2.50%	02-Feb-18	7,500									76	188
Structural Improvements - Completed 2009													
	2.50%	01-Jul-09	14,489	361	362	362	362	362	362	362	362	362	362
Structural Improvements - Completed 2012													
	2.50%	13-Jul-12	1,590				39	40	40	40	40	40	40
Structural Improvements - Completed 2017													
	2.50%	11-Dec-17	4,800									66	120
Total Division 43			377,532	8,454	8,477	8,477	8,786	8,797	8,863	8,944	9,131	9,273	9,439
Total Depreciation			429,626	16,991	15,107	13,658	12,867	12,147	11,572	11,114	11,662	12,715	12,743

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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	01-Jul-09	8,570	855	857	857	857	857	857	857	857	857	857
Bathroom assets													
Exhaust fans (including light/heating)	10.00%	01-Jul-09	923	92	92	92	92	92	92	92	92	92	92
Blinds Residential													
	10.00%	01-Jul-09	4,113	410	411	411	411	411	411	411	411	411	411
Curtains and drapes													
	16.67%	01-Jul-09	2,633	438	439	439	439	439	439	0			
Door closers													
	10.00%	01-Jul-09	237	24	24	24	24	24	24	24	24	24	22
Fire control assets													
Detection & alarm systems, detectors	5.00%	01-Jul-09	580	29	29	29	29	29	29	29	29	29	29
Floor coverings (removable without damage)													
Carpets	10.00%	01-Jul-09	7,692	767	769	769	769	769	769	769	769	769	769
Furniture													
	7.50%	01-Jul-09	5,419	405	406	406	406	406	406	406	406	406	406
Garage doors, automatic													
Motors	10.00%	01-Jul-09	1,582	158	158	158	158	158	158	158	158	158	158
Garbage disposal													
Garbage bins	15.00%	01-Jul-09	211	32	32	32	32	32	32	19			
Hot water systems (excluding piping)													
Gas or electric	8.33%	01-Jul-09	2,373	197	198	198	198	198	198	198	198	198	198
Kitchen assets													
Cooktops	8.33%	01-Jul-09	1,121	93	93	93	93	93	93	93	93	93	93
Dishwashers	10.00%	01-Jul-09	1,582	158	158	158	158	158	158	158	158	158	158
Ovens	8.33%	01-Jul-09	1,450	121	121	121	121	121	121	121	121	121	121
Rangehoods	8.33%	01-Jul-09	593	49	49	49	49	49	49	49	49	49	49
Lights													
Shades, removable	20.00%	01-Jul-09	2,215	442	443	443	443	443	1				
Curtains and drapes													
	16.67%	01-Dec-17	2,200									212	367
Floor coverings (removable without damage)													
Carpets	10.00%	01-Dec-17	6,500									376	650
Garden sheds, freestanding													
	10.00%	26-Sep-13	750					57	75	75	75	75	75
Carried forward			50,744	4,269	4,279	4,279	4,279	4,336	3,912	3,459	3,440	4,028	4,455

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			50,744	4,269	4,279	4,279	4,279	4,336	3,912	3,459	3,440	4,028	4,455
Kitchen assets													
Cooktops	8.33%	25-Jan-18	850									30	71
Pumps	5.00%	01-Dec-17	500									14	25
Pooled Plant Total													
Effective Life Plant Total				4,269	4,279	4,279	4,279	4,336	3,912	3,459	3,440	4,073	4,551
Total Division 40			52,094	4,269	4,279	4,279	4,279	4,336	3,912	3,459	3,440	4,073	4,551
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2009	2.50%	01-Jul-09	324,603	8,093	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115	8,115
Building Works - Completed 2012	2.50%	13-Jul-12	11,200				270	280	280	280	280	280	280
Building Works - Completed 2014	2.50%	14-Dec-14	4,850						66	121	121	121	121
Building Works - Completed 2016	2.50%	16-May-16	8,500							26	213	213	213
Building Works - Completed 2018	2.50%	02-Feb-18	7,500									76	188
Structural Improvements - Completed 2009	2.50%	01-Jul-09	14,489	361	362	362	362	362	362	362	362	362	362
Structural Improvements - Completed 2012	2.50%	13-Jul-12	1,590				39	40	40	40	40	40	40
Structural Improvements - Completed 2017	2.50%	11-Dec-17	4,800									66	120
Total Division 43			377,532	8,454	8,477	8,477	8,786	8,797	8,863	8,944	9,131	9,273	9,439
Total Depreciation			429,626	12,723	12,756	12,756	13,065	13,133	12,775	12,403	12,571	13,346	13,990

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 2009	2 Jan 09 to 1 Jul 09	324,603	2.50%	8,115	324,603
Building Works - Completed 2012	5 Jul 12 to 13 Jul 12	11,200	2.50%	280	11,200
Building Works - Completed 2014	4 Dec 14 to 14 Dec 14	4,850	2.50%	121	4,850
Building Works - Completed 2016	6 May 16 to 16 May 16	8,500	2.50%	213	8,500
Building Works - Completed 2018	25 Jan 18 to 2 Feb 18	7,500	2.50%	188	7,500
Sub-total		356,653		8,917	356,653

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2009	2 Jan 09 to 1 Jul 09	14,489	2.50%	362	14,489
Structural Improvements - Completed 2012	5 Jul 12 to 13 Jul 12	1,590	2.50%	40	1,590
Structural Improvements - Completed 2017	1 Dec 17 to 11 Dec 17	4,800	2.50%	120	4,800
Sub-total		20,879		522	20,879
Totals		377,532		9,439	377,532

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.