



Tax Depreciation Report

2105, SAVILE ROW APARTMENTS, 19 Playfield Street,
Chermside QLD 4032

Jing Wang
9 Leichardt Place
DREWVALE, QLD 4116

Issue Schedule	
Issue Date:	Issued by:
02 October 2018	Mark Kilroy Bsc (Hons) MRICS

Jing Wang
9 Leichardt Place
DREWVALE, QLD 4116

October 2018
Job No: RES4032031

Tax Depreciation Report – 2105, SAVILE ROW APARTMENTS, 19 Playfield Street, Chermside QLD 4032

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

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

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

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

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

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

Yours Sincerely

Koste Pty Ltd

Koste Pty Ltd
Tax Depreciation Quantity Surveyors



TABLE OF CONTENTS

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

1. Property Information

Date of Report

2 October 2018

Purchaser

Jie Liu

Property Address

2105, SAVILE ROW APARTMENTS, 19 Playfield Street, Chermside QLD 4032

Real Property Description

L2105 SP259443

Property Type

Residential Unit

Date of Construction

1 March 2016

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	1 June 16 to 30 June 16	1,415	2,534	3,949	511	4,460
2	1 July 16 to 30 June 17	7,342	4,374	11,717	6,452	18,169
3	1 July 17 to 30 June 18	5,699	3,100	8,799	6,452	15,251
4	1 July 18 to 30 June 19	4,703	1,937	6,641	6,452	13,093
5	1 July 19 to 30 June 20	3,745	1,542	5,287	6,452	11,739
6	1 July 20 to 30 June 21	2,773	1,652	4,424	6,452	10,876
7	1 July 21 to 30 June 22	2,076	1,749	3,824	6,452	10,276
8	1 July 22 to 30 June 23	1,567	1,401	2,968	6,452	9,420
9	1 July 23 to 30 June 24	1,169	1,214	2,383	6,452	8,835
10	1 July 24 to 30 June 25	991	759	1,750	6,452	8,202
11	1 July 25 to 30 June 26	682	780	1,462	6,452	7,914
12	1 July 26 to 30 June 27	594	488	1,082	6,452	7,534
13	1 July 27 to 30 June 28	520	305	825	6,452	7,277
14	1 July 28 to 30 June 29	296	495	791	6,452	7,243
15	1 July 29 to 30 June 30	276	310	586	6,452	7,038
16	1 July 30 to 30 June 31	258	193	451	6,452	6,903
17	1 July 31 to 30 June 32	241	121	362	6,452	6,814
18	1 July 32 to 30 June 33	225	76	300	6,452	6,752
19	1 July 33 to 30 June 34	210	47	257	6,452	6,709
20	1 July 34 to 30 June 35	196	30	225	6,452	6,677
21	1 July 35 to 30 June 36	183	18	201	6,452	6,653
22	1 July 36 to 30 June 37	170	12	182	6,452	6,634
23	1 July 37 to 30 June 38	159	7	166	6,452	6,618
24	1 July 38 to 30 June 39	148	5	153	6,452	6,605
25	1 July 39 to 30 June 40	139	3	141	6,452	6,593
26	1 July 40 to 30 June 41	129	2	131	6,452	6,583
27	1 July 41 to 30 June 42	121	1	122	6,452	6,574
28	1 July 42 to 30 June 43	113	1	113	6,452	6,565
29	1 July 43 to 30 June 44	105	0	106	6,452	6,558
30	1 July 44 to 30 June 45	98	0	98	6,452	6,550
31	1 July 45 to 30 June 46	92	0	92	6,452	6,544
32	1 July 46 to 30 June 47	86	0	86	6,452	6,538
33	1 July 47 to 30 June 48	80	0	80	6,452	6,532
34	1 July 48 to 30 June 49	74	0	75	6,452	6,527
35	1 July 49 to 30 June 50	70	0	70	6,452	6,522
36	1 July 50 to 30 June 51	0	365	365	6,452	6,817
37	1 July 51 to 30 June 52	0	228	228	6,452	6,680
38	1 July 52 to 30 June 53	0	143	143	6,452	6,595
39	1 July 53 to 30 June 54	0	89	89	6,452	6,541
40	2054+	0	149	149	10,763	10,912
Totals		36,744	24,129	60,873	256,450	317,323

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	1 June 16 to 30 June 16	1,109	2,534	3,643	511	4,154
2	1 July 16 to 30 June 17	3,867	4,118	7,985	6,452	14,437
3	1 July 17 to 30 June 18	3,867	2,574	6,441	6,452	12,893
4	1 July 18 to 30 June 19	3,867	1,608	5,475	6,452	11,927
5	1 July 19 to 30 June 20	3,867	1,005	4,872	6,452	11,324
6	1 July 20 to 30 June 21	3,858	628	4,486	6,452	10,938
7	1 July 21 to 30 June 22	3,726	393	4,119	6,452	10,571
8	1 July 22 to 30 June 23	3,639	245	3,885	6,452	10,337
9	1 July 23 to 30 June 24	3,512	153	3,665	6,452	10,117
10	1 July 24 to 30 June 25	3,512	96	3,608	6,452	10,060
11	1 July 25 to 30 June 26	3,322	60	3,382	6,452	9,834
12	1 July 26 to 30 June 27	1,155	37	1,192	6,452	7,644
13	1 July 27 to 30 June 28	1,109	23	1,132	6,452	7,584
14	1 July 28 to 30 June 29	586	15	601	6,452	7,053
15	1 July 29 to 30 June 30	462	9	471	6,452	6,923
16	1 July 30 to 30 June 31	422	6	428	6,452	6,880
17	1 July 31 to 30 June 32	422	4	426	6,452	6,878
18	1 July 32 to 30 June 33	422	2	424	6,452	6,876
19	1 July 33 to 30 June 34	422	1	423	6,452	6,875
20	1 July 34 to 30 June 35	422	1	423	6,452	6,875
21	1 July 35 to 30 June 36	422	1	422	6,452	6,874
22	1 July 36 to 30 June 37	341	0	341	6,452	6,793
23	1 July 37 to 30 June 38	341	0	341	6,452	6,793
24	1 July 38 to 30 June 39	341	0	341	6,452	6,793
25	1 July 39 to 30 June 40	341	0	341	6,452	6,793
26	1 July 40 to 30 June 41	341	0	341	6,452	6,793
27	1 July 41 to 30 June 42	341	0	341	6,452	6,793
28	1 July 42 to 30 June 43	341	0	341	6,452	6,793
29	1 July 43 to 30 June 44	341	0	341	6,452	6,793
30	1 July 44 to 30 June 45	341	0	341	6,452	6,793
31	1 July 45 to 30 June 46	300	0	300	6,452	6,752
32	1 July 46 to 30 June 47	0	0	0	6,452	6,452
33	1 July 47 to 30 June 48	0	0	0	6,452	6,452
34	1 July 48 to 30 June 49	0	0	0	6,452	6,452
35	1 July 49 to 30 June 50	0	0	0	6,452	6,452
36	1 July 50 to 30 June 51	0	0	0	6,452	6,452
37	1 July 51 to 30 June 52	0	0	0	6,452	6,452
38	1 July 52 to 30 June 53	0	0	0	6,452	6,452
39	1 July 53 to 30 June 54	0	0	0	6,452	6,452
40	2054+	0	0	0	10,763	10,763
Totals		47,359	13,514	60,873	256,450	317,323

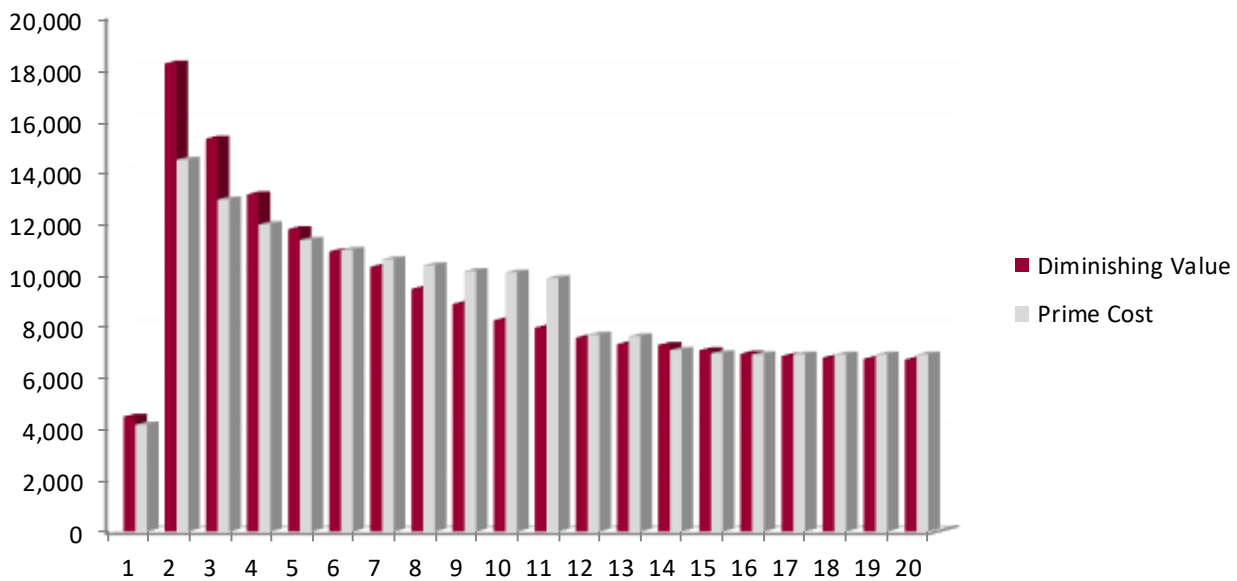
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

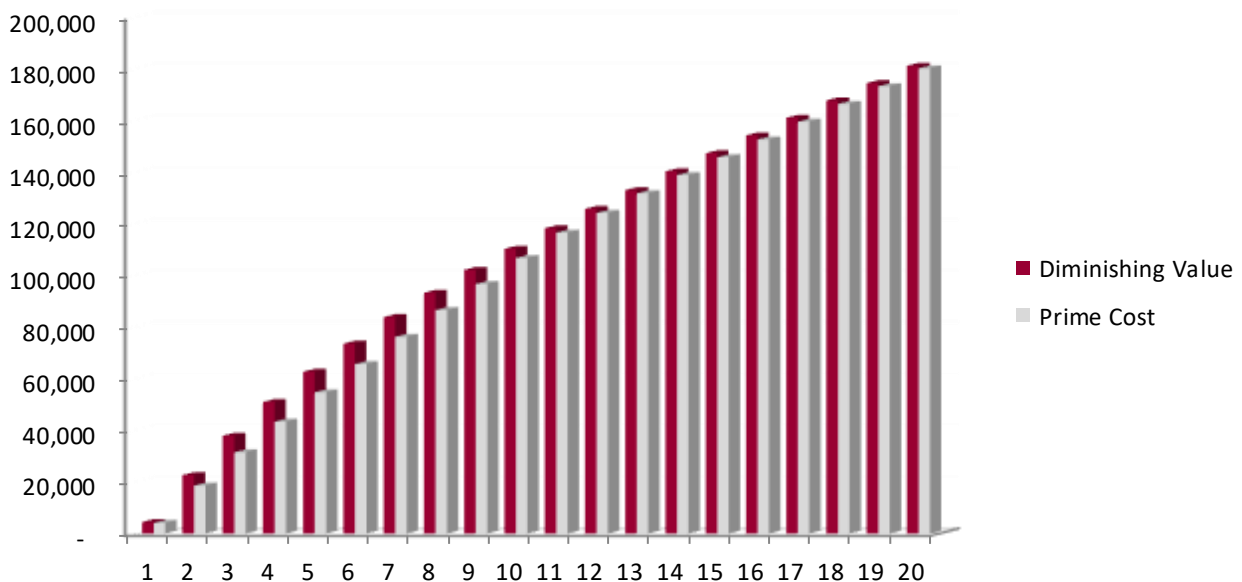
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	14 April 2016
Settlement Date	1 June 2016

Expenditure Analysed

Purchase Price	\$459,000
Stamp Duty	\$14,490
Legals	\$0
Post Expenditure	\$0
Total Expenditure Analysed	\$473,490

Historical Construction Details

Construction Start Date	6 January 2015
Construction Completion Date	1 March 2016
Historical Construction Cost (Estimated)*	\$299,654

9. Reconciliation of Capital Expenditure

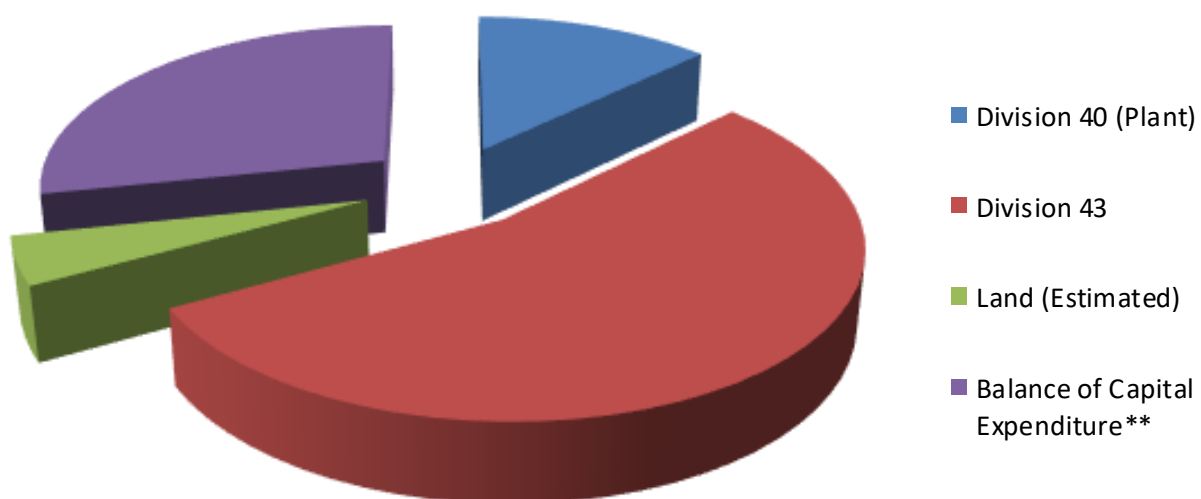
Apportionment of cost relating to:

Division 40 (Plant)	\$60,873
Division 43	\$256,450
Land (Estimated)	\$22,034
Balance of Capital Expenditure**	\$134,133
Total Expenditure Analysed	\$473,490

Notes

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

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



10. Diminishing Value Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	1-Jun-16	12,016	190	2,365	1,892	1,514	1,211	969	775	620	496	397
Blinds Residential													
Blinds Residential	20.00%	1-Jun-16	3,186	50	627	502	401	321	257	205	308	193	120
Blinds Residential	18.75%	1-Jun-16	683	128	208	130	81	51	32	20	12	8	5
Computer systems													
General	18.75%	1-Jun-16	637	119	194	121	76	47	30	19	12	7	5
Building management system	40.00%	1-Jun-16	707	22	257	160	100	63	39	24	15	10	6
Door closers													
Door closers	18.75%	1-Jun-16	531	100	162	101	63	40	25	15	10	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	1-Jun-16	1,680	315	512	320	200	125	78	49	31	19	12
Detection & alarm systems, fire indicator panel	18.75%	1-Jun-16	884	166	269	168	105	66	41	26	16	10	6
Emergency warning & intercommunication system	18.75%	1-Jun-16	516	97	157	98	61	38	24	15	9	6	4
Hoses and nozzles	18.75%	1-Jun-16	583	109	178	111	69	43	27	17	11	7	4
Floor coverings (removable without damage)													
Carpets	20.00%	1-Jun-16	6,180	98	1,216	973	779	623	498	399	319	255	204
Furniture													
Furniture	15.00%	1-Jun-16	2,185	26	324	275	234	199	169	359	224	140	88
Furniture	18.75%	1-Jun-16	3,052	572	930	581	363	227	142	89	55	35	22
Hot water systems (excluding piping)													
Gas or electric	16.67%	1-Jun-16	3,277	43	539	449	374	312	260	217	180	338	212
Kitchen assets													
Cooktops	16.67%	1-Jun-16	1,547	20	255	212	177	331	207	129	81	51	32
Dishwashers	20.00%	1-Jun-16	2,185	35	430	344	275	220	330	206	129	81	50
Ovens	16.67%	1-Jun-16	2,003	26	329	274	229	191	357	223	140	87	55
Rangehoods	18.75%	1-Jun-16	819	154	250	156	98	61	38	24	15	9	6
Laundry assets													
Clothes dryers	18.75%	1-Jun-16	819	154	250	156	98	61	38	24	15	9	6
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	1-Jun-16	10,216	54	677	632	590	551	514	480	448	418	390
Lights													
Shades, removable	18.75%	1-Jun-16	2,602	488	793	496	310	194	121	76	47	30	18
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	18.75%	1-Jun-16	707	133	215	135	84	53	33	21	13	8	5
Security systems & equipment													
Electronic	30.00%	1-Jun-16	1,428	34	418	366	229	143	89	56	35	22	14
Carried forward			58,444	3,134	11,556	8,654	6,510	5,170	4,319	3,467	2,745	2,244	1,663

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			58,444	3,134	11,556	8,654	6,510	5,170	4,319	3,467	2,745	2,244	1,663
Ventilating plant													
Ventilation plant - fans only	10.00%	1-Jun-16	1,626	13	161	145	131	118	106	357	223	140	87
\$300 items	100.00% #N/A	1-Jun-16	802	802									
Pooled Plant Total				2,534	4,374	3,100	1,937	1,542	1,652	1,749	1,401	1,214	759
Effective Life Plant Total				1,415	7,342	5,699	4,703	3,745	2,773	2,076	1,567	1,169	991
Total Division 40			60,873	3,949	11,717	8,799	6,641	5,287	4,424	3,824	2,968	2,383	1,750
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 2016	2.50%	01-Jun-16	256,450	511	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452
Total Division 43			256,450	511	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452
Total Depreciation			317,323	4,460	18,169	15,251	13,093	11,739	10,876	10,276	9,420	8,835	8,202

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-Jun-16	12,016	95	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202
Blinds Residential													
Blinds Residential	10.00%	01-Jun-16	3,186	25	319	319	319	319	319	319	319	319	319
Blinds Residential	18.75%	01-Jun-16	683	128	208	130	81	51	32	20	12	8	5
Computer systems													
General	18.75%	01-Jun-16	637	119	194	121	76	47	30	19	12	7	5
Building management system	20.00%	01-Jun-16	707	11	141	141	141	141	132				
Door closers													
Door closers	18.75%	01-Jun-16	531	100	162	101	63	40	25	15	10	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	01-Jun-16	1,680	315	512	320	200	125	78	49	31	19	12
Detection & alarm systems, fire indicator panel	18.75%	01-Jun-16	884	166	269	168	105	66	41	26	16	10	6
Emergency warning & intercommunication system	18.75%	01-Jun-16	516	97	157	98	61	38	24	15	9	6	4
Hoses and nozzles	18.75%	01-Jun-16	583	109	178	111	69	43	27	17	11	7	4
Floor coverings (removable without damage)													
Carpets	10.00%	01-Jun-16	6,180	49	618	618	618	618	618	618	618	618	618
Furniture													
Furniture	7.50%	01-Jun-16	2,185	13	164	164	164	164	164	164	164	164	164
Furniture	18.75%	01-Jun-16	3,052	572	930	581	363	227	142	89	55	35	22
Hot water systems (excluding piping)													
Gas or electric	8.33%	01-Jun-16	3,277	22	273	273	273	273	273	273	273	273	273
Kitchen assets													
Cooktops	8.33%	01-Jun-16	1,547	10	129	129	129	129	129	129	129	129	129
Dishwashers	10.00%	01-Jun-16	2,185	17	218	218	218	218	218	218	218	218	218
Ovens	8.33%	01-Jun-16	2,003	13	167	167	167	167	167	167	167	167	167
Rangehoods	18.75%	01-Jun-16	819	154	250	156	98	61	38	24	15	9	6
Laundry assets													
Clothes dryers	18.75%	01-Jun-16	819	154	250	156	98	61	38	24	15	9	6
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	3.33%	01-Jun-16	10,216	27	341	341	341	341	341	341	341	341	341
Lights													
Shades, removable	18.75%	01-Jun-16	2,602	488	793	496	310	194	121	76	47	30	18
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	18.75%	01-Jun-16	707	133	215	135	84	53	33	21	13	8	5
Security systems & equipment													
Electronic	15.00%	01-Jun-16	1,428	17	214	214	214	214	214	214	127		
Carried forward			58,444	2,834	7,904	6,360	5,394	4,791	4,405	4,038	3,804	3,584	3,527

Prime Cost Depreciation Schedule (cont.)

Assets Generally	Prime Cost 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			58,444	2,834	7,904	6,360	5,394	4,791	4,405	4,038	3,804	3,584	3,527
Ventilating plant													
Ventilation plant - fans only	5.00%	01-Jun-16	1,626	6	81	81	81	81	81	81	81	81	81
\$300 items	100.00%	01-Jun-16	802	802									
Pooled Plant Total				2,534	4,118	2,574	1,608	1,005	628	393	245	153	96
Effective Life Plant Total				1,109	3,867	3,867	3,867	3,867	3,858	3,726	3,639	3,512	3,512
Total Division 40			60,873	3,643	7,985	6,441	5,475	4,872	4,486	4,119	3,885	3,665	3,608
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 2016	2.50%	01-Jun-16	256,450	511	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452
Total Division 43			256,450	511	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452
Total Depreciation			317,323	4,154	14,437	12,893	11,927	11,324	10,938	10,571	10,337	10,117	10,060

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 2016	6 Jan 15 to 1 Mar 16	258,077	2.50%	6,452	256,450
Sub-total		258,077		6,452	256,450

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
	6 Jan 15 to 1 Mar 16		2.50%		
Sub-total					
Totals		258,077		6,452	256,450

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.