



Tax Depreciation Report

2608/550 Queen Street,
Brisbane City, QLD 4000

Andy Hannah and Jinanati Mati
1A Ada St
CREMORNE, NSW 2090

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

Andy Hannah and Jinanati Mati
1A Ada St
CREMORNE, NSW 2090

October 2018
Job No: RES4000070

Tax Depreciation Report – 2608/550 Queen Street, Brisbane City, QLD 4000

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

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

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

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

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

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

Yours Sincerely

Koste Pty Ltd

Koste Pty Ltd
Tax Depreciation Quantity Surveyors



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1. Property Information

Date of Report

24 October 2018

Purchaser

Andy Hannah and Jinanati Mati

Property Address

2608/550 Queen Street, Brisbane City, QLD 4000

Real Property Description

L2608 SP276954

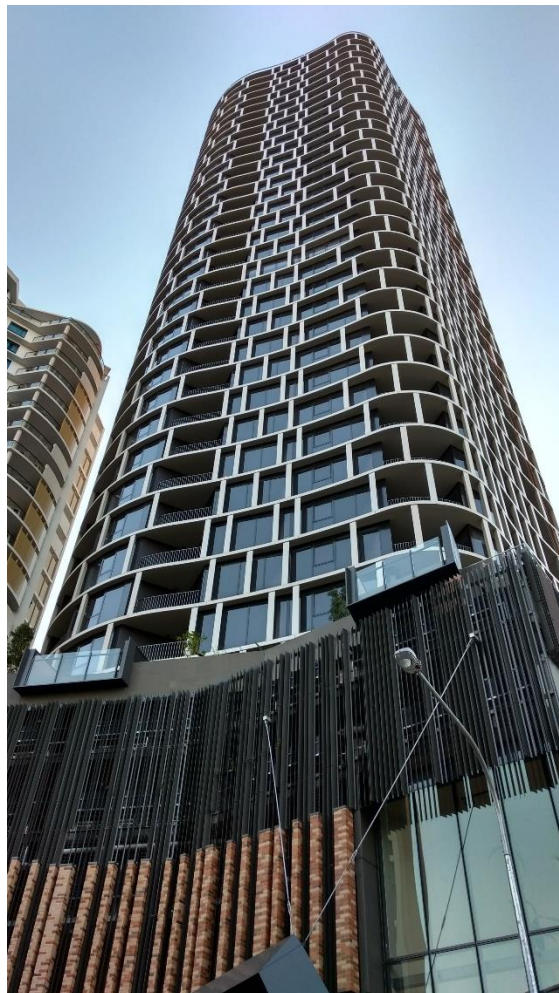
Property Type

Residential Unit

Date of Construction

1 June 2017

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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
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) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
200 / 10 Years = 20% (Adjusted Value)				
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
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
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.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$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	29 September 17 to 30 June 18	7,118	3,634	10,752	6,416	17,168
2	1 July 18 to 30 June 19	6,972	5,906	12,878	8,546	21,424
3	1 July 19 to 30 June 20	5,778	3,691	9,469	8,546	18,015
4	1 July 20 to 30 June 21	4,360	2,982	7,342	8,546	15,888
5	1 July 21 to 30 June 22	3,542	2,197	5,739	8,546	14,285
6	1 July 22 to 30 June 23	2,676	2,056	4,732	8,546	13,278
7	1 July 23 to 30 June 24	2,146	1,651	3,796	8,546	12,342
8	1 July 24 to 30 June 25	1,845	1,032	2,876	8,546	11,422
9	1 July 25 to 30 June 26	1,591	645	2,236	8,546	10,782
10	1 July 26 to 30 June 27	738	1,777	2,514	8,546	11,060
11	1 July 27 to 30 June 28	671	1,110	1,781	8,546	10,327
12	1 July 28 to 30 June 29	610	694	1,304	8,546	9,850
13	1 July 29 to 30 June 30	555	434	989	8,546	9,535
14	1 July 30 to 30 June 31	505	271	776	8,546	9,322
15	1 July 31 to 30 June 32	460	169	629	8,546	9,175
16	1 July 32 to 30 June 33	324	459	783	8,546	9,329
17	1 July 33 to 30 June 34	296	287	583	8,546	9,129
18	1 July 34 to 30 June 35	271	179	450	8,546	8,996
19	1 July 35 to 30 June 36	248	112	360	8,546	8,906
20	1 July 36 to 30 June 37	227	70	297	8,546	8,843
21	1 July 37 to 30 June 38	207	44	251	8,546	8,797
22	1 July 38 to 30 June 39	190	27	217	8,546	8,763
23	1 July 39 to 30 June 40	83	357	440	8,546	8,986
24	1 July 40 to 30 June 41	78	223	301	8,546	8,847
25	1 July 41 to 30 June 42	73	139	212	8,546	8,758
26	1 July 42 to 30 June 43	68	87	155	8,546	8,701
27	1 July 43 to 30 June 44	0	410	410	8,546	8,956
28	1 July 44 to 30 June 45	0	256	256	8,546	8,802
29	1 July 45 to 30 June 46	0	160	160	8,546	8,706
30	1 July 46 to 30 June 47	0	100	100	8,546	8,646
31	1 July 47 to 30 June 48	0	63	63	8,546	8,609
32	1 July 48 to 30 June 49	0	39	39	8,546	8,585
33	1 July 49 to 30 June 50	0	24	24	8,546	8,570
34	1 July 50 to 30 June 51	0	15	15	8,546	8,561
35	1 July 51 to 30 June 52	0	10	10	8,546	8,556
36	1 July 52 to 30 June 53	0	6	6	8,546	8,552
37	1 July 53 to 30 June 54	0	4	4	8,546	8,550
38	1 July 54 to 30 June 55	0	2	2	8,546	8,548
39	1 July 55 to 30 June 56	0	1	1	8,546	8,547
40	2056+	0	2	2	7,864	7,866
Totals		41,631	31,324	72,955	339,028	411,983

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	29 September 17 to 30 June 18	4,107	3,634	7,741	6,416	14,157
2	1 July 18 to 30 June 19	4,010	5,906	9,916	8,546	18,462
3	1 July 19 to 30 June 20	4,010	3,691	7,701	8,546	16,247
4	1 July 20 to 30 June 21	4,010	2,307	6,317	8,546	14,863
5	1 July 21 to 30 June 22	4,010	1,442	5,452	8,546	13,998
6	1 July 22 to 30 June 23	4,010	901	4,911	8,546	13,457
7	1 July 23 to 30 June 24	3,979	563	4,542	8,546	13,088
8	1 July 24 to 30 June 25	3,654	352	4,006	8,546	12,552
9	1 July 25 to 30 June 26	3,654	220	3,874	8,546	12,420
10	1 July 26 to 30 June 27	3,654	138	3,792	8,546	12,338
11	1 July 27 to 30 June 28	2,382	86	2,468	8,546	11,014
12	1 July 28 to 30 June 29	1,960	54	2,014	8,546	10,560
13	1 July 29 to 30 June 30	1,442	34	1,476	8,546	10,022
14	1 July 30 to 30 June 31	1,185	21	1,206	8,546	9,752
15	1 July 31 to 30 June 32	1,079	13	1,092	8,546	9,638
16	1 July 32 to 30 June 33	911	8	919	8,546	9,465
17	1 July 33 to 30 June 34	856	5	861	8,546	9,407
18	1 July 34 to 30 June 35	856	3	859	8,546	9,405
19	1 July 35 to 30 June 36	856	2	858	8,546	9,404
20	1 July 36 to 30 June 37	856	1	857	8,546	9,403
21	1 July 37 to 30 June 38	370	1	371	8,546	8,917
22	1 July 38 to 30 June 39	187	0	187	8,546	8,733
23	1 July 39 to 30 June 40	187	0	187	8,546	8,733
24	1 July 40 to 30 June 41	187	0	187	8,546	8,733
25	1 July 41 to 30 June 42	187	0	187	8,546	8,733
26	1 July 42 to 30 June 43	187	0	187	8,546	8,733
27	1 July 43 to 30 June 44	187	0	187	8,546	8,733
28	1 July 44 to 30 June 45	187	0	187	8,546	8,733
29	1 July 45 to 30 June 46	187	0	187	8,546	8,733
30	1 July 46 to 30 June 47	187	0	187	8,546	8,733
31	1 July 47 to 30 June 48	38	0	38	8,546	8,584
32	1 July 48 to 30 June 49	0	0	0	8,546	8,546
33	1 July 49 to 30 June 50	0	0	0	8,546	8,546
34	1 July 50 to 30 June 51	0	0	0	8,546	8,546
35	1 July 51 to 30 June 52	0	0	0	8,546	8,546
36	1 July 52 to 30 June 53	0	0	0	8,546	8,546
37	1 July 53 to 30 June 54	0	0	0	8,546	8,546
38	1 July 54 to 30 June 55	0	0	0	8,546	8,546
39	1 July 55 to 30 June 56	0	0	0	8,546	8,546
40	2056+	0	0	0	7,864	7,864
Totals		53,572	19,382	72,955	339,028	411,983

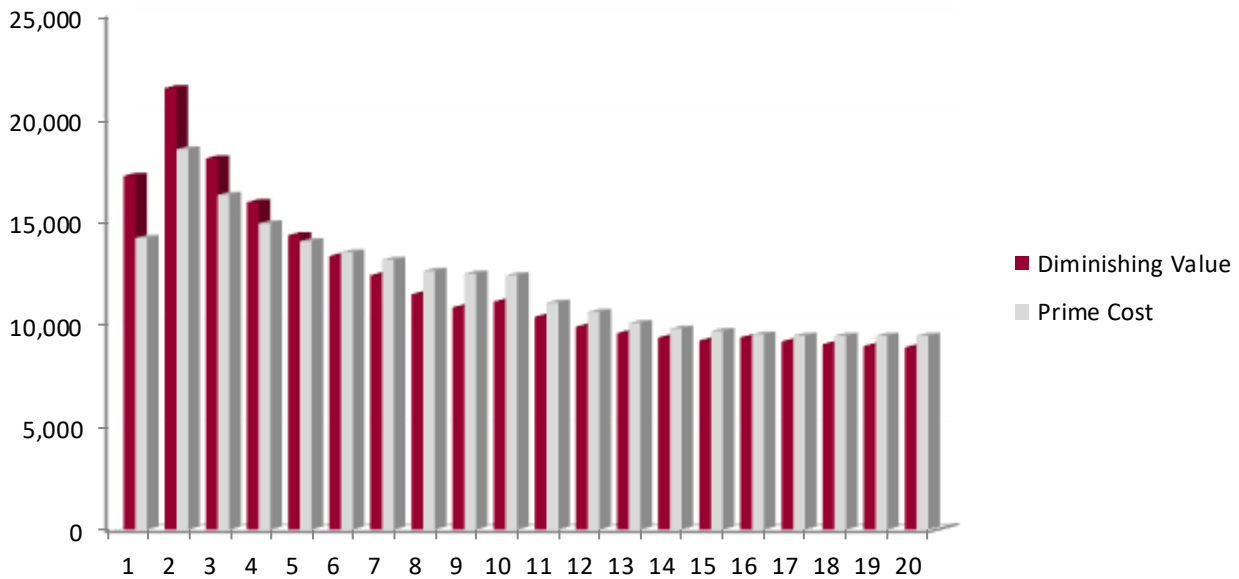
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

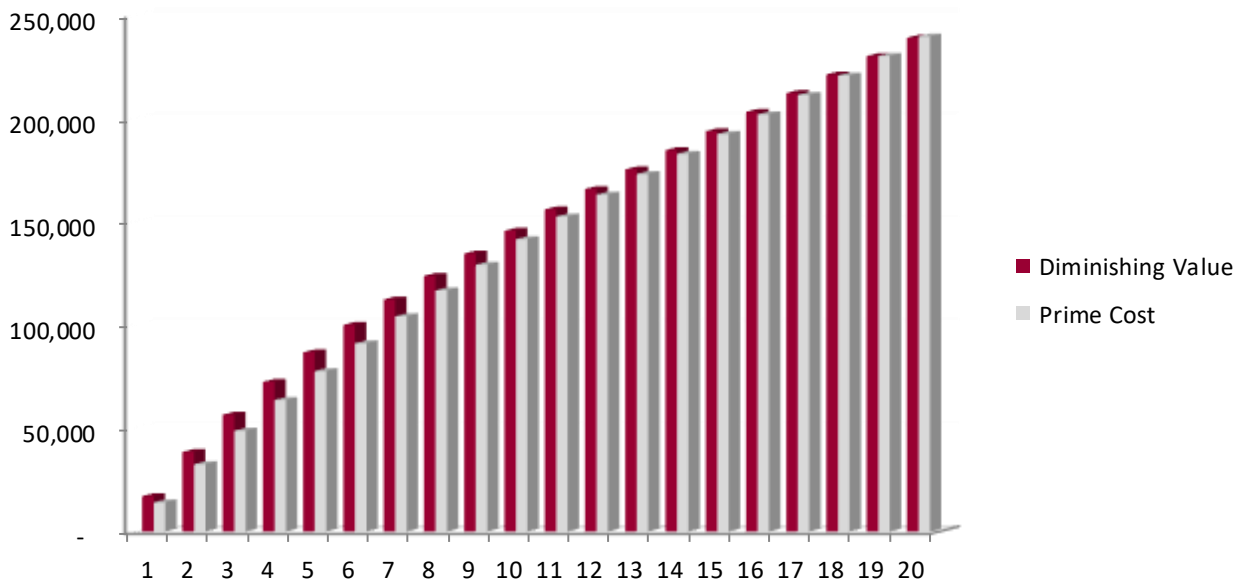
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	24 November 2015
Settlement Date	29 September 2017

Expenditure Analysed

Purchase Price	\$700,000
Stamp Duty	\$23,425
Legals	\$1,500
Total Expenditure Analysed	\$726,575

Historical Construction Details

Construction Start Date	4 October 2016
Construction Completion Date	1 June 2017
Historical Construction Cost (Estimated)*	\$384,006

9. Reconciliation of Capital Expenditure

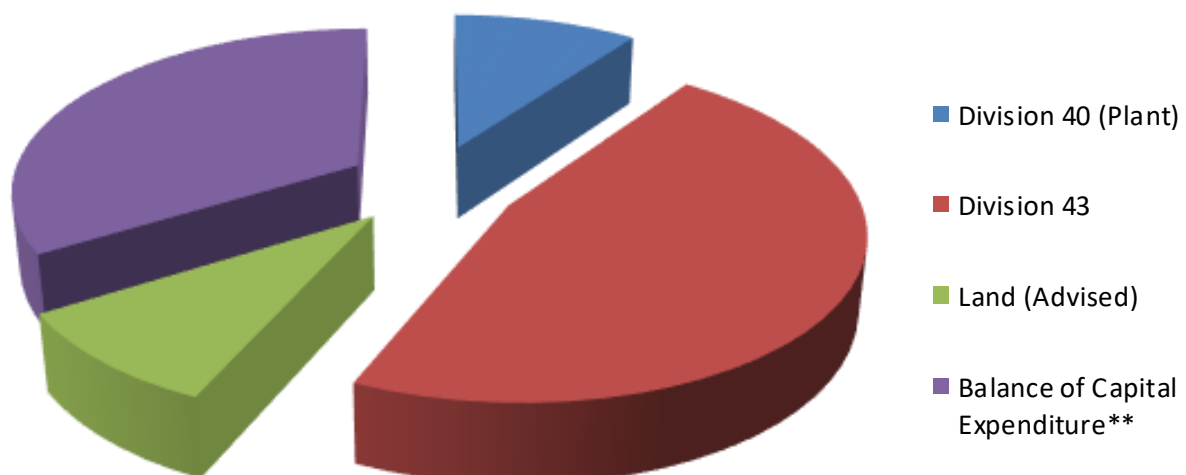
Apportionment of cost relating to:

Division 40 (Plant)	\$72,955
Division 43	\$339,028
Land (Advised)	\$68,815
Balance of Capital Expenditure**	\$245,777
Total Expenditure Analysed	\$726,575

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)													
Condensing sets	13.33%	29-Sep-17	3,344	335	401	348	301	261	226	196	170	147	359
Mini split system upto 20KW	20.00%	29-Sep-17	6,584	989	1,119	895	716	573	458	367	293	235	352
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	29-Sep-17	1,032	194	315	197	123	77	48	30	19	12	7
Ceiling Fans	18.75%	29-Sep-17	516	97	157	98	61	38	24	15	9	6	4
Door closers	18.75%	29-Sep-17	672	126	205	128	80	50	31	20	12	8	5
Electrical Machinery & Equipment :													
Motors	18.75%	29-Sep-17	331	62	101	63	39	25	15	10	6	4	2
Fire control assets													
Detection & alarm systems, detectors	18.75%	29-Sep-17	698	131	213	133	83	52	32	20	13	8	5
Detection & alarm systems, fire indicator panel	18.75%	29-Sep-17	669	125	204	127	80	50	31	19	12	8	5
Emergency warning & intercommunication system	18.75%	29-Sep-17	1,789	335	545	341	213	133	83	52	32	20	13
Hoses and nozzles	18.75%	29-Sep-17	312	59	95	59	37	23	15	9	6	4	2
Stair pressurisation & extraction fans	18.75%	29-Sep-17	595	111	181	113	71	44	28	17	11	7	4
Fire sprinklers - pumps only	10.00%	29-Sep-17	8,949	672	828	745	670	603	543	489	440	396	356
Floor coverings (removable without damage)													
Carpets	20.00%	29-Sep-17	6,226	935	1,058	847	677	542	433	347	277	222	333
Furniture	15.00%	29-Sep-17	2,478	279	330	280	238	203	172	366	229	143	89
Furniture	18.75%	29-Sep-17	3,127	586	953	596	372	233	145	91	57	35	22
Hot water systems (excluding piping)													
Gas or electric	16.67%	29-Sep-17	4,318	540	630	525	437	364	304	253	211	176	329
Kitchen assets													
Cooktops	16.67%	29-Sep-17	1,755	220	256	213	178	333	208	130	81	51	32
Dishwashers	20.00%	29-Sep-17	2,478	372	421	337	270	216	323	202	126	79	49
Ovens	16.67%	29-Sep-17	2,271	284	331	276	230	192	359	225	140	88	55
Rangehoods	18.75%	29-Sep-17	929	174	283	177	111	69	43	27	17	11	7
Laundry assets													
Clothes dryers	20.00%	29-Sep-17	1,652	248	281	225	337	211	132	82	51	32	20
Lifts (including hydraulic & tractions lifts)	6.67%	29-Sep-17	5,601	280	355	331	309	288	269	251	234	219	204
Lights													
Shades, removable	18.75%	29-Sep-17	5,195	974	1,583	989	618	386	242	151	94	59	37
MATV - amplifiers & modulators	18.75%	29-Sep-17	1,263	237	385	241	150	94	59	37	23	14	9
Carried forward			62,784	8,365	11,228	8,283	6,403	5,060	4,225	3,405	2,565	1,981	2,301

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			62,784	8,365	11,228	8,283	6,403	5,060	4,225	3,405	2,565	1,981	2,301
Pumps	18.75%	29-Sep-17	604	113	184	115	72	45	28	18	11	7	4
Security systems & equipment													
Electronic	30.00%	29-Sep-17	2,372	534	551	386	338	211	132	82	52	32	20
Ventilating plant													
Ventilation plant - fans only	10.00%	29-Sep-17	4,448	334	411	370	333	300	270	243	219	197	177
\$300 items	100.00%	29-Sep-17	1,096	1,096									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	18.75%	29-Sep-17	1,650	309	503	314	196	123	77	48	30	19	12
Pooled Plant Total				3,634	5,906	3,691	2,982	2,197	2,056	1,651	1,032	645	1,777
Effective Life Plant Total				7,118	6,972	5,778	4,360	3,542	2,676	2,146	1,845	1,591	738
Total Division 40			72,955	10,752	12,878	9,469	7,342	5,739	4,732	3,796	2,876	2,236	2,514
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 2017	2.50%	29-Sep-17	338,196	6,400	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525
Structural Improvements - Completed 2017	2.50%	29-Sep-17	832	16	21	21	21	21	21	21	21	21	21
Total Division 43			339,028	6,416	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546
Total Depreciation			411,983	17,168	21,424	18,015	15,888	14,285	13,278	12,342	11,422	10,782	11,060

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)														
Condensing sets	6.67%	29-Sep-17	3,344	167	223	223	223	223	223	223	223	223	223	
Mini split system upto 20KW	10.00%	29-Sep-17	6,584	494	658	658	658	658	658	658	658	658	658	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	29-Sep-17	1,032	194	315	197	123	77	48	30	19	12	7	
Ceiling Fans														
	18.75%	29-Sep-17	516	97	157	98	61	38	24	15	9	6	4	
Door closers														
	18.75%	29-Sep-17	672	126	205	128	80	50	31	20	12	8	5	
Electrical Machinery & Equipment :														
Motors	18.75%	29-Sep-17	331	62	101	63	39	25	15	10	6	4	2	
Fire control assets														
Detection & alarm systems, detectors	18.75%	29-Sep-17	698	131	213	133	83	52	32	20	13	8	5	
Detection & alarm systems, fire indicator panel	18.75%	29-Sep-17	669	125	204	127	80	50	31	19	12	8	5	
Emergency warning & intercommunication system	18.75%	29-Sep-17	1,789	335	545	341	213	133	83	52	32	20	13	
Hoses and nozzles	18.75%	29-Sep-17	312	59	95	59	37	23	15	9	6	4	2	
Stair pressurisation & extraction fans	18.75%	29-Sep-17	595	111	181	113	71	44	28	17	11	7	4	
Fire sprinklers - pumps only														
	5.00%	29-Sep-17	8,949	336	447	447	447	447	447	447	447	447	447	
Floor coverings (removable without damage)														
Carpets	10.00%	29-Sep-17	6,226	467	623	623	623	623	623	623	623	623	623	
Furniture														
	7.50%	29-Sep-17	2,478	140	186	186	186	186	186	186	186	186	186	
	18.75%	29-Sep-17	3,127	586	953	596	372	233	145	91	57	35	22	
Hot water systems (excluding piping)														
Gas or electric	8.33%	29-Sep-17	4,318	270	360	360	360	360	360	360	360	360	360	
Kitchen assets														
Cooktops	8.33%	29-Sep-17	1,755	110	146	146	146	146	146	146	146	146	146	
Dishwashers	10.00%	29-Sep-17	2,478	186	248	248	248	248	248	248	248	248	248	
Ovens	8.33%	29-Sep-17	2,271	142	189	189	189	189	189	189	189	189	189	
Rangehoods	18.75%	29-Sep-17	929	174	283	177	111	69	43	27	17	11	7	
Laundry assets														
Clothes dryers	10.00%	29-Sep-17	1,652	124	165	165	165	165	165	165	165	165	165	
Lifts (including hydraulic & tractions lifts)														
	3.33%	29-Sep-17	5,601	140	187	187	187	187	187	187	187	187	187	
Lights														
Shades, removable	18.75%	29-Sep-17	5,195	974	1,583	989	618	386	242	151	94	59	37	
MATV - amplifiers & modulators														
	18.75%	29-Sep-17	1,263	237	385	241	150	94	59	37	23	14	9	
		Carried forward	62,784	5,788	8,651	6,694	5,471	4,706	4,228	3,930	3,743	3,626	3,554	

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			62,784	5,788	8,651	6,694	5,471	4,706	4,228	3,930	3,743	3,626	3,554	
Pumps	18.75%	29-Sep-17	604	113	184	115	72	45	28	18	11	7	4		
Security systems & equipment															
Electronic	15.00%	29-Sep-17	2,372	267	356	356	356	356	356	356	325				
Ventilating plant															
Ventilation plant - fans only	5.00%	29-Sep-17	4,448	167	222	222	222	222	222	222	222	222	222	222	
\$300 items	100.00%	29-Sep-17	1,096	1,096											
Additional Items (Post Expenditure)					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Blinds Residential	18.75%	29-Sep-17	1,650	309	503	314	196	123	77	48	30	19	12		
Pooled Plant Total					3,634	5,906	3,691	2,307	1,442	901	563	352	220	138	
Effective Life Plant Total					4,107	4,010	4,010	4,010	4,010	4,010	3,979	3,654	3,654	3,654	
Total Division 40					72,955	7,741	9,916	7,701	6,317	5,452	4,911	4,542	4,006	3,874	3,792
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 2017		2.50%	338,196	6,400	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525		
Structural Improvements - Completed 2017		2.50%	832	16	21	21	21	21	21	21	21	21	21		
Total Division 43				339,028	6,416	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546	
Total Depreciation				411,983	14,157	18,462	16,247	14,863	13,998	13,457	13,088	12,552	12,420	12,338	

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 2017	4 Oct 16 to 1 Jun 17	340,999	2.50%	8,525	338,196
Sub-total		340,999		8,525	338,196

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2017	4 Oct 16 to 1 Jun 17	839	2.50%	21	832
Sub-total		839		21	832
Totals		341,838		8,546	339,028

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	
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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.