



Tax Depreciation Report

133 Mary Street,
Brisbane, Qld

Quadra Pacific (Aust.) Corp. Pty Ltd
GPO Box 1168
BRISBANE, QLD 4001

Issue Schedule	
Issue Date:	Issued by:
26 November 2018	Mark Kilroy Bsc (Hons) MRICS

Quadra Pacific (Aust.) Corp. Pty Ltd
GPO Box 1168
BRISBANE, QLD 4001

November 2018
Job No: COM4000012

Tax Depreciation Report – 133 Mary Street, Brisbane, Qld

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	17
14. Contact Details	18
15. Disclaimer.....	19

1. Property Information

Date of Report

26 November 2018

Purchaser

Quadra Pacific (Aust.) Corp. Pty Ltd

Property Address

133 Mary Street, , Brisbane, Qld

Property Type

Commercial Office

Date of Construction

30 May 2018

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	30 May 18 to 31 December 18	41,362	17,382	58,744	8,447	67,191
2	1 January 19 to 31 December 19	61,549	28,458	90,007	99,457	189,464
3	1 January 20 to 31 December 20	49,086	17,786	66,872	99,457	166,329
4	1 January 21 to 31 December 21	39,412	11,451	50,863	99,457	150,320
5	1 January 22 to 31 December 22	32,133	7,157	39,290	99,457	138,747
6	1 January 23 to 31 December 23	26,108	4,808	30,916	99,457	130,373
7	1 January 24 to 31 December 24	21,793	3,005	24,798	99,457	124,255
8	1 January 25 to 31 December 25	18,339	1,878	20,217	99,457	119,674
9	1 January 26 to 31 December 26	15,552	1,174	16,726	99,457	116,183
10	1 January 27 to 31 December 27	13,110	1,066	14,176	99,457	113,633
11	1 January 28 to 31 December 28	11,114	998	12,112	99,457	111,569
12	1 January 29 to 31 December 29	9,457	981	10,438	99,457	109,895
13	1 January 30 to 31 December 30	8,049	896	8,945	99,457	108,402
14	1 January 31 to 31 December 31	6,709	1,254	7,963	99,457	107,420
15	1 January 32 to 31 December 32	5,846	1,095	6,942	99,457	106,399
16	1 January 33 to 31 December 33	5,175	1,049	6,224	99,457	105,681
17	1 January 34 to 31 December 34	4,678	656	5,334	99,457	104,791
18	1 January 35 to 31 December 35	4,240	410	4,650	99,457	104,107
19	1 January 36 to 31 December 36	3,675	588	4,263	99,457	103,720
20	1 January 37 to 31 December 37	3,366	367	3,733	99,457	103,190
21	1 January 38 to 31 December 38	3,086	230	3,316	99,457	102,773
22	1 January 39 to 31 December 39	2,692	499	3,191	99,457	102,648
23	1 January 40 to 31 December 40	2,485	312	2,796	99,457	102,253
24	1 January 41 to 31 December 41	2,295	195	2,490	99,457	101,947
25	1 January 42 to 31 December 42	2,122	122	2,244	99,457	101,701
26	1 January 43 to 31 December 43	1,964	76	2,040	99,457	101,497
27	1 January 44 to 31 December 44	1,670	417	2,088	99,457	101,545
28	1 January 45 to 31 December 45	1,559	261	1,820	99,457	101,277
29	1 January 46 to 31 December 46	1,455	163	1,618	99,457	101,075
30	1 January 47 to 31 December 47	1,358	102	1,460	99,457	100,917
31	1 January 48 to 31 December 48	1,267	64	1,331	99,457	100,788
32	1 January 49 to 31 December 49	1,183	40	1,223	99,457	100,680
33	1 January 50 to 31 December 50	1,104	25	1,129	99,457	100,586
34	1 January 51 to 31 December 51	1,030	16	1,046	99,457	100,503
35	1 January 52 to 31 December 52	962	10	972	99,457	100,429
36	1 January 53 to 31 December 53	898	6	904	99,457	100,361
37	1 January 54 to 31 December 54	838	4	842	99,457	100,299
38	1 January 55 to 31 December 55	782	2	784	99,457	100,241
39	1 January 56 to 31 December 56	730	1	731	99,457	100,188
40	2057+	681	9,539	10,220	190,450	200,670
Totals		410,914	114,543	525,457	3,978,263	4,503,720

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	30 May 18 to 31 December 18	19,333	21,672	41,005	8,447	49,452
2	1 January 19 to 31 December 19	32,822	35,216	68,038	99,457	167,495
3	1 January 20 to 31 December 20	32,822	22,010	54,832	99,457	154,289
4	1 January 21 to 31 December 21	32,822	13,756	46,578	99,457	146,035
5	1 January 22 to 31 December 22	32,822	8,598	41,420	99,457	140,877
6	1 January 23 to 31 December 23	31,757	5,374	37,130	99,457	136,587
7	1 January 24 to 31 December 24	31,015	3,359	34,374	99,457	133,831
8	1 January 25 to 31 December 25	24,604	2,099	26,703	99,457	126,160
9	1 January 26 to 31 December 26	21,564	1,312	22,876	99,457	122,333
10	1 January 27 to 31 December 27	19,817	820	20,637	99,457	120,094
11	1 January 28 to 31 December 28	15,146	512	15,659	99,457	115,116
12	1 January 29 to 31 December 29	11,892	320	12,212	99,457	111,669
13	1 January 30 to 31 December 30	11,866	200	12,066	99,457	111,523
14	1 January 31 to 31 December 31	10,098	125	10,223	99,457	109,680
15	1 January 32 to 31 December 32	5,104	78	5,182	99,457	104,639
16	1 January 33 to 31 December 33	5,104	49	5,153	99,457	104,610
17	1 January 34 to 31 December 34	5,104	31	5,135	99,457	104,592
18	1 January 35 to 31 December 35	5,104	19	5,123	99,457	104,580
19	1 January 36 to 31 December 36	5,104	12	5,116	99,457	104,573
20	1 January 37 to 31 December 37	5,104	7	5,111	99,457	104,568
21	1 January 38 to 31 December 38	4,967	5	4,972	99,457	104,429
22	1 January 39 to 31 December 39	4,878	3	4,881	99,457	104,338
23	1 January 40 to 31 December 40	4,878	2	4,880	99,457	104,337
24	1 January 41 to 31 December 41	4,878	1	4,879	99,457	104,336
25	1 January 42 to 31 December 42	4,878	1	4,879	99,457	104,336
26	1 January 43 to 31 December 43	4,878	0	4,878	99,457	104,335
27	1 January 44 to 31 December 44	4,878	0	4,878	99,457	104,335
28	1 January 45 to 31 December 45	4,878	0	4,878	99,457	104,335
29	1 January 46 to 31 December 46	4,878	0	4,878	99,457	104,335
30	1 January 47 to 31 December 47	4,878	0	4,878	99,457	104,335
31	1 January 48 to 31 December 48	2,002	0	2,002	99,457	101,459
32	1 January 49 to 31 December 49	0	0	0	99,457	99,457
33	1 January 50 to 31 December 50	0	0	0	99,457	99,457
34	1 January 51 to 31 December 51	0	0	0	99,457	99,457
35	1 January 52 to 31 December 52	0	0	0	99,457	99,457
36	1 January 53 to 31 December 53	0	0	0	99,457	99,457
37	1 January 54 to 31 December 54	0	0	0	99,457	99,457
38	1 January 55 to 31 December 55	0	0	0	99,457	99,457
39	1 January 56 to 31 December 56	0	0	0	99,457	99,457
40	2057+	0	0	0	190,450	190,450
Totals		409,875	115,582	525,457	3,978,263	4,503,720

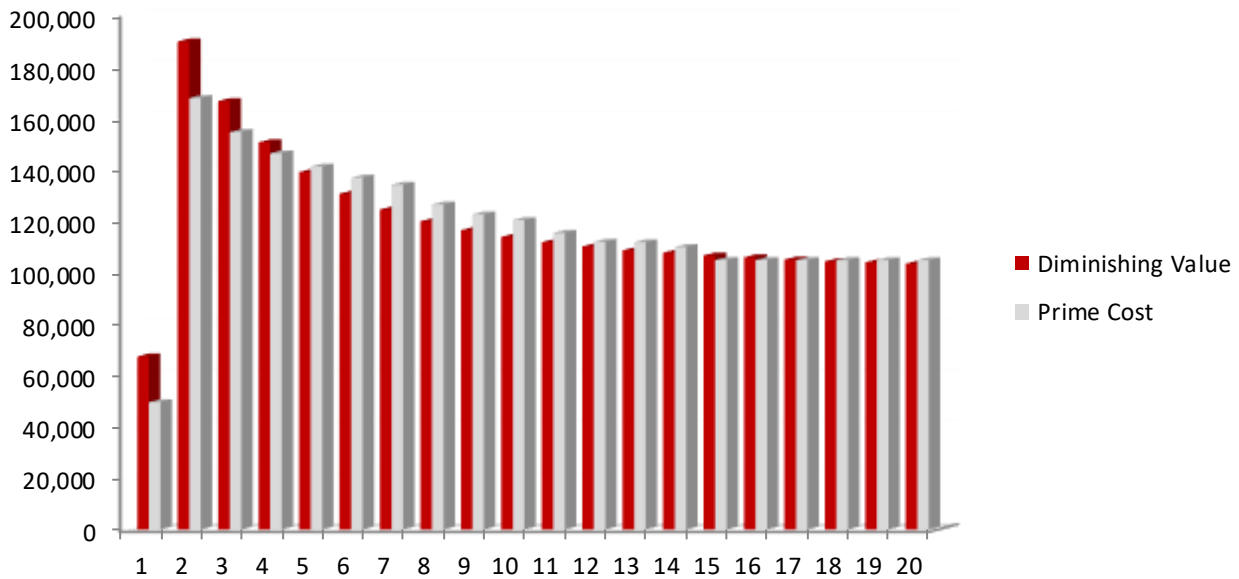
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

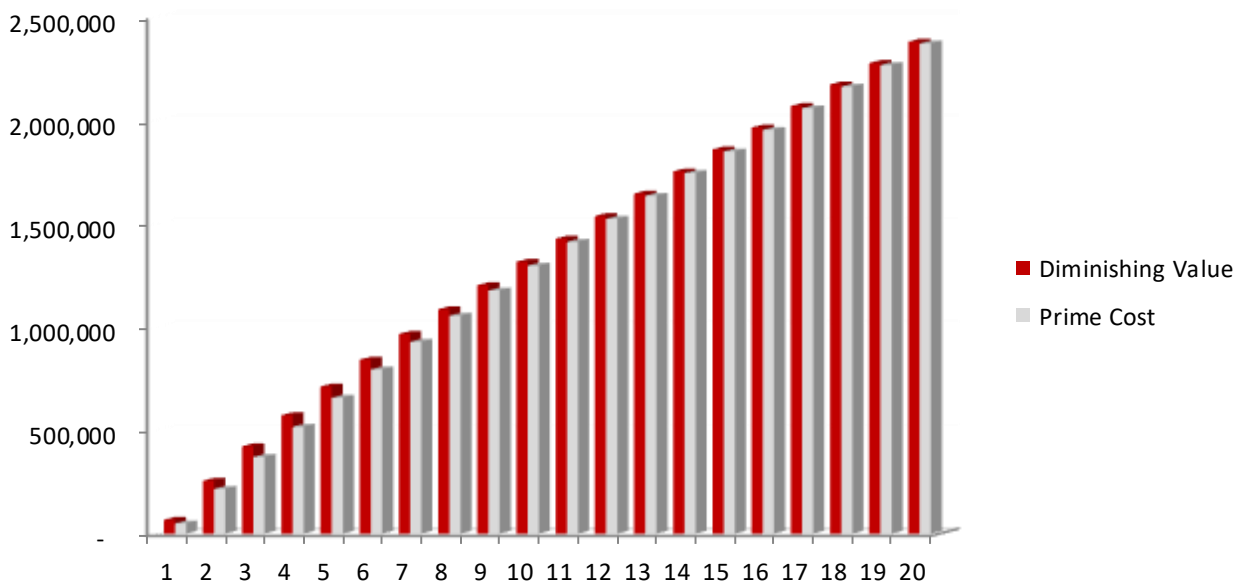
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	1 January 2018
Fit Out Completion Date	30 May 2018

Expenditure Analysed

Fit out cost	\$4,503,720
Total Expenditure Analysed	\$4,503,720

Historical Construction Details

Construction Start Date	1 February 2018
Construction Completion Date	30 May 2018
Historical Construction Cost (Advised)*	\$4,503,720

9. Reconciliation of Capital Expenditure

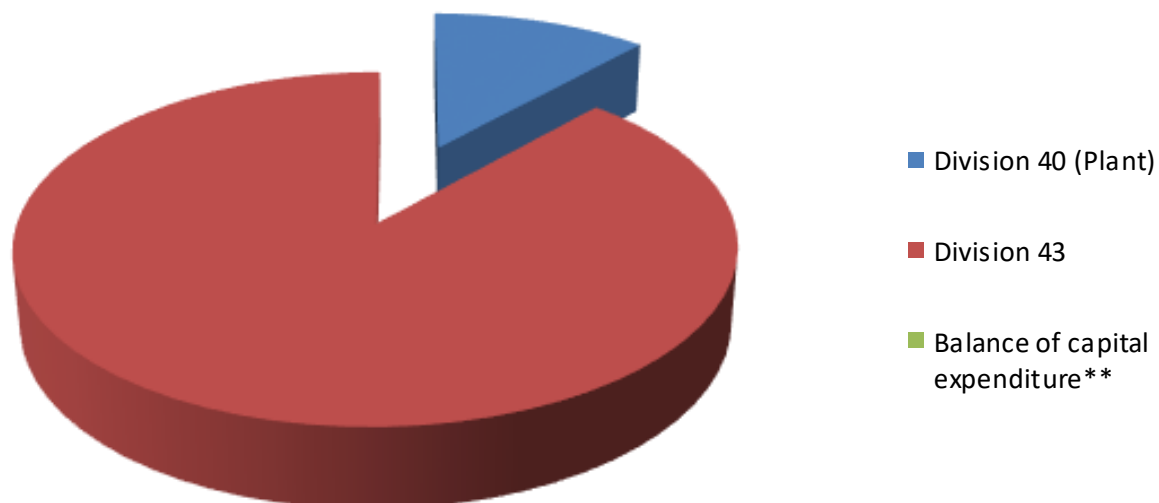
Apportionment of cost relating to:

Division 40 (Plant)	\$525,457
Division 43	\$3,978,263
Balance of capital expenditure**	\$0
Total Expenditure Analysed	\$4,503,720

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%	30-May-18	1,578	186	278	223	334	209	130	82	51	32	20
Blinds Commercial													
	20.00%	30-May-18	5,979	704	1,055	844	675	540	432	346	277	221	332
Counters													
Freestanding (including check-out and service counters)	20.00%	30-May-18	44,509	5,244	7,853	6,283	5,026	4,021	3,217	2,573	2,059	1,647	1,318
Computer systems													
General	40.00%	30-May-18	9,034	2,129	2,762	1,657	994	597	336	210	131	82	51
General	18.75%	30-May-18	3,137	588	956	597	373	233	146	91	57	36	22
Door closers													
	20.00%	30-May-18	10,061	1,185	1,775	1,420	1,136	909	727	582	465	372	298
Electrical Machinery & Equipment :													
Electrical equipment	10.00%	30-May-18	4,516	266	425	382	344	310	279	251	226	203	183
Fire control assets													
Detection & alarm systems, bells	16.67%	30-May-18	629	62	213	133	83	52	32	20	13	8	5
Emergency warning & intercommunication system	18.75%	30-May-18	19,435	3,644	5,922	3,701	2,313	1,446	904	565	353	221	138
Fire crowd control equipment	18.75%	30-May-18	2,344	439	714	446	279	174	109	68	43	27	17
Furniture													
Furniture	15.00%	30-May-18	62,973	5,565	8,613	7,321	6,223	5,289	4,495	3,821	3,248	2,760	2,346
Furniture	18.75%	30-May-18	23,047	4,321	7,022	4,389	2,743	1,714	1,071	670	419	262	163
Furniture, freestanding, for customer use:													
In dining areas	25.00%	30-May-18	33,978	5,004	7,244	5,433	4,074	3,056	2,292	1,719	1,289	967	725
Office furniture, freestanding													
Chairs	20.00%	30-May-18	15,396	1,814	2,716	2,173	1,739	1,391	1,113	890	712	570	456
Tables	20.00%	30-May-18	7,483	882	1,320	1,056	845	676	541	433	346	277	221
Lifts (including hydraulic & tractions lifts)													
	6.67%	30-May-18	146,337	5,747	9,373	8,748	8,165	7,620	7,112	6,638	6,196	5,783	5,397
Lights													
Emergency	18.75%	30-May-18	4,230	793	1,289	806	503	315	197	123	77	48	30
Fittings	18.75%	30-May-18	39,904	7,482	12,158	7,599	4,749	2,968	1,855	1,160	725	453	283
Security systems & equipment													
Electronic	30.00%	30-May-18	46,341	8,189	11,446	8,012	5,608	3,926	2,748	1,924	1,347	943	660
Signage													
Signage	15.00%	30-May-18	26,821	2,370	3,668	3,118	2,650	2,252	1,915	1,627	1,383	1,176	999
Signage	18.75%	30-May-18	606	114	185	115	72	45	28	18	11	7	4
Televisions													
	20.00%	30-May-18	17,121	2,017	3,021	2,417	1,933	1,547	1,237	990	792	634	507
Pooled Plant Total				17,382	28,458	17,786	11,451	7,157	4,808	3,005	1,878	1,174	1,066
Effective Life Plant Total				41,362	61,549	49,086	39,412	32,133	26,108	21,793	18,339	15,552	13,110
Total Division 40			525,457	58,744	90,007	66,872	50,863	39,290	30,916	24,798	20,217	16,726	14,176

Diminishing Value Depreciation Schedule (cont.)

Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2018	2.50%	30-May-18	3,978,263	8,447	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457
Total Division 43			3,978,263	8,447	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457
Total Depreciation			4,503,720	67,191	189,464	166,329	150,320	138,747	130,373	124,255	119,674	116,183	113,633

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%	30-May-18	1,578	93	158	158	158	158	158	158	158	158	158
Blinds Commercial													
	10.00%	30-May-18	5,979	352	598	598	598	598	598	598	598	598	598
Counters													
Freestanding (including check-out and service counters)	10.00%	30-May-18	44,509	2,622	4,451	4,451	4,451	4,451	4,451	4,451	4,451	4,451	4,451
Computer systems													
General	20.00%	30-May-18	9,034	1,064	1,807	1,807	1,807	1,807	742				
General	18.75%	30-May-18	3,137	588	956	597	373	233	146	91	57	36	22
Door closers													
	10.00%	30-May-18	10,061	593	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Electrical Machinery & Equipment :													
Electrical equipment	5.00%	30-May-18	4,516	133	226	226	226	226	226	226	226	226	226
Fire control assets													
Detection & alarm systems, bells	8.33%	30-May-18	629	31	52	52	52	52	52	52	52	52	52
Emergency warning & intercommunication system	18.75%	30-May-18	19,435	3,644	5,922	3,701	2,313	1,446	904	565	353	221	138
Fire crowd control equipment	18.75%	30-May-18	2,344	439	714	446	279	174	109	68	43	27	17
Furniture													
Furniture	7.50%	30-May-18	62,973	2,783	4,724	4,724	4,724	4,724	4,724	4,724	4,724	4,724	4,724
Furniture	18.75%	30-May-18	23,047	4,321	7,022	4,389	2,743	1,714	1,071	670	419	262	163
Furniture, freestanding, for customer use:													
In dining areas	12.50%	30-May-18	33,978	2,502	4,247	4,247	4,247	4,247	4,247	4,247	4,247	1,747	
Office furniture, freestanding													
Chairs	18.75%	30-May-18	15,396	2,887	4,691	2,932	1,832	1,145	716	447	280	175	109
Tables	18.75%	30-May-18	7,483	1,403	2,280	1,425	891	557	348	217	136	85	53
Lifts (including hydraulic & tractions lifts)													
	3.33%	30-May-18	146,337	2,873	4,878	4,878	4,878	4,878	4,878	4,878	4,878	4,878	4,878
Lights													
Emergency	18.75%	30-May-18	4,230	793	1,289	806	503	315	197	123	77	48	30
Fittings	18.75%	30-May-18	39,904	7,482	12,158	7,599	4,749	2,968	1,855	1,160	725	453	283
Security systems & equipment													
Electronic	15.00%	30-May-18	46,341	4,094	6,951	6,951	6,951	6,951	6,951	6,951	540		
Signage													
Signage	7.50%	30-May-18	26,821	1,185	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012
Signage	18.75%	30-May-18	606	114	185	115	72	45	28	18	11	7	4
Televisions													
	10.00%	30-May-18	17,121	1,008	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712
Pooled Plant Total				21,672	35,216	22,010	13,756	8,598	5,374	3,359	2,099	1,312	820
Effective Life Plant Total				19,333	32,822	32,822	32,822	32,822	31,757	31,015	24,604	21,564	19,817
Total Division 40			525,457	41,005	68,038	54,832	46,578	41,420	37,130	34,374	26,703	22,876	20,637

Prime Cost Depreciation Schedule (cont.)

Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2018	2.50%	30-May-18	3,978,263	8,447	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457
Total Division 43			3,978,263	8,447	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457	99,457
Total Depreciation			4,503,720	49,452	167,495	154,289	146,035	140,877	136,587	133,831	126,160	122,333	120,094

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 2018	1 Feb 18 to 30 May 18	3,978,263	2.50%	99,457	3,978,263
Sub-total		3,978,263		99,457	3,978,263

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Sub-total					
Totals		3,978,263		99,457	3,978,263

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

	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.