



Tax Depreciation Report

316/17 Duncan Street,
West End QLD 4101

Business-2-Business Pty Ltd
1/44 Anderson Street
CHATSWOOD, NSW 2067

Issue Schedule	
Issue Date:	Issued by:
25 February 2019	Mark Kilroy Bsc (Hons) MRICS



Business-2-Business Pty Ltd
1/44 Anderson Street
CHATSWOOD, NSW 2067

February 2019
Job No: RES4101062

Tax Depreciation Report – 316/17 Duncan Street, West End QLD 4101

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

25 February 2019

Purchaser

Business-2-Business Pty Ltd

Property Address

316/17 Duncan Street, West End QLD 4101

Real Property Description

L316 SP280268

Property Type

Residential Unit

Date of Construction

1 July 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	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								
<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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	27 June 18 to 30 June 18	1,348	2,779	4,127	49	4,176
2	1 July 18 to 30 June 19	11,282	4,516	15,799	5,906	21,705
3	1 July 19 to 30 June 20	9,222	2,823	12,045	5,906	17,951
4	1 July 20 to 30 June 21	7,333	2,048	9,381	5,906	15,287
5	1 July 21 to 30 June 22	5,900	1,634	7,534	5,906	13,440
6	1 July 22 to 30 June 23	4,884	1,021	5,905	5,906	11,811
7	1 July 23 to 30 June 24	3,720	1,317	5,038	5,906	10,944
8	1 July 24 to 30 June 25	2,658	1,800	4,458	5,906	10,364
9	1 July 25 to 30 June 26	1,679	2,157	3,836	5,906	9,742
10	1 July 26 to 30 June 27	1,273	1,715	2,988	5,906	8,894
11	1 July 27 to 30 June 28	1,097	1,072	2,169	5,906	8,075
12	1 July 28 to 30 June 29	951	670	1,620	5,906	7,526
13	1 July 29 to 30 June 30	827	419	1,246	5,906	7,152
14	1 July 30 to 30 June 31	723	262	984	5,906	6,890
15	1 July 31 to 30 June 32	461	489	950	5,906	6,856
16	1 July 32 to 30 June 33	294	662	956	5,906	6,862
17	1 July 33 to 30 June 34	274	414	688	5,906	6,594
18	1 July 34 to 30 June 35	256	258	514	5,906	6,420
19	1 July 35 to 30 June 36	239	162	400	5,906	6,306
20	1 July 36 to 30 June 37	223	101	324	5,906	6,230
21	1 July 37 to 30 June 38	208	63	271	5,906	6,177
22	1 July 38 to 30 June 39	194	39	234	5,906	6,140
23	1 July 39 to 30 June 40	181	25	206	5,906	6,112
24	1 July 40 to 30 June 41	169	15	185	5,906	6,091
25	1 July 41 to 30 June 42	158	10	168	5,906	6,074
26	1 July 42 to 30 June 43	147	6	153	5,906	6,059
27	1 July 43 to 30 June 44	138	4	141	5,906	6,047
28	1 July 44 to 30 June 45	128	2	131	5,906	6,037
29	1 July 45 to 30 June 46	120	1	121	5,906	6,027
30	1 July 46 to 30 June 47	112	1	113	5,906	6,019
31	1 July 47 to 30 June 48	104	1	105	5,906	6,011
32	1 July 48 to 30 June 49	97	0	98	5,906	6,004
33	1 July 49 to 30 June 50	91	0	91	5,906	5,997
34	1 July 50 to 30 June 51	85	0	85	5,906	5,991
35	1 July 51 to 30 June 52	79	0	79	5,906	5,985
36	1 July 52 to 30 June 53	74	0	74	5,906	5,980
37	1 July 53 to 30 June 54	69	0	69	5,906	5,975
38	1 July 54 to 30 June 55	0	362	362	5,906	6,268
39	1 July 55 to 30 June 56	0	226	226	5,906	6,132
40	2056+	0	377	377	8,236	8,613
Totals		56,800	27,452	84,252	232,713	316,965

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	27 June 18 to 30 June 18	1,302	2,779	4,081	49	4,130
2	1 July 18 to 30 June 19	5,650	4,516	10,166	5,906	16,072
3	1 July 19 to 30 June 20	5,650	2,823	8,473	5,906	14,379
4	1 July 20 to 30 June 21	5,650	1,764	7,414	5,906	13,320
5	1 July 21 to 30 June 22	5,650	1,103	6,753	5,906	12,659
6	1 July 22 to 30 June 23	5,650	689	6,339	5,906	12,245
7	1 July 23 to 30 June 24	5,650	431	6,081	5,906	11,987
8	1 July 24 to 30 June 25	5,568	269	5,837	5,906	11,743
9	1 July 25 to 30 June 26	5,417	168	5,585	5,906	11,491
10	1 July 26 to 30 June 27	5,417	105	5,522	5,906	11,428
11	1 July 27 to 30 June 28	5,394	66	5,460	5,906	11,366
12	1 July 28 to 30 June 29	1,921	41	1,962	5,906	7,868
13	1 July 29 to 30 June 30	1,905	26	1,931	5,906	7,837
14	1 July 30 to 30 June 31	1,046	16	1,062	5,906	6,968
15	1 July 31 to 30 June 32	913	10	923	5,906	6,829
16	1 July 32 to 30 June 33	853	6	860	5,906	6,766
17	1 July 33 to 30 June 34	386	4	390	5,906	6,296
18	1 July 34 to 30 June 35	386	2	388	5,906	6,294
19	1 July 35 to 30 June 36	386	2	388	5,906	6,294
20	1 July 36 to 30 June 37	386	1	387	5,906	6,293
21	1 July 37 to 30 June 38	386	1	387	5,906	6,293
22	1 July 38 to 30 June 39	386	0	386	5,906	6,292
23	1 July 39 to 30 June 40	386	0	386	5,906	6,292
24	1 July 40 to 30 June 41	386	0	386	5,906	6,292
25	1 July 41 to 30 June 42	386	0	386	5,906	6,292
26	1 July 42 to 30 June 43	386	0	386	5,906	6,292
27	1 July 43 to 30 June 44	386	0	386	5,906	6,292
28	1 July 44 to 30 June 45	386	0	386	5,906	6,292
29	1 July 45 to 30 June 46	386	0	386	5,906	6,292
30	1 July 46 to 30 June 47	386	0	386	5,906	6,292
31	1 July 47 to 30 June 48	386	0	386	5,906	6,292
32	1 July 48 to 30 June 49	4	0	4	5,906	5,910
33	1 July 49 to 30 June 50	0	0	0	5,906	5,906
34	1 July 50 to 30 June 51	0	0	0	5,906	5,906
35	1 July 51 to 30 June 52	0	0	0	5,906	5,906
36	1 July 52 to 30 June 53	0	0	0	5,906	5,906
37	1 July 53 to 30 June 54	0	0	0	5,906	5,906
38	1 July 54 to 30 June 55	0	0	0	5,906	5,906
39	1 July 55 to 30 June 56	0	0	0	5,906	5,906
40	2056+	0	0	0	8,236	8,236
Totals		69,430	14,822	84,252	232,713	316,965

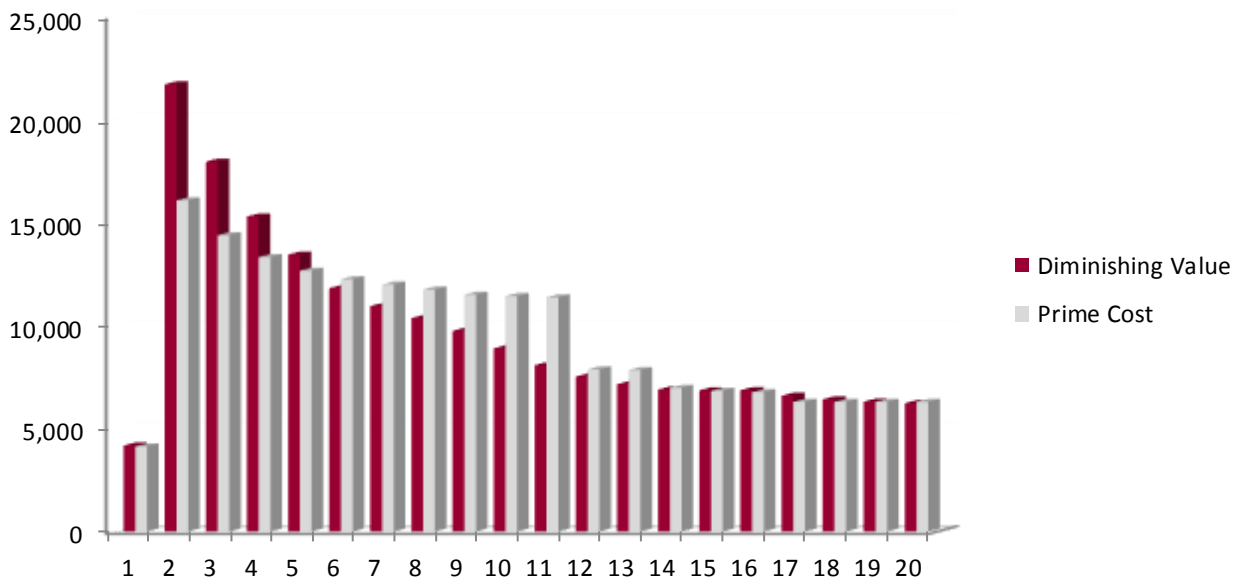
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

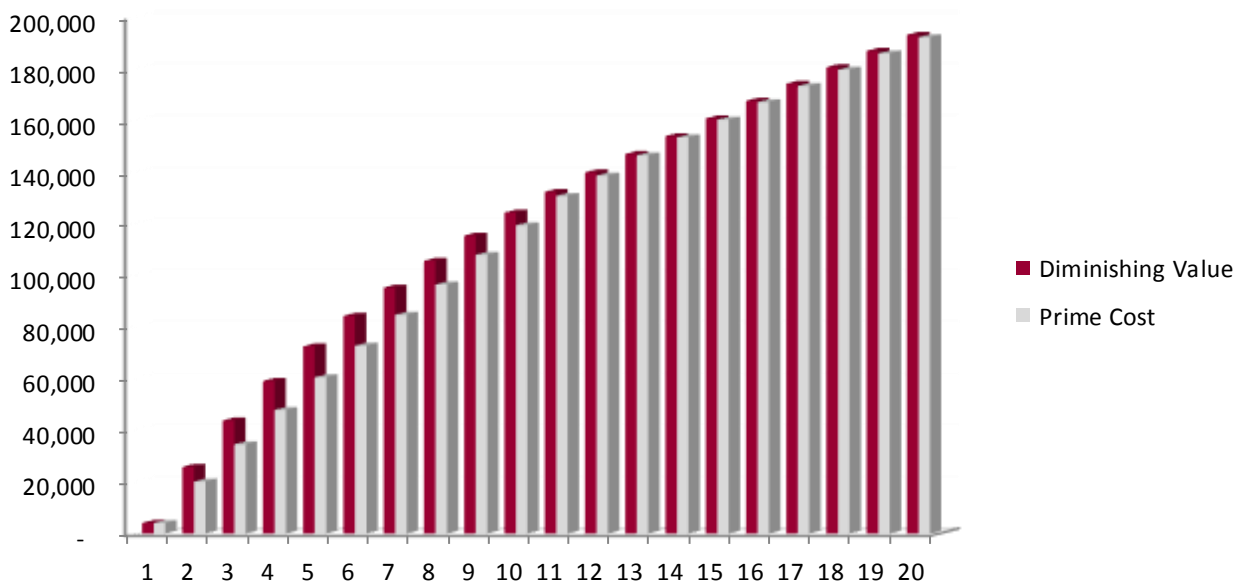
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	25 May 2018
Settlement Date	27 June 2018

Expenditure Analysed

Purchase Price	\$560,000
Stamp Duty	\$18,175
Total Expenditure Analysed	\$578,175

Historical Construction Details

Construction Start Date	3 November 2016
Construction Completion Date	1 July 2017
Historical Construction Cost (Estimated)*	\$288,206

9. Reconciliation of Capital Expenditure

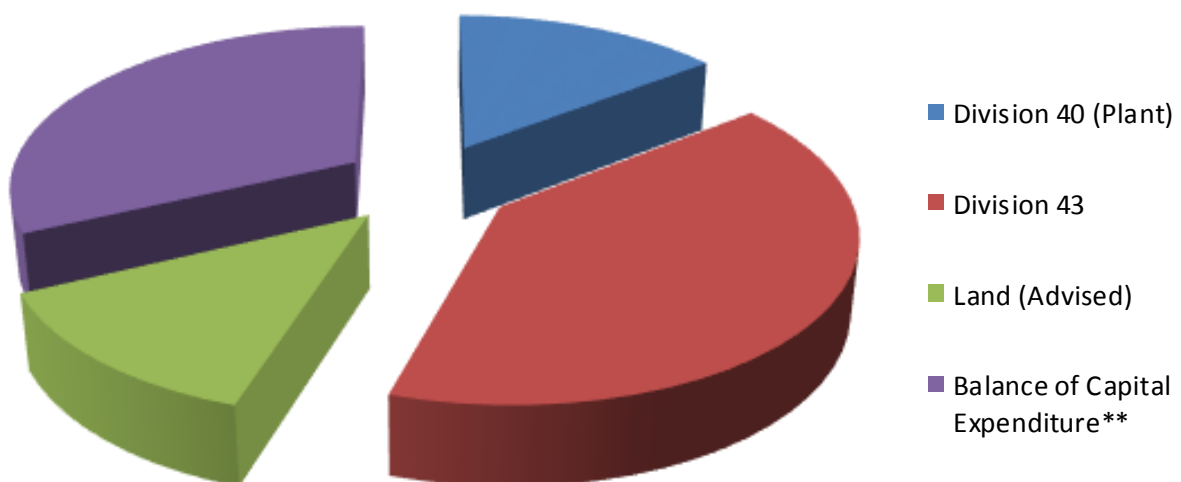
Apportionment of cost relating to:

Division 40 (Plant)	\$84,252
Division 43	\$232,713
Land (Advised)	\$75,713
Balance of Capital Expenditure**	\$185,497
Total Expenditure Analysed	\$578,175

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%	27-Jun-18	15,801	26	3,155	2,524	2,019	1,615	1,292	1,034	827	662	529	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	27-Jun-18	1,058	198	322	201	126	79	49	31	19	12	8	
Blinds Residential	20.00%	27-Jun-18	4,298	7	858	687	549	439	351	281	225	337	211	
Computer systems														
Building management system	18.75%	27-Jun-18	439	82	134	84	52	33	20	13	8	5	3	
Door closers	18.75%	27-Jun-18	458	86	140	87	55	34	21	13	8	5	3	
Fire control assets														
Detection & alarm systems, detectors	18.75%	27-Jun-18	1,838	345	560	350	219	137	85	53	33	21	13	
Detection & alarm systems, fire indicator panel	18.75%	27-Jun-18	549	103	167	104	65	41	26	16	10	6	4	
Emergency warning & intercommunication system	16.67%	27-Jun-18	1,632	2	272	226	189	354	221	138	86	54	34	
Hoses and nozzles	18.75%	27-Jun-18	363	68	111	69	43	27	17	11	7	4	3	
Floor coverings (removable without damage)														
Carpets	20.00%	27-Jun-18	3,081	5	615	492	394	315	252	202	302	189	118	
Floating timber	13.33%	27-Jun-18	7,051	8	939	814	705	611	530	459	398	345	299	
Furniture	15.00%	27-Jun-18	2,528	3	379	322	274	233	198	168	357	223	139	
Furniture	18.75%	27-Jun-18	4,257	798	1,297	811	507	317	198	124	77	48	30	
Garbage disposal														
Garbage chute	18.75%	27-Jun-18	593	111	181	113	71	44	28	17	11	7	4	
Hot water systems (excluding piping)														
Gas or electric	18.75%	27-Jun-18	702	132	214	134	84	52	33	20	13	8	5	
Kitchen assets														
Cooktops	16.67%	27-Jun-18	2,107	3	351	292	244	203	169	317	198	124	77	
Dishwashers	20.00%	27-Jun-18	4,424	7	883	707	565	452	362	289	232	347	217	
Ovens	16.67%	27-Jun-18	4,213	6	701	584	487	406	338	282	235	196	367	
Rangehoods	16.67%	27-Jun-18	2,528	3	421	351	292	244	203	169	317	198	124	
Laundry assets														
Clothes dryers	20.00%	27-Jun-18	2,949	5	589	471	377	302	241	362	226	141	88	
Washing machines	20.00%	27-Jun-18	4,424	7	883	707	565	452	362	289	232	347	217	
Lifts (including hydraulic & tractions lifts)	6.67%	27-Jun-18	11,587	6	772	721	673	628	586	547	510	476	445	
Lights														
Shades, removable	18.75%	27-Jun-18	4,125	773	1,257	786	491	307	192	120	75	47	29	
			Carried forward	81,007	2,786	15,201	11,636	9,045	7,323	5,774	4,955	4,407	3,803	2,968

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			81,007	2,786	15,201	11,636	9,045	7,323	5,774	4,955	4,407	3,803	2,968
MATV - amplifiers & modulators	18.75%	27-Jun-18	439	82	134	84	52	33	20	13	8	5	3
Security systems & equipment													
Electronic	30.00%	27-Jun-18	1,551	4	464	325	284	178	111	69	43	27	17
\$300 items	100.00%	27-Jun-18	1,255	1,255									
Pooled Plant Total				2,779	4,516	2,823	2,048	1,634	1,021	1,317	1,800	2,157	1,715
Effective Life Plant Total				1,348	11,282	9,222	7,333	5,900	4,884	3,720	2,658	1,679	1,273
Total Division 40			84,252	4,127	15,799	12,045	9,381	7,534	5,905	5,038	4,458	3,836	2,988
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%	27-Jun-18	230,391	49	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906
Structural Improvements - Completed 2017	2.50%	27-Jun-18	2,322										
Total Division 43			232,713	49	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906
Total Depreciation			316,965	4,176	21,705	17,951	15,287	13,440	11,811	10,944	10,364	9,742	8,894

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%	27-Jun-18	15,801	13	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	27-Jun-18	1,058	198	322	201	126	79	49	31	19	12	8
Blinds Residential													
	10.00%	27-Jun-18	4,298	4	430	430	430	430	430	430	430	430	430
Computer systems													
Building management system	18.75%	27-Jun-18	439	82	134	84	52	33	20	13	8	5	3
Door closers													
	18.75%	27-Jun-18	458	86	140	87	55	34	21	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	27-Jun-18	1,838	345	560	350	219	137	85	53	33	21	13
Detection & alarm systems, fire indicator panel	18.75%	27-Jun-18	549	103	167	104	65	41	26	16	10	6	4
Emergency warning & intercommunication system	8.33%	27-Jun-18	1,632	1	136	136	136	136	136	136	136	136	136
Hoses and nozzles	18.75%	27-Jun-18	363	68	111	69	43	27	17	11	7	4	3
Floor coverings (removable without damage)													
Carpets	10.00%	27-Jun-18	3,081	3	308	308	308	308	308	308	308	308	308
Floating timber	6.67%	27-Jun-18	7,051	4	470	470	470	470	470	470	470	470	470
Furniture													
Furniture	7.50%	27-Jun-18	2,528	2	190	190	190	190	190	190	190	190	190
Furniture	18.75%	27-Jun-18	4,257	798	1,297	811	507	317	198	124	77	48	30
Garbage disposal													
Garbage chute	18.75%	27-Jun-18	593	111	181	113	71	44	28	17	11	7	4
Hot water systems (excluding piping)													
Gas or electric	18.75%	27-Jun-18	702	132	214	134	84	52	33	20	13	8	5
Kitchen assets													
Cooktops	8.33%	27-Jun-18	2,107	1	176	176	176	176	176	176	176	176	176
Dishwashers	10.00%	27-Jun-18	4,424	4	442	442	442	442	442	442	442	442	442
Ovens	8.33%	27-Jun-18	4,213	3	351	351	351	351	351	351	351	351	351
Rangehoods	8.33%	27-Jun-18	2,528	2	211	211	211	211	211	211	211	211	211
Laundry assets													
Clothes dryers	10.00%	27-Jun-18	2,949	2	295	295	295	295	295	295	295	295	295
Washing machines	10.00%	27-Jun-18	4,424	4	442	442	442	442	442	442	442	442	442
Lifts (including hydraulic & tractions lifts)													
	3.33%	27-Jun-18	11,587	3	386	386	386	386	386	386	386	386	386
Lights													
Shades, removable	18.75%	27-Jun-18	4,125	773	1,257	786	491	307	192	120	75	47	29
Carried forward			81,007	2,741	9,799	8,156	7,129	6,487	6,086	5,835	5,678	5,580	5,519

Prime Cost Depreciation Schedule (cont.)

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
Brought forward			81,007	2,741	9,799	8,156	7,129	6,487	6,086	5,835	5,678	5,580	5,519
MATV - amplifiers & modulators	18.75%	27-Jun-18	439	82	134	84	52	33	20	13	8	5	3
Security systems & equipment													
Electronic	15.00%	27-Jun-18	1,551	2	233	233	233	233	233	233	151		
\$300 items	100.00%	27-Jun-18	1,255	1,255									
Pooled Plant Total				2,779	4,516	2,823	1,764	1,103	689	431	269	168	105
Effective Life Plant Total				1,302	5,650	5,650	5,650	5,650	5,650	5,650	5,568	5,417	5,417
Total Division 40			84,252	4,081	10,166	8,473	7,414	6,753	6,339	6,081	5,837	5,585	5,522
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2017	2.50%	27-Jun-18	230,391	49	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906
Structural Improvements - Completed 2017	2.50%	27-Jun-18	2,322										
Total Division 43			232,713	49	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906	5,906
Total Depreciation			316,965	4,130	16,072	14,379	13,320	12,659	12,245	11,987	11,743	11,491	11,428

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	3 Nov 16 to 1 Jul 17	236,232	2.50%	5,906	230,391
Sub-total		236,232		5,906	230,391

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2017	3 Nov 16 to 1 Jul 17	2,381	2.50%	60	2,322
Sub-total		2,381		60	2,322
Totals		238,613		5,966	232,713

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
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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.