



Tax Depreciation Report

10608 "Sky Needle" 16 Edmondstone Street,
South Brisbane, QLD 4101

Zejian Qian
26/18-22 Ball Avenue
EASTWOOD, NSW 2122

Issue Schedule	
Issue Date:	Issued by:
13 August 2019	Mark Kilroy Bsc (Hons) MRICS

Zejian Qian
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[[CLIENT ADDRESS 2]]
EASTWOOD, NSW 2122

August 2019
Job No: RES4101069

Tax Depreciation Report – 10608 "Sky Needle" 16 Edmondstone Street, South Brisbane, 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



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

13 August 2019

Purchaser

Zejian Qian

Property Address

10608 "Sky Needle" 16 Edmondstone Street, South Brisbane, QLD 4101

Real Property Description

L10608 SP283436

Property Type

Residential Unit

Date of Construction

14 November 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				
<p>Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.</p>					<p>Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.</p>				
Benefits					Benefits				
<ul style="list-style-type: none"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 					<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example					Calculation Example				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>					<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p>100 / 10 Years = 10% (Straight Line)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>				
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

4. Capital Works

4.1 Entitlement

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

4.2 Method of Depreciation

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

4.3 Method of Depreciation

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	14 December 18 to 30 June 19	5,234	2,798	8,032	4,202	12,234
2	1 July 19 to 30 June 20	7,043	4,821	11,864	7,745	19,609
3	1 July 20 to 30 June 21	5,451	3,695	9,146	7,745	16,891
4	1 July 21 to 30 June 22	4,230	2,653	6,883	7,745	14,628
5	1 July 22 to 30 June 23	3,296	2,382	5,678	7,745	13,423
6	1 July 23 to 30 June 24	2,429	2,138	4,567	7,745	12,312
7	1 July 24 to 30 June 25	1,757	1,978	3,735	7,745	11,480
8	1 July 25 to 30 June 26	1,388	1,564	2,952	7,745	10,697
9	1 July 26 to 30 June 27	1,209	978	2,186	7,745	9,931
10	1 July 27 to 30 June 28	1,059	611	1,670	7,745	9,415
11	1 July 28 to 30 June 29	933	382	1,315	7,745	9,060
12	1 July 29 to 30 June 30	826	239	1,065	7,745	8,810
13	1 July 30 to 30 June 31	736	149	885	7,745	8,630
14	1 July 31 to 30 June 32	488	412	901	7,745	8,646
15	1 July 32 to 30 June 33	456	258	713	7,745	8,458
16	1 July 33 to 30 June 34	425	161	586	7,745	8,331
17	1 July 34 to 30 June 35	397	101	498	7,745	8,243
18	1 July 35 to 30 June 36	371	63	434	7,745	8,179
19	1 July 36 to 30 June 37	346	39	385	7,745	8,130
20	1 July 37 to 30 June 38	323	25	347	7,745	8,092
21	1 July 38 to 30 June 39	301	15	317	7,745	8,062
22	1 July 39 to 30 June 40	281	10	291	7,745	8,036
23	1 July 40 to 30 June 41	263	6	269	7,745	8,014
24	1 July 41 to 30 June 42	245	4	249	7,745	7,994
25	1 July 42 to 30 June 43	229	2	231	7,745	7,976
26	1 July 43 to 30 June 44	213	1	215	7,745	7,960
27	1 July 44 to 30 June 45	199	1	200	7,745	7,945
28	1 July 45 to 30 June 46	186	1	186	7,745	7,931
29	1 July 46 to 30 June 47	174	0	174	7,745	7,919
30	1 July 47 to 30 June 48	162	0	162	7,745	7,907
31	1 July 48 to 30 June 49	151	0	151	7,745	7,896
32	1 July 49 to 30 June 50	141	0	141	7,745	7,886
33	1 July 50 to 30 June 51	132	0	132	7,745	7,877
34	1 July 51 to 30 June 52	123	0	123	7,745	7,868
35	1 July 52 to 30 June 53	115	0	115	7,745	7,860
36	1 July 53 to 30 June 54	107	0	107	7,745	7,852
37	1 July 54 to 30 June 55	100	0	100	7,745	7,845
38	1 July 55 to 30 June 56	93	0	93	7,745	7,838
39	1 July 56 to 30 June 57	87	0	87	7,745	7,832
40	2057+	1,219	0	1,219	10,656	11,875
Totals		42,917	25,486	68,403	309,168	377,571

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	14 December 18 to 30 June 19	3,053	2,798	5,851	4,202	10,053
2	1 July 19 to 30 June 20	4,020	4,546	8,566	7,745	16,311
3	1 July 20 to 30 June 21	4,020	2,841	6,861	7,745	14,606
4	1 July 21 to 30 June 22	4,020	1,776	5,796	7,745	13,541
5	1 July 22 to 30 June 23	4,020	1,110	5,130	7,745	12,875
6	1 July 23 to 30 June 24	3,981	694	4,675	7,745	12,420
7	1 July 24 to 30 June 25	3,944	434	4,378	7,745	12,123
8	1 July 25 to 30 June 26	3,652	271	3,923	7,745	11,668
9	1 July 26 to 30 June 27	3,609	169	3,778	7,745	11,523
10	1 July 27 to 30 June 28	3,609	106	3,715	7,745	11,460
11	1 July 28 to 30 June 29	2,371	66	2,437	7,745	10,182
12	1 July 29 to 30 June 30	1,320	41	1,361	7,745	9,106
13	1 July 30 to 30 June 31	1,058	26	1,084	7,745	8,829
14	1 July 31 to 30 June 32	805	16	821	7,745	8,566
15	1 July 32 to 30 June 33	652	10	662	7,745	8,407
16	1 July 33 to 30 June 34	652	6	658	7,745	8,403
17	1 July 34 to 30 June 35	652	4	656	7,745	8,401
18	1 July 35 to 30 June 36	652	2	654	7,745	8,399
19	1 July 36 to 30 June 37	652	2	654	7,745	8,399
20	1 July 37 to 30 June 38	652	1	653	7,745	8,398
21	1 July 38 to 30 June 39	607	1	607	7,745	8,352
22	1 July 39 to 30 June 40	580	0	580	7,745	8,325
23	1 July 40 to 30 June 41	580	0	580	7,745	8,325
24	1 July 41 to 30 June 42	580	0	580	7,745	8,325
25	1 July 42 to 30 June 43	580	0	580	7,745	8,325
26	1 July 43 to 30 June 44	580	0	580	7,745	8,325
27	1 July 44 to 30 June 45	580	0	580	7,745	8,325
28	1 July 45 to 30 June 46	580	0	580	7,745	8,325
29	1 July 46 to 30 June 47	580	0	580	7,745	8,325
30	1 July 47 to 30 June 48	580	0	580	7,745	8,325
31	1 July 48 to 30 June 49	262	0	262	7,745	8,007
32	1 July 49 to 30 June 50	0	0	0	7,745	7,745
33	1 July 50 to 30 June 51	0	0	0	7,745	7,745
34	1 July 51 to 30 June 52	0	0	0	7,745	7,745
35	1 July 52 to 30 June 53	0	0	0	7,745	7,745
36	1 July 53 to 30 June 54	0	0	0	7,745	7,745
37	1 July 54 to 30 June 55	0	0	0	7,745	7,745
38	1 July 55 to 30 June 56	0	0	0	7,745	7,745
39	1 July 56 to 30 June 57	0	0	0	7,745	7,745
40	2057+	0	0	0	10,656	10,656
Totals		53,483	14,921	68,403	309,168	377,571

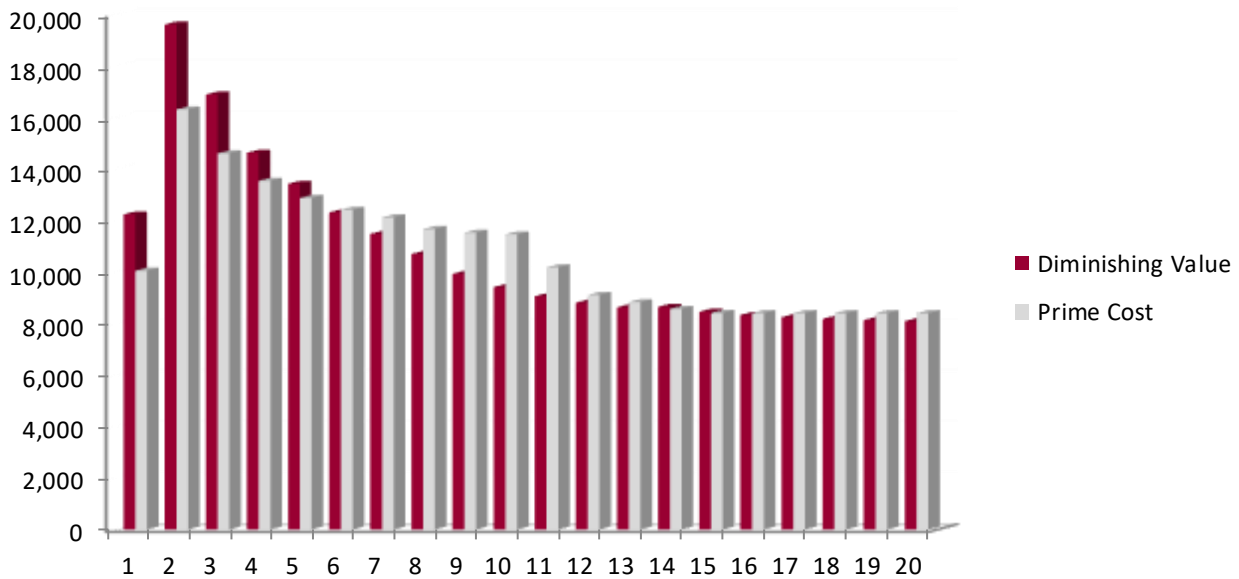
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

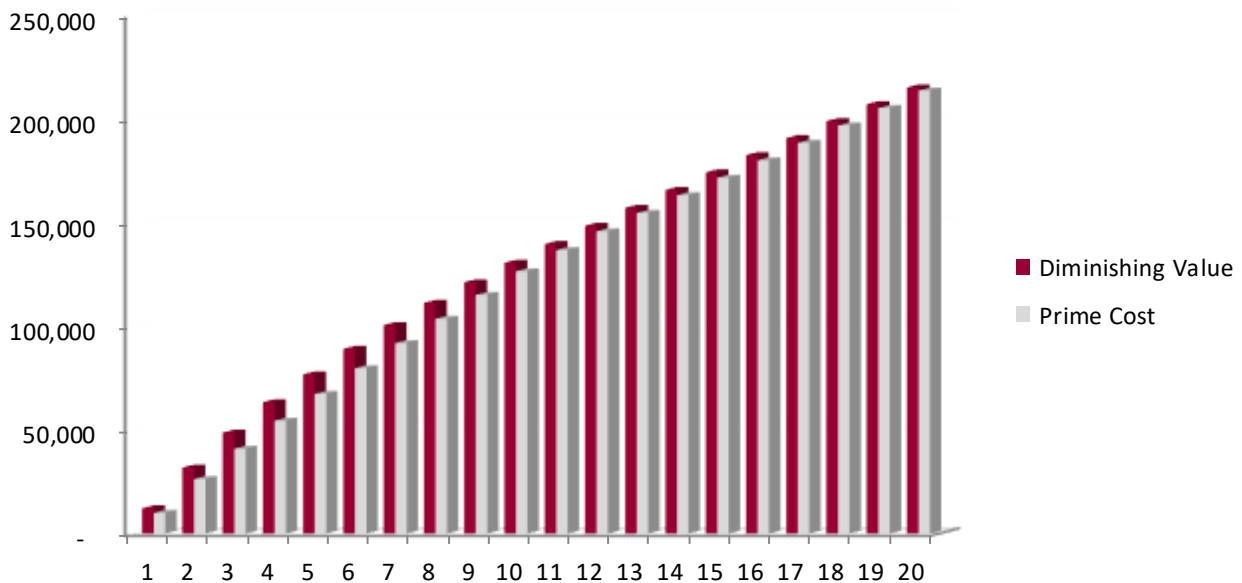
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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 March 2016
Settlement Date	14 December 2018

Expenditure Analysed

Purchase Price	\$640,000
Stamp Duty	\$21,850
Legals	\$1,210
Total Expenditure Analysed	\$663,060

Historical Construction Details

Construction Start Date	20 September 2017
Construction Completion Date	14 November 2018
Historical Construction Cost (Estimated)*	\$351,309

9. Reconciliation of Capital Expenditure

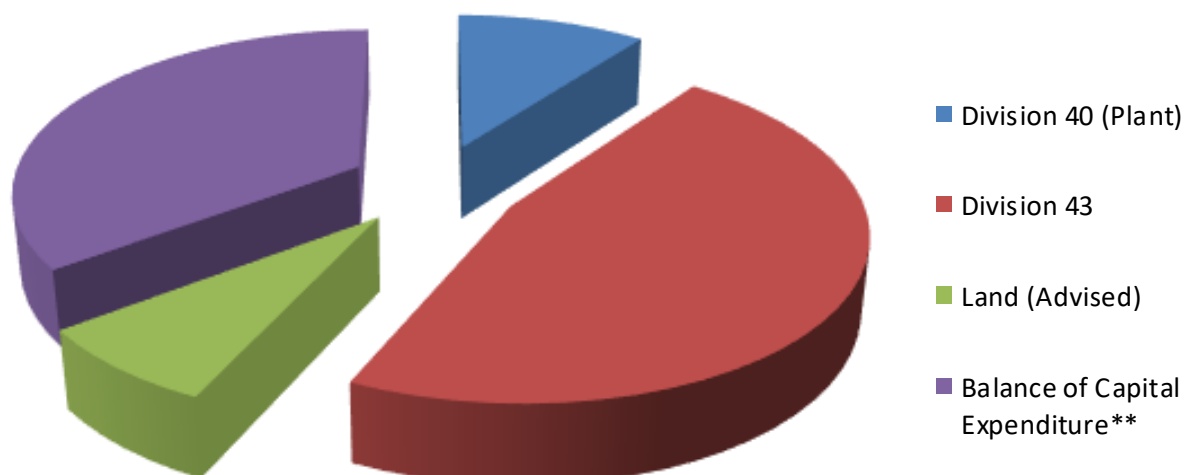
Apportionment of cost relating to:

Division 40 (Plant)	\$68,403
Division 43	\$309,168
Land (Advised)	\$51,707
Balance of Capital Expenditure**	\$233,782
Total Expenditure Analysed	\$663,060

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%	14-Dec-18	13,879	1,506	2,475	1,980	1,584	1,267	1,014	811	649	519	415
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Dec-18	1,051	197	320	200	125	78	49	31	19	12	7
Blinds Residential													
Blinds Residential	20.00%	14-Dec-18	2,221	241	396	317	253	203	304	190	119	74	46
Blinds Residential	18.75%	14-Dec-18	1,291	242	393	246	154	96	60	38	23	15	9
Computer systems													
Building management system	40.00%	14-Dec-18	382	83	112	70	44	27	17	11	7	4	3
Door closers													
Door closers	18.75%	14-Dec-18	604	113	184	115	72	45	28	18	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Dec-18	1,539	289	469	293	183	115	72	45	28	17	11
Detection & alarm systems, fire indicator panel	16.67%	14-Dec-18	478	43	163	102	64	40	25	16	10	6	4
Emergency warning & intercommunication system	16.67%	14-Dec-18	1,168	106	177	332	207	130	81	51	32	20	12
Hoses and nozzles	20.00%	14-Dec-18	1,308	142	233	350	219	137	85	53	33	21	13
Stair pressurisation & extraction fans	10.00%	14-Dec-18	1,434	78	136	122	110	371	232	145	91	57	35
Floor coverings (removable without damage)													
Carpets	20.00%	14-Dec-18	2,963	321	528	423	338	270	216	325	203	127	79
Furniture													
Furniture	15.00%	14-Dec-18	2,523	205	348	296	251	214	182	154	328	205	128
Furniture	18.75%	14-Dec-18	1,602	300	488	305	191	119	74	47	29	18	11
Garbage disposal													
Garbage chutes	18.75%	14-Dec-18	683	128	208	130	81	51	32	20	12	8	5
Hot water systems (excluding piping)													
Gas or electric	18.75%	14-Dec-18	688	129	210	131	82	51	32	20	12	8	5
Kitchen assets													
Cooktops	16.67%	14-Dec-18	1,787	162	271	226	188	353	221	138	86	54	34
Dishwashers	20.00%	14-Dec-18	2,523	274	450	360	288	230	346	216	135	84	53
Ovens	16.67%	14-Dec-18	2,313	209	351	292	244	203	169	317	198	124	77
Rangehoods	18.75%	14-Dec-18	946	177	288	180	113	70	44	27	17	11	7
Laundry assets													
Clothes dryers	18.75%	14-Dec-18	946	177	288	180	113	70	44	27	17	11	7
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	14-Dec-18	17,396	629	1,118	1,043	974	909	848	792	739	690	644
Lights													
Shades, removable	18.75%	14-Dec-18	3,838	720	1,169	731	457	285	178	112	70	44	27
Carried forward			63,566	6,472	10,776	8,423	6,333	5,334	4,352	3,601	2,868	2,134	1,637

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			63,566	6,472	10,776	8,423	6,333	5,334	4,352	3,601	2,868	2,134	1,637
MATV - amplifiers & modulators	18.75%	14-Dec-18	526	99	160	100	63	39	24	15	10	6	4
Security systems & equipment													
Electronic	30.00%	14-Dec-18	2,235	364	561	393	344	215	134	84	52	33	20
Ventilating plant													
Ventilation plant - fans only	18.75%	14-Dec-18	1,204	226	367	229	143	90	56	35	22	14	9
\$300 items	100.00%	14-Dec-18	873	873									
Pooled Plant Total				2,798	4,821	3,695	2,653	2,382	2,138	1,978	1,564	978	611
Effective Life Plant Total				5,234	7,043	5,451	4,230	3,296	2,429	1,757	1,388	1,209	1,059
Total Division 40			68,403	8,032	11,864	9,146	6,883	5,678	4,567	3,735	2,952	2,186	1,670
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 2018	2.50%	14-Dec-18	301,995	4,104	7,565	7,565	7,565	7,565	7,565	7,565	7,565	7,565	7,565
Structural Improvements - Completed 2018	2.50%	14-Dec-18	7,173	98	180	180	180	180	180	180	180	180	180
Total Division 43			309,168	4,202	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745
Total Depreciation			377,571	12,234	19,609	16,891	14,628	13,423	12,312	11,480	10,697	9,931	9,415

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%	14-Dec-18	13,879	753	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	14-Dec-18	1,051	197	320	200	125	78	49	31	19	12	7	
Blinds Residential														
Blinds Residential	10.00%	14-Dec-18	2,221	120	222	222	222	222	222	222	222	222	222	
Blinds Residential	18.75%	14-Dec-18	1,291	242	393	246	154	96	60	38	23	15	9	
Computer systems														
Building management system	20.00%	14-Dec-18	382	41	76	76	76	76	37					
Door closers														
Door closers	18.75%	14-Dec-18	604	113	184	115	72	45	28	18	11	7	4	
Fire control assets														
Detection & alarm systems, detectors	18.75%	14-Dec-18	1,539	289	469	293	183	115	72	45	28	17	11	
Detection & alarm systems, fire indicator panel	8.33%	14-Dec-18	478	22	40	40	40	40	40	40	40	40	40	
Emergency warning & intercommunication system	8.33%	14-Dec-18	1,168	53	97	97	97	97	97	97	97	97	97	
Hoses and nozzles	10.00%	14-Dec-18	1,308	71	131	131	131	131	131	131	131	131	131	
Stair pressurisation & extraction fans	5.00%	14-Dec-18	1,434	39	72	72	72	72	72	72	72	72	72	
Floor coverings (removable without damage)														
Carpets	10.00%	14-Dec-18	2,963	161	296	296	296	296	296	296	296	296	296	
Furniture														
Furniture	7.50%	14-Dec-18	2,523	103	189	189	189	189	189	189	189	189	189	
Furniture	18.75%	14-Dec-18	1,602	300	488	305	191	119	74	47	29	18	11	
Garbage disposal														
Garbage chutes	18.75%	14-Dec-18	683	128	208	130	81	51	32	20	12	8	5	
Hot water systems (excluding piping)														
Gas or electric	18.75%	14-Dec-18	688	129	210	131	82	51	32	20	12	8	5	
Kitchen assets														
Cooktops	8.33%	14-Dec-18	1,787	81	149	149	149	149	149	149	149	149	149	
Dishwashers	10.00%	14-Dec-18	2,523	137	252	252	252	252	252	252	252	252	252	
Ovens	8.33%	14-Dec-18	2,313	105	193	193	193	193	193	193	193	193	193	
Rangehoods	18.75%	14-Dec-18	946	177	288	180	113	70	44	27	17	11	7	
Laundry assets														
Clothes dryers	18.75%	14-Dec-18	946	177	288	180	113	70	44	27	17	11	7	
Lifts (including hydraulic & tractions lifts)														
Lifts (including hydraulic & tractions lifts)	3.33%	14-Dec-18	17,396	315	580	580	580	580	580	580	580	580	580	
Lights														
Shades, removable	18.75%	14-Dec-18	3,838	720	1,169	731	457	285	178	112	70	44	27	
Carried forward			63,566	4,472	7,704	6,197	5,255	4,666	4,259	3,992	3,849	3,759	3,703	

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			63,566	4,472	7,704	6,197	5,255	4,666	4,259	3,992	3,849	3,759	3,703
MATV - amplifiers & modulators	18.75%	14-Dec-18	526	99	160	100	63	39	24	15	10	6	4	
Security systems & equipment														
Electronic	15.00%	14-Dec-18	2,235	182	335	335	335	335	335	335	335	43		
Ventilating plant														
Ventilation plant - fans only	18.75%	14-Dec-18	1,204	226	367	229	143	90	56	35	22	14	9	
\$300 items	100.00%	14-Dec-18	873	873										
Pooled Plant Total					2,798	4,546	2,841	1,776	1,110	694	434	271	169	106
Effective Life Plant Total					3,053	4,020	4,020	4,020	4,020	3,981	3,944	3,652	3,609	3,609
Total Division 40				68,403	5,851	8,566	6,861	5,796	5,130	4,675	4,378	3,923	3,778	3,715
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 2018	2.50%	14-Dec-18	301,995	4,104	7,565	7,565	7,565	7,565	7,565	7,565	7,565	7,565	7,565	7,565
Structural Improvements - Completed 2018	2.50%	14-Dec-18	7,173	98	180	180	180	180	180	180	180	180	180	180
Total Division 43			309,168	4,202	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745
Total Depreciation			377,571	10,053	16,311	14,606	13,541	12,875	12,420	12,123	11,668	11,523	11,460	

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	20 Sep 17 to 14 Nov 18	302,617	2.50%	7,565	301,995
Sub-total		302,617		7,565	301,995

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2018	20 Sep 17 to 14 Nov 18	7,188	2.50%	180	7,173
Sub-total		7,188		180	7,173
Totals		309,805		7,745	309,168

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.