



Tax Depreciation Report

3 Doran Pl,
Willetton WA 6155

Lin Zhu
28 St Claire Gardens
ATWELL, WA 6164

Issue Schedule	
Issue Date:	Issued by:
24 September 2019	Mark Kilroy Bsc (Hons) MRICS

Lin Zhu
28 St Claire Gardens
ATWELL, WA 6164

September 2019
Job No: RES6155005

Tax Depreciation Report – 3 Doran Pl, Willetton WA 6155

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 September 2019

Purchaser

Lin Zhu

Property Address

3 Doran Pl, Willetton WA 6155

Real Property Description

LOT 2 S032577

Property Type

Residential House

Date of Construction

30 November 1993

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	Original Assets ** - Non-Eligible			Division 43	Grand Total
		Effective Life	Pooled Plant	Total Div 40		
1	30 August 19 to 30 June 20	5,442	1,536	6,978	2,529	2,529
2	1 July 20 to 30 June 21	4,118	3,176	7,294	3,034	3,034
3	1 July 21 to 30 June 22	2,684	2,629	5,313	3,034	3,034
4	1 July 22 to 30 June 23	1,662	2,635	4,297	3,034	3,034
5	1 July 23 to 30 June 24	1,336	1,647	2,983	3,034	3,034
6	1 July 24 to 30 June 25	933	1,348	2,281	3,034	3,034
7	1 July 25 to 30 June 26	746	843	1,589	3,034	3,034
8	1 July 26 to 30 June 27	227	1,221	1,448	3,034	3,034
9	1 July 27 to 30 June 28	0	1,103	1,103	3,034	3,034
10	1 July 28 to 30 June 29	0	690	690	3,034	3,034
11	1 July 29 to 30 June 30	0	431	431	3,034	3,034
12	1 July 30 to 30 June 31	0	269	269	3,034	3,034
13	1 July 31 to 30 June 32	0	168	168	3,034	3,034
14	1 July 32 to 30 June 33	0	105	105	3,034	3,034
15	1 July 33 to 30 June 34	0	66	66	2,542	2,542
16	1 July 34 to 30 June 35	0	41	41	2,220	2,220
17	1 July 35 to 30 June 36	0	26	26	2,220	2,220
18	1 July 36 to 30 June 37	0	16	16	2,220	2,220
19	1 July 37 to 30 June 38	0	10	10	2,220	2,220
20	1 July 38 to 30 June 39	0	6	6	2,220	2,220
21	1 July 39 to 30 June 40	0	4	4	2,220	2,220
22	1 July 40 to 30 June 41	0	2	2	2,220	2,220
23	1 July 41 to 30 June 42	0	2	2	2,220	2,220
24	1 July 42 to 30 June 43	0	1	1	2,220	2,220
25	1 July 43 to 30 June 44	0	1	1	2,220	2,220
26	1 July 44 to 30 June 45	0	0	0	1,789	1,789
27	1 July 45 to 30 June 46	0	0	0	1,741	1,741
28	1 July 46 to 30 June 47	0	0	0	1,741	1,741
29	1 July 47 to 30 June 48	0	0	0	1,741	1,741
30	1 July 48 to 30 June 49	0	0	0	1,741	1,741
31	1 July 49 to 30 June 50	0	0	0	1,741	1,741
32	1 July 50 to 30 June 51	0	0	0	1,741	1,741
33	1 July 51 to 30 June 52	0	0	0	1,741	1,741
34	1 July 52 to 30 June 53	0	0	0	1,741	1,741
35	1 July 53 to 30 June 54	0	0	0	1,741	1,741
36	1 July 54 to 30 June 55	0	0	0	1,334	1,334
37	1 July 55 to 30 June 56	0	0	0	729	729
38	1 July 56 to 30 June 57	0	0	0	729	729
39	1 July 57 to 30 June 58	0	0	0	729	729
40	2058+	0	0	0	711	711
Totals		17,148	17,978	35,126	88,403	88,403

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	Original Assets ** - Non-Eligible			Division 43	Grand Total
		Effective Life	Pooled Plant	Total Div 40		
1	30 August 19 to 30 June 20	3,082	1,536	4,618	2,529	2,529
2	1 July 20 to 30 June 21	2,833	2,495	5,328	3,034	3,034
3	1 July 21 to 30 June 22	2,833	1,559	4,392	3,034	3,034
4	1 July 22 to 30 June 23	2,833	975	3,808	3,034	3,034
5	1 July 23 to 30 June 24	2,833	609	3,442	3,034	3,034
6	1 July 24 to 30 June 25	2,478	381	2,859	3,034	3,034
7	1 July 25 to 30 June 26	2,247	238	2,485	3,034	3,034
8	1 July 26 to 30 June 27	2,218	149	2,367	3,034	3,034
9	1 July 27 to 30 June 28	2,218	93	2,311	3,034	3,034
10	1 July 28 to 30 June 29	2,218	58	2,276	3,034	3,034
11	1 July 29 to 30 June 30	689	36	725	3,034	3,034
12	1 July 30 to 30 June 31	393	23	416	3,034	3,034
13	1 July 31 to 30 June 32	60	14	75	3,034	3,034
14	1 July 32 to 30 June 33	0	9	9	3,034	3,034
15	1 July 33 to 30 June 34	0	6	6	2,542	2,542
16	1 July 34 to 30 June 35	0	3	3	2,220	2,220
17	1 July 35 to 30 June 36	0	2	2	2,220	2,220
18	1 July 36 to 30 June 37	0	1	1	2,220	2,220
19	1 July 37 to 30 June 38	0	1	1	2,220	2,220
20	1 July 38 to 30 June 39	0	1	1	2,220	2,220
21	1 July 39 to 30 June 40	0	0	0	2,220	2,220
22	1 July 40 to 30 June 41	0	0	0	2,220	2,220
23	1 July 41 to 30 June 42	0	0	0	2,220	2,220
24	1 July 42 to 30 June 43	0	0	0	2,220	2,220
25	1 July 43 to 30 June 44	0	0	0	2,220	2,220
26	1 July 44 to 30 June 45	0	0	0	1,789	1,789
27	1 July 45 to 30 June 46	0	0	0	1,741	1,741
28	1 July 46 to 30 June 47	0	0	0	1,741	1,741
29	1 July 47 to 30 June 48	0	0	0	1,741	1,741
30	1 July 48 to 30 June 49	0	0	0	1,741	1,741
31	1 July 49 to 30 June 50	0	0	0	1,741	1,741
32	1 July 50 to 30 June 51	0	0	0	1,741	1,741
33	1 July 51 to 30 June 52	0	0	0	1,741	1,741
34	1 July 52 to 30 June 53	0	0	0	1,741	1,741
35	1 July 53 to 30 June 54	0	0	0	1,741	1,741
36	1 July 54 to 30 June 55	0	0	0	1,334	1,334
37	1 July 55 to 30 June 56	0	0	0	729	729
38	1 July 56 to 30 June 57	0	0	0	729	729
39	1 July 57 to 30 June 58	0	0	0	729	729
40	2058+	0	0	0	711	711
Totals		26,936	8,190	35,126	88,403	88,403

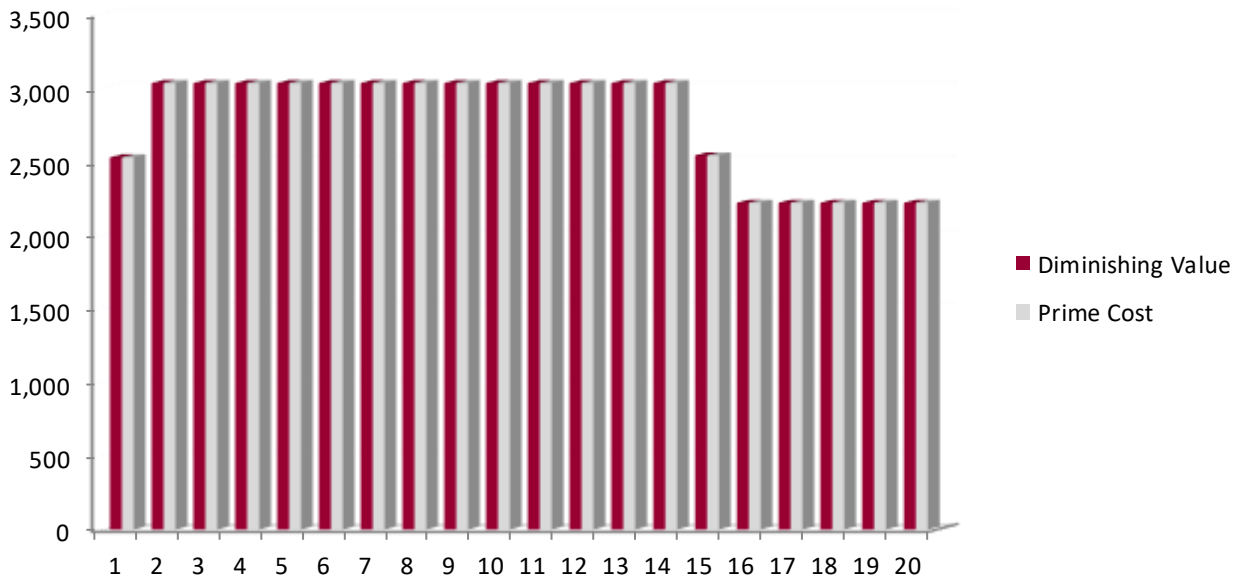
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

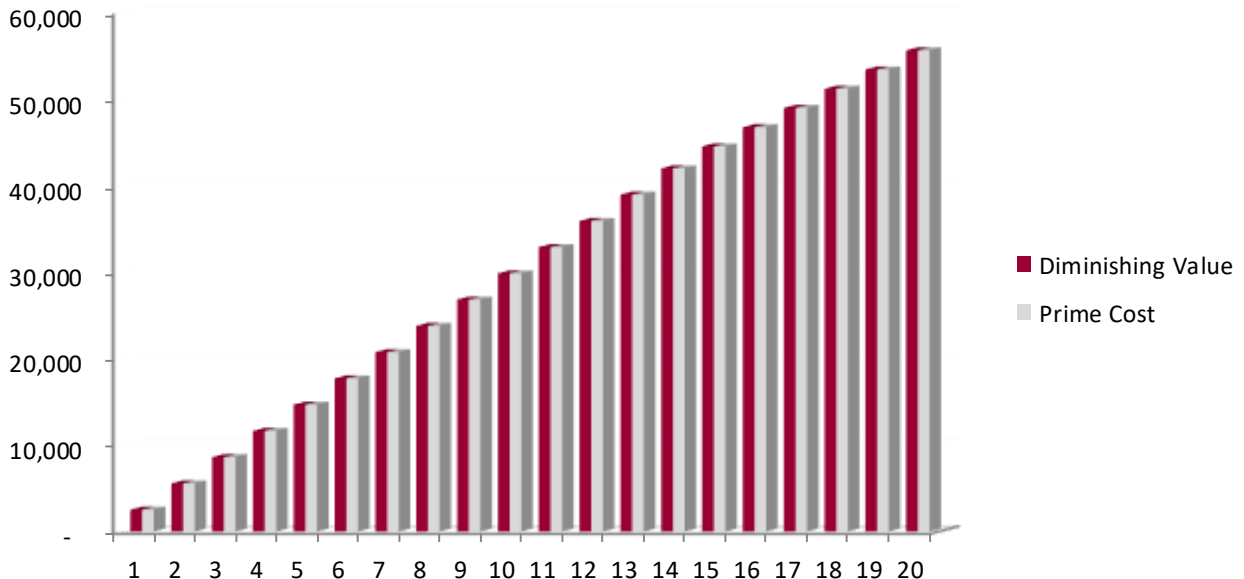
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	31 July 2019
Settlement Date	30 August 2019

Expenditure Analysed

Purchase Price	\$450,000
Legals	\$799
Total Expenditure Analysed	\$450,799

Historical Construction Details

Construction Start Date	3 June 1993
Construction Completion Date	30 November 1993
Historical Construction Cost (Estimated)*	\$85,922

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

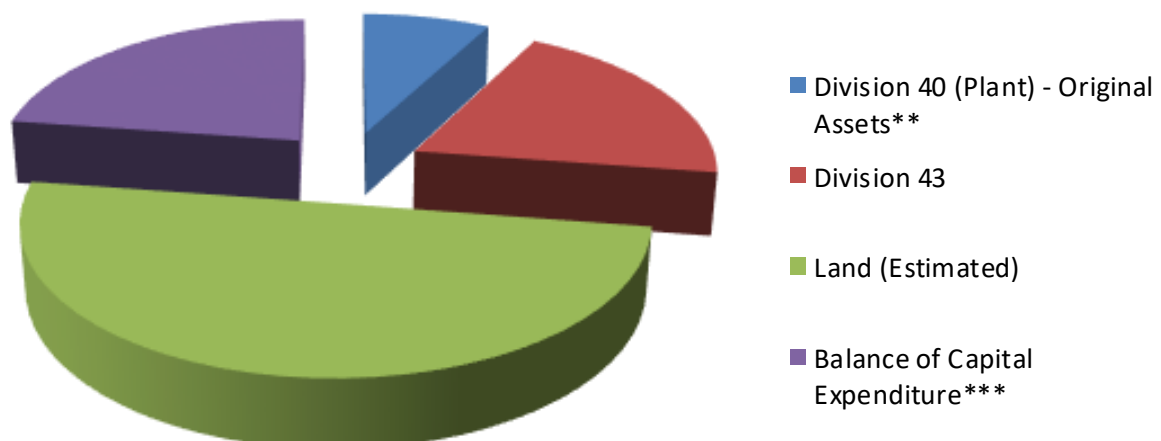
Division 40 (Plant) - Original Assets**	\$35,126
Division 43	\$88,403
Land (Estimated)	\$225,000
Balance of Capital Expenditure***	\$102,270
Total Expenditure Analysed	\$450,799

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

** Division 40 (Plant) - Original Assets has been excluded as the property was purchased post 9 May 2017 or as the property was available for rent after 1 July 2017

*** 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	Diminishing	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	Value Rate												
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	30-Aug-19	4,096	683	683	546	437	350	280	224	336	210	131
Evaporative	20.00%	30-Aug-19	5,188	865	865	692	553	443	354	283	227	340	213
Blinds Residential													
	18.75%	30-Aug-19	3,244	608	988	618	386	241	151	94	59	37	23
Curtains and drapes													
	33.33%	30-Aug-19	1,131	314	306	192	120	75	47	29	18	11	7
	18.75%	30-Aug-19	440	82	134	84	52	33	20	13	8	5	3
Floor coverings (removable without damage)													
Carpets	20.00%	30-Aug-19	4,382	730	730	584	467	374	299	239	359	224	140
Furniture													
	18.75%	30-Aug-19	3,823	717	1,165	728	455	284	178	111	69	43	27
Garage doors, automatic													
Motors	20.00%	30-Aug-19	1,638	273	273	218	328	205	128	80	50	31	20
Garden sheds, freestanding													
	18.75%	30-Aug-19	683	128	208	130	81	51	32	20	12	8	5
Hot water systems (excluding piping)													
Gas or electric	16.67%	30-Aug-19	2,048	284	294	245	204	170	319	199	125	78	49
Kitchen assets													
Cooktops	16.67%	30-Aug-19	1,161	161	375	234	146	91	57	36	22	14	9
Dishwashers	20.00%	30-Aug-19	1,638	273	273	218	328	205	128	80	50	31	20
Ovens	16.67%	30-Aug-19	1,502	209	216	180	337	210	132	82	51	32	20
Lights													
Fittings (excluding hardwired)	40.00%	30-Aug-19	2,130	710	568	319	200	125	78	49	30	19	12
Televisions													
	20.00%	30-Aug-19	1,297	216	216	324	203	127	79	49	31	19	12
\$300 items													
	100.00%	30-Aug-19	724	724									
Pooled Plant Total				1,536	3,176	2,629	2,635	1,647	1,348	843	1,221	1,103	690
Effective Life Plant Total				5,442	4,118	2,684	1,662	1,336	933	746	227		
Total Division 40			35,126	6,978	7,294	5,313	4,297	2,983	2,281	1,589	1,448	1,103	690
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1993	2.50%	30-Aug-19	8,797	515	618	618	618	618	618	618	618	618	618
Building Works - Completed 2004	2.50%	30-Aug-19	9,797	328	393	393	393	393	393	393	393	393	393
Building Works - Completed 2015	2.50%	30-Aug-19	32,484	764	917	917	917	917	917	917	917	917	917
Building Works - Completed 2019	2.50%	30-Aug-19	23,435	491	589	589	589	589	589	589	589	589	589
Structural Improvements - Completed 1993	2.50%	30-Aug-19	2,785	163	196	196	196	196	196	196	196	196	196
Structural Improvements - Completed 2004	2.50%	30-Aug-19	2,147	72	86	86	86	86	86	86	86	86	86
Structural Improvements - Completed 2015	2.50%	30-Aug-19	3,372	79	95	95	95	95	95	95	95	95	95
Structural Improvements - Completed 2019	2.50%	30-Aug-19	5,586	117	140	140	140	140	140	140	140	140	140
Total Division 43			88,403	2,529	3,034	3,034	3,034	3,034	3,034	3,034	3,034	3,034	3,034
Total Depreciation			123,529	9,507	10,328	8,347	7,331	6,017	5,315	4,623	4,482	4,137	3,724

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-Aug-19	4,096	341	410	410	410	410	410	410	410	410	410	
Eva porative	10.00%	30-Aug-19	5,188	432	519	519	519	519	519	519	519	519	519	
Blinds Residential	18.75%	30-Aug-19	3,244	608	988	618	386	241	151	94	59	37	23	
Curtains and drapes	16.67%	30-Aug-19	1,131	157	189	189	189	189	189	29				
Curtains and drapes	18.75%	30-Aug-19	440	82	134	84	52	33	20	13	8	5	3	
Floor coverings (removable without damage)														
Carpets	10.00%	30-Aug-19	4,382	365	438	438	438	438	438	438	438	438	438	
Furniture	18.75%	30-Aug-19	3,823	717	1,165	728	455	284	178	111	69	43	27	
Garage doors, automatic														
Motors	10.00%	30-Aug-19	1,638	137	164	164	164	164	164	164	164	164	164	
Garden sheds, freestanding	18.75%	30-Aug-19	683	128	208	130	81	51	32	20	12	8	5	
Hot water systems (excluding piping)														
Gas or electric	8.33%	30-Aug-19	2,048	142	171	171	171	171	171	171	171	171	171	
Kitchen assets														
Cooktops	8.33%	30-Aug-19	1,161	81	97	97	97	97	97	97	97	97	97	
Dishwashers	10.00%	30-Aug-19	1,638	137	164	164	164	164	164	164	164	164	164	
Ovens	8.33%	30-Aug-19	1,502	104	125	125	125	125	125	125	125	125	125	
Lights														
Fittings (excluding hardwired)	20.00%	30-Aug-19	2,130	355	426	426	426	426	71					
Televisions	10.00%	30-Aug-19	1,297	108	130	130	130	130	130	130	130	130	130	
\$300 items	100.00%	30-Aug-19	724	724										
Pooled Plant Total				1,536	2,495	1,559	975	609	381	238	149	93	58	
Effective Life Plant Total				3,082	2,833	2,833	2,833	2,833	2,478	2,247	2,218	2,218	2,218	
Total Division 40			35,126	4,618	5,328	4,392	3,808	3,442	2,859	2,485	2,367	2,311	2,276	
Division 43 - Capital Works Allowance														
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	
Building Works - Completed 1993	2.50%	30-Aug-19	8,797	515	618	618	618	618	618	618	618	618	618	
Building Works - Completed 2004	2.50%	30-Aug-19	9,797	328	393	393	393	393	393	393	393	393	393	
Building Works - Completed 2015	2.50%	30-Aug-19	32,484	764	917	917	917	917	917	917	917	917	917	
Building Works - Completed 2019	2.50%	30-Aug-19	23,435	491	589	589	589	589	589	589	589	589	589	
Structural Improvements - Completed 1993	2.50%	30-Aug-19	2,785	163	196	196	196	196	196	196	196	196	196	
Structural Improvements - Completed 2004	2.50%	30-Aug-19	2,147	72	86	86	86	86	86	86	86	86	86	
Structural Improvements - Completed 2015	2.50%	30-Aug-19	3,372	79	95	95	95	95	95	95	95	95	95	
Structural Improvements - Completed 2019	2.50%	30-Aug-19	5,586	117	140	140	140	140	140	140	140	140	140	
Total Division 43			88,403	2,529	3,034	3,034	3,034	3,034	3,034	3,034	3,034	3,034	3,034	
Total Depreciation			123,529	7,147	8,362	7,426	6,842	6,476	5,893	5,519	5,401	5,345	5,310	

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 1993	3 Jun 93 to 30 Nov 93	24,719	2.50%	618	8,797
Building Works - Completed 2004	4 Aug 04 to 9 Aug 04	15,716	2.50%	393	9,797
Building Works - Completed 2015	31 Jan 15 to 5 Feb 15	36,671	2.50%	917	32,484
Building Works - Completed 2019	31 May 19 to 5 Jun 19	23,574	2.50%	589	23,435

Sub-total 100,679 2,517 74,513

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	3 Jun 93 to 30 Nov 93	7,826	2.50%	196	2,785
Structural Improvements - Completed 2004	4 Aug 04 to 9 Aug 04	3,444	2.50%	86	2,147
Structural Improvements - Completed 2015	31 Jan 15 to 5 Feb 15	3,806	2.50%	95	3,372
Structural Improvements - Completed 2019	31 May 19 to 5 Jun 19	5,619	2.50%	140	5,586

Sub-total 20,695 517 13,890

Totals 121,375 3,034 88,403

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.