



# Tax Depreciation Report

1 Sirius Place,  
Riverwood NSW 2210

Adrian Tai Man Ho  
7A Tourmay Street  
PEAKHURST , NSW 2210

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

Adrian Tai Man Ho  
7A Tourmay Street  
PEAKHURST , NSW 2210

September 2019  
Job No: RES2210001

### **Tax Depreciation Report – 1 Sirius Place, Riverwood NSW 2210**

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

26 September 2019

### Purchaser

Adrian Tai Man Ho

### Property Address

1 Sirius Place, Riverwood NSW 2210

### Real Property Description

LOT 1 DP228467

### Property Type

Residential House

### Date of Construction

Pre 1985

### Date Available To Generate Income

21 March 2019

### 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"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>					<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example					Calculation Example				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></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><b>100 / 10 Years = 10% (Straight Line)</b></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	Division 40 - Capital Allowance (Non-eligible)			Division 40 - Capital Allowance (Eligible)			Division 43 Capital Works	Eligible Total
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40		
1	30 November 11 to 30 June 12	2,946	0	2,946	0	0	0	889	889
2	1 July 12 to 30 June 13	8,528	0	8,528	0	0	0	2,295	2,295
3	1 July 13 to 30 June 14	3,083	0	3,083	0	0	0	2,381	2,381
4	1 July 14 to 30 June 15	2,395	0	2,395	0	0	0	2,382	2,382
5	1 July 15 to 30 June 16	1,884	0	1,884	0	0	0	2,382	2,382
6	1 July 16 to 30 June 17	1,498	0	1,498	0	0	0	2,382	2,382
7	1 July 17 to 30 June 18	1,201	0	1,201	181	0	181	2,382	2,563
8	1 July 18 to 30 June 19	224	1,638	1,862	0	364	364	2,390	2,754
9	1 July 19 to 30 June 20	194	876	1,070	0	227	227	2,398	2,625
10	1 July 20 to 30 June 21	168	547	716	0	142	142	2,398	2,540
11	1 July 21 to 30 June 22	146	342	488	0	89	89	2,398	2,487
12	1 July 22 to 30 June 23	0	570	570	0	55	55	2,398	2,453
13	1 July 23 to 30 June 24	0	355	355	0	35	35	2,398	2,433
14	1 July 24 to 30 June 25	0	222	222	0	22	22	2,398	2,420
15	1 July 25 to 30 June 26	0	138	138	0	14	14	2,398	2,412
16	1 July 26 to 30 June 27	0	87	87	0	8	8	2,398	2,406
17	1 July 27 to 30 June 28	0	55	55	0	5	5	2,398	2,403
18	1 July 28 to 30 June 29	0	34	34	0	3	3	2,398	2,401
19	1 July 29 to 30 June 30	0	21	21	0	2	2	2,398	2,400
20	1 July 30 to 30 June 31	0	14	14	0	1	1	2,398	2,399
21	1 July 31 to 30 June 32	0	8	8	0	1	1	2,398	2,399
22	1 July 32 to 30 June 33	0	5	5	0	1	1	2,398	2,399
23	1 July 33 to 30 June 34	0	4	4	0	0	0	2,398	2,398
24	1 July 34 to 30 June 35	0	2	2	0	0	0	2,312	2,312
25	1 July 35 to 30 June 36	0	1	1	0	0	0	2,011	2,011
26	1 July 36 to 30 June 37	0	1	1	0	0	0	2,011	2,011
27	1 July 37 to 30 June 38	0	1	1	0	0	0	2,011	2,011
28	1 July 38 to 30 June 39	0	0	0	0	0	0	2,011	2,011
29	1 July 39 to 30 June 40	0	0	0	0	0	0	2,011	2,011
30	1 July 40 to 30 June 41	0	0	0	0	0	0	1,926	1,926
31	1 July 41 to 30 June 42	0	0	0	0	0	0	1,572	1,572
32	1 July 42 to 30 June 43	0	0	0	0	0	0	1,572	1,572
33	1 July 43 to 30 June 44	0	0	0	0	0	0	1,572	1,572
34	1 July 44 to 30 June 45	0	0	0	0	0	0	1,572	1,572
35	1 July 45 to 30 June 46	0	0	0	0	0	0	1,572	1,572
36	1 July 46 to 30 June 47	0	0	0	0	0	0	1,572	1,572
37	1 July 47 to 30 June 48	0	0	0	0	0	0	1,544	1,544
38	1 July 48 to 30 June 49	0	0	0	0	0	0	1,428	1,428
39	1 July 49 to 30 June 50	0	0	0	0	0	0	869	869
40	2050+	0	0	0	0	0	0	1,920	1,920
<b>Totals</b>		<b>22,267</b>	<b>4,922</b>	<b>27,189</b>	<b>181</b>	<b>969</b>	<b>1,150</b>	<b>82,939</b>	<b>84,089</b>

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	Division 40 - Capital Allowance (Non-eligible)			Division 40 - Capital Allowance (Eligible)			Division 43	Eligible
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40	Capital Works	Total
1	30 November 11 to 30 June 12	1,473	0	1,473	0	0	0	889	889
2	1 July 12 to 30 June 13	7,073	0	7,073	0	0	0	2,295	2,295
3	1 July 13 to 30 June 14	2,317	0	2,317	0	0	0	2,381	2,381
4	1 July 14 to 30 June 15	2,317	0	2,317	0	0	0	2,382	2,382
5	1 July 15 to 30 June 16	2,317	0	2,317	0	0	0	2,382	2,382
6	1 July 16 to 30 June 17	2,152	0	2,152	0	0	0	2,382	2,382
7	1 July 17 to 30 June 18	1,708	0	1,708	91	0	91	2,382	2,473
8	1 July 18 to 30 June 19	1,477	0	1,477	151	0	151	2,390	2,541
9	1 July 19 to 30 June 20	1,477	0	1,477	183	0	183	2,398	2,581
10	1 July 20 to 30 June 21	1,477	0	1,477	183	0	183	2,398	2,581
11	1 July 21 to 30 June 22	1,083	0	1,083	183	0	183	2,398	2,581
12	1 July 22 to 30 June 23	764	0	764	183	0	183	2,398	2,581
13	1 July 23 to 30 June 24	561	0	561	153	0	153	2,398	2,551
14	1 July 24 to 30 June 25	431	0	431	23	0	23	2,398	2,421
15	1 July 25 to 30 June 26	350	0	350	0	0	0	2,398	2,398
16	1 July 26 to 30 June 27	142	0	142	0	0	0	2,398	2,398
17	1 July 27 to 30 June 28	17	0	17	0	0	0	2,398	2,398
18	1 July 28 to 30 June 29	17	0	17	0	0	0	2,398	2,398
19	1 July 29 to 30 June 30	17	0	17	0	0	0	2,398	2,398
20	1 July 30 to 30 June 31	17	0	17	0	0	0	2,398	2,398
21	1 July 31 to 30 June 32	1	0	1	0	0	0	2,398	2,398
22	1 July 32 to 30 June 33	0	0	0	0	0	0	2,398	2,398
23	1 July 33 to 30 June 34	0	0	0	0	0	0	2,398	2,398
24	1 July 34 to 30 June 35	0	0	0	0	0	0	2,312	2,312
25	1 July 35 to 30 June 36	0	0	0	0	0	0	2,011	2,011
26	1 July 36 to 30 June 37	0	0	0	0	0	0	2,011	2,011
27	1 July 37 to 30 June 38	0	0	0	0	0	0	2,011	2,011
28	1 July 38 to 30 June 39	0	0	0	0	0	0	2,011	2,011
29	1 July 39 to 30 June 40	0	0	0	0	0	0	2,011	2,011
30	1 July 40 to 30 June 41	0	0	0	0	0	0	1,926	1,926
31	1 July 41 to 30 June 42	0	0	0	0	0	0	1,572	1,572
32	1 July 42 to 30 June 43	0	0	0	0	0	0	1,572	1,572
33	1 July 43 to 30 June 44	0	0	0	0	0	0	1,572	1,572
34	1 July 44 to 30 June 45	0	0	0	0	0	0	1,572	1,572
35	1 July 45 to 30 June 46	0	0	0	0	0	0	1,572	1,572
36	1 July 46 to 30 June 47	0	0	0	0	0	0	1,572	1,572
37	1 July 47 to 30 June 48	0	0	0	0	0	0	1,544	1,544
38	1 July 48 to 30 June 49	0	0	0	0	0	0	1,428	1,428
39	1 July 49 to 30 June 50	0	0	0	0	0	0	869	869
40	2050+	0	0	0	0	0	0	1,920	1,920
<b>Totals</b>		<b>27,189</b>	<b>0</b>	<b>27,189</b>	<b>1,150</b>	<b>0</b>	<b>1,150</b>	<b>82,939</b>	<b>84,089</b>

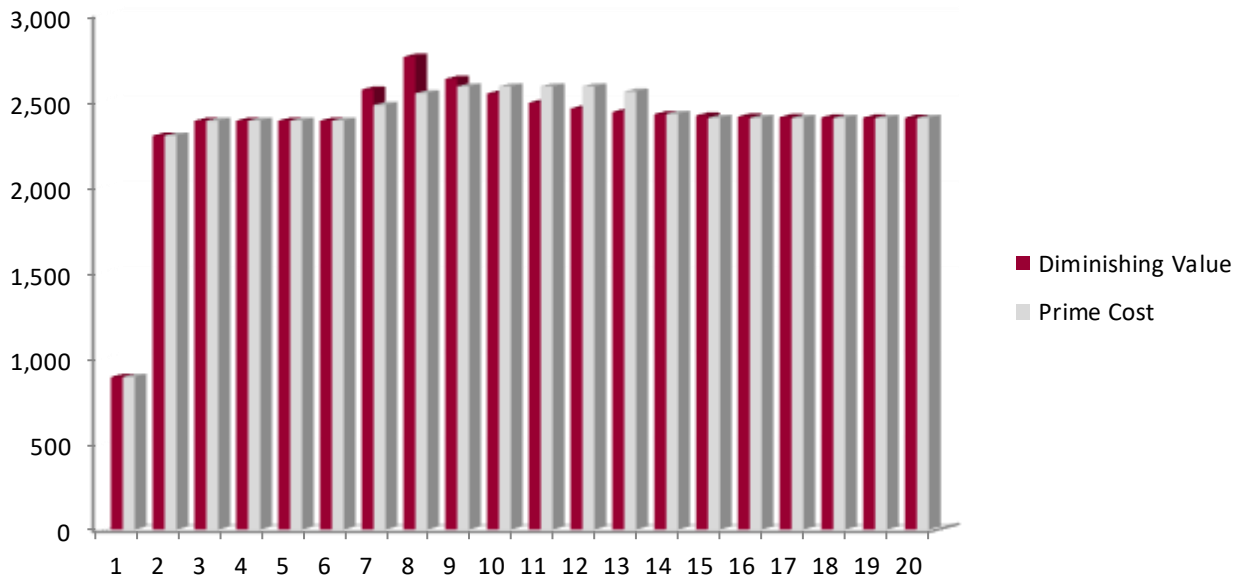
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

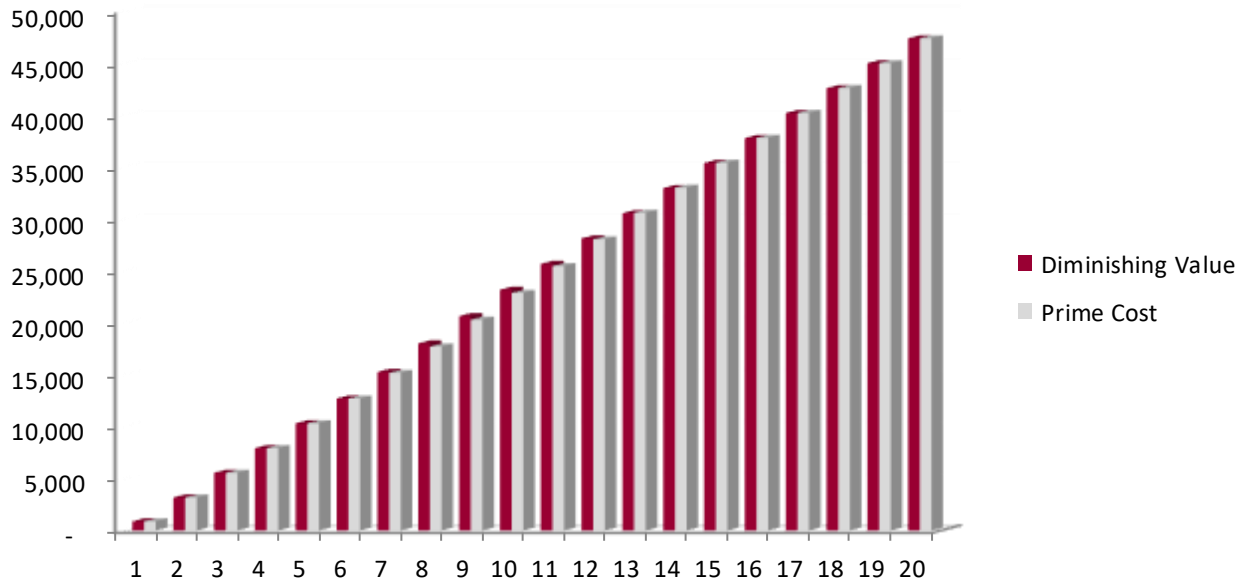
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	14 October 2011
Settlement Date	30 November 2011
Available To Generate Income	21 March 2019

### Expenditure Analysed

Purchase Price	\$500,880
Stamp Duty	\$17,973
Post Expenditure	\$38,100
<b>Total Expenditure Analysed</b>	<b>\$556,953</b>

### Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

## 9. Reconciliation of Capital Expenditure

### Apportionment of cost relating to:

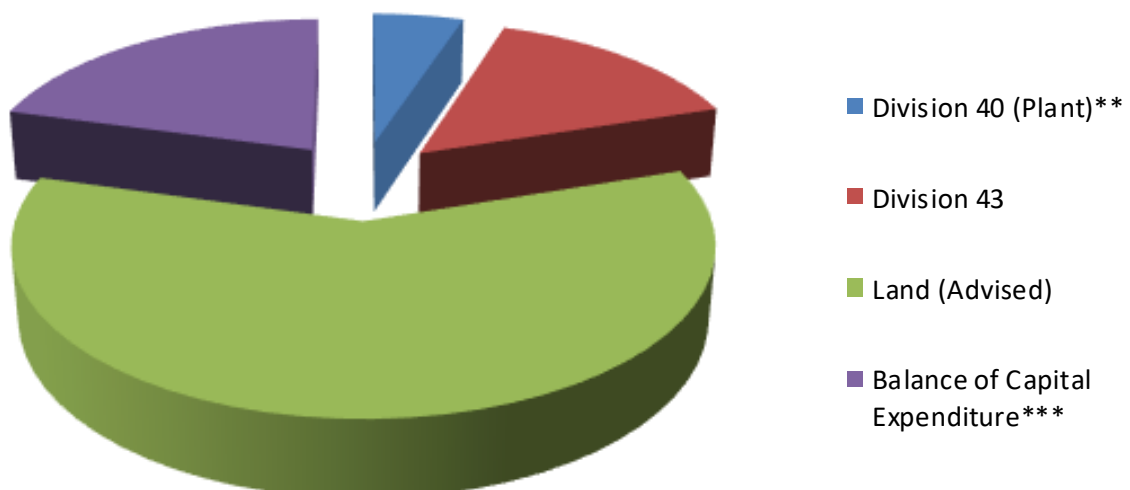
Division 40 (Plant)**	\$28,339
Division 43	\$82,939
Land (Advised)	\$330,446
Balance of Capital Expenditure***	\$115,229
<b>Total Expenditure Analysed</b>	<b>\$556,953</b>

### 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

\*\* Some assets in Division 40 (Plant) may not be eligible for yearly depreciation claim if the property is residential and was purchased post 9 May 2017 or was available to generate income after 1 July 2017. Please go to Summary of Entitlements and detailed schedules for more information

\*\*\* 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	Eligibility	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
<b>Division 40 - Plant and Equipment</b>														
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>														
Room units	NO	20.00%	30-Nov-11	1,136	132	201	161	129	103	82	66	99	62	39
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	NO	20.00%	30-Nov-11	758	88	669								
<b>Blinds Residential</b>														
	NO	20.00%	30-Nov-11	1,618	188	286	229	183	146	117	94	141	88	55
<b>Curtains and drapes</b>														
	NO	33.33%	30-Nov-11	3,346	649	899	599	400	266	178	118	237		
<b>Door closers</b>														
	NO	20.00%	30-Nov-11	273	32	48	39	31	25	20	16	24	15	9
<b>Fire control assets</b>														
Detection & alarm systems, detectors	NO	10.00%	30-Nov-11	333	19	31	28	25	23	21	19	63	39	24
<b>Floor coverings ( removable without damage)</b>														
Carpets	NO	20.00%	30-Nov-11	3,637	423	643	514	411	329	263	211	316	197	123
Floating timber	NO	13.33%	30-Nov-11	4,296	333	528	458	397	344	298	258	224	194	168
<b>Furniture</b>														
	NO	15.00%	30-Nov-11	4,243	370	3,872								
<b>Kitchen assets</b>														
Cooktops	NO	16.67%	30-Nov-11	1,591	154	239	200	166	139	115	96	180	113	70
Ovens	NO	16.67%	30-Nov-11	1,667	162	251	209	174	145	121	101	189	118	74
Rangehoods	NO	16.67%	30-Nov-11	682	66	103	86	71	59	49	41	77	48	30
<b>Lights</b>														
Shades, removable	NO	40.00%	30-Nov-11	1,409	328	432	259	156	93	56	34	19	12	7
<b>Additional Items (Post Expenditure)</b>														
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	NO	20.00%	1-Aug-12	500		91	82	65	52	42	33	50	31	20
<b>Curtains and drapes</b>														
	YES	33.33%	12-Dec-18	300								113	70	44
<b>Furniture</b>														
	NO	15.00%	1-Aug-12	1,700		233	220	187	159	135	115	244	153	95
<b>Lights</b>														
Shades, removable	YES	40.00%	12-Dec-18	100								38	23	15
<b>Security systems &amp; equipment</b>														
Electronic	YES	30.00%	10-Sep-17	750							181	214	133	83
<b>Pooled Plant Total</b>												2,002	1,103	689
<b>Effective Life Plant Total</b>					2,946	8,528	3,083	2,395	1,884	1,498	1,382	224	194	168
<b>Total Division 40</b>				28,339	2,946	8,528	3,083	2,395	1,884	1,498	1,382	2,226	1,297	858

## 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 1995	2.50%	30-Nov-11	7,272	181	311	311	311	311	311	311	311	311	311
Building Works - Completed 2001	2.50%	30-Nov-11	12,901	255	439	439	439	439	439	439	439	439	439
Building Works - Completed 2009	2.50%	30-Nov-11	21,301	330	567	567	567	567	567	567	567	567	567
Building Works - Completed 2012	2.50%	01-Aug-12	23,600		538	590	590	590	590	590	590	590	590
Building Works - Completed 2018	2.50%	12-Dec-18	200								3	5	5
Structural Improvements - Completed 1995	2.50%	30-Nov-11	1,768	44	76	76	76	76	76	76	76	76	76
Structural Improvements - Completed 2008	2.50%	30-Nov-11	4,947	79	136	136	136	136	136	136	136	136	136
Structural Improvements - Completed 2012	2.50%	01-Aug-12	10,000		228	250	250	250	250	250	250	250	250
Structural Improvements - Completed 2013	2.50%	30-Jul-13	500			12	13	13	13	13	13	13	13
Structural Improvements - Completed 2019	2.50%	03-Jan-19	450								5	11	11
<b>Total Division 43</b>			<b>82,939</b>	<b>889</b>	<b>2,295</b>	<b>2,381</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,390</b>	<b>2,398</b>	<b>2,398</b>
<b>Total Depreciation</b>			<b>111,278</b>	<b>3,835</b>	<b>10,823</b>	<b>5,464</b>	<b>4,777</b>	<b>4,266</b>	<b>3,880</b>	<b>3,764</b>	<b>4,616</b>	<b>3,695</b>	<b>3,256</b>

## 11. Prime Cost Depreciation Schedule

Assets Generally	Eligibility	Prime Cost 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
<b>Division 40 - Plant and Equipment</b>														
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>														
Room units	NO	10.00%	30-Nov-11	1,136	66	114	114	114	114	114	114	114	114	114
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	NO	10.00%	30-Nov-11	758	44	714								
<b>Blinds Residential</b>														
	NO	10.00%	30-Nov-11	1,618	94	162	162	162	162	162	162	162	162	162
<b>Curtains and drapes</b>														
	NO	16.67%	30-Nov-11	3,346	325	558	558	558	558	558	231			
<b>Door closers</b>														
	NO	10.00%	30-Nov-11	273	16	27	27	27	27	27	27	27	27	27
<b>Fire control assets</b>														
Detection & alarm systems, detectors	NO	5.00%	30-Nov-11	333	10	17	17	17	17	17	17	17	17	17
<b>Floor coverings ( removable without damage)</b>														
Carpets	NO	10.00%	30-Nov-11	3,637	212	364	364	364	364	364	364	364	364	364
Floating timber	NO	6.67%	30-Nov-11	4,296	167	286	286	286	286	286	286	286	286	286
<b>Furniture</b>														
	NO	7.50%	30-Nov-11	4,243	185	4,058								
<b>Kitchen assets</b>														
Cooktops	NO	8.33%	30-Nov-11	1,591	77	133	133	133	133	133	133	133	133	133
Ovens	NO	8.33%	30-Nov-11	1,667	81	139	139	139	139	139	139	139	139	139
Rangehoods	NO	8.33%	30-Nov-11	682	33	57	57	57	57	57	57	57	57	57
<b>Lights</b>														
Shades, removable	NO	20.00%	30-Nov-11	1,409	164	282	282	282	282	117				
<b>Additional Items (Post Expenditure)</b>														
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	NO	10.00%	01-Aug-12	500		46	50	50	50	50	50	50	50	50
<b>Curtains and drapes</b>														
	YES	16.67%	12-Dec-18	300								27	50	50
<b>Furniture</b>														
	NO	7.50%	01-Aug-12	1,700		117	128	128	128	128	128	128	128	128
<b>Lights</b>														
Shades, removable	YES	20.00%	12-Dec-18	100								11	20	20
<b>Security systems &amp; equipment</b>														
Electronic	YES	15.00%	10-Sep-17	750							91	113	113	113
<b>Pooled Plant Total</b>														
Effective Life Plant Total					1,473	7,073	2,317	2,317	2,317	2,152	1,799	1,628	1,660	1,660
<b>Total Division 40</b>				<b>28,339</b>	<b>1,473</b>	<b>7,073</b>	<b>2,317</b>	<b>2,317</b>	<b>2,317</b>	<b>2,152</b>	<b>1,799</b>	<b>1,628</b>	<b>1,660</b>	<b>1,660</b>

## 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 1995	2.50%	30-Nov-11	7,272	181	311	311	311	311	311	311	311	311
Building Works - Completed 2001	2.50%	30-Nov-11	12,901	255	439	439	439	439	439	439	439	439
Building Works - Completed 2009	2.50%	30-Nov-11	21,301	330	567	567	567	567	567	567	567	567
Building Works - Completed 2012	2.50%	01-Aug-12	23,600		538	590	590	590	590	590	590	590
Building Works - Completed 2018	2.50%	12-Dec-18	200							3	5	5
Structural Improvements - Completed 1995	2.50%	30-Nov-11	1,768	44	76	76	76	76	76	76	76	76
Structural Improvements - Completed 2008	2.50%	30-Nov-11	4,947	79	136	136	136	136	136	136	136	136
Structural Improvements - Completed 2012	2.50%	01-Aug-12	10,000		228	250	250	250	250	250	250	250
Structural Improvements - Completed 2013	2.50%	30-Jul-13	500			12	13	13	13	13	13	13
Structural Improvements - Completed 2019	2.50%	03-Jan-19	450							5	11	11
<b>Total Division 43</b>			<b>82,939</b>	<b>889</b>	<b>2,295</b>	<b>2,381</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,390</b>	<b>2,398</b>
<b>Total Depreciation</b>			<b>111,278</b>	<b>2,362</b>	<b>9,368</b>	<b>4,698</b>	<b>4,699</b>	<b>4,699</b>	<b>4,534</b>	<b>4,181</b>	<b>4,018</b>	<b>4,058</b>



## 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 1995	1 Apr 95 to 1 May 95	12,428	2.50%	311	7,272
Building Works - Completed 2001	1 Apr 01 to 1 May 01	17,546	2.50%	439	12,901
Building Works - Completed 2009	5 Jun 09 to 5 Jul 09	22,664	2.50%	567	21,301
Building Works - Completed 2012	2 Jul 12 to 1 Aug 12	23,600	2.50%	590	23,600
Building Works - Completed 2018	12 Nov 18 to 12 Dec 18	200	2.50%	5	200

**Sub-total** 76,438 1,912 65,274

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1995	1 Apr 95 to 1 May 95	3,021	2.50%	76	1,768
Structural Improvements - Completed 2008	1 Apr 01 to 21 Apr 08	5,438	2.50%	136	4,947
Structural Improvements - Completed 2012	2 Jul 12 to 1 Aug 12	10,000	2.50%	250	10,000
Structural Improvements - Completed 2013	30 Jun 13 to 30 Jul 13	500	2.50%	13	500
Structural Improvements - Completed 2019	12 Dec 18 to 3 Jan 19	450	2.50%	11	450

**Sub-total** 19,409 486 17,665

**Totals** 95,847 2,398 82,939

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

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	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.
<b>Decline in Value</b>	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.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	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.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	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.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	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.