



Tax Depreciation Report

16 Wood Crescent,
Rosebery NT 0832

Cedric and Philomena De Silva Wijeyeratne
16 Wood Crescent
ROSEBERY, NT 832

Issue Schedule	
Issue Date:	Issued by:
02 October 2019	Mark Kilroy Bsc (Hons) MRICS

Cedric and Philomena De Silva Wijeyeratne
16 Wood Crescent
ROSEBERY, NT 832

October 2019
Job No: RES0832007

Tax Depreciation Report – 16 Wood Crescent, Rosebery NT 0832

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

2 October 2019

Purchaser

Cedric and Philomena De Silva Wijeyeratne

Property Address

16 Wood Crescent, Rosebery NT 0832

Real Property Description

LOC 590 LOT 09740;S2006/174B

Property Type

Residential House

Date of Construction

12 December 2008

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	30 May 13 to 30 June 13	920	0	920	604	1,524
2	1 July 13 to 30 June 14	10,597	0	10,597	7,103	17,700
3	1 July 14 to 30 June 15	9,649	0	9,649	7,541	17,190
4	1 July 15 to 30 June 16	8,438	0	8,438	7,753	16,191
5	1 July 16 to 30 June 17	3,627	2,103	5,730	7,947	13,677
6	1 July 17 to 30 June 18	2,965	1,315	4,279	7,947	12,226
7	1 July 18 to 30 June 19	2,097	1,525	3,622	8,015	11,637
8	1 July 19 to 30 June 20	1,403	1,597	3,000	8,017	11,017
9	1 July 20 to 30 June 21	1,153	998	2,151	8,017	10,168
10	1 July 21 to 30 June 22	594	1,290	1,884	8,017	9,901
11	1 July 22 to 30 June 23	499	806	1,305	8,017	9,322
12	1 July 23 to 30 June 24	258	806	1,065	8,017	9,082
13	1 July 24 to 30 June 25	0	1,183	1,183	8,017	9,200
14	1 July 25 to 30 June 26	0	739	739	8,017	8,756
15	1 July 26 to 30 June 27	0	462	462	8,017	8,479
16	1 July 27 to 30 June 28	0	289	289	8,017	8,306
17	1 July 28 to 30 June 29	0	181	181	8,017	8,198
18	1 July 29 to 30 June 30	0	113	113	8,017	8,130
19	1 July 30 to 30 June 31	0	71	71	8,017	8,088
20	1 July 31 to 30 June 32	0	44	44	8,017	8,061
21	1 July 32 to 30 June 33	0	28	28	8,017	8,045
22	1 July 33 to 30 June 34	0	17	17	8,017	8,034
23	1 July 34 to 30 June 35	0	11	11	8,017	8,028
24	1 July 35 to 30 June 36	0	7	7	8,017	8,024
25	1 July 36 to 30 June 37	0	4	4	8,017	8,021
26	1 July 37 to 30 June 38	0	3	3	8,017	8,020
27	1 July 38 to 30 June 39	0	2	2	8,017	8,019
28	1 July 39 to 30 June 40	0	1	1	8,017	8,018
29	1 July 40 to 30 June 41	0	1	1	8,017	8,018
30	1 July 41 to 30 June 42	0	0	0	8,017	8,017
31	1 July 42 to 30 June 43	0	0	0	8,017	8,017
32	1 July 43 to 30 June 44	0	0	0	8,017	8,017
33	1 July 44 to 30 June 45	0	0	0	8,017	8,017
34	1 July 45 to 30 June 46	0	0	0	8,017	8,017
35	1 July 46 to 30 June 47	0	0	0	8,017	8,017
36	1 July 47 to 30 June 48	0	0	0	8,017	8,017
37	1 July 48 to 30 June 49	0	0	0	4,370	4,370
38	1 July 49 to 30 June 50	0	0	0	1,394	1,394
39	1 July 50 to 30 June 51	0	0	0	1,394	1,394
40	2051+	0	0	0	4,480	4,480
Totals		42,200	13,594	55,794	291,041	346,835

The diminishing value method involves multiplying the remaining amount (or also known as the written down value) of the item by the depreciation rate each year. Hence the term diminishing value method as it diminishes in value each year never quite reaching zero.

Example

	DV Rate	Opening Value	Year 1	WDV	Year 2
Carpet	20%	\$1,000	\$200	\$800	\$160

6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	30 May 13 to 30 June 13	460	0	460	604	1,064
2	1 July 13 to 30 June 14	5,418	0	5,418	7,103	12,521
3	1 July 14 to 30 June 15	7,516	0	7,516	7,541	15,057
4	1 July 15 to 30 June 16	8,437	0	8,437	7,753	16,190
5	1 July 16 to 30 June 17	5,361	0	5,361	7,947	13,308
6	1 July 17 to 30 June 18	5,212	0	5,212	7,947	13,159
7	1 July 18 to 30 June 19	3,620	0	3,620	8,015	11,635
8	1 July 19 to 30 June 20	3,584	0	3,584	8,017	11,601
9	1 July 20 to 30 June 21	3,533	0	3,533	8,017	11,550
10	1 July 21 to 30 June 22	3,533	0	3,533	8,017	11,550
11	1 July 22 to 30 June 23	3,371	0	3,371	8,017	11,388
12	1 July 23 to 30 June 24	1,700	0	1,700	8,017	9,717
13	1 July 24 to 30 June 25	1,618	0	1,618	8,017	9,635
14	1 July 25 to 30 June 26	991	0	991	8,017	9,008
15	1 July 26 to 30 June 27	295	0	295	8,017	8,312
16	1 July 27 to 30 June 28	156	0	156	8,017	8,173
17	1 July 28 to 30 June 29	156	0	156	8,017	8,173
18	1 July 29 to 30 June 30	156	0	156	8,017	8,173
19	1 July 30 to 30 June 31	156	0	156	8,017	8,173
20	1 July 31 to 30 June 32	156	0	156	8,017	8,173
21	1 July 32 to 30 June 33	156	0	156	8,017	8,173
22	1 July 33 to 30 June 34	125	0	125	8,017	8,142
23	1 July 34 to 30 June 35	87	0	87	8,017	8,104
24	1 July 35 to 30 June 36	0	0	0	8,017	8,017
25	1 July 36 to 30 June 37	0	0	0	8,017	8,017
26	1 July 37 to 30 June 38	0	0	0	8,017	8,017
27	1 July 38 to 30 June 39	0	0	0	8,017	8,017
28	1 July 39 to 30 June 40	0	0	0	8,017	8,017
29	1 July 40 to 30 June 41	0	0	0	8,017	8,017
30	1 July 41 to 30 June 42	0	0	0	8,017	8,017
31	1 July 42 to 30 June 43	0	0	0	8,017	8,017
32	1 July 43 to 30 June 44	0	0	0	8,017	8,017
33	1 July 44 to 30 June 45	0	0	0	8,017	8,017
34	1 July 45 to 30 June 46	0	0	0	8,017	8,017
35	1 July 46 to 30 June 47	0	0	0	8,017	8,017
36	1 July 47 to 30 June 48	0	0	0	8,017	8,017
37	1 July 48 to 30 June 49	0	0	0	4,370	4,370
38	1 July 49 to 30 June 50	0	0	0	1,394	1,394
39	1 July 50 to 30 June 51	0	0	0	1,394	1,394
40	2051+	0	0	0	4,480	4,480
Totals		55,794	0	55,794	291,041	346,835

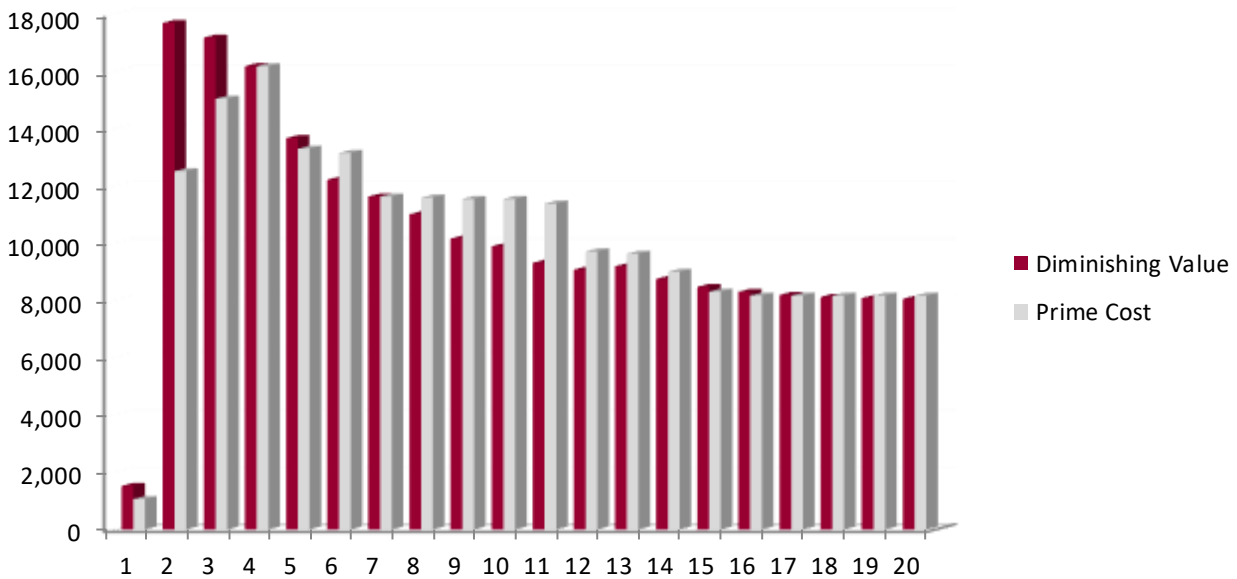
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

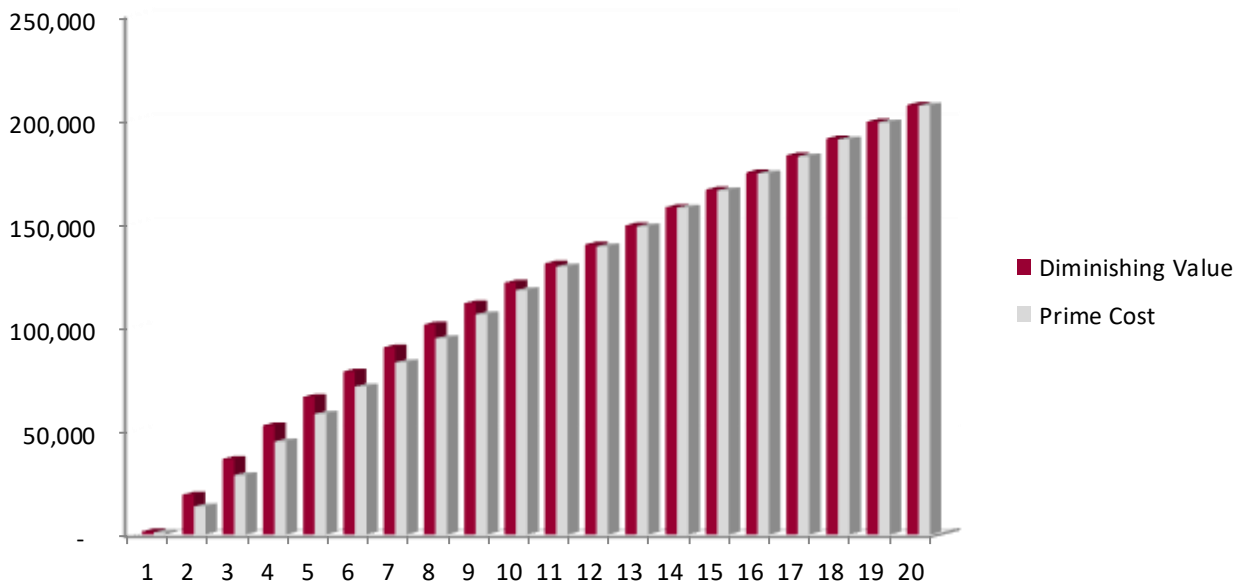
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	30 April 2013
Settlement Date	30 May 2013

Expenditure Analysed

Purchase Price	\$632,500
Stamp Duty	\$22,814
Legals	\$1,200
Post Expenditure	\$44,031
Total Expenditure Analysed	\$700,545

Historical Construction Details

Construction Start Date	15 June 2008
Construction Completion Date	12 December 2008
Historical Construction Cost (Estimated)*	\$321,811

9. Reconciliation of Capital Expenditure

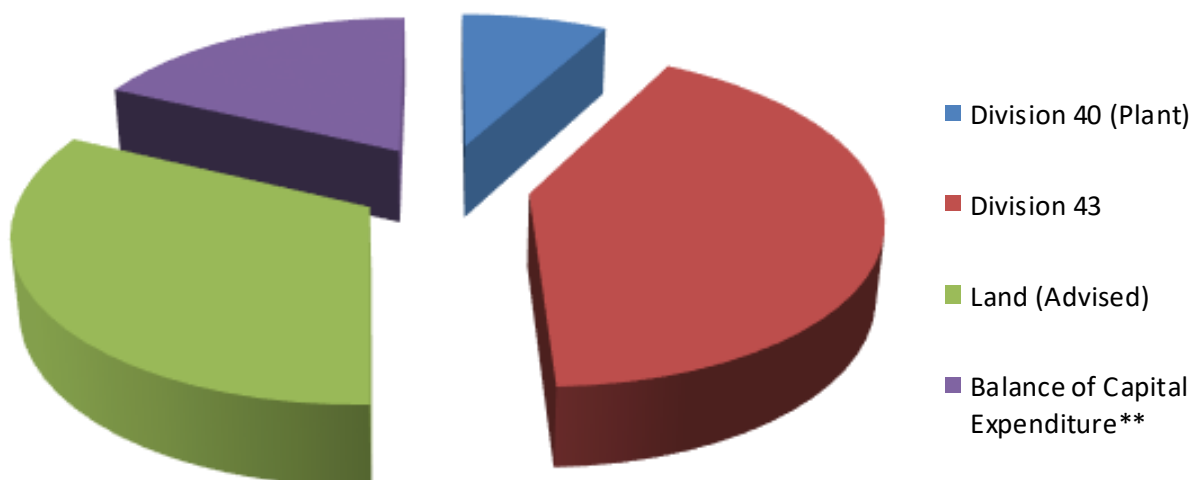
Apportionment of cost relating to:

Division 40 (Plant)	\$55,794
Division 43	\$291,041
Land (Advised)	\$227,935
Balance of Capital Expenditure**	\$125,775
Total Expenditure Analysed	\$700,545

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	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-May-13	7,642	130	1,502	1,202	962	769	615	492	394	315	252
Mini split system upto 20KW	20.00%	30-May-13	4,246	72	835	668	2,671						
Mini split system upto 20KW	20.00%	30-May-13	2,547	43	501	2,003							
Blinds Residential	20.00%	30-May-13	4,879	83	959	767	614	491	393	314	251	201	302
Ceiling Fans	40.00%	30-May-13	4,359	148	1,684	1,011	606	341	213	133	83	52	33
Fire control assets													
Detection & alarm systems, detectors	10.00%	30-May-13	623	5	62	56	50	169	105	66	41	26	16
Furniture	15.00%	30-May-13	5,279	67	782	665	565	480	408	347	295	251	213
Garage doors, automatic													
Controls	40.00%	30-May-13	481	16	186	112	67	38	24	15	9	6	4
Motors	20.00%	30-May-13	3,396	58	668	534	427	342	274	219	328	205	128
Garbage disposal													
Garbage bins	30.00%	30-May-13	226	6	66	46	32	28	18	11	7	4	3
Garden sheds, freestanding	20.00%	30-May-13	708	12	139	111	89	134	83	52	33	20	13
Hot water systems (excluding piping)													
Gas or electric	16.67%	30-May-13	2,547	36	419	349	291	242	202	168	315	197	123
Kitchen assets													
Cooktops	16.67%	30-May-13	1,203	17	198	165	137	257	161	101	63	39	25
Dishwashers	20.00%	30-May-13	1,698	29	334	267	214	321	200	125	78	49	31
Ovens	16.67%	30-May-13	1,557	22	256	213	178	333	208	130	81	51	32
Rangehoods	16.67%	30-May-13	637	9	105	87	73	136	85	53	33	21	13
Lights													
Fittings (excluding hardwired)	40.00%	30-May-13	3,863	131	1,493	896	537	302	189	118	74	46	29
Security systems & equipment													
Electronic	30.00%	30-May-13	354	9	103	72	51	44	28	17	11	7	4
Sunshades	15.00%	30-May-13	2,070	26	307	261	221	188	160	340	212	133	83
Additional Items (Post Expenditure)				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%	10-Apr-15	1,980			88	378	303	242	363	227	142	89
Mini split system upto 20KW	20.00%	10-Jun-16	3,000				33	593	475	380	304	243	365
Fire sprinklers	10.00%	10-Mar-15	2,500			77	242	218	196	177	159	143	129
Pooled Plant Total								2,103	1,315	1,525	1,597	998	1,290
Effective Life Plant Total				920	10,597	9,649	8,438	3,627	2,965	2,097	1,403	1,153	594
Total Division 40			55,794	920	10,597	9,649	8,438	5,730	4,279	3,622	3,000	2,151	1,884

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 2008	2.50%	30-May-13	224,886	538	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329
Building Works - Completed 2013	2.50%	30-May-13	14,991	32	376	376	376	376	376	376	376	376	376
Building Works - Completed 2014	2.50%	10-Jul-14	18,000			438	450	450	450	450	450	450	450
Building Works - Completed 2018	2.50%	10-Jul-18	2,800							68	70	70	70
Structural Improvements - Completed 2008	2.50%	30-May-13	10,458	25	294	294	294	294	294	294	294	294	294
Structural Improvements - Completed 2013	2.50%	30-May-13	4,155	9	104	104	104	104	104	104	104	104	104
Structural Improvements - Completed 2015	2.50%	03-Oct-15	8,000				148	200	200	200	200	200	200
Structural Improvements - Completed 2016	2.50%	10-Jan-16	4,000				47	100	100	100	100	100	100
Structural Improvements - Completed 2016	2.50%	10-Jun-16	3,751				5	94	94	94	94	94	94
Total Division 43			291,041	604	7,103	7,541	7,753	7,947	7,947	8,015	8,017	8,017	8,017
Total Depreciation			346,835	1,524	17,700	17,190	16,191	13,677	12,226	11,637	11,017	10,168	9,901

11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost													
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Air-conditioning assets (excl. ducting, pipes & vents)														
Mini split system upto 20KW	10.00%	30-May-13	7,642	65	764	764	764	764	764	764	764	764	764	
Mini split system upto 20KW	10.00%	30-May-13	4,246	36	425	425	3,359							
Mini split system upto 20KW	10.00%	30-May-13	2,547	22	255	2,271								
Blinds Residential	10.00%	30-May-13	4,879	41	488	488	488	488	488	488	488	488	488	
Ceiling Fans	20.00%	30-May-13	4,359	74	872	872	872	872	797					
Fire control assets														
Detection & alarm systems, detectors	5.00%	30-May-13	623	3	31	31	31	31	31	31	31	31	31	
Furniture	7.50%	30-May-13	5,279	34	396	396	396	396	396	396	396	396	396	
Garage doors, automatic														
Controls	20.00%	30-May-13	481	8	96	96	96	96	89					
Motors	10.00%	30-May-13	3,396	29	340	340	340	340	340	340	340	340	340	
Garbage disposal														
Garbage bins	15.00%	30-May-13	226	3	34	34	34	34	34	34	20			
Garden sheds, freestanding	10.00%	30-May-13	708	6	71	71	71	71	71	71	71	71	71	
Hot water systems (excluding piping)														
Gas or electric	8.33%	30-May-13	2,547	18	212	212	212	212	212	212	212	212	212	
Kitchen assets														
Cooktops	8.33%	30-May-13	1,203	9	100	100	100	100	100	100	100	100	100	
Dishwashers	10.00%	30-May-13	1,698	14	170	170	170	170	170	170	170	170	170	
Ovens	8.33%	30-May-13	1,557	11	130	130	130	130	130	130	130	130	130	
Rangehoods	8.33%	30-May-13	637	5	53	53	53	53	53	53	53	53	53	
Lights														
Fittings (excluding hardwired)	20.00%	30-May-13	3,863	66	773	773	773	773	706					
Security systems & equipment														
Electronic	15.00%	30-May-13	354	5	53	53	53	53	53	53	31			
Sunshades	7.50%	30-May-13	2,070	13	155	155	155	155	155	155	155	155	155	
Additional Items (Post Expenditure)				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%	10-Apr-15	1,980			44	198	198	198	198	198	198	198	
Mini split system upto 20KW	10.00%	10-Jun-16	3,000				16	300	300	300	300	300	300	
Fire sprinklers	5.00%	10-Mar-15	2,500			38	125	125	125	125	125	125	125	
Pooled Plant Total														
Effective Life Plant Total				460	5,418	7,516	8,437	5,361	5,212	3,620	3,584	3,533	3,533	
Total Division 40				55,794	460	5,418	7,516	8,437	5,361	5,212	3,620	3,584	3,533	3,533

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 2008	2.50%	30-May-13	224,886	538	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329
Building Works - Completed 2013	2.50%	30-May-13	14,991	32	376	376	376	376	376	376	376	376	376
Building Works - Completed 2014	2.50%	10-Jul-14	18,000			438	450	450	450	450	450	450	450
Building Works - Completed 2018	2.50%	10-Jul-18	2,800							68	70	70	70
Structural Improvements - Completed 2008	2.50%	30-May-13	10,458	25	294	294	294	294	294	294	294	294	294
Structural Improvements - Completed 2013	2.50%	30-May-13	4,155	9	104	104	104	104	104	104	104	104	104
Structural Improvements - Completed 2015	2.50%	03-Oct-15	8,000			148	200	200	200	200	200	200	200
Structural Improvements - Completed 2016	2.50%	10-Jan-16	4,000			47	100	100	100	100	100	100	100
Structural Improvements - Completed 2016	2.50%	10-Jun-16	3,751				5	94	94	94	94	94	94
Total Division 43			291,041	604	7,103	7,541	7,753	7,947	7,947	8,015	8,017	8,017	8,017
Total Depreciation			346,835	1,064	12,521	15,057	16,190	13,308	13,159	11,635	11,601	11,550	11,550

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 2008	15 Jun 08 to 12 Dec 08	253,148	2.50%	6,329	224,886
Building Works - Completed 2013	7 Apr 13 to 10 Apr 13	15,042	2.50%	376	14,991
Building Works - Completed 2014	5 Jul 14 to 10 Jul 14	18,000	2.50%	450	18,000
Building Works - Completed 2018	5 Jul 18 to 10 Jul 18	2,800	2.50%	70	2,800
Sub-total		288,991		7,225	260,677

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2008	15 Jun 08 to 12 Dec 08	11,772	2.50%	294	10,458
Structural Improvements - Completed 2013	7 Apr 13 to 10 Apr 13	4,169	2.50%	104	4,155
Structural Improvements - Completed 2015	3 Oct 15 to 3 Oct 15	8,000	2.50%	200	8,000
Structural Improvements - Completed 2016	5 Jan 16 to 10 Jan 16	4,000	2.50%	100	4,000
Structural Improvements - Completed 2016	10 Feb 16 to 10 Jun 16	3,751	2.50%	94	3,751
Sub-total		31,692		792	30,364
Totals		320,682		8,017	291,041

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
Postal Address	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
Office Number	1300 669 400
Office Email	info@koste.com.au

15. Disclaimer

This report has been prepared for the exclusive use of the parties named within this report, Koste Pty Ltd does not accept any contractual, tortious or other form of liability for any consequences that may arise from any other person acting upon or using this valuation.