Tax Depreciation Report

37 Nettleton Cres,
Moorooka QLD 4105

Tuyet Man Huynh
137 Wecker Road
MANSFIELD, QLD 4122

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

Tuyet Man Huynh
137 Wecker Road
MANSFIELD, QLD 4122

October 2019
Job No: RES4105006

Tax Depreciation Report – 37 Nettleton Cres, Moorooka QLD 4105

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

21 October 2019

Purchaser

Tuyet Man Huynh

Property Address

37 Nettleton Cres, Moorooka QLD 4105

Real Property Description

L41 RP71238

Property Type

Residential House

Date of Construction

Pre 1985

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 deprecating 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

Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.

Benefits

- 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)

Calculation Example

Under Diminishing Value method, the effective life is dividing by 200.

200 / 10 Years = 20% (Adjusted Value)

If an asset has a value of $10,000 and an effective life of 10 years the following annual depreciation may be claimed.

Year 1	Year 2	Year 3	Year 4	Year 5
$2,000	$1,600	$1,280	$1,024	$819.20

Prime Cost Method

Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.

Benefits

- Write off assets when they are demolished or disposed.

Calculation Example

Under Prime Cost method, the effective life is dividing by 100.

100 / 10 Years = 10% (Straight Line)

If an asset has a value of $10,000 and an effective life of 10 years the following annual depreciation may be claimed.

Year 1	Year 2	Year 3	Year 4	Year 5
$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	18 February 11 to 30 June 11	1,614	0	1,614	272	**1,886**
2	1 July 11 to 30 June 12	4,114	0	4,114	961	**5,075**
3	1 July 12 to 30 June 13	3,378	0	3,378	961	**4,339**
4	1 July 13 to 30 June 14	4,808	0	4,808	961	**5,769**
5	1 July 14 to 30 June 15	1,844	0	1,844	1,021	**2,865**
6	1 July 15 to 30 June 16	1,513	0	1,513	1,100	**2,613**
7	1 July 16 to 30 June 17	403	1,896	2,299	1,100	**3,399**
8	1 July 17 to 30 June 18	223	1,515	1,738	1,100	**2,838**
9	1 July 18 to 30 June 19	378	1,430	1,808	1,100	**2,908**
10	1 July 19 to 30 June 20	418	652	1,070	1,101	**2,171**
11	1 July 20 to 30 June 21	360	402	762	1,102	**1,864**
12	1 July 21 to 30 June 22	146	622	768	1,102	**1,870**
13	1 July 22 to 30 June 23	132	389	520	1,102	**1,622**
14	1 July 23 to 30 June 24	118	243	361	1,102	**1,463**
15	1 July 24 to 30 June 25	107	152	258	1,102	**1,360**
16	1 July 25 to 30 June 26	0	455	455	1,102	**1,557**
17	1 July 26 to 30 June 27	0	284	284	1,102	**1,386**
18	1 July 27 to 30 June 28	0	178	178	1,102	**1,280**
19	1 July 28 to 30 June 29	0	111	111	1,007	**1,118**
20	1 July 29 to 30 June 30	0	69	69	979	**1,048**
21	1 July 30 to 30 June 31	0	43	43	979	**1,022**
22	1 July 31 to 30 June 32	0	27	27	979	**1,006**
23	1 July 32 to 30 June 33	0	17	17	979	**996**
24	1 July 33 to 30 June 34	0	11	11	903	**914**
25	1 July 34 to 30 June 35	0	7	7	893	**900**
26	1 July 35 to 30 June 36	0	4	4	893	**897**
27	1 July 36 to 30 June 37	0	3	3	893	**896**
28	1 July 37 to 30 June 38	0	2	2	893	**895**
29	1 July 38 to 30 June 39	0	1	1	759	**760**
30	1 July 39 to 30 June 40	0	1	1	725	**726**
31	1 July 40 to 30 June 41	0	0	0	725	**725**
32	1 July 41 to 30 June 42	0	0	0	725	**725**
33	1 July 42 to 30 June 43	0	0	0	725	**725**
34	1 July 43 to 30 June 44	0	0	0	725	**725**
35	1 July 44 to 30 June 45	0	0	0	725	**725**
36	1 July 45 to 30 June 46	0	0	0	725	**725**
37	1 July 46 to 30 June 47	0	0	0	725	**725**
38	1 July 47 to 30 June 48	0	0	0	725	**725**
39	1 July 48 to 30 June 49	0	0	0	725	**725**
40	2049+	0	0	0	1,880	**1,880**
	Totals	**19,554**	**8,513**	**28,067**	**37,780**	**65,847**

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	18 February 11 to 30 June 11	807	0	807	272	**1,079**
2	1 July 11 to 30 June 12	2,233	0	2,233	961	**3,194**
3	1 July 12 to 30 June 13	2,301	0	2,301	961	**3,262**
4	1 July 13 to 30 June 14	5,210	0	5,210	961	**6,171**
5	1 July 14 to 30 June 15	1,906	0	1,906	1,021	**2,927**
6	1 July 15 to 30 June 16	1,741	0	1,741	1,100	**2,841**
7	1 July 16 to 30 June 17	1,464	0	1,464	1,100	**2,564**
8	1 July 17 to 30 June 18	1,438	0	1,438	1,100	**2,538**
9	1 July 18 to 30 June 19	2,353	0	2,353	1,100	**3,453**
10	1 July 19 to 30 June 20	1,420	0	1,420	1,101	**2,521**
11	1 July 20 to 30 June 21	1,249	0	1,249	1,102	**2,351**
12	1 July 21 to 30 June 22	944	0	944	1,102	**2,046**
13	1 July 22 to 30 June 23	875	0	875	1,102	**1,977**
14	1 July 23 to 30 June 24	838	0	838	1,102	**1,940**
15	1 July 24 to 30 June 25	625	0	625	1,102	**1,727**
16	1 July 25 to 30 June 26	577	0	577	1,102	**1,679**
17	1 July 26 to 30 June 27	485	0	485	1,102	**1,587**
18	1 July 27 to 30 June 28	485	0	485	1,102	**1,587**
19	1 July 28 to 30 June 29	448	0	448	1,007	**1,455**
20	1 July 29 to 30 June 30	435	0	435	979	**1,414**
21	1 July 30 to 30 June 31	234	0	234	979	**1,213**
22	1 July 31 to 30 June 32	0	0	0	979	**979**
23	1 July 32 to 30 June 33	0	0	0	979	**979**
24	1 July 33 to 30 June 34	0	0	0	903	**903**
25	1 July 34 to 30 June 35	0	0	0	893	**893**
26	1 July 35 to 30 June 36	0	0	0	893	**893**
27	1 July 36 to 30 June 37	0	0	0	893	**893**
28	1 July 37 to 30 June 38	0	0	0	893	**893**
29	1 July 38 to 30 June 39	0	0	0	759	**759**
30	1 July 39 to 30 June 40	0	0	0	725	**725**
31	1 July 40 to 30 June 41	0	0	0	725	**725**
32	1 July 41 to 30 June 42	0	0	0	725	**725**
33	1 July 42 to 30 June 43	0	0	0	725	**725**
34	1 July 43 to 30 June 44	0	0	0	725	**725**
35	1 July 44 to 30 June 45	0	0	0	725	**725**
36	1 July 45 to 30 June 46	0	0	0	725	**725**
37	1 July 46 to 30 June 47	0	0	0	725	**725**
38	1 July 47 to 30 June 48	0	0	0	725	**725**
39	1 July 48 to 30 June 49	0	0	0	725	**725**
40	2049+	0	0	0	1,880	**1,880**
	Totals	**28,067**	**0**	**28,067**	**37,780**	**65,847**

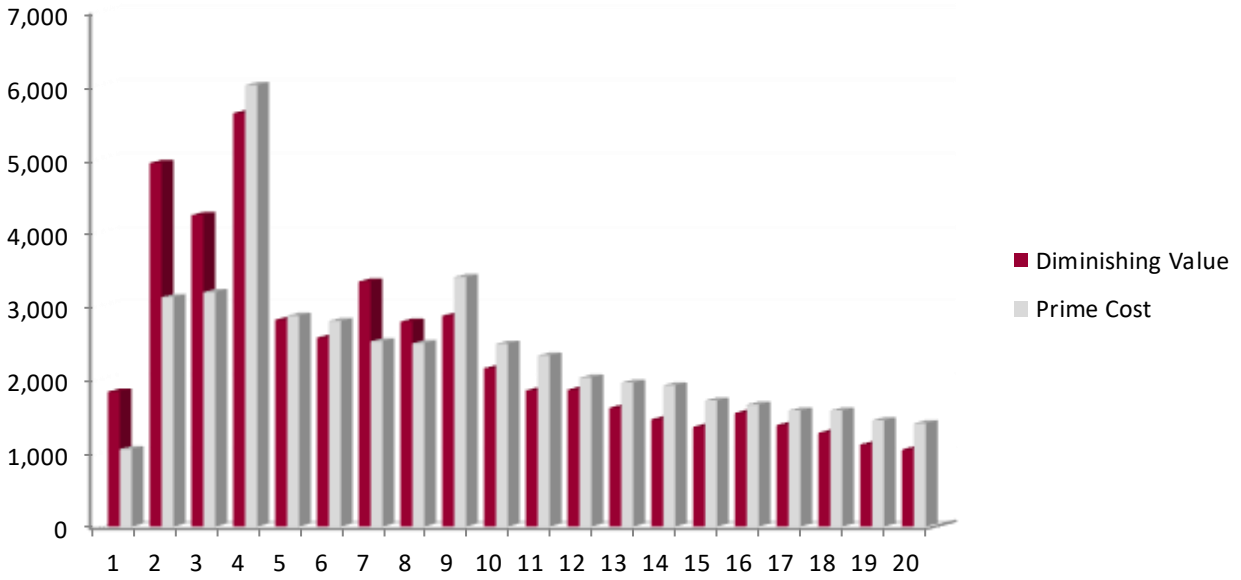
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

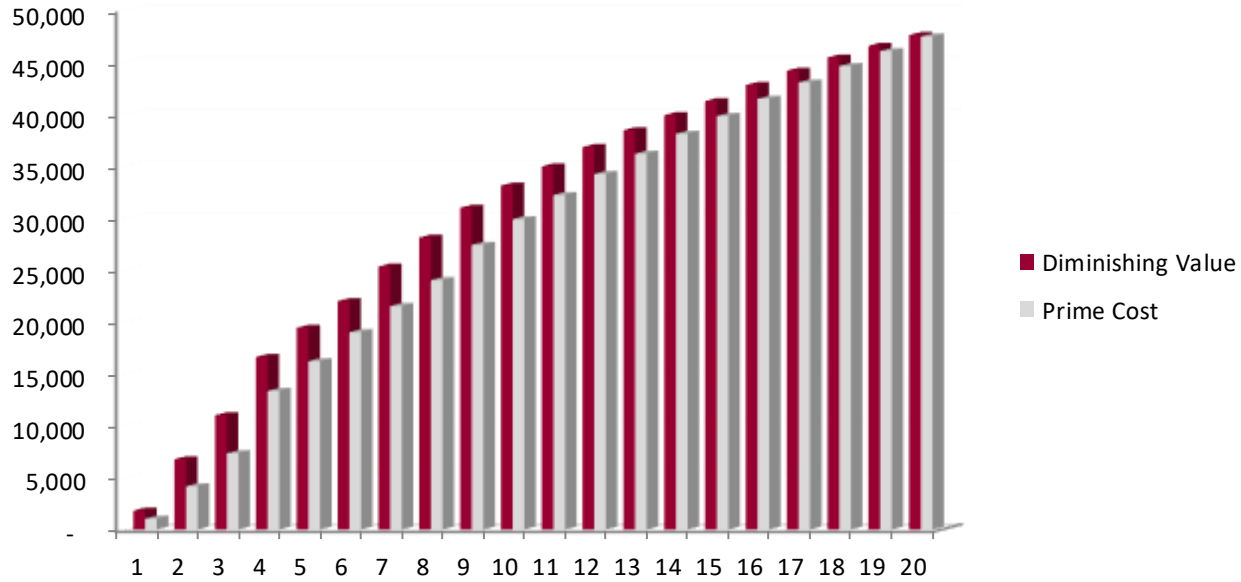
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	$1,000	$100	$900	$100

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	9 January 2011
Settlement Date	18 February 2011

Expenditure Analysed	
Purchase Price	$400,000
Stamp Duty	$5,250
Legals	$1,248
Post Expenditure	$9,144
Total Expenditure Analysed	**$415,642**

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

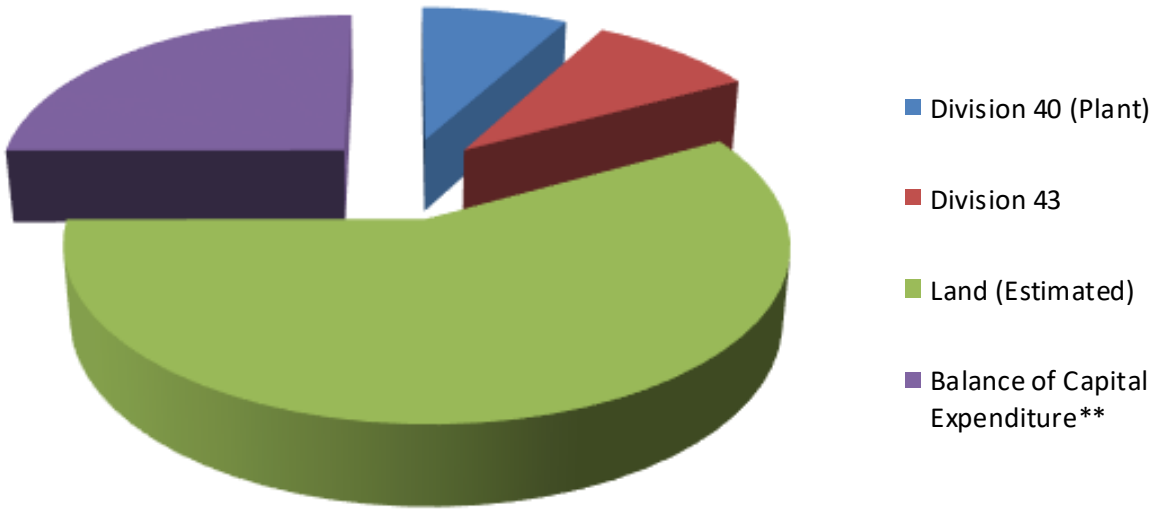
9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:	
Division 40 (Plant)	$28,067
Division 43	$37,780
Land (Estimated)	$240,617
Balance of Capital Expenditure**	$109,178
Total Expenditure Analysed	**$415,642**

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%	18-Feb-11	4,350	315	807	646	2,583						
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	18-Feb-11	363	26	67	54	43	34	28	41	26	16	10
Blinds Residential	20.00%	18-Feb-11	1,697	123	315	252	201	161	129	193	121	76	47
Ceiling Fans	40.00%	18-Feb-11	363	52	124	74	45	27	16	9	6	9	
Ceiling Fans	40.00%	18-Feb-11	508	73	174	104	63	38	23	13	8	5	8
Door closers	20.00%	18-Feb-11	261	19	48	39	31	25	20	30	19	12	7
Fire control assets													
Detection & alarm systems, detectors	10.00%	18-Feb-11	957	35	92	83	75	67	61	204	128	80	50
Floor coverings (removable without damage)													
Carpets	20.00%	18-Feb-11	2,441	177	453	362	290	232	186	278	174	109	68
Furniture	15.00%	18-Feb-11	2,465	134	350	297	253	215	183	155	330	206	129
Garbage disposal													
Garbage bins	30.00%	18-Feb-11	232	25	62	43	30	21	15	13	8	5	3
Hot water systems (excluding piping)													
Gas or electric	16.67%	18-Feb-11	2,610	157	409	341	284	237	197	370	231	385	
Kitchen assets													
Stoves	13.33%	18-Feb-11	2,103	101	267	231	200	174	151	367	229	143	90
Lights													
Fittings (excluding hardwired)	40.00%	18-Feb-11	1,334	193	456	274	164	99	59	33	21	13	8
Pumps	10.00%	18-Feb-11	725	26	70	63	57	51	46	155	97	60	38
Solar power generating system assets	10.00%	18-Feb-11	4,350	157	419	377	340	306	275	248	223	201	180
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%	8-Jul-12	700			137	113	90	72	108	68	42	26
Mini split system upto 20KW	20.00%	30-Dec-13	380				38	68	55	82	51	32	20
Ceiling Fans	40.00%	5-Feb-19	130									49	30
Garden sheds, freestanding	20.00%	30-Sep-18	500									188	117
Carried forward			**26,467**	**1,614**	**4,114**	**3,378**	**4,808**	**1,844**	**1,513**	**2,299**	**1,738**	**1,630**	**833**

Diminishing Value Depreciation Schedule (cont.)

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
Brought forward			26,467	1,614	4,114	3,378	4,808	1,844	1,513	2,299	1,738	1,630	833
Hot water systems (excluding piping)													
Gas or electric	16.67%	30-Oct-18	1,600									178	237
Pooled Plant Total										1,896	1,515	1,430	652
Effective Life Plant Total				1,614	4,114	3,378	4,808	1,844	1,513	403	223	378	418
Total Division 40			28,067	1,614	4,114	3,378	4,808	1,844	1,513	2,299	1,738	1,808	1,070

Division 43 - Capital Works Allowance	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1988	2.50%	18-Feb-11	2,163	44	123	123	123	123	123	123	123	123	123
Building Works - Completed 1998	2.50%	18-Feb-11	4,631	61	168	168	168	168	168	168	168	168	168
Building Works - Completed 2011	2.50%	06-Apr-11	18,252	106	456	456	456	456	456	456	456	456	456
Building Works - Completed 2014	2.50%	03-Dec-14	935					13	23	23	23	23	23
Building Works - Completed 2019	2.50%	15-Oct-19	80										1
Structural Improvements - Completed 1993	2.50%	18-Feb-11	1,933	31	86	86	86	86	86	86	86	86	86
Structural Improvements - Completed 2011	2.50%	06-Apr-11	5,136	30	128	128	128	128	128	128	128	128	128
Structural Improvements - Completed 2015	2.50%	02-Feb-15	4,650					47	116	116	116	116	116
Total Division 43			37,780	272	961	961	961	1,021	1,100	1,100	1,100	1,100	1,101
Total Depreciation			65,847	1,886	5,075	4,339	5,769	2,865	2,613	3,399	2,838	2,908	2,171

11. Prime Cost Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	18-Feb-11	4,350	157	435	435	3,323						
Bathroom assets													
Exhaust fans (including light/heating)	10.00%	18-Feb-11	363	13	36	36	36	36	36	36	36	36	36
Blinds Residential	10.00%	18-Feb-11	1,697	61	170	170	170	170	170	170	170	170	170
Ceiling Fans	20.00%	18-Feb-11	363	26	73	73	73	73	44				
Ceiling Fans	20.00%	18-Feb-11	508	37	102	102	102	102	63				
Door closers	10.00%	18-Feb-11	261	9	26	26	26	26	26	26	26	26	26
Fire control assets													
Detection & alarm systems, detectors	5.00%	18-Feb-11	957	17	48	48	48	48	48	48	48	48	48
Floor coverings (removable without damage)													
Carpets	10.00%	18-Feb-11	2,441	88	244	244	244	244	244	244	244	244	244
Furniture	7.50%	18-Feb-11	2,465	67	185	185	185	185	185	185	185	185	185
Garbage disposal													
Garbage bins	15.00%	18-Feb-11	232	13	35	35	35	35	35	35	9		
Hot water systems (excluding piping)													
Gas or electric	8.33%	18-Feb-11	2,610	79	218	218	218	218	218	218	218	1,005	
Kitchen assets													
Stoves	6.67%	18-Feb-11	2,103	51	140	140	140	140	140	140	140	140	140
Lights													
Fittings (excluding hardwired)	20.00%	18-Feb-11	1,334	96	267	267	267	267	170				
Pumps	5.00%	18-Feb-11	725	13	36	36	36	36	36	36	36	36	36
Solar power generating system assets	5.00%	18-Feb-11	4,350	79	218	218	218	218	218	218	218	218	218
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%	08-Jul-12	700			68	70	70	70	70	70	70	70
Mini split system upto 20KW	10.00%	30-Dec-13	380				19	38	38	38	38	38	38
Ceiling Fans	20.00%	05-Feb-19	130									10	26
Garden sheds, freestanding	10.00%	30-Sep-18	500									37	50
Carried forward			**26,467**	**807**	**2,233**	**2,301**	**5,210**	**1,906**	**1,741**	**1,464**	**1,438**	**2,264**	**1,287**

Prime Cost Depreciation Schedule (cont.)

Assets Generally Division 40 - Plant and Equipment	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
Brought forward			26,467	807	2,233	2,301	5,210	1,906	1,741	1,464	1,438	2,264	1,287
Hot water systems (excluding piping)													
Gas or electric	8.33%	30-Oct-18	1,600									89	133
Pooled Plant Total													
Effective Life Plant Total				807	2,233	2,301	5,210	1,906	1,741	1,464	1,438	2,353	1,420
Total Division 40			28,067	807	2,233	2,301	5,210	1,906	1,741	1,464	1,438	2,353	1,420

Division 43 - Capital Works Allowance	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1988	2.50%	18-Feb-11	2,163	44	123	123	123	123	123	123	123	123	123
Building Works - Completed 1998	2.50%	18-Feb-11	4,631	61	168	168	168	168	168	168	168	168	168
Building Works - Completed 2011	2.50%	06-Apr-11	18,252	106	456	456	456	456	456	456	456	456	456
Building Works - Completed 2014	2.50%	03-Dec-14	935					13	23	23	23	23	23
Building Works - Completed 2019	2.50%	15-Oct-19	80										1
Structural Improvements - Completed 1993	2.50%	18-Feb-11	1,933	31	86	86	86	86	86	86	86	86	86
Structural Improvements - Completed 2011	2.50%	06-Apr-11	5,136	30	128	128	128	128	128	128	128	128	128
Structural Improvements - Completed 2015	2.50%	02-Feb-15	4,650					47	116	116	116	116	116
Total Division 43			37,780	272	961	961	961	1,021	1,100	1,100	1,100	1,100	1,101
Total Depreciation			65,847	1,079	3,194	3,262	6,171	2,927	2,841	2,564	2,538	3,453	2,521

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 1988	6 Sep 88 to 9 Sep 88	4,931	2.50%	123	2,163
Building Works - Completed 1998	6 Sep 98 to 9 Sep 98	6,725	2.50%	168	4,631
Building Works - Completed 2011	3 Apr 11 to 6 Apr 11	18,252	2.50%	456	18,252
Building Works - Completed 2014	30 Nov 14 to 3 Dec 14	935	2.50%	23	935
Building Works - Completed 2019	12 Oct 19 to 15 Oct 19	80	2.50%	2	80
Sub-total		30,923		772	26,061

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	3 Aug 93 to 6 Aug 93	3,444	2.50%	86	1,933
Structural Improvements - Completed 2011	3 Apr 11 to 6 Apr 11	5,136	2.50%	128	5,136
Structural Improvements - Completed 2015	30 Jan 15 to 2 Feb 15	4,650	2.50%	116	4,650
Sub-total		13,230		330	11,719
Totals		44,152		1,102	37,780

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.

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	
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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.