



Tax Depreciation Report

59 Vivian St,
Tennyson QLD 4105

Vicki Maguire
59 Vivian St
TENNYSON, QLD 4105

Issue Schedule	
Issue Date:	Issued by:
01 November 2019	Mark Kilroy Bsc (Hons) MRICS

Vicki Maguire
59 Vivian St
TENNYSON, QLD 4105

November 2019
Job No: RES4105008

Tax Depreciation Report – 59 Vivian St, Tennyson 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

1 November 2019

Purchaser

Vicki Maguire

Property Address

59 Vivian St, Tennyson QLD 4105

Real Property Description

L393-394 RP37716

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 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	Division 40 - Capital Allowance (Eligible)			Division 43 Capital Works	Eligible Total	Capital Loss - Division 40*	
		Effective Life	Pooled Plant	Total Div 40			Yearly	Cumulative
1	11 October 19 to 30 June 20	0	0	0	43,452	43,452	12,069	12,069
2	1 July 20 to 30 June 21	0	0	0	1,393	1,393	5,938	18,007
3	1 July 21 to 30 June 22	0	0	0	1,393	1,393	4,361	22,368
4	1 July 22 to 30 June 23	0	0	0	1,393	1,393	3,121	25,489
5	1 July 23 to 30 June 24	0	0	0	1,393	1,393	2,281	27,770
6	1 July 24 to 30 June 25	0	0	0	1,393	1,393	1,892	29,662
7	1 July 25 to 30 June 26	0	0	0	1,393	1,393	1,383	31,045
8	1 July 26 to 30 June 27	0	0	0	1,393	1,393	1,032	32,077
9	1 July 27 to 30 June 28	0	0	0	1,393	1,393	787	32,864
10	1 July 28 to 30 June 29	0	0	0	1,157	1,157	773	33,637
11	1 July 29 to 30 June 30	0	0	0	1,086	1,086	552	34,189
12	1 July 30 to 30 June 31	0	0	0	1,086	1,086	404	34,593
13	1 July 31 to 30 June 32	0	0	0	1,086	1,086	304	34,896
14	1 July 32 to 30 June 33	0	0	0	1,086	1,086	234	35,130
15	1 July 33 to 30 June 34	0	0	0	1,046	1,046	185	35,315
16	1 July 34 to 30 June 35	0	0	0	1,036	1,036	366	35,681
17	1 July 35 to 30 June 36	0	0	0	1,036	1,036	229	35,909
18	1 July 36 to 30 June 37	0	0	0	1,036	1,036	143	36,052
19	1 July 37 to 30 June 38	0	0	0	1,036	1,036	89	36,142
20	1 July 38 to 30 June 39	0	0	0	719	719	56	36,197
21	1 July 39 to 30 June 40	0	0	0	710	710	35	36,232
22	1 July 40 to 30 June 41	0	0	0	710	710	22	36,254
23	1 July 41 to 30 June 42	0	0	0	710	710	14	36,268
24	1 July 42 to 30 June 43	0	0	0	710	710	9	36,276
25	1 July 43 to 30 June 44	0	0	0	710	710	5	36,281
26	1 July 44 to 30 June 45	0	0	0	710	710	3	36,285
27	1 July 45 to 30 June 46	0	0	0	710	710	2	36,287
28	1 July 46 to 30 June 47	0	0	0	710	710	1	36,288
29	1 July 47 to 30 June 48	0	0	0	710	710	1	36,289
30	1 July 48 to 30 June 49	0	0	0	710	710	1	36,290
31	1 July 49 to 30 June 50	0	0	0	710	710	0	36,290
32	1 July 50 to 30 June 51	0	0	0	710	710	0	36,290
33	1 July 51 to 30 June 52	0	0	0	685	685	0	36,290
34	1 July 52 to 30 June 53	0	0	0	477	477	0	36,290
35	1 July 53 to 30 June 54	0	0	0	0	0	0	36,290
36	1 July 54 to 30 June 55	0	0	0	0	0	0	36,290
37	1 July 55 to 30 June 56	0	0	0	0	0	0	36,290
38	1 July 56 to 30 June 57	0	0	0	0	0	0	36,290
39	1 July 57 to 30 June 58	0	0	0	0	0	0	36,290
40	2058+	0	0	0	0	0	0	36,290
Totals		0	0	0	75,688	75,688	36,290	36,290

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 (Eligible)			Division 43 Capital Works	Eligible Total	Capital Loss - Division 40*	
		Effective Life	Pooled Plant	Total Div 40			Yearly	Cumulative
1	11 October 19 to 30 June 20	0	0	0	43,452	43,452	10,588	10,588
2	1 July 20 to 30 June 21	0	0	0	1,393	1,393	4,488	15,076
3	1 July 21 to 30 June 22	0	0	0	1,393	1,393	3,577	18,654
4	1 July 22 to 30 June 23	0	0	0	1,393	1,393	3,008	21,662
5	1 July 23 to 30 June 24	0	0	0	1,393	1,393	2,652	24,314
6	1 July 24 to 30 June 25	0	0	0	1,393	1,393	2,043	26,356
7	1 July 25 to 30 June 26	0	0	0	1,393	1,393	1,749	28,105
8	1 July 26 to 30 June 27	0	0	0	1,393	1,393	1,662	29,767
9	1 July 27 to 30 June 28	0	0	0	1,393	1,393	1,608	31,374
10	1 July 28 to 30 June 29	0	0	0	1,157	1,157	1,574	32,948
11	1 July 29 to 30 June 30	0	0	0	1,086	1,086	947	33,895
12	1 July 30 to 30 June 31	0	0	0	1,086	1,086	691	34,587
13	1 July 31 to 30 June 32	0	0	0	1,086	1,086	557	35,144
14	1 July 32 to 30 June 33	0	0	0	1,086	1,086	499	35,642
15	1 July 33 to 30 June 34	0	0	0	1,046	1,046	495	36,138
16	1 July 34 to 30 June 35	0	0	0	1,036	1,036	147	36,285
17	1 July 35 to 30 June 36	0	0	0	1,036	1,036	2	36,287
18	1 July 36 to 30 June 37	0	0	0	1,036	1,036	1	36,288
19	1 July 37 to 30 June 38	0	0	0	1,036	1,036	1	36,289
20	1 July 38 to 30 June 39	0	0	0	719	719	1	36,289
21	1 July 39 to 30 June 40	0	0	0	710	710	0	36,290
22	1 July 40 to 30 June 41	0	0	0	710	710	0	36,290
23	1 July 41 to 30 June 42	0	0	0	710	710	0	36,290
24	1 July 42 to 30 June 43	0	0	0	710	710	0	36,290
25	1 July 43 to 30 June 44	0	0	0	710	710	0	36,290
26	1 July 44 to 30 June 45	0	0	0	710	710	0	36,290
27	1 July 45 to 30 June 46	0	0	0	710	710	0	36,290
28	1 July 46 to 30 June 47	0	0	0	710	710	0	36,290
29	1 July 47 to 30 June 48	0	0	0	710	710	0	36,290
30	1 July 48 to 30 June 49	0	0	0	710	710	0	36,290
31	1 July 49 to 30 June 50	0	0	0	710	710	0	36,290
32	1 July 50 to 30 June 51	0	0	0	710	710	0	36,290
33	1 July 51 to 30 June 52	0	0	0	685	685	0	36,290
34	1 July 52 to 30 June 53	0	0	0	477	477	0	36,290
35	1 July 53 to 30 June 54	0	0	0	0	0	0	36,290
36	1 July 54 to 30 June 55	0	0	0	0	0	0	36,290
37	1 July 55 to 30 June 56	0	0	0	0	0	0	36,290
38	1 July 56 to 30 June 57	0	0	0	0	0	0	36,290
39	1 July 57 to 30 June 58	0	0	0	0	0	0	36,290
40	2058+	0	0	0	0	0	0	36,290
Totals		0	0	0	75,688	75,688	36,290	36,290

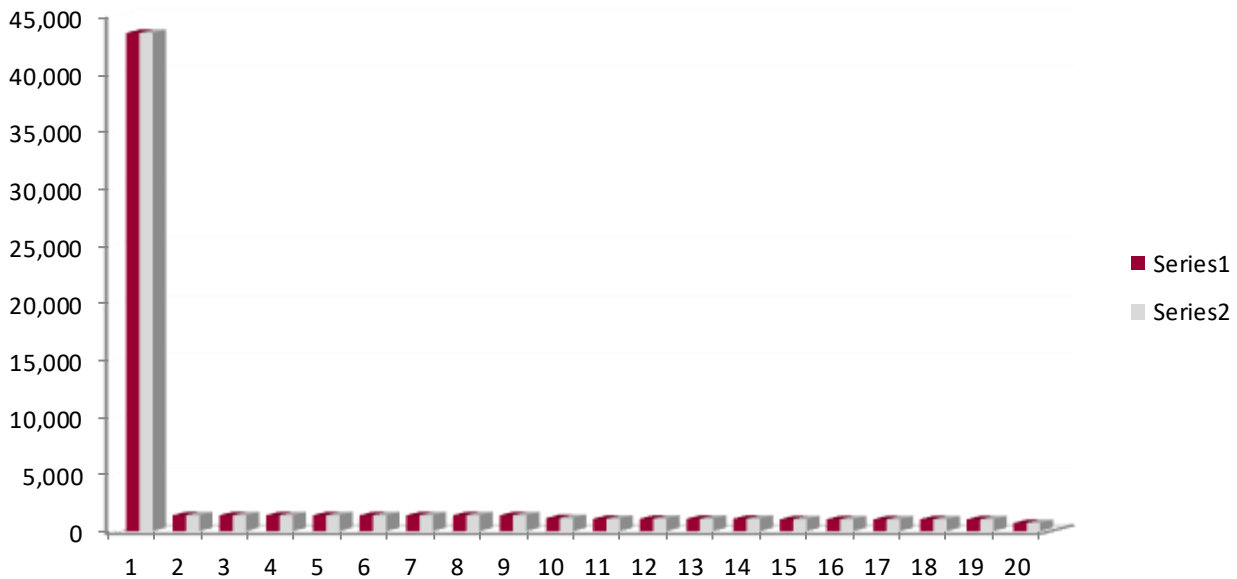
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

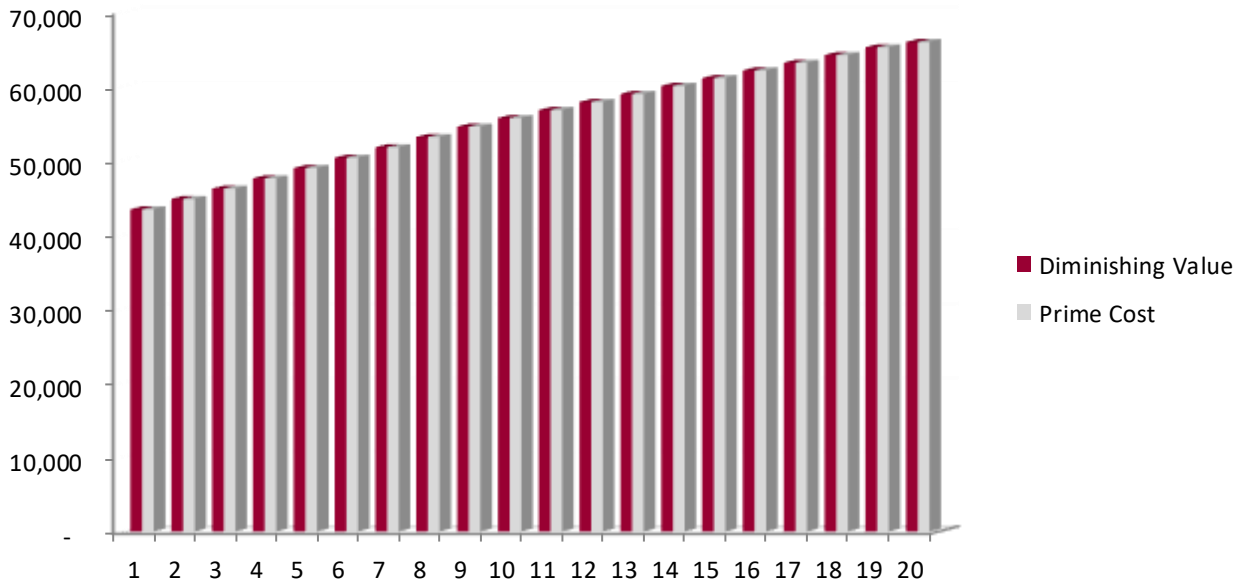
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	11 September 2019
Settlement Date	11 October 2019
Available To Generate Income	11 October 2019

Expenditure Analysed

Purchase Price	\$650,000
Stamp Duty	\$21,550
Legals	\$1,200
Total Expenditure Analysed	\$672,750

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:

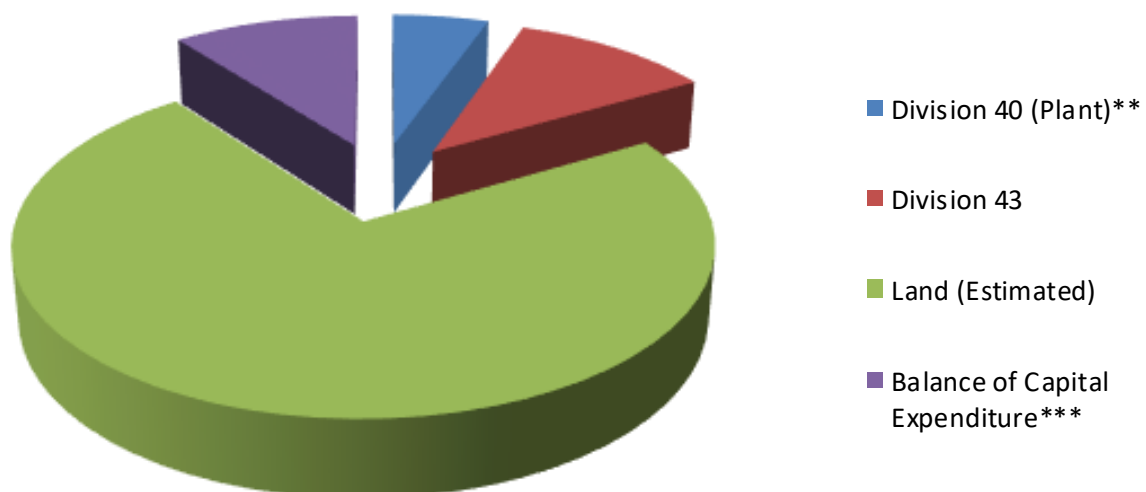
Division 40 (Plant)**	\$36,290
Division 43	\$75,688
Land (Estimated)	\$490,748
Balance of Capital Expenditure***	\$70,024
Total Expenditure Analysed	\$672,750

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 but for capital gain deduction only. 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 Division 40 - Plant and Equipment	Eligibility For Depreciation	Diminishing Value Rate	Start 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	NO	20.00%	11-Oct-19	6,453	927	1,105	884	707	566	453	362	290	232	348
Blinds Residential														
Blinds Residential	NO	18.75%	11-Oct-19	1,209	227	368	230	144	90	56	35	22	14	9
Blinds Residential	NO	18.75%	11-Oct-19	287	287									
Ceiling Fans														
Ceiling Fans	NO	18.75%	11-Oct-19	837	157	255	159	100	62	39	24	15	9	6
Door closers														
Door closers	NO	18.75%	11-Oct-19	645	121	197	123	77	48	30	19	12	7	5
Fire control assets														
Detection & alarm systems, detectors	NO	18.75%	11-Oct-19	526	99	160	100	63	39	24	15	10	6	4
Floor coverings (removable without damage)														
Floating timber	NO	13.33%	11-Oct-19	7,356	705	887	769	666	577	500	434	376	326	282
Linoleum & vinyl	NO	20.00%	11-Oct-19	1,972	1,972									
Furniture														
Furniture	NO	18.75%	11-Oct-19	3,872	726	1,180	737	461	288	180	113	70	44	27
Furniture	NO	18.75%	11-Oct-19	1,052	1,052									
Garage doors, automatic														
Controls	NO	40.00%	11-Oct-19	191	55	51	32	20	12	8	5	3	2	1
Motors	NO	20.00%	11-Oct-19	1,434	206	246	368	230	144	90	56	35	22	14
Garbage disposal														
Garbage bins	NO	18.75%	11-Oct-19	287	54	87	55	34	21	13	8	5	3	2
Garden sheds, freestanding														
Garden sheds, freestanding	NO	20.00%	11-Oct-19	598	86	192	120	75	47	29	18	11	7	4
Hot water systems (excluding piping)														
Gas or electric	NO	16.67%	11-Oct-19	2,151	258	316	263	219	183	342	214	134	84	52
Kitchen assets														
Cooktops	NO	16.67%	11-Oct-19	1,016	1,016									
Dishwashers	NO	25.00%	11-Oct-19	1,434	1,434									
Ovens	NO	16.67%	11-Oct-19	1,315	1,315									
Rangehoods	NO	18.75%	11-Oct-19	538	538									
Lights														
Fittings (excluding hardwired)	NO	40.00%	11-Oct-19	2,187	629	623	351	219	137	86	54	33	21	13
Fittings (excluding hardwired)	NO	40.00%	11-Oct-19	335	96	89	56	35	22	14	9	5	3	2
Pumps														
Pumps	NO	18.75%	11-Oct-19	598	112	182	114	71	44	28	17	11	7	4
Pooled Plant Total					3,371	2,762	2,445	1,528	955	939	587	367	229	491
Effective Life Plant Total					8,698	3,176	1,916	1,593	1,326	953	796	666	557	282
Total Division 40				36,290	12,069	5,938	4,361	3,121	2,281	1,892	1,383	1,032	787	773

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 1988	2.50%	11-Oct-19	2,748	221	307	307	307	307	307	307	307	307	71
Building Works - Completed 1998	2.50%	11-Oct-19	6,111	234	326	326	326	326	326	326	326	326	326
Building Works - Completed 2008	2.50%	11-Oct-19	31,775	31,775									
Building Works - Completed 2011	2.50%	11-Oct-19	1,742	39	54	54	54	54	54	54	54	54	54
Building Works - Completed 2011	2.50%	11-Oct-19	9,630	9,630									
Building Works - Completed 2013	2.50%	11-Oct-19	15,381	331	460	460	460	460	460	460	460	460	460
Structural Improvements - Completed 1993	2.50%	11-Oct-19	696	36	50	50	50	50	50	50	50	50	50
Structural Improvements - Completed 2008	2.50%	11-Oct-19	1,045	1,045									
Structural Improvements - Completed 2013	2.50%	11-Oct-19	6,560	141	196	196	196	196	196	196	196	196	196
Total Division 43			75,688	43,452	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,157
Total Depreciation			111,978	55,521	7,331	5,754	4,514	3,674	3,285	2,776	2,425	2,180	1,930

11. Prime Cost Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Eligibility For Depreciation	Prime Cost Rate	Start 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	NO	10.00%	11-Oct-19	6,453	464	645	645	645	645	645	645	645	645	645
Blinds Residential														
Blinds Residential	NO	18.75%	11-Oct-19	1,209	227	368	230	144	90	56	35	22	14	9
Blinds Residential	NO	18.75%	11-Oct-19	287	287									
Ceiling Fans														
Ceiling Fans	NO	18.75%	11-Oct-19	837	157	255	159	100	62	39	24	15	9	6
Door closers														
Door closers	NO	18.75%	11-Oct-19	645	121	197	123	77	48	30	19	12	7	5
Fire control assets														
Detection & alarm systems, detectors	NO	18.75%	11-Oct-19	526	99	160	100	63	39	24	15	10	6	4
Floor coverings (removable without damage)														
Floating timber	NO	6.67%	11-Oct-19	7,356	352	490	490	490	490	490	490	490	490	490
Linoleum & vinyl	NO	10.00%	11-Oct-19	1,972	1,972									
Furniture														
Furniture	NO	18.75%	11-Oct-19	3,872	726	1,180	737	461	288	180	113	70	44	27
Furniture	NO	18.75%	11-Oct-19	1,052	1,052									
Garage doors, automatic														
Controls	NO	20.00%	11-Oct-19	191	27	38	38	38	38	12				
Motors	NO	10.00%	11-Oct-19	1,434	103	143	143	143	143	143	143	143	143	143
Garbage disposal														
Garbage bins	NO	18.75%	11-Oct-19	287	54	87	55	34	21	13	8	5	3	2
Garden sheds, freestanding														
Garden sheds, freestanding	NO	10.00%	11-Oct-19	598	43	60	60	60	60	60	60	60	60	60
Hot water systems (excluding piping)														
Gas or electric	NO	8.33%	11-Oct-19	2,151	129	179	179	179	179	179	179	179	179	179
Kitchen assets														
Cooktops	NO	8.33%	11-Oct-19	1,016	1,016									
Dishwashers	NO	12.50%	11-Oct-19	1,434	1,434									
Ovens	NO	8.33%	11-Oct-19	1,315	1,315									
Rangehoods	NO	18.75%	11-Oct-19	538	538									
Lights														
Fittings (excluding hardwired)	NO	20.00%	11-Oct-19	2,187	314	437	437	437	437	125				
Freestanding	NO	20.00%	11-Oct-19	335	48	67	67	67	67	19				
Pumps														
Pumps	NO	18.75%	11-Oct-19	598	112	182	114	71	44	28	17	11	7	4
Pooled Plant Total					3,371	2,429	1,518	949	593	371	232	145	91	57
Effective Life Plant Total					7,217	2,059	2,059	2,059	2,059	1,672	1,517	1,517	1,517	1,517
Total Division 40				36,290	10,588	4,488	3,577	3,008	2,652	2,043	1,749	1,662	1,608	1,574

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 1988	2.50%	11-Oct-19	2,748	221	307	307	307	307	307	307	307	307	71
Building Works - Completed 1998	2.50%	11-Oct-19	6,111	234	326	326	326	326	326	326	326	326	326
Building Works - Completed 2008	2.50%	11-Oct-19	31,775	31,775									
Building Works - Completed 2011	2.50%	11-Oct-19	1,742	39	54	54	54	54	54	54	54	54	54
Building Works - Completed 2011	2.50%	11-Oct-19	9,630	9,630									
Building Works - Completed 2013	2.50%	11-Oct-19	15,381	331	460	460	460	460	460	460	460	460	460
Structural Improvements - Completed 1993	2.50%	11-Oct-19	696	36	50	50	50	50	50	50	50	50	50
Structural Improvements - Completed 2008	2.50%	11-Oct-19	1,045	1,045									
Structural Improvements - Completed 2013	2.50%	11-Oct-19	6,560	141	196	196	196	196	196	196	196	196	196
Total Division 43			75,688	43,452	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,157
Total Depreciation			111,978	54,040	5,881	4,970	4,401	4,045	3,436	3,142	3,055	3,001	2,731

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	28 Sep 88 to 1 Oct 88	12,277	2.50%	307	2,748
Building Works - Completed 1998	8 Jul 98 to 13 Jul 98	13,045	2.50%	326	6,111
Building Works - Completed 2008	5 Aug 08 to 10 Aug 08	44,095	2.50%	1,102	31,775
Building Works - Completed 2011	19 Oct 11 to 24 Oct 11	2,175	2.50%	54	1,742
Building Works - Completed 2011	5 Nov 11 to 10 Nov 11	12,008	2.50%	300	9,630
Building Works - Completed 2013	5 Mar 13 to 10 Mar 13	18,416	2.50%	460	15,381
Sub-total		102,016		2,549	67,387

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	28 Sep 93 to 1 Oct 93	1,994	2.50%	50	696
Structural Improvements - Completed 2008	5 Aug 08 to 10 Aug 08	1,450	2.50%	36	1,045
Structural Improvements - Completed 2013	5 Mar 13 to 10 Mar 13	7,855	2.50%	196	6,560
Sub-total		11,299		282	8,301
Totals		113,315		2,831	75,688

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	
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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.