



## Tax Depreciation Report

905/61 Rickard Road,  
Bankstown, NSW 2200

Helen Harb  
6 Melissa Street  
AUBURN, NSW 2144

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

Helen Harb  
6 Melissa Street  
AUBURN, NSW 2144

November 2019  
Job No: RES2200003

**Tax Depreciation Report – 905/61 Rickard Road, Bankstown, NSW 2200**

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

25 November 2019

### Purchaser

Adam Harb

### Property Address

905/61 Rickard Road, Bankstown, NSW 2200

### Real Property Description

LOT 66 SP91053

### Property Type

Residential House

### Date of Construction

25 March 2017

### 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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	24 April 17 to 30 June 17	1,857	2,932	4,789	1,193	5,982
2	1 July 17 to 30 June 18	4,829	5,464	10,293	6,504	16,797
3	1 July 18 to 30 June 19	3,795	3,767	7,562	6,504	14,066
4	1 July 19 to 30 June 20	2,772	2,996	5,768	6,504	12,272
5	1 July 20 to 30 June 21	2,353	1,872	4,226	6,504	10,730
6	1 July 21 to 30 June 22	1,704	1,796	3,500	6,504	10,004
7	1 July 22 to 30 June 23	1,475	1,123	2,597	6,504	9,101
8	1 July 23 to 30 June 24	1,284	702	1,986	6,504	8,490
9	1 July 24 to 30 June 25	1,125	439	1,563	6,504	8,067
10	1 July 25 to 30 June 26	637	938	1,575	6,504	8,079
11	1 July 26 to 30 June 27	595	586	1,181	6,504	7,685
12	1 July 27 to 30 June 28	555	366	921	6,504	7,425
13	1 July 28 to 30 June 29	518	229	747	6,504	7,251
14	1 July 29 to 30 June 30	483	143	626	6,504	7,130
15	1 July 30 to 30 June 31	451	89	541	6,504	7,045
16	1 July 31 to 30 June 32	421	56	477	6,504	6,981
17	1 July 32 to 30 June 33	393	35	428	6,504	6,932
18	1 July 33 to 30 June 34	367	22	389	6,504	6,893
19	1 July 34 to 30 June 35	342	14	356	6,504	6,860
20	1 July 35 to 30 June 36	320	9	328	6,504	6,832
21	1 July 36 to 30 June 37	298	5	304	6,504	6,808
22	1 July 37 to 30 June 38	278	3	282	6,504	6,786
23	1 July 38 to 30 June 39	260	2	262	6,504	6,766
24	1 July 39 to 30 June 40	242	1	244	6,504	6,748
25	1 July 40 to 30 June 41	226	1	227	6,504	6,731
26	1 July 41 to 30 June 42	211	1	212	6,504	6,716
27	1 July 42 to 30 June 43	197	0	197	6,504	6,701
28	1 July 43 to 30 June 44	184	0	184	6,504	6,688
29	1 July 44 to 30 June 45	172	0	172	6,504	6,676
30	1 July 45 to 30 June 46	160	0	160	6,504	6,664
31	1 July 46 to 30 June 47	150	0	150	6,504	6,654
32	1 July 47 to 30 June 48	140	0	140	6,504	6,644
33	1 July 48 to 30 June 49	130	0	130	6,504	6,634
34	1 July 49 to 30 June 50	122	0	122	6,504	6,626
35	1 July 50 to 30 June 51	114	0	114	6,504	6,618
36	1 July 51 to 30 June 52	106	0	106	6,504	6,610
37	1 July 52 to 30 June 53	99	0	99	6,504	6,603
38	1 July 53 to 30 June 54	92	0	92	6,504	6,596
39	1 July 54 to 30 June 55	86	0	86	6,504	6,590
40	2055+	1,206	0	1,206	11,309	12,515
<b>Totals</b>		<b>30,750</b>	<b>23,590</b>	<b>54,340</b>	<b>259,654</b>	<b>313,994</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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	24 April 17 to 30 June 17	1,295	2,932	4,227	1,193	5,420
2	1 July 17 to 30 June 18	2,690	4,765	7,455	6,504	13,959
3	1 July 18 to 30 June 19	2,683	2,978	5,661	6,504	12,165
4	1 July 19 to 30 June 20	2,648	1,861	4,509	6,504	11,013
5	1 July 20 to 30 June 21	2,648	1,163	3,811	6,504	10,315
6	1 July 21 to 30 June 22	2,648	727	3,375	6,504	9,879
7	1 July 22 to 30 June 23	2,648	454	3,102	6,504	9,606
8	1 July 23 to 30 June 24	2,522	284	2,806	6,504	9,310
9	1 July 24 to 30 June 25	2,407	177	2,584	6,504	9,088
10	1 July 25 to 30 June 26	2,407	111	2,518	6,504	9,022
11	1 July 26 to 30 June 27	2,141	69	2,211	6,504	8,715
12	1 July 27 to 30 June 28	987	43	1,030	6,504	7,534
13	1 July 28 to 30 June 29	914	27	941	6,504	7,445
14	1 July 29 to 30 June 30	636	17	653	6,504	7,157
15	1 July 30 to 30 June 31	572	11	583	6,504	7,087
16	1 July 31 to 30 June 32	560	7	567	6,504	7,071
17	1 July 32 to 30 June 33	560	4	564	6,504	7,068
18	1 July 33 to 30 June 34	560	3	563	6,504	7,067
19	1 July 34 to 30 June 35	560	2	562	6,504	7,066
20	1 July 35 to 30 June 36	560	1	561	6,504	7,065
21	1 July 36 to 30 June 37	560	1	561	6,504	7,065
22	1 July 37 to 30 June 38	560	0	560	6,504	7,064
23	1 July 38 to 30 June 39	560	0	560	6,504	7,064
24	1 July 39 to 30 June 40	560	0	560	6,504	7,064
25	1 July 40 to 30 June 41	560	0	560	6,504	7,064
26	1 July 41 to 30 June 42	560	0	560	6,504	7,064
27	1 July 42 to 30 June 43	560	0	560	6,504	7,064
28	1 July 43 to 30 June 44	560	0	560	6,504	7,064
29	1 July 44 to 30 June 45	560	0	560	6,504	7,064
30	1 July 45 to 30 June 46	560	0	560	6,504	7,064
31	1 July 46 to 30 June 47	457	0	457	6,504	6,961
32	1 July 47 to 30 June 48	0	0	0	6,504	6,504
33	1 July 48 to 30 June 49	0	0	0	6,504	6,504
34	1 July 49 to 30 June 50	0	0	0	6,504	6,504
35	1 July 50 to 30 June 51	0	0	0	6,504	6,504
36	1 July 51 to 30 June 52	0	0	0	6,504	6,504
37	1 July 52 to 30 June 53	0	0	0	6,504	6,504
38	1 July 53 to 30 June 54	0	0	0	6,504	6,504
39	1 July 54 to 30 June 55	0	0	0	6,504	6,504
40	2055+	0	0	0	11,309	11,309
<b>Totals</b>		<b>38,702</b>	<b>15,638</b>	<b>54,340</b>	<b>259,654</b>	<b>313,994</b>

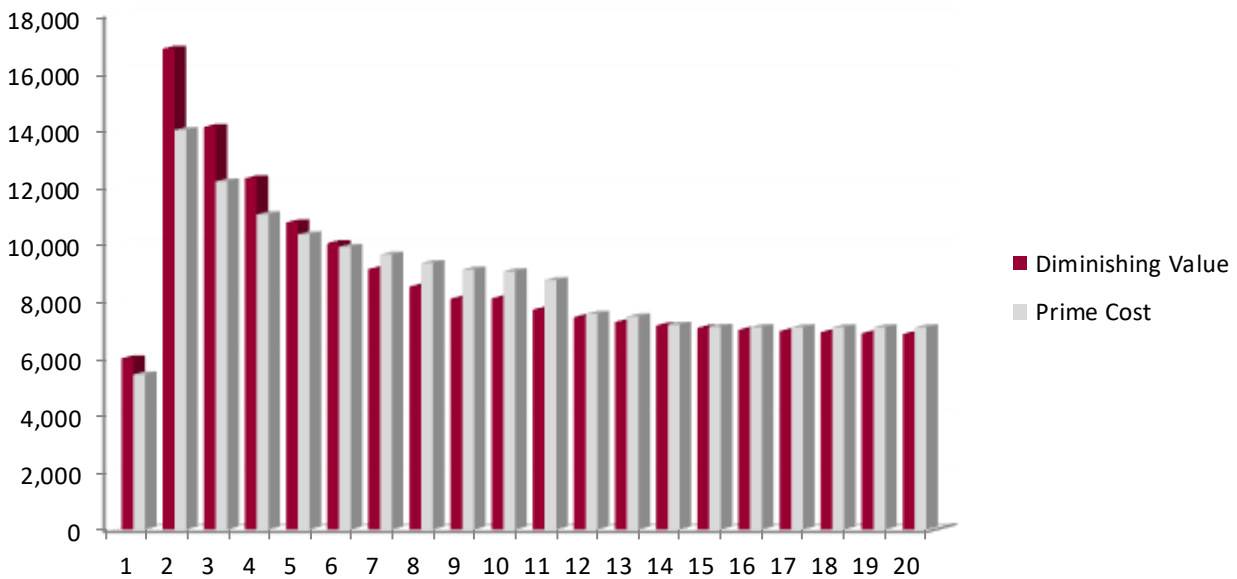
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

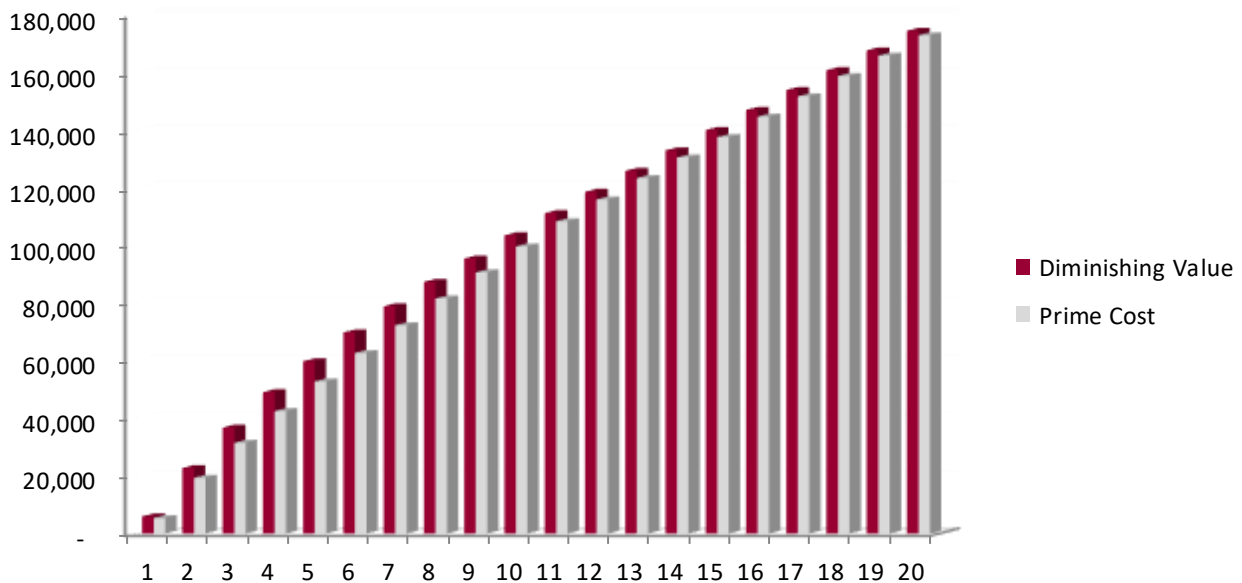
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	4 September 2015
Settlement Date	24 April 2017

### Expenditure Analysed

Purchase Price	\$450,000
Stamp Duty	\$14,175
<b>Total Expenditure Analysed</b>	<b>\$464,175</b>

### Historical Construction Details

Construction Start Date	31 December 2015
Construction Completion Date	25 March 2017
Historical Construction Cost (Estimated)*	\$300,835

## 9. Reconciliation of Capital Expenditure

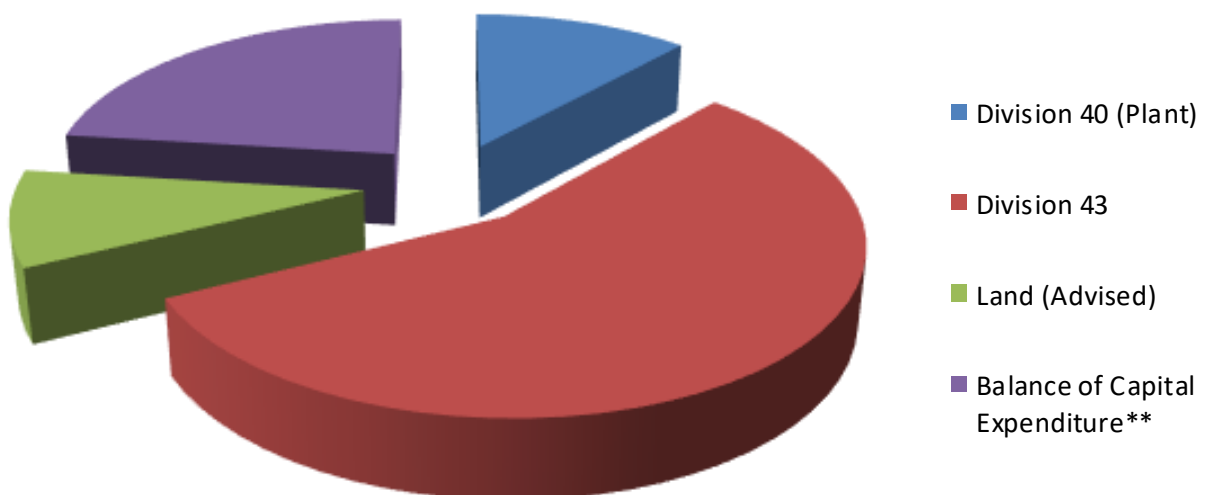
### Apportionment of cost relating to:

Division 40 (Plant)	\$54,340
Division 43	\$259,654
Land (Advised)	\$43,342
Balance of Capital Expenditure**	\$106,839
<b>Total Expenditure Analysed</b>	<b>\$464,175</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

\*\* 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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	24-Apr-17	5,071	186	977	782	625	500	400	320	256	205	307
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	24-Apr-17	2,028	380	618	386	241	151	94	59	37	23	14
Shower curtains (excl. curtain rods & screens)	100.00%	24-Apr-17	85	85									
<b>Blinds Residential</b>													
Blinds Residential	20.00%	24-Apr-17	1,217	45	234	352	220	137	86	54	34	21	13
Blinds Residential	18.75%	24-Apr-17	1,873	351	571	357	223	139	87	54	34	21	13
<b>Computer systems</b>													
General	18.75%	24-Apr-17	592	111	180	113	70	44	28	17	11	7	4
Building management system	18.75%	24-Apr-17	504	94	153	96	60	37	23	15	9	6	4
<b>Door closers</b>													
Door closers	18.75%	24-Apr-17	1,057	198	322	201	126	79	49	31	19	12	7
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	24-Apr-17	866	162	264	165	103	64	40	25	16	10	6
Detection & alarm systems, fire indicator panel	18.75%	24-Apr-17	630	118	192	120	75	47	29	18	11	7	4
Emergency warning & intercommunication system	18.75%	24-Apr-17	621	117	189	118	74	46	29	18	11	7	4
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	24-Apr-17	5,878	216	1,132	906	725	580	464	371	297	237	356
<b>Furniture</b>													
Furniture	15.00%	24-Apr-17	1,014	28	370	231	144	90	56	35	22	14	9
Furniture	18.75%	24-Apr-17	1,741	326	530	332	207	130	81	51	32	20	12
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	24-Apr-17	907	28	330	206	129	80	50	31	20	12	8
<b>Kitchen assets</b>													
Cooktops	16.67%	24-Apr-17	1,437	44	232	193	363	227	142	89	55	35	22
Dishwashers	20.00%	24-Apr-17	2,028	74	391	313	250	200	300	188	117	73	46
Ovens	16.67%	24-Apr-17	1,859	57	300	250	209	174	326	204	127	80	50
Rangehoods	18.75%	24-Apr-17	761	143	232	145	91	57	35	22	14	9	5
<b>Laundry assets</b>													
Clothes dryers	18.75%	24-Apr-17	761	143	232	145	91	57	35	22	14	9	5
<b>Lifts (including hydraulic &amp; tractions lifts)</b>													
Lifts (including hydraulic & tractions lifts)	6.67%	24-Apr-17	16,800	206	1,106	1,033	964	899	839	784	731	683	637
<b>Lights</b>													
Shades, removable	18.75%	24-Apr-17	3,303	619	1,006	629	393	246	154	96	60	37	23
<b>MATV - amplifiers &amp; modulators</b>													
MATV - amplifiers & modulators	18.75%	24-Apr-17	567	106	173	108	67	42	26	16	10	6	4
Carried forward			51,600	3,837	9,736	7,180	5,450	4,027	3,375	2,520	1,937	1,533	1,556

## Diminishing Value Depreciation Schedule (cont.)

Assets Generally	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>													
Brought forward			51,600	3,837	9,736	7,180	5,450	4,027	3,375	2,520	1,937	1,533	1,556
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	24-Apr-17	1,605	88	455	318	279	174	109	68	43	27	17
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	24-Apr-17	334	63	102	64	40	25	16	10	6	4	2
\$300 items	100.00%	24-Apr-17	801	801									
Pooled Plant Total				2,932	5,464	3,767	2,996	1,872	1,796	1,123	702	439	938
Effective Life Plant Total				1,857	4,829	3,795	2,772	2,353	1,704	1,475	1,284	1,125	637
<b>Total Division 40</b>			<b>54,340</b>	<b>4,789</b>	<b>10,293</b>	<b>7,562</b>	<b>5,768</b>	<b>4,226</b>	<b>3,500</b>	<b>2,597</b>	<b>1,986</b>	<b>1,563</b>	<b>1,575</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Works - Completed 2017	2.50%	24-Apr-17	256,729	1,180	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431
Structural Improvements - Completed 2017	2.50%	24-Apr-17	2,925	13	73	73	73	73	73	73	73	73	73
<b>Total Division 43</b>			<b>259,654</b>	<b>1,193</b>	<b>6,504</b>	<b>6,504</b>	<b>6,504</b>	<b>6,504</b>	<b>6,504</b>	<b>6,504</b>	<b>6,504</b>	<b>6,504</b>	<b>6,504</b>
<b>Total Depreciation</b>			<b>313,994</b>	<b>5,982</b>	<b>16,797</b>	<b>14,066</b>	<b>12,272</b>	<b>10,730</b>	<b>10,004</b>	<b>9,101</b>	<b>8,490</b>	<b>8,067</b>	<b>8,079</b>

## 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	
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>														
Mini split system upto 20KW	10.00%	24-Apr-17	5,071	93	507	507	507	507	507	507	507	507	507	
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	18.75%	24-Apr-17	2,028	380	618	386	241	151	94	59	37	23	14	
Shower curtains (excl. curtain rods & screens)	50.00%	24-Apr-17	85	8	42	35								
<b>Blinds Residential</b>														
Blinds Residential	10.00%	24-Apr-17	1,217	22	122	122	122	122	122	122	122	122	122	
Blinds Residential	18.75%	24-Apr-17	1,873	351	571	357	223	139	87	54	34	21	13	
<b>Computer systems</b>														
General	18.75%	24-Apr-17	592	111	180	113	70	44	28	17	11	7	4	
Building management system	18.75%	24-Apr-17	504	94	153	96	60	37	23	15	9	6	4	
<b>Door closers</b>														
Door closers	18.75%	24-Apr-17	1,057	198	322	201	126	79	49	31	19	12	7	
<b>Fire control assets</b>														
Detection & alarm systems, detectors	18.75%	24-Apr-17	866	162	264	165	103	64	40	25	16	10	6	
Detection & alarm systems, fire indicator panel	18.75%	24-Apr-17	630	118	192	120	75	47	29	18	11	7	4	
Emergency warning & intercommunication system	18.75%	24-Apr-17	621	117	189	118	74	46	29	18	11	7	4	
<b>Floor coverings ( removable without damage)</b>														
Carpets	10.00%	24-Apr-17	5,878	108	588	588	588	588	588	588	588	588	588	
<b>Furniture</b>														
Furniture	7.50%	24-Apr-17	1,014	14	76	76	76	76	76	76	76	76	76	
Furniture	18.75%	24-Apr-17	1,741	326	530	332	207	130	81	51	32	20	12	
<b>Hot water systems (excluding piping)</b>														
Gas or electric	8.33%	24-Apr-17	907	14	76	76	76	76	76	76	76	76	76	
<b>Kitchen assets</b>														
Cooktops	8.33%	24-Apr-17	1,437	22	120	120	120	120	120	120	120	120	120	
Dishwashers	10.00%	24-Apr-17	2,028	37	203	203	203	203	203	203	203	203	203	
Ovens	8.33%	24-Apr-17	1,859	28	155	155	155	155	155	155	155	155	155	
Rangehoods	18.75%	24-Apr-17	761	143	232	145	91	57	35	22	14	9	5	
<b>Laundry assets</b>														
Clothes dryers	18.75%	24-Apr-17	761	143	232	145	91	57	35	22	14	9	5	
<b>Lifts (including hydraulic &amp; tractions lifts)</b>														
Lifts	3.33%	24-Apr-17	16,800	103	560	560	560	560	560	560	560	560	560	
<b>Lights</b>														
Shades, removable	18.75%	24-Apr-17	3,303	619	1,006	629	393	246	154	96	60	37	23	
<b>MATV - amplifiers &amp; modulators</b>														
MATV - amplifiers & modulators	18.75%	24-Apr-17	567	106	173	108	67	42	26	16	10	6	4	
Carried forward			51,600	3,319	7,112	5,356	4,228	3,545	3,118	2,852	2,685	2,581	2,516	

## Prime Cost Depreciation Schedule (cont.)

Assets Generally	Prime Cost	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>Rate</b>												
Brought forward			51,600	3,319	7,112	5,356	4,228	3,545	3,118	2,852	2,685	2,581	2,516
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	24-Apr-17	1,605	44	241	241	241	241	241	241	115		
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	24-Apr-17	334	63	102	64	40	25	16	10	6	4	2
<b>\$300 items</b>													
\$300 items	100.00%	24-Apr-17	801	801									
<b>Pooled Plant Total</b>				2,932	4,765	2,978	1,861	1,163	727	454	284	177	111
<b>Effective Life Plant Total</b>				1,295	2,690	2,683	2,648	2,648	2,648	2,648	2,522	2,407	2,407
<b>Total Division 40</b>			54,340	4,227	7,455	5,661	4,509	3,811	3,375	3,102	2,806	2,584	2,518
<b>Division 43 - Capital Works Allowance</b>													
	<b>Rate</b>		<b>Opening Value</b>	<b>Year 1</b>	<b>Year2</b>	<b>Year 3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Year8</b>	<b>Year9</b>	<b>Year10</b>
<b>Building Works - Completed 2017</b>	2.50%	24-Apr-17	256,729	1,180	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431
<b>Structural Improvements - Completed 2017</b>	2.50%	24-Apr-17	2,925	13	73	73	73	73	73	73	73	73	73
<b>Total Division 43</b>			259,654	1,193	6,504	6,504	6,504	6,504	6,504	6,504	6,504	6,504	6,504
<b>Total Depreciation</b>			313,994	5,420	13,959	12,165	11,013	10,315	9,879	9,606	9,310	9,088	9,022



## 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 2017	31 Dec 15 to 25 Mar 17	257,258	2.50%	6,431	256,729
<b>Sub-total</b>		<b>257,258</b>		<b>6,431</b>	<b>256,729</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2017	31 Dec 15 to 25 Mar 17	2,931	2.50%	73	2,925
<b>Sub-total</b>		<b>2,931</b>		<b>73</b>	<b>2,925</b>
<b>Totals</b>		<b>260,189</b>		<b>6,504</b>	<b>259,654</b>

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	
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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.