



Tax Depreciation Report

607/1720 David Low Way,
Coolum Beach, QLD 4573

Ross Little and Erin Little
26 Tarana St
CAMP HILL, QLD 4152

Issue Schedule	
Issue Date:	Issued by:
20 December 2019	Mark Kilroy Bsc (Hons) MRICS

Ross Little and Erin Little
26 Tarana St
CAMP HILL, QLD 4152

December 2019
Job No: RES4573015

Tax Depreciation Report – 607/1720 David Low Way, Coolum Beach, QLD 4573

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

20 December 2019

Purchaser

Ross Little and Erin Little

Property Address

607/1720 David Low Way, Coolum Beach, QLD 4573

Real Property Description

Lot 607 on SP 301298

Property Type

Residential House

Date of Construction

1 November 2019

Property Photo



2. Report Details

2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

Division 40 (Capital Allowances)

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

Division 40 (Capital Allowances) - Low Value Pool

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

Division 43 (Capital Works)

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

3. Capital Allowances

3.1 Entitlement

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

3.2 Qualifying Expenditure Calculation

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

3.3 Effective Life

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

3.4 Immediate Write-Off Assets

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

3.5 Low Value Pool

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method	Prime Cost Method								
<p>Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.</p>	<p>Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.</p>								
Benefits	Benefits								
<ul style="list-style-type: none"> • 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	25 November 19 to 30 June 20	8,109	4,037	12,146	4,440	16,586
2	1 July 20 to 30 June 21	9,457	6,560	16,017	7,454	23,471
3	1 July 21 to 30 June 22	7,342	4,809	12,151	7,454	19,605
4	1 July 22 to 30 June 23	5,620	3,657	9,276	7,454	16,730
5	1 July 23 to 30 June 24	4,654	2,286	6,940	7,454	14,394
6	1 July 24 to 30 June 25	3,866	1,428	5,294	7,454	12,748
7	1 July 25 to 30 June 26	2,876	1,600	4,476	7,454	11,930
8	1 July 26 to 30 June 27	2,069	1,703	3,773	7,454	11,227
9	1 July 27 to 30 June 28	1,597	1,409	3,006	7,454	10,460
10	1 July 28 to 30 June 29	1,179	1,219	2,397	7,454	9,851
11	1 July 29 to 30 June 30	1,018	762	1,779	7,454	9,233
12	1 July 30 to 30 June 31	883	476	1,359	7,454	8,813
13	1 July 31 to 30 June 32	641	620	1,261	7,454	8,715
14	1 July 32 to 30 June 33	366	760	1,127	7,454	8,581
15	1 July 33 to 30 June 34	342	475	817	7,454	8,271
16	1 July 34 to 30 June 35	319	297	616	7,454	8,070
17	1 July 35 to 30 June 36	298	186	484	7,454	7,938
18	1 July 36 to 30 June 37	278	116	394	7,454	7,848
19	1 July 37 to 30 June 38	259	73	332	7,454	7,786
20	1 July 38 to 30 June 39	242	45	288	7,454	7,742
21	1 July 39 to 30 June 40	226	28	254	7,454	7,708
22	1 July 40 to 30 June 41	211	18	229	7,454	7,683
23	1 July 41 to 30 June 42	197	11	208	7,454	7,662
24	1 July 42 to 30 June 43	184	7	191	7,454	7,645
25	1 July 43 to 30 June 44	172	4	176	7,454	7,630
26	1 July 44 to 30 June 45	160	3	163	7,454	7,617
27	1 July 45 to 30 June 46	149	2	151	7,454	7,605
28	1 July 46 to 30 June 47	139	1	141	7,454	7,595
29	1 July 47 to 30 June 48	130	1	131	7,454	7,585
30	1 July 48 to 30 June 49	121	0	122	7,454	7,576
31	1 July 49 to 30 June 50	113	0	114	7,454	7,568
32	1 July 50 to 30 June 51	106	0	106	7,454	7,560
33	1 July 51 to 30 June 52	99	0	99	7,454	7,553
34	1 July 52 to 30 June 53	92	0	92	7,454	7,546
35	1 July 53 to 30 June 54	86	0	86	7,454	7,540
36	1 July 54 to 30 June 55	80	0	80	7,454	7,534
37	1 July 55 to 30 June 56	75	0	75	7,454	7,529
38	1 July 56 to 30 June 57	70	0	70	7,454	7,524
39	1 July 57 to 30 June 58	0	367	367	7,454	7,821
40	2058+	0	612	612	10,003	10,615
Totals		53,826	33,573	87,400	297,695	385,095

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	25 November 19 to 30 June 20	4,943	4,037	8,980	4,440	13,420
2	1 July 20 to 30 June 21	5,315	6,560	11,875	7,454	19,329
3	1 July 21 to 30 June 22	5,315	4,100	9,415	7,454	16,869
4	1 July 22 to 30 June 23	5,315	2,563	7,878	7,454	15,332
5	1 July 23 to 30 June 24	5,315	1,602	6,917	7,454	14,371
6	1 July 24 to 30 June 25	5,315	1,001	6,316	7,454	13,770
7	1 July 25 to 30 June 26	5,315	626	5,941	7,454	13,395
8	1 July 26 to 30 June 27	5,022	391	5,413	7,454	12,867
9	1 July 27 to 30 June 28	5,002	244	5,246	7,454	12,700
10	1 July 28 to 30 June 29	5,002	153	5,155	7,454	12,609
11	1 July 29 to 30 June 30	3,087	95	3,183	7,454	10,637
12	1 July 30 to 30 June 31	1,783	60	1,843	7,454	9,297
13	1 July 31 to 30 June 32	1,234	37	1,271	7,454	8,725
14	1 July 32 to 30 June 33	748	23	772	7,454	8,226
15	1 July 33 to 30 June 34	437	15	452	7,454	7,906
16	1 July 34 to 30 June 35	437	9	446	7,454	7,900
17	1 July 35 to 30 June 36	437	6	443	7,454	7,897
18	1 July 36 to 30 June 37	437	4	441	7,454	7,895
19	1 July 37 to 30 June 38	437	2	439	7,454	7,893
20	1 July 38 to 30 June 39	437	1	438	7,454	7,892
21	1 July 39 to 30 June 40	437	1	438	7,454	7,892
22	1 July 40 to 30 June 41	437	1	438	7,454	7,892
23	1 July 41 to 30 June 42	437	0	437	7,454	7,891
24	1 July 42 to 30 June 43	437	0	437	7,454	7,891
25	1 July 43 to 30 June 44	437	0	437	7,454	7,891
26	1 July 44 to 30 June 45	437	0	437	7,454	7,891
27	1 July 45 to 30 June 46	437	0	437	7,454	7,891
28	1 July 46 to 30 June 47	437	0	437	7,454	7,891
29	1 July 47 to 30 June 48	437	0	437	7,454	7,891
30	1 July 48 to 30 June 49	437	0	437	7,454	7,891
31	1 July 49 to 30 June 50	165	0	165	7,454	7,619
32	1 July 50 to 30 June 51	0	0	0	7,454	7,454
33	1 July 51 to 30 June 52	0	0	0	7,454	7,454
34	1 July 52 to 30 June 53	0	0	0	7,454	7,454
35	1 July 53 to 30 June 54	0	0	0	7,454	7,454
36	1 July 54 to 30 June 55	0	0	0	7,454	7,454
37	1 July 55 to 30 June 56	0	0	0	7,454	7,454
38	1 July 56 to 30 June 57	0	0	0	7,454	7,454
39	1 July 57 to 30 June 58	0	0	0	7,454	7,454
40	2058+	0	0	0	10,003	10,003
Totals		65,868	21,531	87,400	297,695	385,095

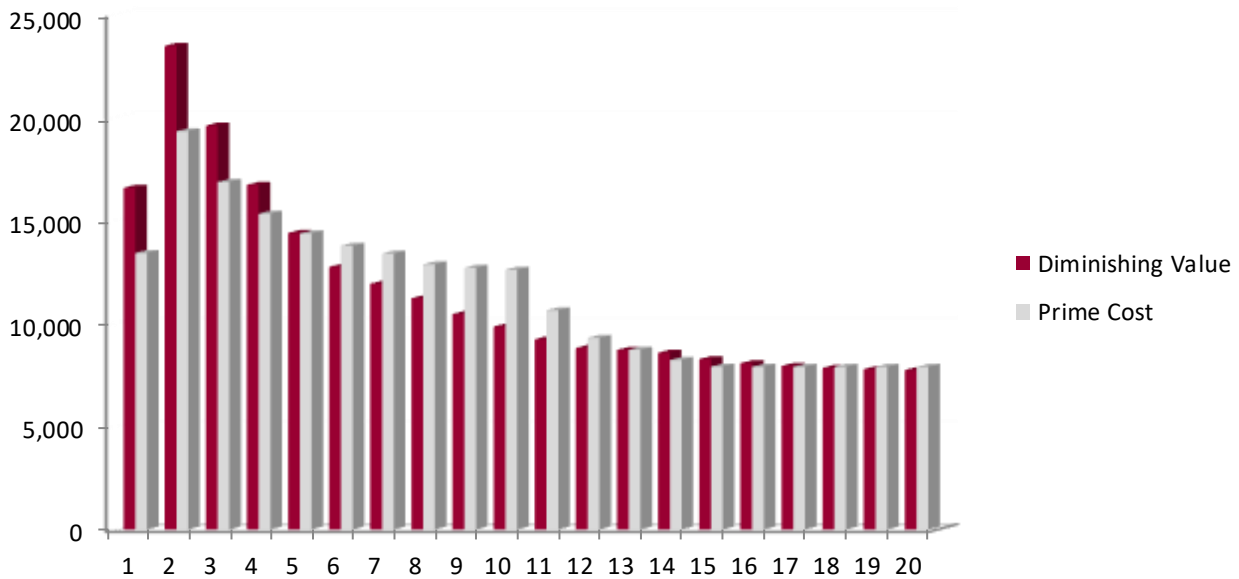
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

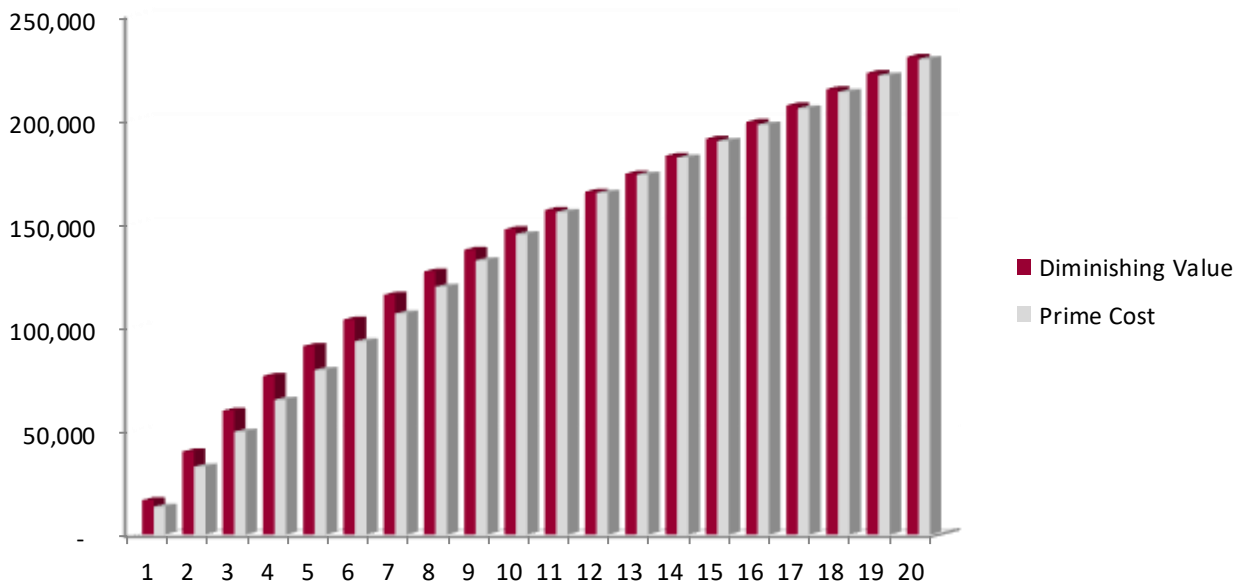
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	Not Provided
Settlement Date	25 November 2019

Expenditure Analysed

Purchase Price	\$680,000
Stamp Duty	\$22,675
Total Expenditure Analysed	\$702,675

Historical Construction Details

Construction Start Date	8 August 2018
Construction Completion Date	1 November 2019
Historical Construction Cost (Estimated)*	\$343,417
Lot Entitlement	131
Overall Lot Entitlement	9,995

9. Reconciliation of Capital Expenditure

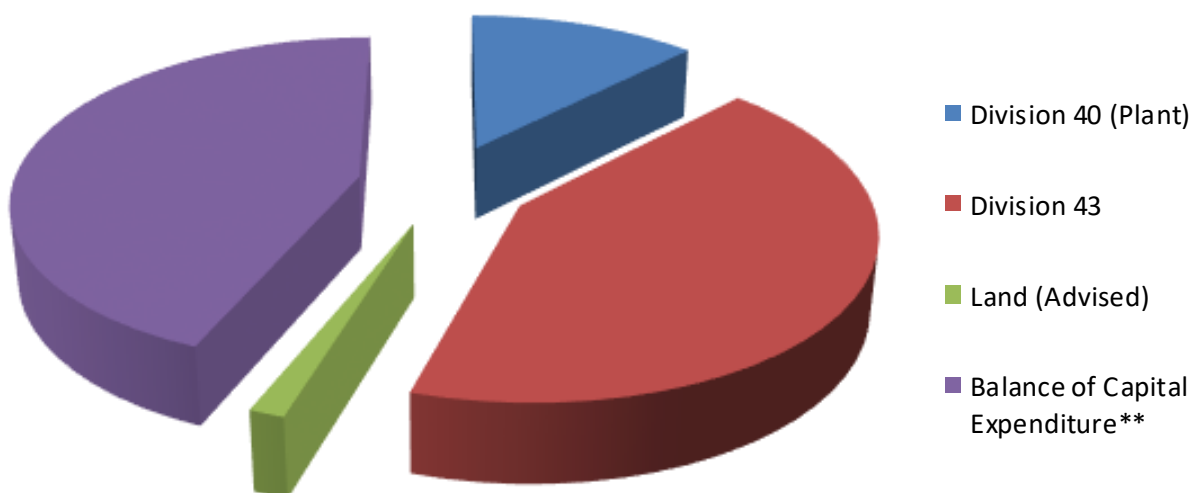
Apportionment of cost relating to:

Division 40 (Plant)	\$87,400
Division 43	\$297,695
Land (Advised)	\$9,995
Balance of Capital Expenditure**	\$307,585
Total Expenditure Analysed	\$702,675

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%	25-Nov-19	16,422	1,956	2,893	2,315	1,852	1,481	1,185	948	758	607	485
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	25-Nov-19	1,844	346	562	351	219	137	86	54	33	21	13
Blinds Residential													
	20.00%	25-Nov-19	6,093	726	1,074	859	687	550	440	352	281	225	338
Computer systems													
General	18.75%	25-Nov-19	853	160	260	162	102	63	40	25	15	10	6
Building management system	18.75%	25-Nov-19	639	120	195	122	76	48	30	19	12	7	5
Door closers													
	18.75%	25-Nov-19	628	118	191	120	75	47	29	18	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	25-Nov-19	2,094	393	638	399	249	156	97	61	38	24	15
Detection & alarm systems, fire indicator panel	18.75%	25-Nov-19	799	150	243	152	95	59	37	23	15	9	6
Emergency warning & intercommunication system	18.75%	25-Nov-19	1,701	319	518	324	202	127	79	49	31	19	12
Floor coverings (removable without damage)													
Carpets	20.00%	25-Nov-19	3,828	456	674	539	432	345	276	221	331	207	129
Furniture													
	15.00%	25-Nov-19	5,652	505	772	656	558	474	403	343	291	247	210
	18.75%	25-Nov-19	4,986	935	1,519	949	593	371	232	145	91	57	35
Garage doors, automatic													
Controls	18.75%	25-Nov-19	414	78	126	79	49	31	19	12	8	5	3
Garbage disposal													
Garbage chutes	18.75%	25-Nov-19	599	112	183	114	71	45	28	17	11	7	4
Hot water systems (excluding piping)													
Gas or electric	16.67%	25-Nov-19	3,290	327	494	412	343	286	238	199	372	233	145
Kitchen assets													
Cooktops	16.67%	25-Nov-19	2,681	266	402	335	280	233	194	364	227	142	89
Dishwashers	20.00%	25-Nov-19	3,169	377	558	447	357	286	229	343	214	134	84
Microwave ovens	20.00%	25-Nov-19	1,341	160	236	354	221	138	86	54	34	21	13
Ovens	16.67%	25-Nov-19	3,656	363	549	457	381	318	265	221	184	345	215
Rangehoods	16.67%	25-Nov-19	1,436	143	216	180	337	211	132	82	51	32	20
Laundry assets													
Clothes dryers	20.00%	25-Nov-19	1,341	160	236	354	221	138	86	54	34	21	13
Lifts (including hydraulic & tractions lifts)													
	6.67%	25-Nov-19	13,098	520	839	783	730	682	636	594	554	517	483
Carried forward			76,562	8,688	13,378	10,463	8,132	6,224	4,847	4,197	3,598	2,897	2,329

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
Division 40 - Plant and Equipment													
Brought forward			76,562	8,688	13,378	10,463	8,132	6,224	4,847	4,197	3,598	2,897	2,329
Lights													
Shades, removable	18.75%	25-Nov-19	6,497	1,218	1,979	1,237	773	483	302	189	118	74	46
MATV - amplifiers & modulators	18.75%	25-Nov-19	479	90	146	91	57	36	22	14	9	5	3
Security systems & equipment													
Electronic	30.00%	25-Nov-19	2,084	372	513	359	314	197	123	77	48	30	19
\$300 items	100.00%	25-Nov-19	1,778	1,778									
Pooled Plant Total				4,037	6,560	4,809	3,657	2,286	1,428	1,600	1,703	1,409	1,219
Effective Life Plant Total				8,109	9,457	7,342	5,620	4,654	3,866	2,876	2,069	1,597	1,179
Total Division 40			87,400	12,146	16,017	12,151	9,276	6,940	5,294	4,476	3,773	3,006	2,397
Division 43 - Capital Works Allowance													
	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 2019	2.50%	25-Nov-19	290,973	4,340	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286
Structural Improvements - Completed 2019	2.50%	25-Nov-19	6,722	100	168	168	168	168	168	168	168	168	168
Total Division 43			297,695	4,440	7,454	7,454	7,454	7,454	7,454	7,454	7,454	7,454	7,454
Total Depreciation			385,095	16,586	23,471	19,605	16,730	14,394	12,748	11,930	11,227	10,460	9,851

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%	25-Nov-19	16,422	978	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	25-Nov-19	1,844	346	562	351	219	137	86	54	33	21	13
Blinds Residential													
	10.00%	25-Nov-19	6,093	363	609	609	609	609	609	609	609	609	609
Computer systems													
General	18.75%	25-Nov-19	853	160	260	162	102	63	40	25	15	10	6
Building management system	18.75%	25-Nov-19	639	120	195	122	76	48	30	19	12	7	5
Door closers													
	18.75%	25-Nov-19	628	118	191	120	75	47	29	18	11	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	25-Nov-19	2,094	393	638	399	249	156	97	61	38	24	15
Detection & alarm systems, fire indicator panel	18.75%	25-Nov-19	799	150	243	152	95	59	37	23	15	9	6
Emergency warning & intercommunication system	18.75%	25-Nov-19	1,701	319	518	324	202	127	79	49	31	19	12
Floor coverings (removable without damage)													
Carpets	10.00%	25-Nov-19	3,828	228	383	383	383	383	383	383	383	383	383
Furniture													
Furniture	7.50%	25-Nov-19	5,652	253	424	424	424	424	424	424	424	424	424
Furniture	18.75%	25-Nov-19	4,986	935	1,519	949	593	371	232	145	91	57	35
Garage doors, automatic													
Controls	18.75%	25-Nov-19	414	78	126	79	49	31	19	12	8	5	3
Garbage disposal													
Garbage chutes	18.75%	25-Nov-19	599	112	183	114	71	45	28	17	11	7	4
Hot water systems (excluding piping)													
Gas or electric	8.33%	25-Nov-19	3,290	163	274	274	274	274	274	274	274	274	274
Kitchen assets													
Cooktops	8.33%	25-Nov-19	2,681	133	223	223	223	223	223	223	223	223	223
Dishwashers	10.00%	25-Nov-19	3,169	189	317	317	317	317	317	317	317	317	317
Microwave ovens	10.00%	25-Nov-19	1,341	80	134	134	134	134	134	134	134	134	134
Ovens	8.33%	25-Nov-19	3,656	181	305	305	305	305	305	305	305	305	305
Rangehoods	8.33%	25-Nov-19	1,436	71	120	120	120	120	120	120	120	120	120
Laundry assets													
Clothes dryers	10.00%	25-Nov-19	1,341	80	134	134	134	134	134	134	134	134	134
Lifts (including hydraulic & tractions lifts)													
	3.33%	25-Nov-19	13,098	260	437	437	437	437	437	437	437	437	437
Carried forward			76,562	5,708	9,437	7,774	6,734	6,085	5,679	5,425	5,266	5,167	5,105

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
Division 40 - Plant and Equipment		Rate												
Brought forward				76,562	5,708	9,437	7,774	6,734	6,085	5,679	5,425	5,266	5,167	5,105
Lights														
Shades, removable	18.75%	25-Nov-19	6,497	1,218	1,979	1,237	773	483	302	189	118	74	46	
MATV - amplifiers & modulators	18.75%	25-Nov-19	479	90	146	91	57	36	22	14	9	5	3	
Security systems & equipment														
Electronic	15.00%	25-Nov-19	2,084	186	313	313	313	313	313	313	313	20		
\$300 items	100.00%	25-Nov-19	1,778	1,778										
Pooled Plant Total					4,037	6,560	4,100	2,563	1,602	1,001	626	391	244	153
Effective Life Plant Total					4,943	5,315	5,315	5,315	5,315	5,315	5,315	5,022	5,002	5,002
Total Division 40				87,400	8,980	11,875	9,415	7,878	6,917	6,316	5,941	5,413	5,246	5,155
Division 43 - Capital Works Allowance														
		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 2019		2.50%	25-Nov-19	290,973	4,340	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286
Structural Improvements - Completed 2019		2.50%	25-Nov-19	6,722	100	168	168	168	168	168	168	168	168	168
Total Division 43				297,695	4,440	7,454	7,454	7,454	7,454	7,454	7,454	7,454	7,454	7,454
Total Depreciation				385,095	13,420	19,329	16,869	15,332	14,371	13,770	13,395	12,867	12,700	12,609

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 2019	8 Aug 18 to 1 Nov 19	291,452	2.50%	7,286	290,973
Sub-total		291,452		7,286	290,973

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	8 Aug 18 to 1 Nov 19	6,733	2.50%	168	6,722
Sub-total		6,733		168	6,722
Totals		298,185		7,454	297,695

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.