



## Tax Depreciation Report

27 Karrayarta Drive,  
Glenside, SA 5065

Robin James Laing  
PO Box 103  
HIGHGATE, SA 5063

Issue Schedule	
Issue Date:	Issued by:
16 January 2020	Mark Kilroy Bsc (Hons) MRICS

Robin James Laing  
PO Box 103  
HIGHGATE, SA 5063

January 2020  
Job No: RES5065001

**Tax Depreciation Report – 27 Karrayarta Drive, Glenside, SA 5065**

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

16 January 2020

### Purchaser

Robin James Laing

### Property Address

27 Karrayarta Drive, Glenside, SA 5065

### Real Property Description

LOT 214 D122189

### Property Type

Residential

### Date of Construction

3 December 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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.					Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
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				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
<b>200 / 10 Years = 20% (Adjusted Value)</b>					<b>100 / 10 Years = 10% (Straight Line)</b>				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.					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	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	10 December 19 to 30 June 20	5,952	2,574	8,526	4,810	13,336
2	1 July 20 to 30 June 21	9,300	4,528	13,828	8,671	22,499
3	1 July 21 to 30 June 22	7,306	3,150	10,456	8,671	19,127
4	1 July 22 to 30 June 23	5,868	1,969	7,837	8,671	16,508
5	1 July 23 to 30 June 24	4,501	1,575	6,076	8,671	14,747
6	1 July 24 to 30 June 25	3,133	1,885	5,018	8,671	13,689
7	1 July 25 to 30 June 26	2,428	1,511	3,938	8,671	12,609
8	1 July 26 to 30 June 27	1,800	1,242	3,042	8,671	11,713
9	1 July 27 to 30 June 28	1,202	1,445	2,647	8,671	11,318
10	1 July 28 to 30 June 29	860	1,260	2,120	8,671	10,791
11	1 July 29 to 30 June 30	716	788	1,504	8,671	10,175
12	1 July 30 to 30 June 31	598	492	1,090	8,671	9,761
13	1 July 31 to 30 June 32	499	308	807	8,671	9,478
14	1 July 32 to 30 June 33	240	527	766	8,671	9,437
15	1 July 33 to 30 June 34	208	329	537	8,671	9,208
16	1 July 34 to 30 June 35	180	206	386	8,671	9,057
17	1 July 35 to 30 June 36	156	129	285	8,671	8,956
18	1 July 36 to 30 June 37	135	80	216	8,671	8,887
19	1 July 37 to 30 June 38	0	380	380	8,671	9,051
20	1 July 38 to 30 June 39	0	237	237	8,671	8,908
21	1 July 39 to 30 June 40	0	148	148	8,671	8,819
22	1 July 40 to 30 June 41	0	93	93	8,671	8,764
23	1 July 41 to 30 June 42	0	58	58	8,671	8,729
24	1 July 42 to 30 June 43	0	36	36	8,671	8,707
25	1 July 43 to 30 June 44	0	23	23	8,671	8,694
26	1 July 44 to 30 June 45	0	14	14	8,671	8,685
27	1 July 45 to 30 June 46	0	9	9	8,671	8,680
28	1 July 46 to 30 June 47	0	6	6	8,671	8,677
29	1 July 47 to 30 June 48	0	3	3	8,671	8,674
30	1 July 48 to 30 June 49	0	2	2	8,671	8,673
31	1 July 49 to 30 June 50	0	1	1	8,671	8,672
32	1 July 50 to 30 June 51	0	1	1	8,671	8,672
33	1 July 51 to 30 June 52	0	1	1	8,671	8,672
34	1 July 52 to 30 June 53	0	0	0	8,671	8,671
35	1 July 53 to 30 June 54	0	0	0	8,671	8,671
36	1 July 54 to 30 June 55	0	0	0	8,671	8,671
37	1 July 55 to 30 June 56	0	0	0	8,671	8,671
38	1 July 56 to 30 June 57	0	0	0	8,671	8,671
39	1 July 57 to 30 June 58	0	0	0	8,671	8,671
40	2058+	0	0	0	12,371	12,371
<b>Totals</b>		<b>45,082</b>	<b>25,010</b>	<b>70,092</b>	<b>346,679</b>	<b>416,771</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	10 December 19 to 30 June 20	2,976	2,574	5,550	4,810	10,360
2	1 July 20 to 30 June 21	5,365	4,183	9,548	8,671	18,219
3	1 July 21 to 30 June 22	5,365	2,614	7,979	8,671	16,650
4	1 July 22 to 30 June 23	5,365	1,634	6,999	8,671	15,670
5	1 July 23 to 30 June 24	5,365	1,021	6,386	8,671	15,057
6	1 July 24 to 30 June 25	5,365	638	6,003	8,671	14,674
7	1 July 25 to 30 June 26	5,365	399	5,764	8,671	14,435
8	1 July 26 to 30 June 27	4,900	249	5,149	8,671	13,820
9	1 July 27 to 30 June 28	4,234	156	4,389	8,671	13,060
10	1 July 28 to 30 June 29	3,744	97	3,841	8,671	12,512
11	1 July 29 to 30 June 30	2,808	61	2,869	8,671	11,540
12	1 July 30 to 30 June 31	2,052	38	2,090	8,671	10,761
13	1 July 31 to 30 June 32	1,467	24	1,491	8,671	10,162
14	1 July 32 to 30 June 33	946	15	960	8,671	9,631
15	1 July 33 to 30 June 34	720	9	729	8,671	9,400
16	1 July 34 to 30 June 35	327	6	333	8,671	9,004
17	1 July 35 to 30 June 36	0	4	4	8,671	8,675
18	1 July 36 to 30 June 37	0	2	2	8,671	8,673
19	1 July 37 to 30 June 38	0	1	1	8,671	8,672
20	1 July 38 to 30 June 39	0	1	1	8,671	8,672
21	1 July 39 to 30 June 40	0	1	1	8,671	8,672
22	1 July 40 to 30 June 41	0	0	0	8,671	8,671
23	1 July 41 to 30 June 42	0	0	0	8,671	8,671
24	1 July 42 to 30 June 43	0	0	0	8,671	8,671
25	1 July 43 to 30 June 44	0	0	0	8,671	8,671
26	1 July 44 to 30 June 45	0	0	0	8,671	8,671
27	1 July 45 to 30 June 46	0	0	0	8,671	8,671
28	1 July 46 to 30 June 47	0	0	0	8,671	8,671
29	1 July 47 to 30 June 48	0	0	0	8,671	8,671
30	1 July 48 to 30 June 49	0	0	0	8,671	8,671
31	1 July 49 to 30 June 50	0	0	0	8,671	8,671
32	1 July 50 to 30 June 51	0	0	0	8,671	8,671
33	1 July 51 to 30 June 52	0	0	0	8,671	8,671
34	1 July 52 to 30 June 53	0	0	0	8,671	8,671
35	1 July 53 to 30 June 54	0	0	0	8,671	8,671
36	1 July 54 to 30 June 55	0	0	0	8,671	8,671
37	1 July 55 to 30 June 56	0	0	0	8,671	8,671
38	1 July 56 to 30 June 57	0	0	0	8,671	8,671
39	1 July 57 to 30 June 58	0	0	0	8,671	8,671
40	2058+	0	0	0	12,371	12,371
<b>Totals</b>		<b>56,363</b>	<b>13,728</b>	<b>70,092</b>	<b>346,679</b>	<b>416,771</b>

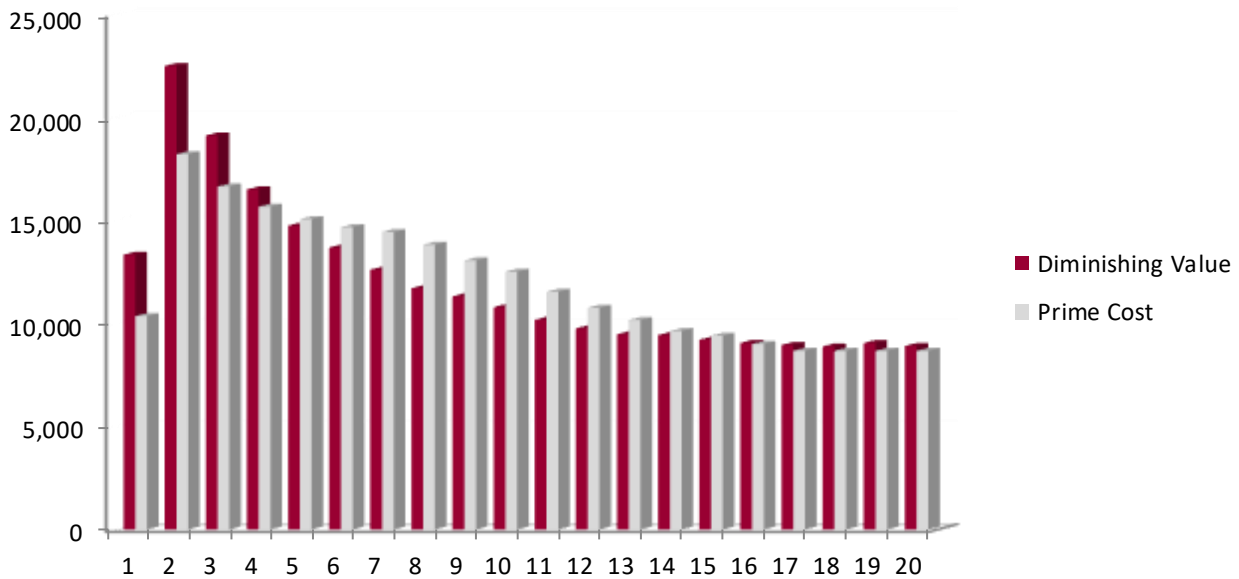
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

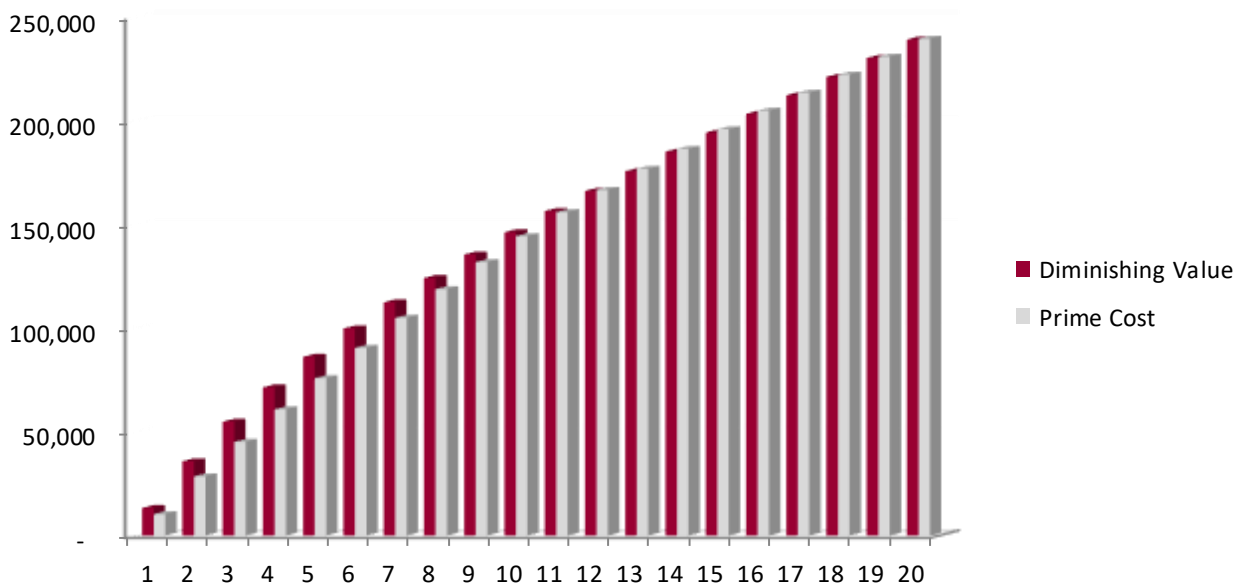
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	10 November 2019
Settlement Date	10 December 2019

### Expenditure Analysed

Purchase Price	\$906,000
Stamp Duty	\$43,660
<b>Total Expenditure Analysed</b>	<b>\$949,660</b>

### Historical Construction Details

Construction Start Date	6 June 2019
Construction Completion Date	3 December 2019
Historical Construction Cost (Estimated)*	\$392,419

## 9. Reconciliation of Capital Expenditure

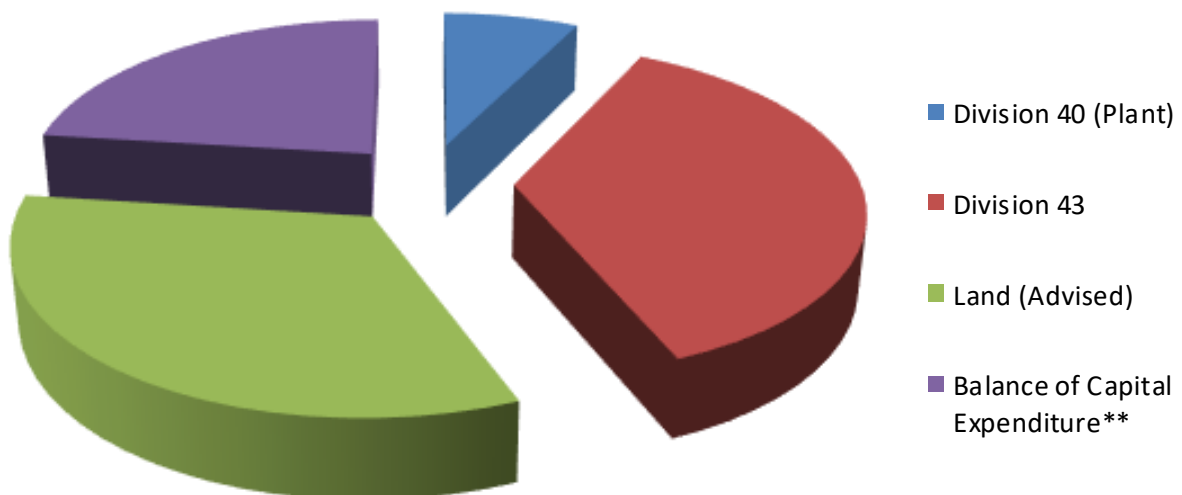
### Apportionment of cost relating to:

Division 40 (Plant)	\$70,092
Division 43	\$346,679
Land (Advised)	\$314,457
Balance of Capital Expenditure**	\$218,432
<b>Total Expenditure Analysed</b>	<b>\$949,660</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%	10-Dec-19	14,588	1,618	2,594	2,075	1,660	1,328	1,063	850	680	544	435
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	10-Dec-19	973	182	296	185	116	72	45	28	18	11	7
<b>Computer systems</b>													
General	18.75%	10-Dec-19	681	128	207	130	81	51	32	20	12	8	5
<b>Door closers</b>													
	18.75%	10-Dec-19	350	66	107	67	42	26	16	10	6	4	2
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	10-Dec-19	428	80	130	81	51	32	20	12	8	5	3
<b>Floor coverings ( removable without damage)</b>													
Carpets	25.00%	10-Dec-19	5,171	717	1,114	835	626	470	352	264	297	186	116
Floating timber	13.33%	10-Dec-19	10,807	799	1,334	1,156	1,002	869	753	652	565	490	425
<b>Furniture</b>													
Furniture	15.00%	10-Dec-19	3,816	318	525	446	379	322	274	233	198	168	357
Furniture	18.75%	10-Dec-19	5,306	995	1,617	1,010	631	395	247	154	96	60	38
<b>Garage doors, automatic</b>													
Controls	18.75%	10-Dec-19	331	62	101	63	39	25	15	10	6	4	2
Motors	20.00%	10-Dec-19	2,334	259	415	332	266	213	319	199	125	78	49
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	10-Dec-19	3,501	324	530	441	368	306	255	213	177	333	208
<b>Kitchen assets</b>													
Cooktops	16.67%	10-Dec-19	1,945	180	294	245	204	170	319	200	125	78	49
Dishwashers	25.00%	10-Dec-19	2,529	351	545	408	306	345	215	135	84	53	33
Microwave ovens	25.00%	10-Dec-19	1,070	148	346	216	135	84	53	33	21	13	8
Ovens	16.67%	10-Dec-19	2,431	225	368	306	255	213	177	333	208	130	81
Rangehoods	16.67%	10-Dec-19	1,128	104	171	320	200	125	78	49	31	19	12
Refrigerators	16.67%	10-Dec-19	3,541	327	536	446	372	310	258	215	179	336	210
<b>Lights</b>													
Shades, removable	18.75%	10-Dec-19	4,688	879	1,428	893	558	349	218	136	85	53	33
<b>Pumps</b>													
	18.75%	10-Dec-19	973	182	296	185	116	72	45	28	18	11	7
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	10-Dec-19	3,501	583	876	613	429	300	263	164	103	64	40
<b>Pooled Plant Total</b>				<b>2,574</b>	<b>4,528</b>	<b>3,150</b>	<b>1,969</b>	<b>1,575</b>	<b>1,885</b>	<b>1,511</b>	<b>1,242</b>	<b>1,445</b>	<b>1,260</b>
<b>Effective Life Plant Total</b>				<b>5,952</b>	<b>9,300</b>	<b>7,306</b>	<b>5,868</b>	<b>4,501</b>	<b>3,133</b>	<b>2,428</b>	<b>1,800</b>	<b>1,202</b>	<b>860</b>
<b>Total Division 40</b>			<b>70,092</b>	<b>8,526</b>	<b>13,828</b>	<b>10,456</b>	<b>7,837</b>	<b>6,076</b>	<b>5,018</b>	<b>3,938</b>	<b>3,042</b>	<b>2,647</b>	<b>2,120</b>

## 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
<b>Building Works - Completed 2019</b>	2.50%	10-Dec-19	337,051	4,676	8,430	8,430	8,430	8,430	8,430	8,430	8,430	8,430	8,430
<b>Structural Improvements - Completed 2019</b>	2.50%	10-Dec-19	9,628	134	241	241	241	241	241	241	241	241	241
<b>Total Division 43</b>			346,679	4,810	8,671	8,671	8,671	8,671	8,671	8,671	8,671	8,671	8,671
<b>Total Depreciation</b>			416,771	13,336	22,499	19,127	16,508	14,747	13,689	12,609	11,713	11,318	10,791

## 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%	10-Dec-19	14,588	809	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	10-Dec-19	973	182	296	185	116	72	45	28	18	11	7
<b>Computer systems</b>													
General	18.75%	10-Dec-19	681	128	207	130	81	51	32	20	12	8	5
<b>Door closers</b>													
	18.75%	10-Dec-19	350	66	107	67	42	26	16	10	6	4	2
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	10-Dec-19	428	80	130	81	51	32	20	12	8	5	3
<b>Floor coverings ( removable without damage)</b>													
Carpets	12.50%	10-Dec-19	5,171	359	646	646	646	646	646	646	646	291	
Floating timber	6.67%	10-Dec-19	10,807	400	720	720	720	720	720	720	720	720	720
<b>Furniture</b>													
Furniture	7.50%	10-Dec-19	3,816	159	286	286	286	286	286	286	286	286	286
Furniture	18.75%	10-Dec-19	5,306	995	1,617	1,010	631	395	247	154	96	60	38
<b>Garage doors, automatic</b>													
Controls	18.75%	10-Dec-19	331	62	101	63	39	25	15	10	6	4	2
Motors	10.00%	10-Dec-19	2,334	129	233	233	233	233	233	233	233	233	233
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	10-Dec-19	3,501	162	292	292	292	292	292	292	292	292	292
<b>Kitchen assets</b>													
Cooktops	8.33%	10-Dec-19	1,945	90	162	162	162	162	162	162	162	162	162
Dishwashers	12.50%	10-Dec-19	2,529	175	316	316	316	316	316	316	316	141	
Microwave ovens	12.50%	10-Dec-19	1,070	74	134	134	134	134	134	134	134	58	
Ovens	8.33%	10-Dec-19	2,431	112	203	203	203	203	203	203	203	203	203
Rangehoods	8.33%	10-Dec-19	1,128	52	94	94	94	94	94	94	94	94	94
Refrigerators	8.33%	10-Dec-19	3,541	164	295	295	295	295	295	295	295	295	295
<b>Lights</b>													
Shades, removable	18.75%	10-Dec-19	4,688	879	1,428	893	558	349	218	136	85	53	33
<b>Pumps</b>													
	18.75%	10-Dec-19	973	182	296	185	116	72	45	28	18	11	7
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	10-Dec-19	3,501	291	525	525	525	525	525	525	60		
<b>Pooled Plant Total</b>				<b>2,574</b>	<b>4,183</b>	<b>2,614</b>	<b>1,634</b>	<b>1,021</b>	<b>638</b>	<b>399</b>	<b>249</b>	<b>156</b>	<b>97</b>
<b>Effective Life Plant Total</b>				<b>2,976</b>	<b>5,365</b>	<b>5,365</b>	<b>5,365</b>	<b>5,365</b>	<b>5,365</b>	<b>5,365</b>	<b>4,900</b>	<b>4,234</b>	<b>3,744</b>
<b>Total Division 40</b>			<b>70,092</b>	<b>5,550</b>	<b>9,548</b>	<b>7,979</b>	<b>6,999</b>	<b>6,386</b>	<b>6,003</b>	<b>5,764</b>	<b>5,149</b>	<b>4,389</b>	<b>3,841</b>

## 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 2019	2.50%	10-Dec-19	337,051	4,676	8,430	8,430	8,430	8,430	8,430	8,430	8,430	8,430	8,430
Structural Improvements - Completed 2019	2.50%	10-Dec-19	9,628	134	241	241	241	241	241	241	241	241	241
<b>Total Division 43</b>			346,679	4,810	8,671	8,671	8,671	8,671	8,671	8,671	8,671	8,671	8,671
<b>Total Depreciation</b>			416,771	10,360	18,219	16,650	15,670	15,057	14,674	14,435	13,820	13,060	12,512



## 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	6 Jun 19 to 3 Dec 19	337,212	2.50%	8,430	337,051
<b>Sub-total</b>		<b>337,212</b>		<b>8,430</b>	<b>337,051</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	6 Jun 19 to 3 Dec 19	9,633	2.50%	241	9,628
<b>Sub-total</b>		<b>9,633</b>		<b>241</b>	<b>9,628</b>
<b>Totals</b>		<b>346,845</b>		<b>8,671</b>	<b>346,679</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.