



# Tax Depreciation Report

3 Plante Walk,  
Lalor Park NSW 2147

Wing Wan Lu and Jacob Adrian Treuren  
11 Dorahy Street  
DUNDAS, NSW 2117

Issue Schedule	
Issue Date:	Issued by:
04 February 2020	Mark Kilroy Bsc (Hons) MRICS

Wing Wan Lu and Jacob Adrian Treuren  
11 Dorahy Street  
DUNDAS, NSW 2117

February 2020  
Job No: RES47001

### **Tax Depreciation Report – 3 Plante Walk, Lalor Park NSW 2147**

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

4 February 2020

### Purchaser

Wing Wan Lu and Jacob Adrian Treuren

### Property Address

3 Plante Walk, Lalor Park NSW 2147

### Real Property Description

LOT 214 DP32122

### 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"> <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	7 May 04 to 30 June 04	386	0	386	80	466
2	1 July 04 to 30 June 05	2,541	0	2,541	540	3,081
3	1 July 05 to 30 June 06	2,030	0	2,030	540	2,570
4	1 July 06 to 30 June 07	1,635	0	1,635	540	2,175
5	1 July 07 to 30 June 08	1,329	0	1,329	540	1,869
6	1 July 08 to 30 June 09	1,088	0	1,088	540	1,628
7	1 July 09 to 30 June 10	897	0	897	540	1,437
8	1 July 10 to 30 June 11	745	0	745	540	1,285
9	1 July 11 to 30 June 12	622	0	622	540	1,162
10	1 July 12 to 30 June 13	522	0	522	540	1,062
11	1 July 13 to 30 June 14	441	0	441	540	981
12	1 July 14 to 30 June 15	373	0	373	540	913
13	1 July 15 to 30 June 16	317	0	317	540	857
14	1 July 16 to 30 June 17	271	0	271	540	811
15	1 July 17 to 30 June 18	0	645	645	540	1,185
16	1 July 18 to 30 June 19	0	403	403	540	943
17	1 July 19 to 30 June 20	1,001	1,457	2,458	1,119	3,577
18	1 July 20 to 30 June 21	1,557	695	2,252	1,540	3,792
19	1 July 21 to 30 June 22	1,134	787	1,922	1,540	3,462
20	1 July 22 to 30 June 23	941	492	1,433	1,540	2,973
21	1 July 23 to 30 June 24	621	670	1,291	1,540	2,831
22	1 July 24 to 30 June 25	517	419	935	1,540	2,475
23	1 July 25 to 30 June 26	430	262	692	1,540	2,232
24	1 July 26 to 30 June 27	192	477	669	1,540	2,209
25	1 July 27 to 30 June 28	167	298	464	1,540	2,004
26	1 July 28 to 30 June 29	144	186	330	1,540	1,870
27	1 July 29 to 30 June 30	0	468	468	1,540	2,008
28	1 July 30 to 30 June 31	0	293	293	1,540	1,833
29	1 July 31 to 30 June 32	0	183	183	1,521	1,704
30	1 July 32 to 30 June 33	0	114	114	1,371	1,485
31	1 July 33 to 30 June 34	0	71	71	1,370	1,441
32	1 July 34 to 30 June 35	0	45	45	1,370	1,415
33	1 July 35 to 30 June 36	0	28	28	1,370	1,398
34	1 July 36 to 30 June 37	0	17	17	1,370	1,387
35	1 July 37 to 30 June 38	0	11	11	1,370	1,381
36	1 July 38 to 30 June 39	0	7	7	1,370	1,377
37	1 July 39 to 30 June 40	0	4	4	1,370	1,374
38	1 July 40 to 30 June 41	0	3	3	1,370	1,373
39	1 July 41 to 30 June 42	0	2	2	1,370	1,372
40	2042+	0	3	3	17,914	17,917
<b>Totals</b>		<b>19,902</b>	<b>8,039</b>	<b>27,941</b>	<b>59,375</b>	<b>87,316</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	7 May 04 to 30 June 04	258	0	258	80	338
2	1 July 04 to 30 June 05	1,746	0	1,746	540	2,286
3	1 July 05 to 30 June 06	1,746	0	1,746	540	2,286
4	1 July 06 to 30 June 07	1,746	0	1,746	540	2,286
5	1 July 07 to 30 June 08	1,746	0	1,746	540	2,286
6	1 July 08 to 30 June 09	1,672	0	1,672	540	2,212
7	1 July 09 to 30 June 10	1,203	0	1,203	540	1,743
8	1 July 10 to 30 June 11	963	0	963	540	1,503
9	1 July 11 to 30 June 12	963	0	963	540	1,503
10	1 July 12 to 30 June 13	963	0	963	540	1,503
11	1 July 13 to 30 June 14	888	0	888	540	1,428
12	1 July 14 to 30 June 15	435	0	435	540	975
13	1 July 15 to 30 June 16	380	0	380	540	920
14	1 July 16 to 30 June 17	97	0	97	540	637
15	1 July 17 to 30 June 18	33	0	33	540	573
16	1 July 18 to 30 June 19	15	0	15	540	555
17	1 July 19 to 30 June 20	536	858	1,394	1,119	2,513
18	1 July 20 to 30 June 21	914	536	1,450	1,540	2,990
19	1 July 21 to 30 June 22	914	335	1,249	1,540	2,789
20	1 July 22 to 30 June 23	914	209	1,123	1,540	2,663
21	1 July 23 to 30 June 24	904	131	1,035	1,540	2,575
22	1 July 24 to 30 June 25	899	82	981	1,540	2,521
23	1 July 25 to 30 June 26	899	51	950	1,540	2,490
24	1 July 26 to 30 June 27	899	32	931	1,540	2,471
25	1 July 27 to 30 June 28	899	20	919	1,540	2,459
26	1 July 28 to 30 June 29	899	12	911	1,540	2,451
27	1 July 29 to 30 June 30	670	8	678	1,540	2,218
28	1 July 30 to 30 June 31	504	5	509	1,540	2,049
29	1 July 31 to 30 June 32	359	3	362	1,521	1,883
30	1 July 32 to 30 June 33	246	2	248	1,371	1,619
31	1 July 33 to 30 June 34	246	1	247	1,370	1,617
32	1 July 34 to 30 June 35	99	1	99	1,370	1,469
33	1 July 35 to 30 June 36	0	0	0	1,370	1,370
34	1 July 36 to 30 June 37	0	0	0	1,370	1,370
35	1 July 37 to 30 June 38	0	0	0	1,370	1,370
36	1 July 38 to 30 June 39	0	0	0	1,370	1,370
37	1 July 39 to 30 June 40	0	0	0	1,370	1,370
38	1 July 40 to 30 June 41	0	0	0	1,370	1,370
39	1 July 41 to 30 June 42	0	0	0	1,370	1,370
40	2042+	0	0	0	17,914	17,914
<b>Totals</b>		<b>25,653</b>	<b>2,287</b>	<b>27,941</b>	<b>59,375</b>	<b>87,316</b>

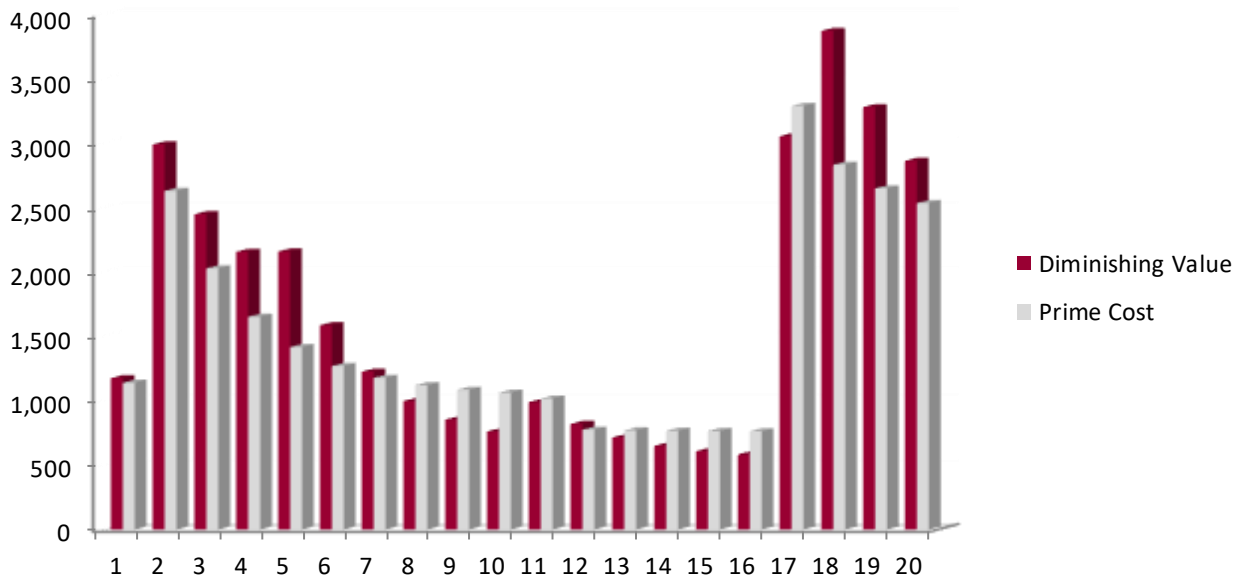
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

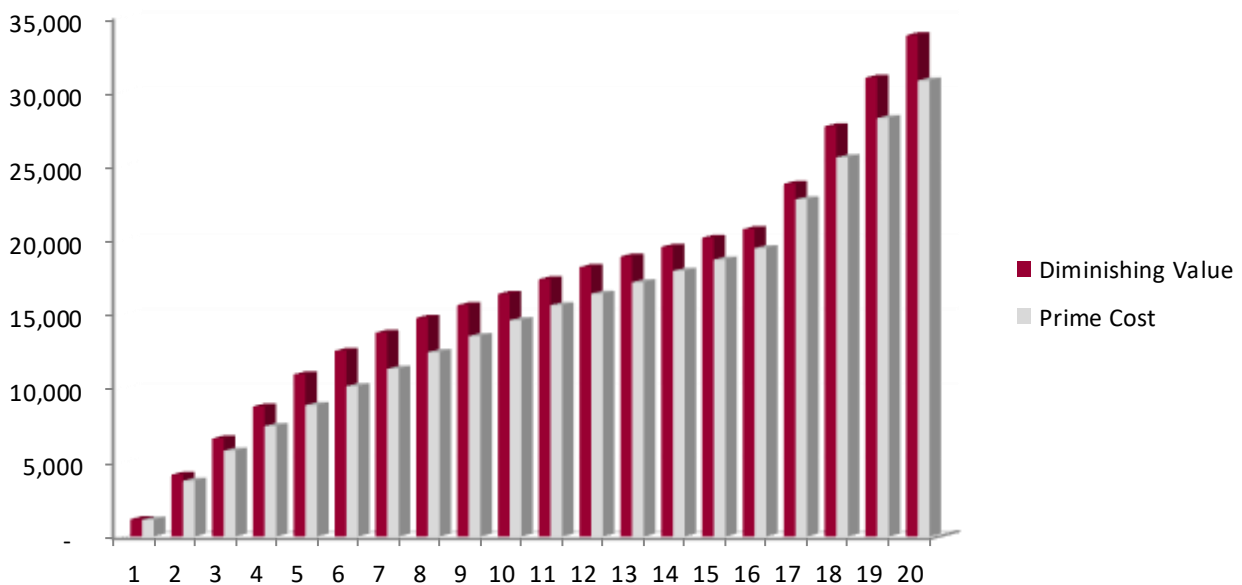
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	19 March 2004
Settlement Date	7 May 2004

### Expenditure Analysed

Purchase Price	\$285,350
Stamp Duty	\$8,461
<b>Total Expenditure Analysed</b>	<b>\$348,834</b>

### Historical Construction Details

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

## 9. Reconciliation of Capital Expenditure

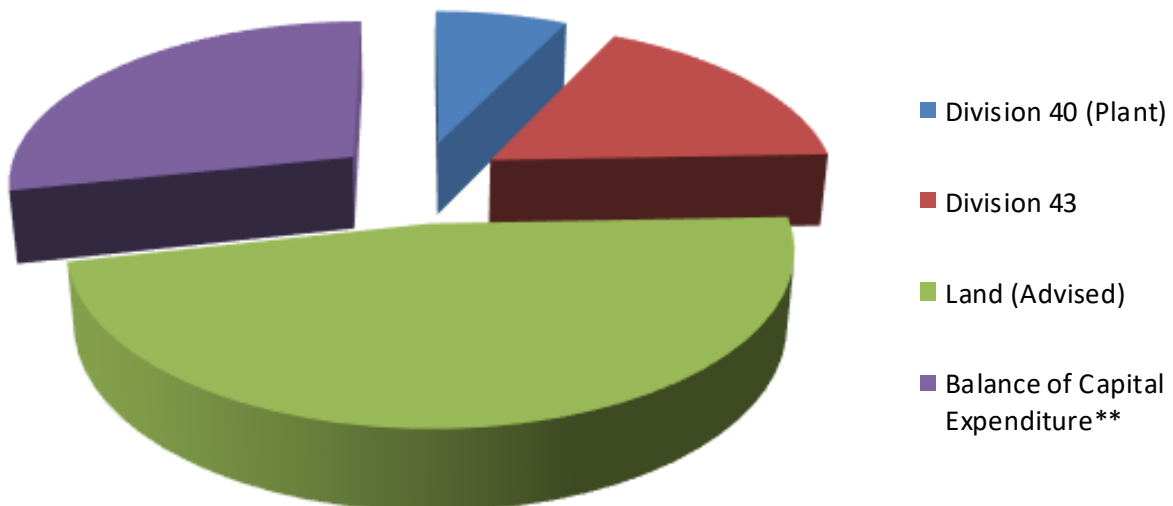
### Apportionment of cost relating to:

Division 40 (Plant)	\$27,941
Division 43	\$59,375
Land (Advised)	\$164,744
Balance of Capital Expenditure**	\$96,774
<b>Total Expenditure Analysed</b>	<b>\$348,834</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>Bathroom assets</b>													
Exhaust fans (including light/heating)	15.00%	7-May-04	199	4	29	25	21	18	15	13	11	9	8
<b>Blinds Residential</b>													
	15.00%	7-May-04	1,444	32	212	180	153	130	111	94	80	68	58
<b>Curtains and drapes</b>													
	25.00%	7-May-04	1,687	62	406	305	228	171	128	96	72	54	41
<b>Door closers</b>													
	15.00%	7-May-04	239	5	35	30	25	22	18	16	13	11	10
<b>Fire control assets</b>													
Detection & alarm systems, detectors	7.50%	7-May-04	292	3	22	20	19	17	16	15	14	13	12
<b>Floor coverings ( removable without damage)</b>													
Carpets	15.00%	7-May-04	2,072	46	304	258	220	187	159	135	115	97	83
<b>Furniture</b>													
	11.25%	7-May-04	332	6	37	33	29	26	23	20	18	16	14
	11.25%	7-May-04	764	13	85	75	67	59	52	47	41	37	33
<b>Garden sheds, freestanding</b>													
	15.00%	7-May-04	1,328	29	195	166	141	120	102	86	73	62	53
<b>Hot water systems (excluding piping)</b>													
Gas or electric	12.50%	7-May-04	1,461	27	179	157	137	120	105	92	80	70	62
<b>Kitchen assets</b>													
Cooktops	12.50%	7-May-04	863	16	106	93	81	71	62	54	48	42	36
Ovens	12.50%	7-May-04	1,262	23	155	135	119	104	91	79	69	61	53
Rangehoods	12.50%	7-May-04	465	9	57	50	44	38	33	29	26	22	20
<b>Lights</b>													
Shades, removable	30.00%	7-May-04	2,510	111	720	504	353	247	173	121	85	59	41
<b>Additional Items (Post Expenditure)</b>				<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	1-Dec-19	3,600										
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	1-Dec-19	350										
<b>Floor coverings ( removable without damage)</b>													
Floating timber	13.33%	1-Dec-19	3,685										
<b>Furniture</b>													
	18.75%	1-Dec-19	788										
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	1-Dec-19	1,850										
		Carried forward	25,191	386	2,541	2,030	1,635	1,329	1,088	897	745	622	522

## 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	25,191	386	2,541	2,030	1,635	1,329	1,088	897	745	622	522
<b>Kitchen assets</b>														
Cooktops	18.75%	1-Dec-19	950											
Ovens	16.67%	1-Dec-19	1,250											
Rangehoods	18.75%	1-Dec-19	550											
<b>Pooled Plant Total</b>														
Effective Life Plant Total				386	2,541	2,030	1,635	1,329	1,088	897	745	622	522	
Total Division 40			27,941	386	2,541	2,030	1,635	1,329	1,088	897	745	622	522	
<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 1992	2.50%	07-May-04	3,499	18	125	125	125	125	125	125	125	125	125	125
Building Works - Completed 2003	2.50%	07-May-04	10,431	39	264	264	264	264	264	264	264	264	264	264
Building Works - Completed 2019	2.50%	01-Dec-19	30,000											
Structural Improvements - Completed 1992	2.50%	07-May-04	1,268	7	45	45	45	45	45	45	45	45	45	45
Structural Improvements - Completed 2003	2.50%	07-May-04	4,177	16	106	106	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2019	2.50%	01-Dec-19	10,000											
Total Division 43			59,375	80	540	540	540	540	540	540	540	540	540	540
Total Depreciation			87,316	466	3,081	2,570	2,175	1,869	1,628	1,437	1,285	1,162	1,062	

## 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>Bathroom assets</b>													
Exhaust fans (including light/heating)	10.00%	07-May-04	199	3	20	20	20	20	20	20	20	20	20
<b>Blinds Residential</b>													
	10.00%	07-May-04	1,444	21	144	144	144	144	144	144	144	144	144
<b>Curtains and drapes</b>													
	16.67%	07-May-04	1,687	41	281	281	281	281	281	240			
<b>Door closers</b>													
	10.00%	07-May-04	239	4	24	24	24	24	24	24	24	24	24
<b>Fire control assets</b>													
Detection & alarm systems, detectors	5.00%	07-May-04	292	2	15	15	15	15	15	15	15	15	15
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	07-May-04	2,072	31	207	207	207	207	207	207	207	207	207
<b>Furniture</b>													
	7.50%	07-May-04	332	4	25	25	25	25	25	25	25	25	25
	7.50%	07-May-04	764	8	57	57	57	57	57	57	57	57	57
<b>Garden sheds, freestanding</b>													
	10.00%	07-May-04	1,328	20	133	133	133	133	133	133	133	133	133
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	07-May-04	1,461	18	122	122	122	122	122	122	122	122	122
<b>Kitchen assets</b>													
Cooktops	8.33%	07-May-04	863	11	72	72	72	72	72	72	72	72	72
Ovens	8.33%	07-May-04	1,262	16	105	105	105	105	105	105	105	105	105
Rangehoods	8.33%	07-May-04	465	6	39	39	39	39	39	39	39	39	39
<b>Lights</b>													
Shades, removable	20.00%	07-May-04	2,510	74	502	502	502	502	428				
<b>Additional Items (Post Expenditure)</b>				<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	01-Dec-19	3,600										
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	10.00%	01-Dec-19	350										
<b>Floor coverings ( removable without damage)</b>													
Floating timber	6.67%	01-Dec-19	3,685										
<b>Furniture</b>													
	18.75%	01-Dec-19	788										
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	01-Dec-19	1,850										
		<b>Carried forward</b>	<b>25,191</b>	<b>258</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,746</b>	<b>1,672</b>	<b>1,203</b>	<b>963</b>	<b>963</b>	<b>963</b>

## Prime Cost Depreciation Schedule (cont.)

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	
Brought forward			25,191	258	1,746	1,746	1,746	1,746	1,672	1,203	963	963	963	
<b>Kitchen assets</b>														
Cooktops	18.75%	01-Dec-19	950											
Ovens	8.33%	01-Dec-19	1,250											
Rangehoods	18.75%	01-Dec-19	550											
<b>Pooled Plant Total</b>														
Effective Life Plant Total				258	1,746	1,746	1,746	1,746	1,672	1,203	963	963	963	
Total Division 40			27,941	258	1,746	1,746	1,746	1,746	1,672	1,203	963	963	963	
<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 1992	2.50%	07-May-04	3,499	18	125	125	125	125	125	125	125	125	125	
Building Works - Completed 2003	2.50%	07-May-04	10,431	39	264	264	264	264	264	264	264	264	264	
Building Works - Completed 2019	2.50%	01-Dec-19	30,000											
Structural Improvements - Completed 1992	2.50%	07-May-04	1,268	7	45	45	45	45	45	45	45	45	45	
Structural Improvements - Completed 2003	2.50%	07-May-04	4,177	16	106	106	106	106	106	106	106	106	106	
Structural Improvements - Completed 2019	2.50%	01-Dec-19	10,000											
Total Division 43			59,375	80	540	540	540	540	540	540	540	540	540	
Total Depreciation			87,316	338	2,286	2,286	2,286	2,286	2,212	1,743	1,503	1,503	1,503	



## 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 1992	1 Apr 92 to 1 May 92	5,003	2.50%	125	3,499
Building Works - Completed 2003	10 Oct 03 to 9 Nov 03	10,561	2.50%	264	10,431
Building Works - Completed 2019	31 Dec 17 to 1 Dec 19	30,000	2.50%	750	30,000
<b>Sub-total</b>		<b>45,564</b>		<b>1,139</b>	<b>43,930</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1992	1 Apr 92 to 1 May 92	1,813	2.50%	45	1,268
Structural Improvements - Completed 2003	10 Oct 03 to 9 Nov 03	4,229	2.50%	106	4,177
Structural Improvements - Completed 2019	31 Dec 17 to 1 Dec 19	10,000	2.50%	250	10,000
<b>Sub-total</b>		<b>16,042</b>		<b>401</b>	<b>15,445</b>
<b>Totals</b>		<b>61,606</b>		<b>1,540</b>	<b>59,375</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.