



Tax Depreciation Report

3910/160 Victoria St,
Carlton VIC 3053, Australia

Hung Sun Fai Jackson
7D, 44 Paterson Street
CAUSEWAY BAY, HONGKONG

Issue Schedule	
Issue Date:	Issued by:
12 June 2020	Mark Kilroy Bsc (Hons) MRICS

Hung Sun Fai Jackson
7D, 44 Paterson Street
CAUSEWAY BAY, HONGKONG

June 2020
Job No: RES3053010

Tax Depreciation Report – 3910/160 Victoria St, Carlton VIC 3053, Australia

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

12 June 2020

Purchaser

Hung Sun Fai Jackson

Property Address

3910/160 Victoria St, Carlton VIC 3053, Australia

Real Property Description

LOT 3910 PS742732

Property Type

Residential Unit

Date of Construction

16 April 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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
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) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
200 / 10 Years = 20% (Adjusted Value)				
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
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
100 / 10 Years = 10% (Straight Line)				
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
\$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	30 April 19 to 30 June 19	2,267	1,086	3,353	892	4,245
2	1 July 19 to 30 June 20	7,270	1,890	9,160	5,341	14,501
3	1 July 20 to 30 June 21	5,441	2,189	7,630	5,341	12,971
4	1 July 21 to 30 June 22	4,442	1,691	6,133	5,341	11,474
5	1 July 22 to 30 June 23	3,754	1,057	4,811	5,341	10,152
6	1 July 23 to 30 June 24	2,867	1,310	4,177	5,341	9,518
7	1 July 24 to 30 June 25	2,109	1,517	3,625	5,341	8,966
8	1 July 25 to 30 June 26	1,820	948	2,768	5,341	8,109
9	1 July 26 to 30 June 27	1,430	956	2,386	5,341	7,727
10	1 July 27 to 30 June 28	1,083	962	2,045	5,341	7,386
11	1 July 28 to 30 June 29	773	937	1,711	5,341	7,052
12	1 July 29 to 30 June 30	567	911	1,478	5,341	6,819
13	1 July 30 to 30 June 31	389	937	1,326	5,341	6,667
14	1 July 31 to 30 June 32	363	586	948	5,341	6,289
15	1 July 32 to 30 June 33	338	366	705	5,341	6,046
16	1 July 33 to 30 June 34	316	229	545	5,341	5,886
17	1 July 34 to 30 June 35	295	143	438	5,341	5,779
18	1 July 35 to 30 June 36	275	89	365	5,341	5,706
19	1 July 36 to 30 June 37	257	56	313	5,341	5,654
20	1 July 37 to 30 June 38	240	35	275	5,341	5,616
21	1 July 38 to 30 June 39	224	22	246	5,341	5,587
22	1 July 39 to 30 June 40	209	14	222	5,341	5,563
23	1 July 40 to 30 June 41	195	9	203	5,341	5,544
24	1 July 41 to 30 June 42	182	5	187	5,341	5,528
25	1 July 42 to 30 June 43	170	3	173	5,341	5,514
26	1 July 43 to 30 June 44	158	2	161	5,341	5,502
27	1 July 44 to 30 June 45	148	1	149	5,341	5,490
28	1 July 45 to 30 June 46	138	1	139	5,341	5,480
29	1 July 46 to 30 June 47	129	1	129	5,341	5,470
30	1 July 47 to 30 June 48	120	0	121	5,341	5,462
31	1 July 48 to 30 June 49	112	0	112	5,341	5,453
32	1 July 49 to 30 June 50	105	0	105	5,341	5,446
33	1 July 50 to 30 June 51	98	0	98	5,341	5,439
34	1 July 51 to 30 June 52	91	0	91	5,341	5,432
35	1 July 52 to 30 June 53	85	0	85	5,341	5,426
36	1 July 53 to 30 June 54	79	0	80	5,341	5,421
37	1 July 54 to 30 June 55	74	0	74	5,341	5,415
38	1 July 55 to 30 June 56	69	0	69	5,341	5,410
39	1 July 56 to 30 June 57	0	364	364	5,341	5,705
40	2057+	0	606	606	9,555	10,161
Totals		38,682	18,923	57,605	213,405	271,010

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	30 April 19 to 30 June 19	1,636	1,086	2,722	892	3,614
2	1 July 19 to 30 June 20	3,776	1,764	5,540	5,341	10,881
3	1 July 20 to 30 June 21	3,776	1,103	4,879	5,341	10,220
4	1 July 21 to 30 June 22	3,776	689	4,465	5,341	9,806
5	1 July 22 to 30 June 23	3,776	431	4,207	5,341	9,548
6	1 July 23 to 30 June 24	3,776	269	4,045	5,341	9,386
7	1 July 24 to 30 June 25	3,776	168	3,944	5,341	9,285
8	1 July 25 to 30 June 26	3,671	105	3,776	5,341	9,117
9	1 July 26 to 30 June 27	3,565	66	3,631	5,341	8,972
10	1 July 27 to 30 June 28	3,565	41	3,606	5,341	8,947
11	1 July 28 to 30 June 29	3,340	26	3,366	5,341	8,707
12	1 July 29 to 30 June 30	2,239	16	2,255	5,341	7,596
13	1 July 30 to 30 June 31	2,084	10	2,094	5,341	7,435
14	1 July 31 to 30 June 32	1,315	6	1,321	5,341	6,662
15	1 July 32 to 30 June 33	839	4	843	5,341	6,184
16	1 July 33 to 30 June 34	684	2	687	5,341	6,028
17	1 July 34 to 30 June 35	420	2	422	5,341	5,763
18	1 July 35 to 30 June 36	420	1	421	5,341	5,762
19	1 July 36 to 30 June 37	420	1	421	5,341	5,762
20	1 July 37 to 30 June 38	420	0	420	5,341	5,761
21	1 July 38 to 30 June 39	420	0	420	5,341	5,761
22	1 July 39 to 30 June 40	420	0	420	5,341	5,761
23	1 July 40 to 30 June 41	420	0	420	5,341	5,761
24	1 July 41 to 30 June 42	420	0	420	5,341	5,761
25	1 July 42 to 30 June 43	420	0	420	5,341	5,761
26	1 July 43 to 30 June 44	420	0	420	5,341	5,761
27	1 July 44 to 30 June 45	420	0	420	5,341	5,761
28	1 July 45 to 30 June 46	420	0	420	5,341	5,761
29	1 July 46 to 30 June 47	420	0	420	5,341	5,761
30	1 July 47 to 30 June 48	420	0	420	5,341	5,761
31	1 July 48 to 30 June 49	340	0	340	5,341	5,681
32	1 July 49 to 30 June 50	0	0	0	5,341	5,341
33	1 July 50 to 30 June 51	0	0	0	5,341	5,341
34	1 July 51 to 30 June 52	0	0	0	5,341	5,341
35	1 July 52 to 30 June 53	0	0	0	5,341	5,341
36	1 July 53 to 30 June 54	0	0	0	5,341	5,341
37	1 July 54 to 30 June 55	0	0	0	5,341	5,341
38	1 July 55 to 30 June 56	0	0	0	5,341	5,341
39	1 July 56 to 30 June 57	0	0	0	5,341	5,341
40	2057+	0	0	0	9,555	9,555
Totals		51,814	5,790	57,605	213,405	271,010

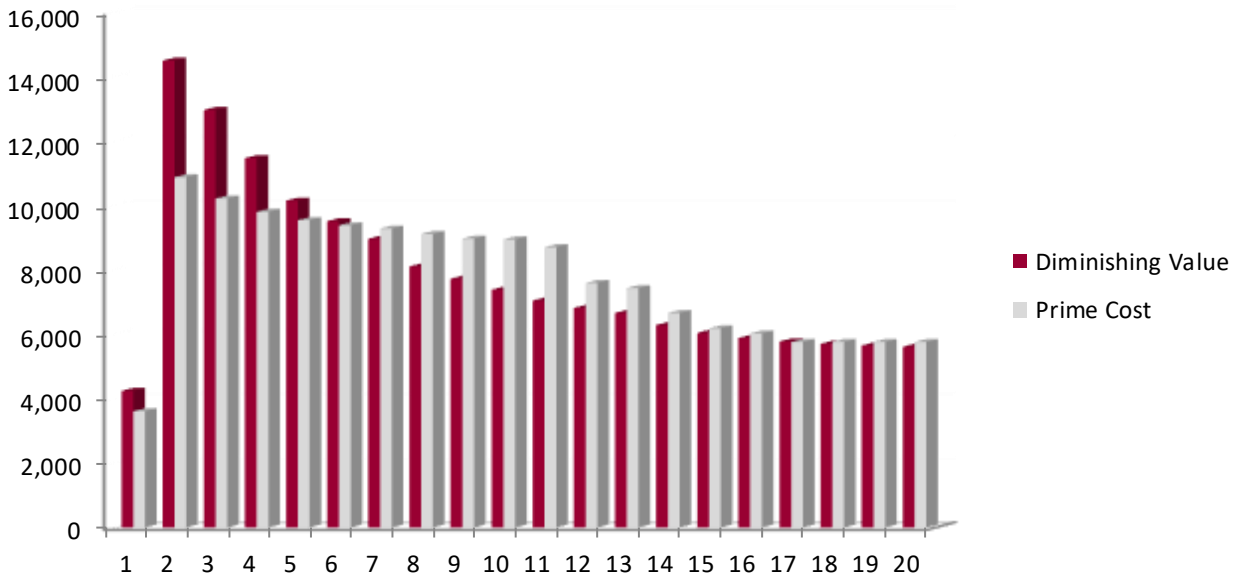
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

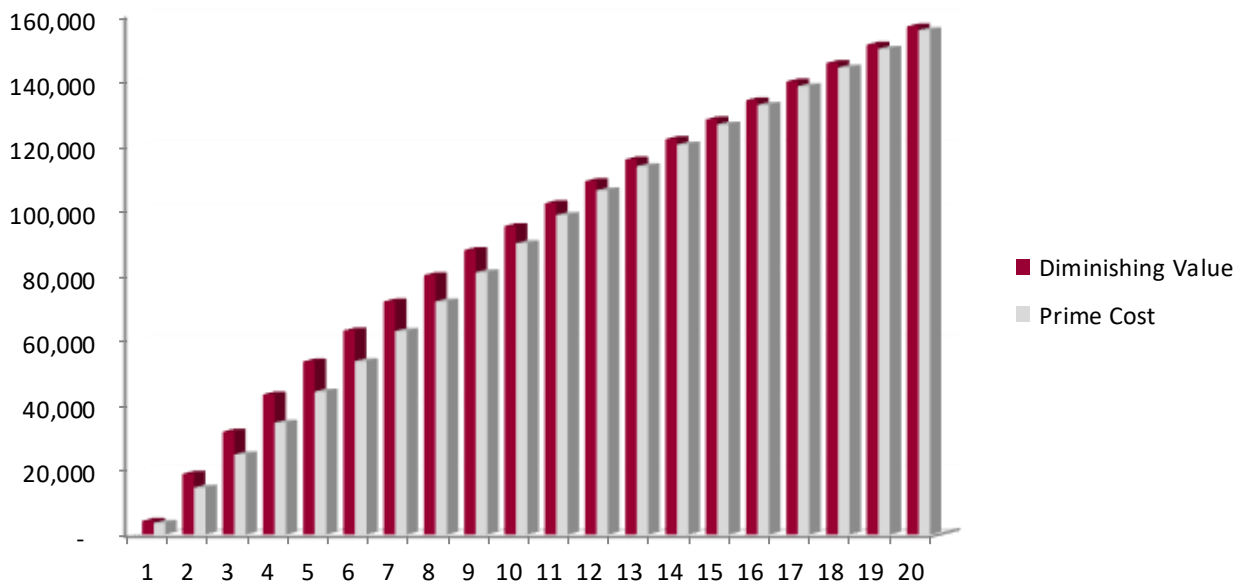
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	23 May 2017
Settlement Date	30 April 2019

Expenditure Analysed

Purchase Price	\$490,500
Stamp Duty	\$2,531
Legals	\$1,014
Post Expenditure	\$5,707
Total Expenditure Analysed	\$499,751

Historical Construction Details

Construction Start Date	1 May 2016
Construction Completion Date	16 April 2019
Historical Construction Cost (Estimated)*	\$240,723
Lot Entitlement	1
Overall Lot Entitlement	1,039

9. Reconciliation of Capital Expenditure

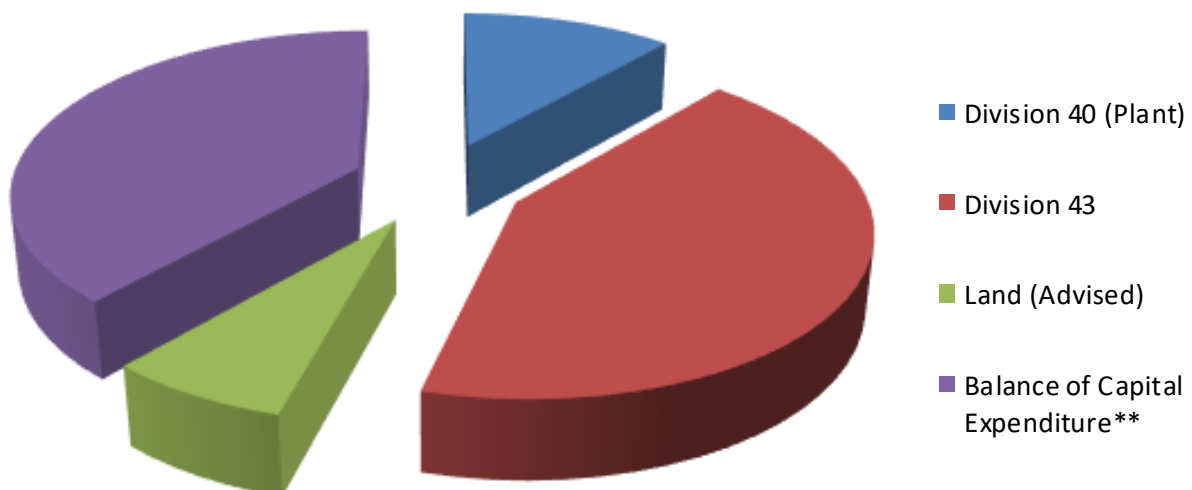
Apportionment of cost relating to:

Division 40 (Plant)	\$57,605
Division 43	\$213,405
Land (Advised)	\$36,186
Balance of Capital Expenditure**	\$192,556
Total Expenditure Analysed	\$499,752

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	Diminishing	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	Value Rate													
Air-conditioning assets (excl. ducting, pipes & vents)														
Mini split system upto 20KW	20.00%	30-Apr-19	6,908	231	1,336	1,068	855	684	547	438	350	280	224	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	30-Apr-19	575	108	175	109	68	43	27	17	10	7	4	
Fire control assets														
Detection & alarm systems, detectors	18.75%	30-Apr-19	1,221	229	372	233	145	91	57	35	22	14	9	
Emergency warning & intercommunication system	16.67%	30-Apr-19	1,275	36	207	172	323	202	126	79	49	31	19	
Floor coverings (removable without damage)														
Carpets	20.00%	30-Apr-19	2,060	69	398	319	255	204	306	191	119	75	47	
Floating timber	13.33%	30-Apr-19	4,840	108	631	547	474	411	356	309	267	232	201	
Furniture														
Furniture	15.00%	30-Apr-19	3,103	78	454	386	328	279	237	201	171	364	227	
Furniture	18.75%	30-Apr-19	1,190	223	363	227	142	89	55	35	22	14	8	
Hot water systems (excluding piping)														
Gas or electric	16.67%	30-Apr-19	4,296	120	696	580	483	403	336	280	233	194	364	
Kitchen assets														
Cooktops	16.67%	30-Apr-19	1,954	54	317	264	220	183	343	215	134	84	52	
Dishwashers	20.00%	30-Apr-19	2,758	92	533	427	341	273	218	328	205	128	80	
Ovens	16.67%	30-Apr-19	2,528	70	410	341	284	237	198	370	232	145	90	
Rangehoods	16.67%	30-Apr-19	1,034	29	168	314	196	123	77	48	30	19	12	
Lifts (including hydraulic & tractions lifts)														
Lifts (including hydraulic & tractions lifts)	6.67%	30-Apr-19	12,590	140	830	775	723	675	630	588	549	512	478	
Lights														
Shades, removable	18.75%	30-Apr-19	2,254	423	687	429	268	168	105	66	41	26	16	
MATV - amplifiers & modulators														
MATV - amplifiers & modulators	20.00%	30-Apr-19	348	12	126	79	49	31	19	12	8	5	3	
Security systems & equipment														
Electronic	30.00%	30-Apr-19	1,407	71	401	351	219	137	86	54	33	21	13	
\$300 items														
\$300 items	100.00%	30-Apr-19	1,005	1,005										
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Blinds Residential														
Blinds Residential	20.00%	30-Apr-19	1,182	40	228	343	214	134	84	52	33	20	13	
Furniture														
Furniture	15.00%	30-Apr-19	4,525	113	662	563	478	406	345	294	250	212	180	
Kitchen assets														
Refrigerators	18.75%	30-Apr-19	550	103	168	105	65	41	26	16	10	6	4	
Pooled Plant Total				1,086	1,890	2,189	1,691	1,057	1,310	1,517	948	956	962	
Effective Life Plant Total				2,267	7,270	5,441	4,442	3,754	2,867	2,109	1,820	1,430	1,083	
Total Division 40				57,605	3,353	9,160	7,630	6,133	4,811	4,177	3,625	2,768	2,386	2,045

Diminishing Value Depreciation Schedule (cont.)

Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2019	2.50%	30-Apr-19	213,100	891	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333
Structural Improvements - Completed 2019	2.50%	30-Apr-19	305	1	8	8	8	8	8	8	8	8	8
Total Division 43			213,405	892	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341
Total Depreciation			271,010	4,245	14,501	12,971	11,474	10,152	9,518	8,966	8,109	7,727	7,386

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%	30-Apr-19	6,908	115	691	691	691	691	691	691	691	691	691
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	30-Apr-19	575	108	175	109	68	43	27	17	10	7	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	30-Apr-19	1,221	229	372	233	145	91	57	35	22	14	9
Emergency warning & intercommunication system	8.33%	30-Apr-19	1,275	18	106	106	106	106	106	106	106	106	106
Floor coverings (removable without damage)													
Carpets	10.00%	30-Apr-19	2,060	34	206	206	206	206	206	206	206	206	206
Floating timber	6.67%	30-Apr-19	4,840	54	323	323	323	323	323	323	323	323	323
Furniture													
Furniture	7.50%	30-Apr-19	3,103	39	233	233	233	233	233	233	233	233	233
Furniture	18.75%	30-Apr-19	1,190	223	363	227	142	89	55	35	22	14	8
Hot water systems (excluding piping)													
Gas or electric	8.33%	30-Apr-19	4,296	60	358	358	358	358	358	358	358	358	358
Kitchen assets													
Cooktops	8.33%	30-Apr-19	1,954	27	163	163	163	163	163	163	163	163	163
Dishwashers	10.00%	30-Apr-19	2,758	46	276	276	276	276	276	276	276	276	276
Ovens	8.33%	30-Apr-19	2,528	35	211	211	211	211	211	211	211	211	211
Rangehoods	8.33%	30-Apr-19	1,034	14	86	86	86	86	86	86	86	86	86
Lifts (including hydraulic & tractions lifts)													
Lifts	3.33%	30-Apr-19	12,590	70	420	420	420	420	420	420	420	420	420
Lights													
Shades, removable	18.75%	30-Apr-19	2,254	423	687	429	268	168	105	66	41	26	16
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	10.00%	30-Apr-19	348	6	35	35	35	35	35	35	35	35	35
Security systems & equipment													
Electronic	15.00%	30-Apr-19	1,407	35	211	211	211	211	211	211	106		
\$300 items													
\$300 items	100.00%	30-Apr-19	1,005	1,005									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential													
Blinds Residential	10.00%	30-Apr-19	1,182	20	118	118	118	118	118	118	118	118	118
Furniture													
Furniture	7.50%	30-Apr-19	4,525	57	339	339	339	339	339	339	339	339	339
Kitchen assets													
Refrigerators	18.75%	30-Apr-19	550	103	168	105	65	41	26	16	10	6	4
Pooled Plant Total				1,086	1,764	1,103	689	431	269	168	105	66	41
Effective Life Plant Total				1,636	3,776	3,776	3,776	3,776	3,776	3,776	3,671	3,565	3,565
Total Division 40			57,605	2,722	5,540	4,879	4,465	4,207	4,045	3,944	3,776	3,631	3,606

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%	30-Apr-19	213,100	891	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333
Structural Improvements - Completed 2019	2.50%	30-Apr-19	305	1	8	8	8	8	8	8	8	8	8
Total Division 43			213,405	892	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341
Total Depreciation			271,010	3,614	10,881	10,220	9,806	9,548	9,386	9,285	9,117	8,972	8,947

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	1 May 16 to 16 Apr 19	213,305	2.50%	5,333	213,100
Sub-total		213,305		5,333	213,100

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	1 May 16 to 16 Apr 19	306	2.50%	8	305
Sub-total		306		8	305
Totals		213,610		5,341	213,405

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	
Company Name	Koste Pty Ltd
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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.