



Tax Depreciation Report

3910/60 Kavanagh Street,
Southbank VIC 3006, Australia

Chun Cheung Lau
33 Castle Peak Road Sham Tseng Flat A 19/F Tower 3 Bellagio
SHAM TSENG, HONG KONG 2228

Issue Schedule	
Issue Date:	Issued by:
07 August 2020	Mark Kilroy Bsc (Hons) MRICS

Chun Cheung Lau
33 Castle Peak Road Sham Tseng Flat A 19/F Tower 3 Bellagio
SHAM TSENG, HONG KONG 2228

August 2020
Job No: RES3006038

Tax Depreciation Report – 3910/60 Kavanagh Street, Southbank VIC 3006, 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



TABLE OF CONTENTS

1. Property Information	2
2. Report Details	3
3. Capital Allowances	4
4. Capital Works	6
5. Summary of Entitlements – Diminishing Value Method	7
6. Summary of Entitlements – Prime Cost Method	8
7. Comparison Graphs	9
8. Capital Expenditure Analysed	10
9. Reconciliation of Capital Expenditure	10
10. Diminishing Value Depreciation Schedule	11
11. Prime Cost Depreciation Schedule	13
12. Division 43 Capital Works Schedule	15
13. Definition of Terms	16
14. Contact Details	17
15. Disclaimer	18

1. Property Information

Date of Report

7 August 2020

Purchaser

Chun Cheung Lau

Property Address

3910/60 Kavanagh Street, Southbank VIC 3006, Australia

Real Property Description

LOT 3910&3910A PS745414

Property Type

Residential Unit

Date of Construction

25 March 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"> • 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				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
200 / 10 Years = 20% (Adjusted Value)					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.					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	8 April 19 to 30 June 19	5,331	2,538	7,869	1,742	9,611
2	1 July 19 to 30 June 20	9,510	4,125	13,635	7,659	21,294
3	1 July 20 to 30 June 21	7,134	3,917	11,051	7,659	18,710
4	1 July 21 to 30 June 22	5,005	4,038	9,043	7,659	16,702
5	1 July 22 to 30 June 23	4,005	2,831	6,836	7,659	14,495
6	1 July 23 to 30 June 24	3,354	1,770	5,124	7,659	12,783
7	1 July 24 to 30 June 25	2,821	1,106	3,927	7,659	11,586
8	1 July 25 to 30 June 26	2,383	691	3,075	7,659	10,734
9	1 July 26 to 30 June 27	1,828	797	2,625	7,659	10,284
10	1 July 27 to 30 June 28	1,569	498	2,067	7,659	9,726
11	1 July 28 to 30 June 29	1,353	311	1,665	7,659	9,324
12	1 July 29 to 30 June 30	980	556	1,536	7,659	9,195
13	1 July 30 to 30 June 31	687	687	1,373	7,659	9,032
14	1 July 31 to 30 June 32	477	802	1,279	7,659	8,938
15	1 July 32 to 30 June 33	445	501	947	7,659	8,606
16	1 July 33 to 30 June 34	415	313	729	7,659	8,388
17	1 July 34 to 30 June 35	388	196	584	7,659	8,243
18	1 July 35 to 30 June 36	362	122	484	7,659	8,143
19	1 July 36 to 30 June 37	338	77	414	7,659	8,073
20	1 July 37 to 30 June 38	315	48	363	7,659	8,022
21	1 July 38 to 30 June 39	294	30	324	7,659	7,983
22	1 July 39 to 30 June 40	275	19	293	7,659	7,952
23	1 July 40 to 30 June 41	256	12	268	7,659	7,927
24	1 July 41 to 30 June 42	239	7	247	7,659	7,906
25	1 July 42 to 30 June 43	223	5	228	7,659	7,887
26	1 July 43 to 30 June 44	208	3	211	7,659	7,870
27	1 July 44 to 30 June 45	195	2	196	7,659	7,855
28	1 July 45 to 30 June 46	182	1	183	7,659	7,842
29	1 July 46 to 30 June 47	169	1	170	7,659	7,829
30	1 July 47 to 30 June 48	158	0	159	7,659	7,818
31	1 July 48 to 30 June 49	148	0	148	7,659	7,807
32	1 July 49 to 30 June 50	138	0	138	7,659	7,797
33	1 July 50 to 30 June 51	129	0	129	7,659	7,788
34	1 July 51 to 30 June 52	120	0	120	7,659	7,779
35	1 July 52 to 30 June 53	112	0	112	7,659	7,771
36	1 July 53 to 30 June 54	105	0	105	7,659	7,764
37	1 July 54 to 30 June 55	98	0	98	7,659	7,757
38	1 July 55 to 30 June 56	91	0	91	7,659	7,750
39	1 July 56 to 30 June 57	85	0	85	7,659	7,744
40	2057+	1,190	0	1,190	13,281	14,471
Totals		53,115	26,005	79,120	306,065	385,185

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	8 April 19 to 30 June 19	4,203	2,538	6,741	1,742	8,483
2	1 July 19 to 30 June 20	4,961	4,125	9,086	7,659	16,745
3	1 July 20 to 30 June 21	4,961	2,578	7,539	7,659	15,198
4	1 July 21 to 30 June 22	4,961	1,611	6,572	7,659	14,231
5	1 July 22 to 30 June 23	4,961	1,007	5,968	7,659	13,627
6	1 July 23 to 30 June 24	4,961	629	5,590	7,659	13,249
7	1 July 24 to 30 June 25	4,961	393	5,354	7,659	13,013
8	1 July 25 to 30 June 26	4,824	246	5,070	7,659	12,729
9	1 July 26 to 30 June 27	4,716	154	4,870	7,659	12,529
10	1 July 27 to 30 June 28	4,716	96	4,812	7,659	12,471
11	1 July 28 to 30 June 29	3,979	60	4,039	7,659	11,698
12	1 July 29 to 30 June 30	1,513	38	1,551	7,659	9,210
13	1 July 30 to 30 June 31	1,409	23	1,432	7,659	9,091
14	1 July 31 to 30 June 32	1,097	15	1,112	7,659	8,771
15	1 July 32 to 30 June 33	616	9	625	7,659	8,284
16	1 July 33 to 30 June 34	554	6	560	7,659	8,219
17	1 July 34 to 30 June 35	554	4	558	7,659	8,217
18	1 July 35 to 30 June 36	554	2	556	7,659	8,215
19	1 July 36 to 30 June 37	554	1	555	7,659	8,214
20	1 July 37 to 30 June 38	554	1	555	7,659	8,214
21	1 July 38 to 30 June 39	554	1	555	7,659	8,214
22	1 July 39 to 30 June 40	554	0	554	7,659	8,213
23	1 July 40 to 30 June 41	554	0	554	7,659	8,213
24	1 July 41 to 30 June 42	554	0	554	7,659	8,213
25	1 July 42 to 30 June 43	554	0	554	7,659	8,213
26	1 July 43 to 30 June 44	554	0	554	7,659	8,213
27	1 July 44 to 30 June 45	554	0	554	7,659	8,213
28	1 July 45 to 30 June 46	554	0	554	7,659	8,213
29	1 July 46 to 30 June 47	554	0	554	7,659	8,213
30	1 July 47 to 30 June 48	554	0	554	7,659	8,213
31	1 July 48 to 30 June 49	433	0	433	7,659	8,092
32	1 July 49 to 30 June 50	0	0	0	7,659	7,659
33	1 July 50 to 30 June 51	0	0	0	7,659	7,659
34	1 July 51 to 30 June 52	0	0	0	7,659	7,659
35	1 July 52 to 30 June 53	0	0	0	7,659	7,659
36	1 July 53 to 30 June 54	0	0	0	7,659	7,659
37	1 July 54 to 30 June 55	0	0	0	7,659	7,659
38	1 July 55 to 30 June 56	0	0	0	7,659	7,659
39	1 July 56 to 30 June 57	0	0	0	7,659	7,659
40	2057+	0	0	0	13,281	13,281
Totals		65,582	13,537	79,120	306,065	385,185

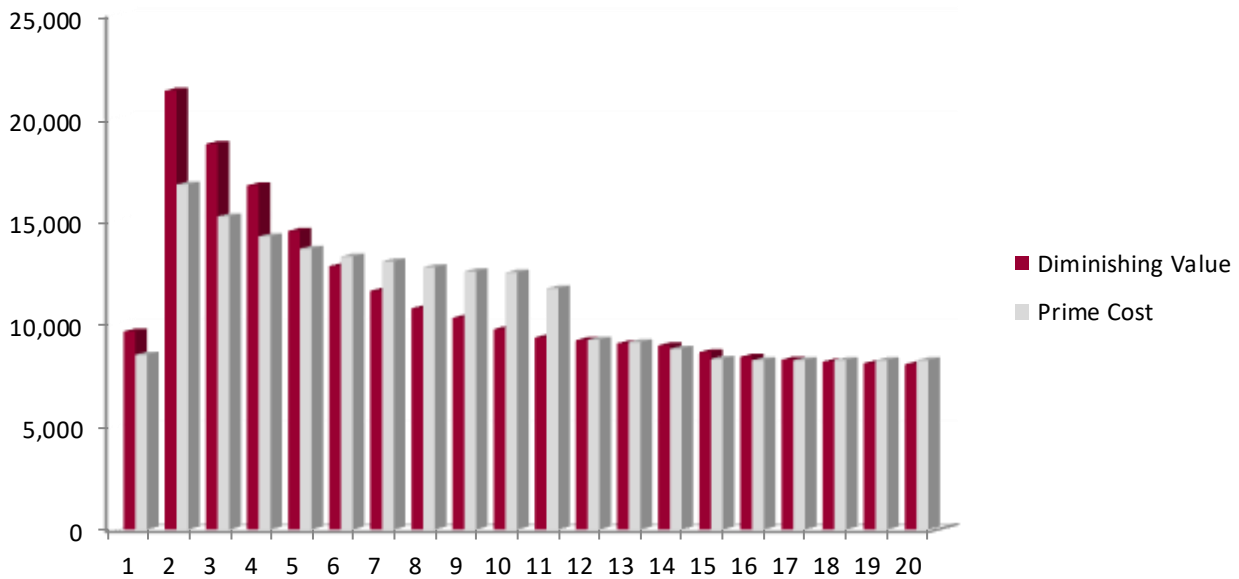
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

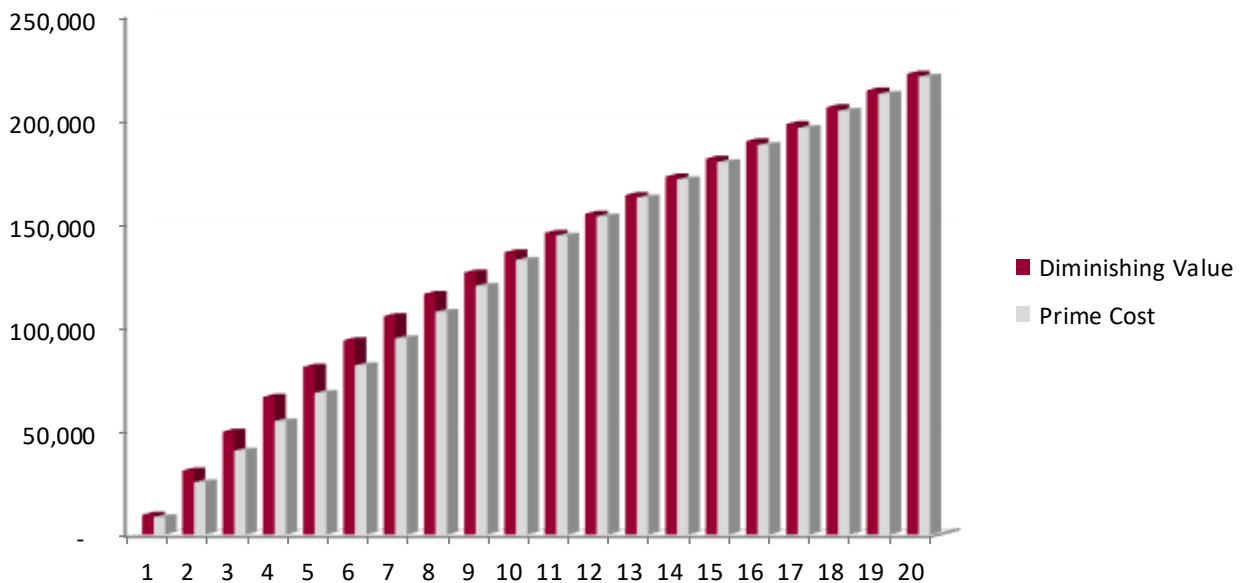
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	6 November 2016
Settlement Date	8 April 2019

Expenditure Analysed

Purchase Price	\$831,000
Stamp Duty	\$61,582
Total Expenditure Analysed	\$892,582

Historical Construction Details

Construction Start Date	1 April 2016
Construction Completion Date	25 March 2019
Historical Construction Cost (Estimated)*	\$342,140

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$79,120
Division 43	\$306,065
Land (Advised)	\$129,518
Balance of Capital Expenditure**	\$377,880
Total Expenditure Analysed	\$892,583

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%	8-Apr-19	11,019	501	2,104	1,683	1,346	1,077	862	689	551	441	353
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	8-Apr-19	1,348	253	411	257	160	100	63	39	24	15	10
Blinds Residential													
	20.00%	8-Apr-19	4,862	221	928	743	594	475	380	304	243	365	228
Door closers													
	18.75%	8-Apr-19	523	98	159	100	62	39	24	15	10	6	4
Electrical Machinery & Equipment :													
Motors	20.00%	8-Apr-19	1,329	60	254	203	305	190	119	74	46	29	18
Fire control assets													
Detection & alarm systems, detectors	18.75%	8-Apr-19	1,362	255	415	259	162	101	63	40	25	15	10
Emergency warning & intercommunication system	16.67%	8-Apr-19	1,263	48	203	169	316	198	124	77	48	30	19
Floor coverings (removable without damage)													
Carpets	20.00%	8-Apr-19	9,416	428	1,798	1,438	1,150	920	736	589	471	377	302
Furniture													
	15.00%	8-Apr-19	7,244	247	1,050	892	758	645	548	466	396	336	286
	18.75%	8-Apr-19	3,347	628	1,020	637	398	249	156	97	61	38	24
Garbage disposal													
Garbage bins	18.75%	8-Apr-19	1,264	237	385	241	150	94	59	37	23	14	9
Hot water systems (excluding piping)													
Gas or electric	16.67%	8-Apr-19	1,436	54	230	192	360	225	141	88	55	34	21
Kitchen assets													
Cooktops	16.67%	8-Apr-19	1,086	41	174	327	204	128	80	50	31	19	12
Dishwashers	20.00%	8-Apr-19	1,680	76	321	257	205	308	192	120	75	47	29
Microwave ovens	20.00%	8-Apr-19	1,435	65	274	219	329	205	128	80	50	31	20
Ovens	16.67%	8-Apr-19	1,197	45	192	360	225	141	88	55	34	21	13
Rangehoods	18.75%	8-Apr-19	840	158	256	160	100	62	39	24	15	10	6
Laundry assets													
Clothes dryers	20.00%	8-Apr-19	1,142	52	218	327	204	128	80	50	31	19	12
Washing machines	20.00%	8-Apr-19	1,138	52	217	326	204	127	80	50	31	19	12
Lifts (including hydraulic & tractions lifts)													
	6.67%	8-Apr-19	16,625	252	1,092	1,019	951	887	828	773	722	673	629
Lights													
Shades, removable	18.75%	8-Apr-19	4,854	910	1,479	924	578	361	226	141	88	55	34
Security systems & equipment													
Electronic	30.00%	8-Apr-19	1,634	111	457	320	280	175	109	68	43	27	17
\$300 items													
	100.00%	8-Apr-19	3,075	3,075									
Pooled Plant Total				2,538	4,125	3,917	4,038	2,831	1,770	1,106	691	797	498
Effective Life Plant Total				5,331	9,510	7,134	5,005	4,005	3,354	2,821	2,383	1,828	1,569
Total Division 40			79,120	7,869	13,635	11,051	9,043	6,836	5,124	3,927	3,075	2,625	2,067

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%	08-Apr-19	305,064	1,736	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634
Structural Improvements - Completed 2019	2.50%	08-Apr-19	1,001	6	25	25	25	25	25	25	25	25	25
Total Division 43			306,065	1,742	7,659	7,659	7,659	7,659	7,659	7,659	7,659	7,659	7,659
Total Depreciation			385,185	9,611	21,294	18,710	16,702	14,495	12,783	11,586	10,734	10,284	9,726

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%	08-Apr-19	11,019	251	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	08-Apr-19	1,348	253	411	257	160	100	63	39	24	15	10
Blinds Residential													
	10.00%	08-Apr-19	4,862	111	486	486	486	486	486	486	486	486	486
Door closers													
	18.75%	08-Apr-19	523	98	159	100	62	39	24	15	10	6	4
Electrical Machinery & Equipment :													
Motors	10.00%	08-Apr-19	1,329	30	133	133	133	133	133	133	133	133	133
Fire control assets													
Detection & alarm systems, detectors	18.75%	08-Apr-19	1,362	255	415	259	162	101	63	40	25	15	10
Emergency warning & intercommunication system	8.33%	08-Apr-19	1,263	24	105	105	105	105	105	105	105	105	105
Floor coverings (removable without damage)													
Carpets	10.00%	08-Apr-19	9,416	214	942	942	942	942	942	942	942	942	942
Furniture													
	7.50%	08-Apr-19	7,244	124	543	543	543	543	543	543	543	543	543
Furniture	18.75%	08-Apr-19	3,347	628	1,020	637	398	249	156	97	61	38	24
Garbage disposal													
Garbage bins	18.75%	08-Apr-19	1,264	237	385	241	150	94	59	37	23	14	9
Hot water systems (excluding piping)													
Gas or electric	8.33%	08-Apr-19	1,436	27	120	120	120	120	120	120	120	120	120
Kitchen assets													
Cooktops	8.33%	08-Apr-19	1,086	21	91	91	91	91	91	91	91	91	91
Dishwashers	10.00%	08-Apr-19	1,680	38	168	168	168	168	168	168	168	168	168
Microwave ovens	10.00%	08-Apr-19	1,435	33	144	144	144	144	144	144	144	144	144
Ovens	8.33%	08-Apr-19	1,197	23	100	100	100	100	100	100	100	100	100
Rangehoods	18.75%	08-Apr-19	840	158	256	160	100	62	39	24	15	10	6
Laundry assets													
Clothes dryers	10.00%	08-Apr-19	1,142	26	114	114	114	114	114	114	114	114	114
Washing machines	10.00%	08-Apr-19	1,138	26	114	114	114	114	114	114	114	114	114
Lifts (including hydraulic & tractions lifts)													
	3.33%	08-Apr-19	16,625	126	554	554	554	554	554	554	554	554	554
Lights													
Shades, removable	18.75%	08-Apr-19	4,854	910	1,479	924	578	361	226	141	88	55	34
Security systems & equipment													
Electronic	15.00%	08-Apr-19	1,634	56	245	245	245	245	245	245	108		
\$300 items													
	100.00%	08-Apr-19	3,075	3,075									
Pooled Plant Total				2,538	4,125	2,578	1,611	1,007	629	393	246	154	96
Effective Life Plant Total				4,203	4,961	4,961	4,961	4,961	4,961	4,961	4,824	4,716	4,716
Total Division 40			79,120	6,741	9,086	7,539	6,572	5,968	5,590	5,354	5,070	4,870	4,812

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%	08-Apr-19	305,064	1,736	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634	7,634
Structural Improvements - Completed 2019	2.50%	08-Apr-19	1,001	6	25	25	25	25	25	25	25	25	25
Total Division 43			306,065	1,742	7,659	7,659	7,659	7,659	7,659	7,659	7,659	7,659	7,659
Total Depreciation			385,185	8,483	16,745	15,198	14,231	13,627	13,249	13,013	12,729	12,529	12,471

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 Apr 16 to 25 Mar 19	305,357	2.50%	7,634	305,064
Sub-total		305,357		7,634	305,064

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	1 Apr 16 to 25 Mar 19	1,002	2.50%	25	1,001
Sub-total		1,002		25	1,001
Totals		306,359		7,659	306,065

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
Postal Address	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
Office Number	1300 669 400
Office Email	info@koste.com.au

LEAD SURVEYOR DETAILS	
Surveyors Name	Mark Kilroy
Tax Agent Number	24370523
Contact Number	1300 669 400
Email	mark@koste.com.au

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.