



## Tax Depreciation Report

509/30–36 Warby Street,  
Campbelltown NSW 2560

Sally Ruth Fares  
1210/58 Mountain Street  
ULTIMO, NSW 2007

Issue Schedule	
Issue Date:	Issued by:
08 September 2020	Mark Kilroy Bsc (Hons) MRICS

Sally Ruth Fares  
1210/58 Mountain Street  
ULTIMO, NSW 2007

September 2020  
Job No: RES2560005

**Tax Depreciation Report – 509/30-36 Warby Street, Campbelltown NSW 2560**

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

8 September 2020

### Purchaser

Sally Ruth Fares

### Property Address

509/30-36 Warby Street, Campbelltown NSW 2560

### Real Property Description

Lot 94 SP 101392

### Property Type

Residential Unit

### Date of Construction

28 August 2020

### 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.

<b>Diminishing Value Method</b>					<b>Prime Cost Method</b>				
<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>				
<b>Benefits</b>					<b>Benefits</b>				
<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>				
<b>Calculation Example</b>					<b>Calculation Example</b>				
<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	1 September 20 to 30 June 21	7,380	2,562	9,942	6,470	16,412
2	1 July 21 to 30 June 22	6,350	4,673	11,023	7,819	18,842
3	1 July 22 to 30 June 23	4,351	3,945	8,296	7,819	16,115
4	1 July 23 to 30 June 24	3,159	3,152	6,311	7,819	14,130
5	1 July 24 to 30 June 25	2,276	2,703	4,979	7,819	12,798
6	1 July 25 to 30 June 26	1,742	2,050	3,792	7,819	11,611
7	1 July 26 to 30 June 27	1,453	1,281	2,734	7,819	10,553
8	1 July 27 to 30 June 28	1,222	801	2,023	7,819	9,842
9	1 July 28 to 30 June 29	817	831	1,648	7,819	9,467
10	1 July 29 to 30 June 30	723	519	1,243	7,819	9,062
11	1 July 30 to 30 June 31	454	680	1,134	7,819	8,953
12	1 July 31 to 30 June 32	423	425	849	7,819	8,668
13	1 July 32 to 30 June 33	395	266	661	7,819	8,480
14	1 July 33 to 30 June 34	369	166	535	7,819	8,354
15	1 July 34 to 30 June 35	344	104	448	7,819	8,267
16	1 July 35 to 30 June 36	321	65	386	7,819	8,205
17	1 July 36 to 30 June 37	300	41	340	7,819	8,159
18	1 July 37 to 30 June 38	280	25	305	7,819	8,124
19	1 July 38 to 30 June 39	261	16	277	7,819	8,096
20	1 July 39 to 30 June 40	244	10	254	7,819	8,073
21	1 July 40 to 30 June 41	228	6	234	7,819	8,053
22	1 July 41 to 30 June 42	212	4	216	7,819	8,035
23	1 July 42 to 30 June 43	198	2	201	7,819	8,020
24	1 July 43 to 30 June 44	185	2	187	7,819	8,006
25	1 July 44 to 30 June 45	173	1	174	7,819	7,993
26	1 July 45 to 30 June 46	161	1	162	7,819	7,981
27	1 July 46 to 30 June 47	150	0	151	7,819	7,970
28	1 July 47 to 30 June 48	140	0	141	7,819	7,960
29	1 July 48 to 30 June 49	131	0	131	7,819	7,950
30	1 July 49 to 30 June 50	122	0	122	7,819	7,941
31	1 July 50 to 30 June 51	114	0	114	7,819	7,933
32	1 July 51 to 30 June 52	107	0	107	7,819	7,926
33	1 July 52 to 30 June 53	99	0	99	7,819	7,918
34	1 July 53 to 30 June 54	93	0	93	7,819	7,912
35	1 July 54 to 30 June 55	87	0	87	7,819	7,906
36	1 July 55 to 30 June 56	81	0	81	7,819	7,900
37	1 July 56 to 30 June 57	75	0	75	7,819	7,894
38	1 July 57 to 30 June 58	70	0	70	7,819	7,889
39	1 July 58 to 30 June 59	0	370	370	7,819	8,189
40	2059+	0	616	616	9,078	9,694
<b>Totals</b>		<b>35,292</b>	<b>25,318</b>	<b>60,610</b>	<b>312,670</b>	<b>373,280</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	1 September 20 to 30 June 21	4,131	2,562	6,693	6,470	13,163
2	1 July 21 to 30 June 22	3,927	4,164	8,091	7,819	15,910
3	1 July 22 to 30 June 23	3,927	2,602	6,529	7,819	14,348
4	1 July 23 to 30 June 24	3,927	1,626	5,553	7,819	13,372
5	1 July 24 to 30 June 25	3,927	1,016	4,943	7,819	12,762
6	1 July 25 to 30 June 26	3,927	635	4,562	7,819	12,381
7	1 July 26 to 30 June 27	3,882	397	4,279	7,819	12,098
8	1 July 27 to 30 June 28	3,483	248	3,731	7,819	11,550
9	1 July 28 to 30 June 29	2,366	155	2,521	7,819	10,340
10	1 July 29 to 30 June 30	2,144	97	2,241	7,819	10,060
11	1 July 30 to 30 June 31	1,325	61	1,386	7,819	9,205
12	1 July 31 to 30 June 32	1,150	38	1,188	7,819	9,007
13	1 July 32 to 30 June 33	732	24	755	7,819	8,574
14	1 July 33 to 30 June 34	572	15	587	7,819	8,406
15	1 July 34 to 30 June 35	495	9	504	7,819	8,323
16	1 July 35 to 30 June 36	495	6	501	7,819	8,320
17	1 July 36 to 30 June 37	495	4	499	7,819	8,318
18	1 July 37 to 30 June 38	495	2	497	7,819	8,316
19	1 July 38 to 30 June 39	495	1	496	7,819	8,315
20	1 July 39 to 30 June 40	495	1	496	7,819	8,315
21	1 July 40 to 30 June 41	462	1	462	7,819	8,281
22	1 July 41 to 30 June 42	447	0	447	7,819	8,266
23	1 July 42 to 30 June 43	447	0	447	7,819	8,266
24	1 July 43 to 30 June 44	447	0	447	7,819	8,266
25	1 July 44 to 30 June 45	447	0	447	7,819	8,266
26	1 July 45 to 30 June 46	447	0	447	7,819	8,266
27	1 July 46 to 30 June 47	447	0	447	7,819	8,266
28	1 July 47 to 30 June 48	447	0	447	7,819	8,266
29	1 July 48 to 30 June 49	447	0	447	7,819	8,266
30	1 July 49 to 30 June 50	447	0	447	7,819	8,266
31	1 July 50 to 30 June 51	70	0	70	7,819	7,889
32	1 July 51 to 30 June 52	0	0	0	7,819	7,819
33	1 July 52 to 30 June 53	0	0	0	7,819	7,819
34	1 July 53 to 30 June 54	0	0	0	7,819	7,819
35	1 July 54 to 30 June 55	0	0	0	7,819	7,819
36	1 July 55 to 30 June 56	0	0	0	7,819	7,819
37	1 July 56 to 30 June 57	0	0	0	7,819	7,819
38	1 July 57 to 30 June 58	0	0	0	7,819	7,819
39	1 July 58 to 30 June 59	0	0	0	7,819	7,819
40	2059+	0	0	0	9,078	9,078
<b>Totals</b>		<b>46,945</b>	<b>13,665</b>	<b>60,610</b>	<b>312,670</b>	<b>373,280</b>

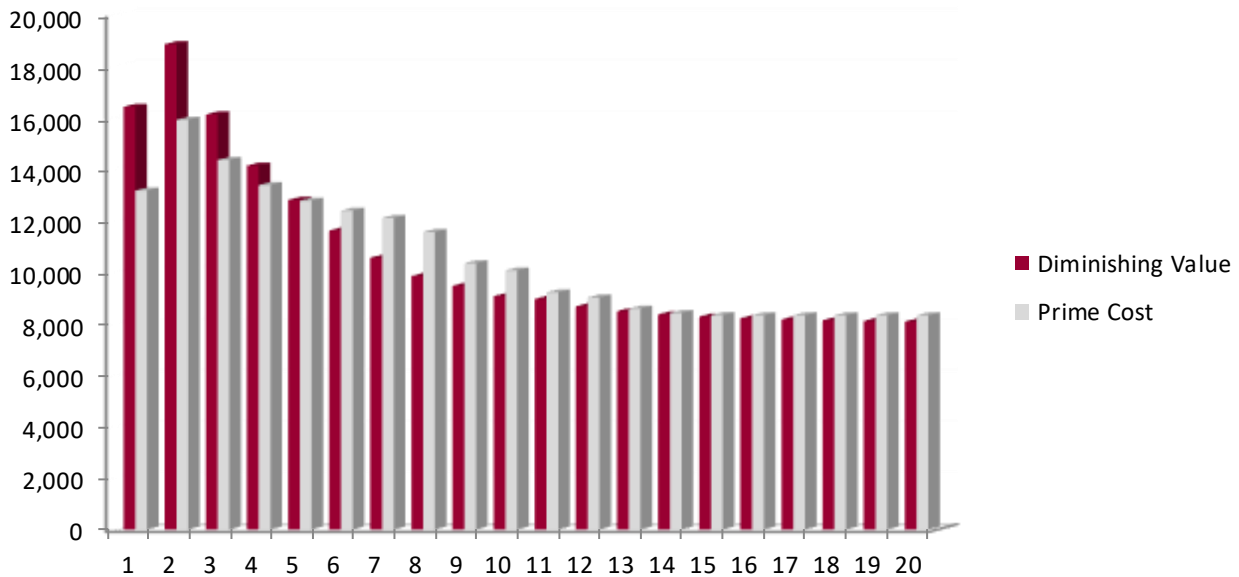
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

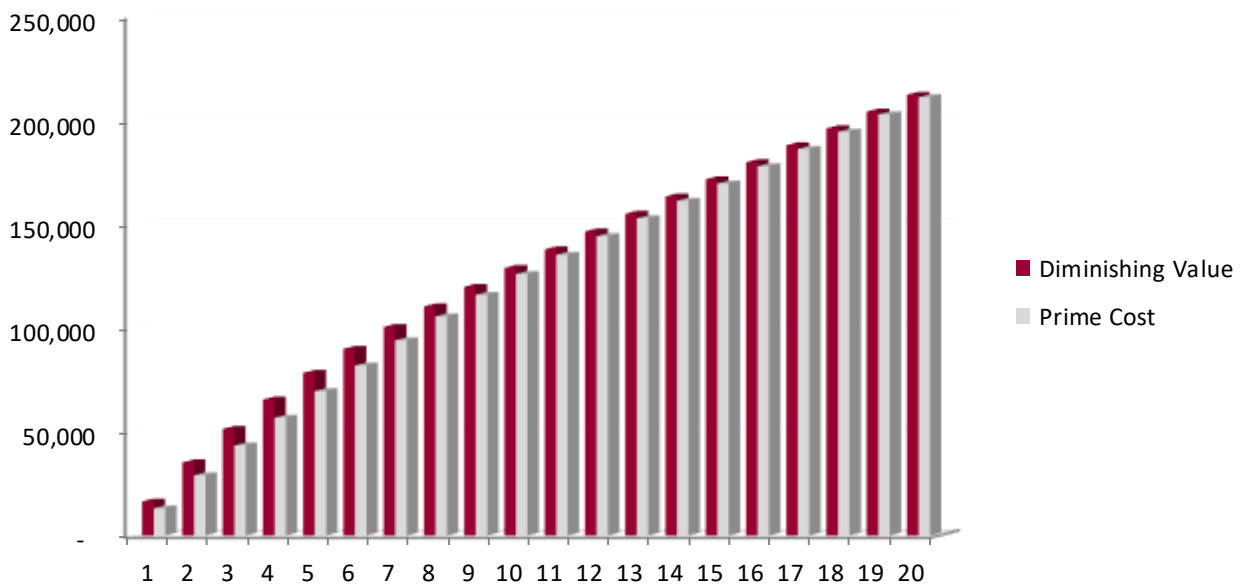
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	15 July 2020
Settlement Date	1 September 2020

### Expenditure Analysed

Purchase Price	\$547,000
Stamp Duty	\$19,970
Legals	\$1,518
<b>Total Expenditure Analysed</b>	<b>\$568,488</b>

### Historical Construction Details

Construction Start Date	17 November 2018
Construction Completion Date	28 August 2020
Historical Construction Cost (Estimated)*	\$355,797
Lot Entitlement	105
Overall Lot Entitlement	10,000

## 9. Reconciliation of Capital Expenditure

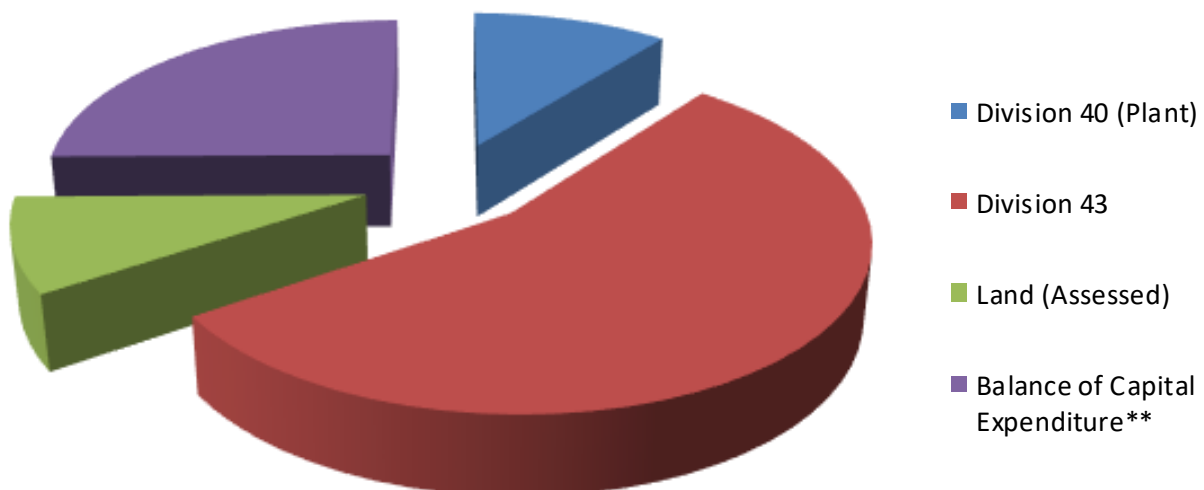
### Apportionment of cost relating to:

Division 40 (Plant)	\$60,610
Division 43	\$312,670
Land (Assessed)	\$52,240
Balance of Capital Expenditure**	\$142,968
<b>Total Expenditure Analysed</b>	<b>\$568,488</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%	1-Sep-20	8,471	1,402	1,414	1,131	905	724	579	463	371	297	237
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	1-Sep-20	877	164	267	167	104	65	41	25	16	10	6
<b>Blinds Residential</b>	20.00%	1-Sep-20	1,473	244	246	369	230	144	90	56	35	22	14
<b>Blinds Residential</b>	18.75%	1-Sep-20	884	166	269	168	105	66	41	26	16	10	6
<b>Computer systems</b>													
General	18.75%	1-Sep-20	614	115	187	117	73	46	29	18	11	7	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	1-Sep-20	1,236	232	377	235	147	92	57	36	22	14	9
Emergency warning & intercommunication system	16.67%	1-Sep-20	549	76	177	111	69	43	27	17	11	7	4
Stair pressurisation & extraction fans	10.00%	1-Sep-20	967	80	332	208	130	81	51	32	20	12	8
<b>Floor coverings ( removable without damage)</b>													
Carpets	25.00%	1-Sep-20	8,317	1,720	1,649	1,237	928	696	522	391	294	330	206
<b>Furniture</b>	15.00%	1-Sep-20	2,104	261	276	235	200	170	361	225	141	88	55
<b>Furniture</b>	18.75%	1-Sep-20	2,379	446	725	453	283	177	111	69	43	27	17
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	1-Sep-20	1,988	274	286	238	198	372	232	145	91	57	35
<b>Kitchen assets</b>													
Cooktops	16.67%	1-Sep-20	1,490	206	214	178	335	209	131	82	51	32	20
Dishwashers	25.00%	1-Sep-20	2,104	435	417	313	352	220	138	86	54	34	21
Ovens	16.67%	1-Sep-20	1,929	266	277	231	192	361	226	141	88	55	34
Rangehoods	18.75%	1-Sep-20	789	148	240	150	94	59	37	23	14	9	6
<b>Laundry assets</b>													
Clothes dryers	28.57%	1-Sep-20	1,490	352	325	305	191	119	74	47	29	18	11
<b>Lifts (including hydraulic &amp; tractions lifts)</b>	6.67%	1-Sep-20	13,403	739	844	788	735	686	641	598	558	521	486
<b>Lights</b>													
Shades, removable	18.75%	1-Sep-20	4,125	774	1,257	786	491	307	192	120	75	47	29
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	1-Sep-20	1,777	441	401	351	219	137	86	54	33	21	13
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	1-Sep-20	2,762	518	841	526	329	205	128	80	50	31	20
<b>\$300 items</b>	100.00%	1-Sep-20	883	883									
<b>Pooled Plant Total</b>				2,562	4,673	3,945	3,152	2,703	2,050	1,281	801	831	519
<b>Effective Life Plant Total</b>				7,380	6,350	4,351	3,159	2,276	1,742	1,453	1,222	817	723
<b>Total Division 40</b>			60,610	9,942	11,023	8,296	6,311	4,979	3,792	2,734	2,023	1,648	1,243

## 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 2020</b>	2.50%	01-Sep-20	308,921	6,392	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725
<b>Structural Improvements - Completed 2020</b>	2.50%	01-Sep-20	3,749	78	94	94	94	94	94	94	94	94	94
<b>Total Division 43</b>			312,670	6,470	7,819	7,819	7,819	7,819	7,819	7,819	7,819	7,819	7,819
<b>Total Depreciation</b>			373,280	16,412	18,842	16,115	14,130	12,798	11,611	10,553	9,842	9,467	9,062

## 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>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	01-Sep-20	8,471	701	847	847	847	847	847	847	847	847	847
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	01-Sep-20	877	164	267	167	104	65	41	25	16	10	6
<b>Blinds Residential</b>													
Blinds Residential	10.00%	01-Sep-20	1,473	122	147	147	147	147	147	147	147	147	147
Blinds Residential	18.75%	01-Sep-20	884	166	269	168	105	66	41	26	16	10	6
<b>Computer systems</b>													
General	18.75%	01-Sep-20	614	115	187	117	73	46	29	18	11	7	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	01-Sep-20	1,236	232	377	235	147	92	57	36	22	14	9
Emergency warning & intercommunication system	8.33%	01-Sep-20	549	38	46	46	46	46	46	46	46	46	46
Stair pressurisation & extraction fans	5.00%	01-Sep-20	967	40	48	48	48	48	48	48	48	48	48
<b>Floor coverings ( removable without damage)</b>													
Carpets	12.50%	01-Sep-20	8,317	860	1,040	1,040	1,040	1,040	1,040	1,040	1,040	177	
<b>Furniture</b>													
Furniture	7.50%	01-Sep-20	2,104	131	158	158	158	158	158	158	158	158	158
Furniture	18.75%	01-Sep-20	2,379	446	725	453	283	177	111	69	43	27	17
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	01-Sep-20	1,988	137	166	166	166	166	166	166	166	166	166
<b>Kitchen assets</b>													
Cooktops	8.33%	01-Sep-20	1,490	103	124	124	124	124	124	124	124	124	124
Dishwashers	12.50%	01-Sep-20	2,104	218	263	263	263	263	263	263	263	45	
Ovens	8.33%	01-Sep-20	1,929	133	161	161	161	161	161	161	161	161	161
Rangehoods	18.75%	01-Sep-20	789	148	240	150	94	59	37	23	14	9	6
<b>Laundry assets</b>													
Clothes dryers	14.29%	01-Sep-20	1,490	176	213	213	213	213	213	213	36		
<b>Lifts (including hydraulic &amp; tractions lifts)</b>													
Lifts	3.33%	01-Sep-20	13,403	370	447	447	447	447	447	447	447	447	447
<b>Lights</b>													
Shades, removable	18.75%	01-Sep-20	4,125	774	1,257	786	491	307	192	120	75	47	29
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	01-Sep-20	1,777	221	267	267	267	267	267	222			
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	01-Sep-20	2,762	518	841	526	329	205	128	80	50	31	20
<b>\$300 items</b>													
\$300 items	100.00%	01-Sep-20	883	883									
<b>Pooled Plant Total</b>				<b>2,562</b>	<b>4,164</b>	<b>2,602</b>	<b>1,626</b>	<b>1,016</b>	<b>635</b>	<b>397</b>	<b>248</b>	<b>155</b>	<b>97</b>
<b>Effective Life Plant Total</b>				<b>4,131</b>	<b>3,927</b>	<b>3,927</b>	<b>3,927</b>	<b>3,927</b>	<b>3,927</b>	<b>3,882</b>	<b>3,483</b>	<b>2,366</b>	<b>2,144</b>
<b>Total Division 40</b>			<b>60,610</b>	<b>6,693</b>	<b>8,091</b>	<b>6,529</b>	<b>5,553</b>	<b>4,943</b>	<b>4,562</b>	<b>4,279</b>	<b>3,731</b>	<b>2,521</b>	<b>2,241</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 2020	2.50%	01-Sep-20	308,921	6,392	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725
Structural Improvements - Completed 2020	2.50%	01-Sep-20	3,749	78	94	94	94	94	94	94	94	94	94
<b>Total Division 43</b>			312,670	6,470	7,819	7,819	7,819	7,819	7,819	7,819	7,819	7,819	7,819
<b>Total Depreciation</b>			373,280	13,163	15,910	14,348	13,372	12,762	12,381	12,098	11,550	10,340	10,060



## 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 2020	17 Nov 18 to 28 Aug 20	309,006	2.50%	7,725	308,921
<b>Sub-total</b>		<b>309,006</b>		<b>7,725</b>	<b>308,921</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2020	17 Nov 18 to 28 Aug 20	3,750	2.50%	94	3,749
<b>Sub-total</b>		<b>3,750</b>		<b>94</b>	<b>3,749</b>
<b>Totals</b>		<b>312,756</b>		<b>7,819</b>	<b>312,670</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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LEAD SURVEYOR 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.