



# Tax Depreciation Report

28 Toritta Way,  
Truganina VIC 3029, Australia

Nigel and Latika Singh  
167 Doonside Cres  
WOODCROFT, NSW 2767

Issue Schedule	
Issue Date:	Issued by:
06 November 2020	Mark Kilroy Bsc (Hons) MRICS

Nigel and Latika Singh  
167 Doonside Cres  
WOODCROFT, NSW 2767

November 2020  
Job No: RES3029024

**Tax Depreciation Report – 28 Toritta Way, Truganina VIC 3029, 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

6 November 2020

### Purchaser

Nigel and Latika Singh

### Property Address

28 Toritta Way, Truganina VIC 3029, Australia

### Real Property Description

LOT 97 PS529085

### Property Type

Residential House

### Date of Construction

1 January 2008

### Date Available To Generate Income

5 December 2015

### Property Photo



## 2. Report Details

### 2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

#### **Division 40 (Capital Allowances)**

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

#### **Division 40 (Capital Allowances) - Low Value Pool**

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

#### **Division 43 (Capital Works)**

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

### **3. Capital Allowances**

#### **3.1 Entitlement**

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

#### **3.2 Qualifying Expenditure Calculation**

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

#### **3.3 Effective Life**

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

#### **3.4 Immediate Write-Off Assets**

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

#### **3.5 Low Value Pool**

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

### 3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method					Prime Cost Method				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.					Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits					Benefits				
<ul style="list-style-type: none"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>					<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example					Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
<b>200 / 10 Years = 20% (Adjusted Value)</b>					<b>100 / 10 Years = 10% (Straight Line)</b>				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.					If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

## **4. Capital Works**

### **4.1 Entitlement**

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

### **4.2 Method of Depreciation**

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

### **4.3 Method of Depreciation**

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Division 40 - Capital Allowance (Eligible)			Division 43	Eligible
		Effective Life	Pooled Plant	Total Div 40	Capital Works	Total
1	5 December 15 to 30 June 16	4,017	0	4,017	2,239	6,256
2	1 July 16 to 30 June 17	5,650	0	5,650	3,940	9,590
3	1 July 17 to 30 June 18	4,367	0	4,367	3,940	8,307
4	1 July 18 to 30 June 19	3,402	0	3,402	3,940	7,342
5	1 July 19 to 30 June 20	1,771	1,318	3,090	3,940	7,030
6	1 July 20 to 30 June 21	1,461	824	2,285	3,940	6,225
7	1 July 21 to 30 June 22	1,208	515	1,723	3,940	5,663
8	1 July 22 to 30 June 23	643	992	1,635	3,940	5,575
9	1 July 23 to 30 June 24	201	1,726	1,927	3,940	5,867
10	1 July 24 to 30 June 25	0	1,380	1,380	3,940	5,320
11	1 July 25 to 30 June 26	0	863	863	3,940	4,803
12	1 July 26 to 30 June 27	0	539	539	3,940	4,479
13	1 July 27 to 30 June 28	0	337	337	3,940	4,277
14	1 July 28 to 30 June 29	0	211	211	3,940	4,151
15	1 July 29 to 30 June 30	0	132	132	3,940	4,072
16	1 July 30 to 30 June 31	0	82	82	3,940	4,022
17	1 July 31 to 30 June 32	0	51	51	3,940	3,991
18	1 July 32 to 30 June 33	0	32	32	3,940	3,972
19	1 July 33 to 30 June 34	0	20	20	3,940	3,960
20	1 July 34 to 30 June 35	0	13	13	3,940	3,953
21	1 July 35 to 30 June 36	0	8	8	3,940	3,948
22	1 July 36 to 30 June 37	0	5	5	3,940	3,945
23	1 July 37 to 30 June 38	0	3	3	3,940	3,943
24	1 July 38 to 30 June 39	0	2	2	3,940	3,942
25	1 July 39 to 30 June 40	0	1	1	3,940	3,941
26	1 July 40 to 30 June 41	0	1	1	3,940	3,941
27	1 July 41 to 30 June 42	0	0	0	3,940	3,940
28	1 July 42 to 30 June 43	0	0	0	3,940	3,940
29	1 July 43 to 30 June 44	0	0	0	3,940	3,940
30	1 July 44 to 30 June 45	0	0	0	3,940	3,940
31	1 July 45 to 30 June 46	0	0	0	3,940	3,940
32	1 July 46 to 30 June 47	0	0	0	3,940	3,940
33	1 July 47 to 30 June 48	0	0	0	2,296	2,296
34	1 July 48 to 30 June 49	0	0	0	618	618
35	1 July 49 to 30 June 50	0	0	0	618	618
36	1 July 50 to 30 June 51	0	0	0	618	618
37	1 July 51 to 30 June 52	0	0	0	618	618
38	1 July 52 to 30 June 53	0	0	0	618	618
39	1 July 53 to 30 June 54	0	0	0	618	618
40	2054+	0	0	0	348	348
<b>Totals</b>		<b>22,720</b>	<b>9,055</b>	<b>31,775</b>	<b>130,731</b>	<b>162,506</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	Division 40 - Capital Allowance (Eligible)			Division 43 Capital Works	Eligible Total
		Effective Life	Pooled Plant	Total Div 40		
1	5 December 15 to 30 June 16	2,257	0	2,257	2,239	4,496
2	1 July 16 to 30 June 17	3,337	0	3,337	3,940	7,277
3	1 July 17 to 30 June 18	3,246	0	3,246	3,940	7,186
4	1 July 18 to 30 June 19	3,189	0	3,189	3,940	7,129
5	1 July 19 to 30 June 20	3,154	0	3,154	3,940	7,094
6	1 July 20 to 30 June 21	3,132	0	3,132	3,940	7,072
7	1 July 21 to 30 June 22	3,118	0	3,118	3,940	7,058
8	1 July 22 to 30 June 23	2,135	0	2,135	3,940	6,075
9	1 July 23 to 30 June 24	2,019	0	2,019	3,940	5,959
10	1 July 24 to 30 June 25	2,016	0	2,016	3,940	5,956
11	1 July 25 to 30 June 26	1,154	0	1,154	3,940	5,094
12	1 July 26 to 30 June 27	498	0	498	3,940	4,438
13	1 July 27 to 30 June 28	497	0	497	3,940	4,437
14	1 July 28 to 30 June 29	442	0	442	3,940	4,382
15	1 July 29 to 30 June 30	245	0	245	3,940	4,185
16	1 July 30 to 30 June 31	244	0	244	3,940	4,184
17	1 July 31 to 30 June 32	244	0	244	3,940	4,184
18	1 July 32 to 30 June 33	244	0	244	3,940	4,184
19	1 July 33 to 30 June 34	244	0	244	3,940	4,184
20	1 July 34 to 30 June 35	244	0	244	3,940	4,184
21	1 July 35 to 30 June 36	115	0	115	3,940	4,055
22	1 July 36 to 30 June 37	0	0	0	3,940	3,940
23	1 July 37 to 30 June 38	0	0	0	3,940	3,940
24	1 July 38 to 30 June 39	0	0	0	3,940	3,940
25	1 July 39 to 30 June 40	0	0	0	3,940	3,940
26	1 July 40 to 30 June 41	0	0	0	3,940	3,940
27	1 July 41 to 30 June 42	0	0	0	3,940	3,940
28	1 July 42 to 30 June 43	0	0	0	3,940	3,940
29	1 July 43 to 30 June 44	0	0	0	3,940	3,940
30	1 July 44 to 30 June 45	0	0	0	3,940	3,940
31	1 July 45 to 30 June 46	0	0	0	3,940	3,940
32	1 July 46 to 30 June 47	0	0	0	3,940	3,940
33	1 July 47 to 30 June 48	0	0	0	2,296	2,296
34	1 July 48 to 30 June 49	0	0	0	618	618
35	1 July 49 to 30 June 50	0	0	0	618	618
36	1 July 50 to 30 June 51	0	0	0	618	618
37	1 July 51 to 30 June 52	0	0	0	618	618
38	1 July 52 to 30 June 53	0	0	0	618	618
39	1 July 53 to 30 June 54	0	0	0	618	618
40	2054+	0	0	0	348	348
<b>Totals</b>		<b>31,775</b>	<b>0</b>	<b>31,775</b>	<b>130,731</b>	<b>162,506</b>

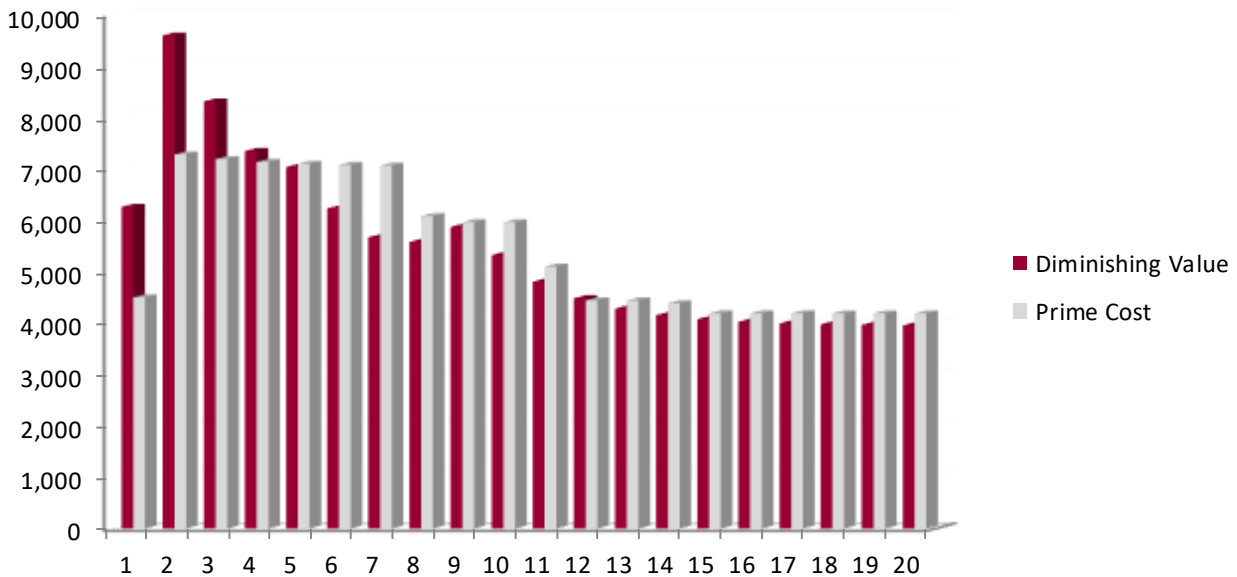
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

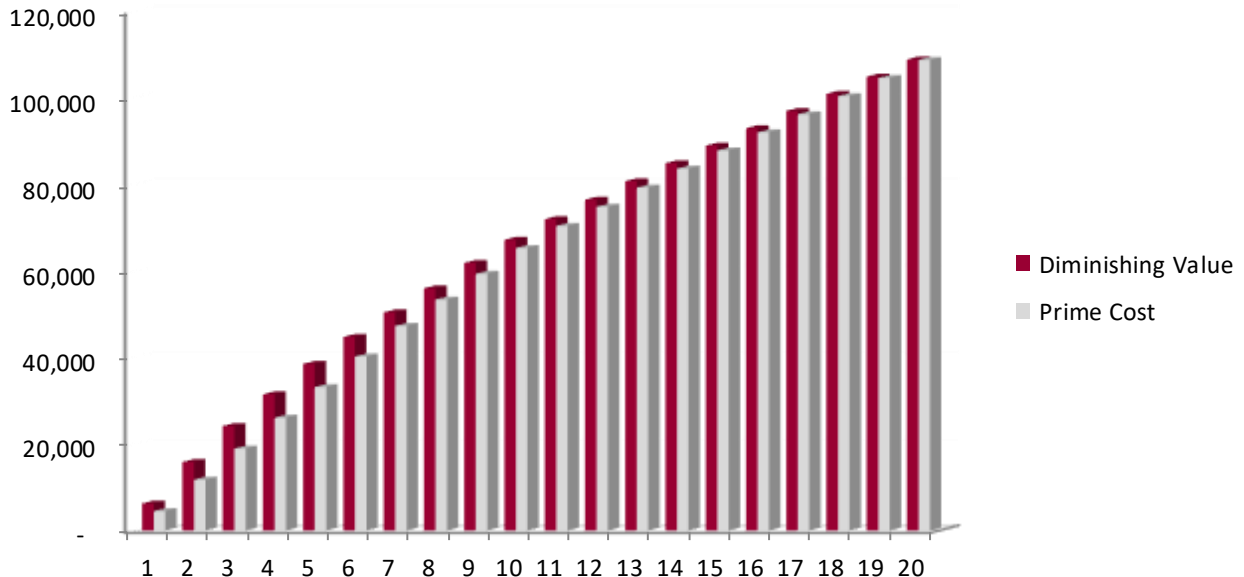
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	5 November 2015
Settlement Date	5 December 2015
Available To Generate Income	5 December 2015

### Expenditure Analysed

Purchase Price	\$341,000
Stamp Duty	\$13,640
Legals	\$5,000
<b>Total Expenditure Analysed</b>	<b>\$359,640</b>

### Historical Construction Details

Construction Start Date	15 June 2007
Construction Completion Date	1 January 2008
Historical Construction Cost (Estimated)*	\$184,076
Lot Entitlement	1
Overall Lot Entitlement	1

## 9. Reconciliation of Capital Expenditure

### Apportionment of cost relating to:

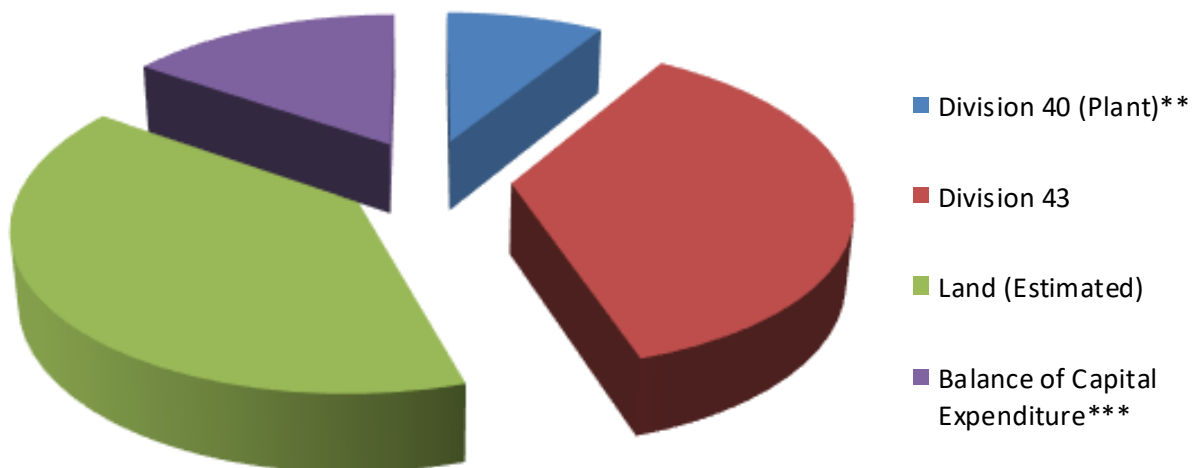
Division 40 (Plant)**	\$31,775
Division 43	\$130,731
Land (Estimated)	\$141,856
Balance of Capital Expenditure***	\$55,278
<b>Total Expenditure Analysed</b>	<b>\$359,640</b>

### 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

\*\* Some assets in Division 40 (Plant) may not be eligible for yearly depreciation claim but for capital gain deduction only. Please go to Summary of Entitlements and detailed schedules for more information

\*\*\* 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	Start 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												
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	5-Dec-15	3,605	410	639	511	409	327	262	209	314	196	123
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	20.00%	5-Dec-15	601	68	106	85	68	102	64	40	25	16	10
<b>Blinds Residential</b>													
	30.00%	5-Dec-15	2,973	507	740	518	362	317	198	124	77	48	30
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	5-Dec-15	793	149	242	151	94	59	37	23	14	9	6
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	5-Dec-15	4,087	465	724	580	464	371	297	237	356	223	139
<b>Furniture</b>													
	15.00%	5-Dec-15	3,364	287	462	392	334	283	241	205	174	370	231
<b>Garage doors, automatic</b>													
Motors	20.00%	5-Dec-15	1,442	164	256	204	164	245	153	96	60	37	23
<b>Heating units</b>													
Gas ducted central heating	20.00%	5-Dec-15	5,407	615	958	767	613	491	393	314	251	201	302
<b>Hot water systems (excluding piping)</b>													
Gas or electric	10.00%	5-Dec-15	2,163	123	204	184	165	149	134	120	108	366	229
<b>Kitchen assets</b>													
Dishwashers	30.00%	5-Dec-15	1,442	246	359	251	176	154	96	60	38	23	15
Rangehoods	10.00%	5-Dec-15	541	31	51	46	41	139	87	54	34	21	13
Stoves	30.00%	5-Dec-15	2,163	369	538	377	264	231	144	90	56	35	22
<b>Laundry assets</b>													
Washing machines	30.00%	5-Dec-15	661	113	164	115	81	71	44	28	17	11	7
<b>Lights</b>													
Shades, removable	10.00%	5-Dec-15	2,187	124	206	186	167	150	135	122	110	370	231
<b>\$300 items</b>													
	100.00%	5-Dec-15	348	348									
<b>Pooled Plant Total</b>								1,318	824	515	992	1,726	1,380
<b>Effective Life Plant Total</b>				4,017	5,650	4,367	3,402	1,771	1,461	1,208	643	201	
<b>Total Division 40</b>			31,775	4,017	5,650	4,367	3,402	3,090	2,285	1,723	1,635	1,927	1,380
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2008</b>		2.50%	05-Dec-15	99,872	1,770	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114
<b>Building Works - Completed 2015</b>		2.50%	05-Dec-15	24,183	351	618	618	618	618	618	618	618	618
<b>Structural Improvements - Completed 2008</b>		2.50%	05-Dec-15	6,676	118	208	208	208	208	208	208	208	208
<b>Total Division 43</b>			130,731	2,239	3,940	3,940	3,940	3,940	3,940	3,940	3,940	3,940	3,940

## 11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Start 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%	05-Dec-15	3,605	205	360	360	360	360	360	360	360	360	360
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	10.00%	05-Dec-15	601	34	60	60	60	60	60	60	60	60	60
<b>Blinds Residential</b>													
	15.00%	05-Dec-15	2,973	253	446	446	446	446	446	446	43		
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	05-Dec-15	793	149	242	151	94	59	37	23	14	9	6
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	05-Dec-15	4,087	232	409	409	409	409	409	409	409	409	409
<b>Furniture</b>													
	7.50%	05-Dec-15	3,364	143	252	252	252	252	252	252	252	252	252
<b>Garage doors, automatic</b>													
Motors	10.00%	05-Dec-15	1,442	82	144	144	144	144	144	144	144	144	144
<b>Heating units</b>													
Gas ducted central heating	10.00%	05-Dec-15	5,407	307	541	541	541	541	541	541	541	541	541
<b>Hot water systems (excluding piping)</b>													
Gas or electric	5.00%	05-Dec-15	2,163	61	108	108	108	108	108	108	108	108	108
<b>Kitchen assets</b>													
Dishwashers	15.00%	05-Dec-15	1,442	123	216	216	216	216	216	216	23		
Rangehoods	5.00%	05-Dec-15	541	15	27	27	27	27	27	27	27	27	27
Stoves	15.00%	05-Dec-15	2,163	184	324	324	324	324	324	324	34		
<b>Laundry assets</b>													
Washing machines	15.00%	05-Dec-15	661	56	99	99	99	99	99	99	11		
<b>Lights</b>													
Shades, removable	5.00%	05-Dec-15	2,187	62	109	109	109	109	109	109	109	109	109
<b>\$300 items</b>													
	100.00%	05-Dec-15	348	348									
<b>Pooled Plant Total</b>													
Effective Life Plant Total				2,257	3,337	3,246	3,189	3,154	3,132	3,118	2,135	2,019	2,016
<b>Total Division 40</b>			<b>31,775</b>	<b>2,257</b>	<b>3,337</b>	<b>3,246</b>	<b>3,189</b>	<b>3,154</b>	<b>3,132</b>	<b>3,118</b>	<b>2,135</b>	<b>2,019</b>	<b>2,016</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2008	2.50%	05-Dec-15	99,872	1,770	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114	3,114
Building Works - Completed 2015	2.50%	05-Dec-15	24,183	351	618	618	618	618	618	618	618	618	618
Structural Improvements - Completed 2008	2.50%	05-Dec-15	6,676	118	208	208	208	208	208	208	208	208	208
<b>Total Division 43</b>			<b>130,731</b>	<b>2,239</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>

## 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 2008	15 Jun 07 to 1 Jan 08	124,574	2.50%	3,114	99,872
Building Works - Completed 2015	1 Jan 15 to 30 Jan 15	24,706	2.50%	618	24,183
<b>Sub-total</b>		<b>149,279</b>		<b>3,732</b>	<b>124,055</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2008	15 Jun 07 to 1 Jan 08	8,328	2.50%	208	6,676
<b>Sub-total</b>		<b>8,328</b>		<b>208</b>	<b>6,676</b>
<b>Totals</b>		<b>157,607</b>		<b>3,940</b>	<b>130,731</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	
<b>Company Name</b>	Koste Pty Ltd
<b>Postal Address</b>	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
<b>Office Number</b>	1300 669 400
<b>Office Email</b>	info@koste.com.au

LEAD SURVEYOR DETAILS	
<b>Surveyors Name</b>	Mark Kilroy
<b>Tax Agent Number</b>	24370523
<b>Contact Number</b>	1300 669 400
<b>Email</b>	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.