



## Tax Depreciation Report

Shop 16, Kensington Village, Kensington Way,  
Bray Park QLD 4500

Kanti Jeraj  
4 Moira Court  
SUNNYBANK HILLS, QLD 4109

Issue Schedule	
Issue Date:	Issued by:
28 May 2018	Mark Kilroy Bsc (Hons) MRICS

Kanti Jeraj  
4 Moira Court  
SUNNYBANK HILLS, QLD 4109

May 2018  
Job No: COM4500001

**Tax Depreciation Report – Shop 16, Kensington Village, Kensington Way, Bray Park QLD 4500**

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

28 May 2018

### Purchaser

Kanti Jeraj

### Property Address

Shop 16, Kensington Village, Kensington Way, Bray Park QLD 4500

### Property Type

Commercial

### Date of Construction

1 October 2017

### Property Photo



## 2. Report Details

### 2.1 Introduction

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

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

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

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

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

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

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

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

### **3. Capital Allowances**

#### **3.1 Entitlement**

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

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

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

#### **3.3 Effective Life**

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

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

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

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

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

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

### 3.6 Method of Depreciation

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

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

## **4. Capital Works**

### **4.1 Entitlement**

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

### **4.2 Method of Depreciation**

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

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

### **4.3 Method of Depreciation**

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



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	26 March 18 to 30 June 18	14,794	4,949	19,743	0	19,743
2	1 July 18 to 30 June 19	48,496	8,042	56,538	0	56,538
3	1 July 19 to 30 June 20	38,187	5,367	43,554	0	43,554
4	1 July 20 to 30 June 21	30,185	3,716	33,901	0	33,901
5	1 July 21 to 30 June 22	24,068	2,322	26,391	0	26,391
6	1 July 22 to 30 June 23	18,901	1,778	20,679	0	20,679
7	1 July 23 to 30 June 24	14,959	1,442	16,401	0	16,401
8	1 July 24 to 30 June 25	12,088	901	12,990	0	12,990
9	1 July 25 to 30 June 26	9,775	563	10,338	0	10,338
10	1 July 26 to 30 June 27	7,733	683	8,416	0	8,416
11	1 July 27 to 30 June 28	5,897	1,113	7,011	0	7,011
12	1 July 28 to 30 June 29	4,784	696	5,480	0	5,480
13	1 July 29 to 30 June 30	3,884	435	4,319	0	4,319
14	1 July 30 to 30 June 31	3,156	272	3,428	0	3,428
15	1 July 31 to 30 June 32	2,384	513	2,897	0	2,897
16	1 July 32 to 30 June 33	1,944	320	2,264	0	2,264
17	1 July 33 to 30 June 34	1,586	200	1,786	0	1,786
18	1 July 34 to 30 June 35	1,296	125	1,421	0	1,421
19	1 July 35 to 30 June 36	913	445	1,357	0	1,357
20	1 July 36 to 30 June 37	743	278	1,021	0	1,021
21	1 July 37 to 30 June 38	605	174	779	0	779
22	1 July 38 to 30 June 39	371	452	823	0	823
23	1 July 39 to 30 June 40	297	283	580	0	580
24	1 July 40 to 30 June 41	238	177	414	0	414
25	1 July 41 to 30 June 42	0	467	467	0	467
26	1 July 42 to 30 June 43	0	292	292	0	292
27	1 July 43 to 30 June 44	0	182	182	0	182
28	1 July 44 to 30 June 45	0	114	114	0	114
29	1 July 45 to 30 June 46	0	71	71	0	71
30	1 July 46 to 30 June 47	0	45	45	0	45
31	1 July 47 to 30 June 48	0	28	28	0	28
32	1 July 48 to 30 June 49	0	17	17	0	17
33	1 July 49 to 30 June 50	0	11	11	0	11
34	1 July 50 to 30 June 51	0	7	7	0	7
35	1 July 51 to 30 June 52	0	4	4	0	4
36	1 July 52 to 30 June 53	0	3	3	0	3
37	1 July 53 to 30 June 54	0	2	2	0	2
38	1 July 54 to 30 June 55	0	1	1	0	1
39	1 July 55 to 30 June 56	0	1	1	0	1
40	2056+	0	1	1	0	1
<b>Totals</b>		<b>247,285</b>	<b>36,490</b>	<b>283,775</b>	<b>0</b>	<b>283,775</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	26 March 18 to 30 June 18	8,045	4,949	12,994	0	12,994
2	1 July 18 to 30 June 19	25,663	8,042	33,705	0	33,705
3	1 July 19 to 30 June 20	25,663	5,026	30,689	0	30,689
4	1 July 20 to 30 June 21	25,663	3,141	28,804	0	28,804
5	1 July 21 to 30 June 22	25,663	1,963	27,626	0	27,626
6	1 July 22 to 30 June 23	25,268	1,227	26,496	0	26,496
7	1 July 23 to 30 June 24	24,163	767	24,930	0	24,930
8	1 July 24 to 30 June 25	23,653	479	24,132	0	24,132
9	1 July 25 to 30 June 26	23,308	300	23,608	0	23,608
10	1 July 26 to 30 June 27	23,308	187	23,495	0	23,495
11	1 July 27 to 30 June 28	17,819	117	17,936	0	17,936
12	1 July 28 to 30 June 29	2,438	73	2,511	0	2,511
13	1 July 29 to 30 June 30	2,404	46	2,450	0	2,450
14	1 July 30 to 30 June 31	2,317	29	2,346	0	2,346
15	1 July 31 to 30 June 32	1,184	18	1,202	0	1,202
16	1 July 32 to 30 June 33	821	11	832	0	832
17	1 July 33 to 30 June 34	0	7	7	0	7
18	1 July 34 to 30 June 35	0	4	4	0	4
19	1 July 35 to 30 June 36	0	3	3	0	3
20	1 July 36 to 30 June 37	0	2	2	0	2
21	1 July 37 to 30 June 38	0	1	1	0	1
22	1 July 38 to 30 June 39	0	1	1	0	1
23	1 July 39 to 30 June 40	0	0	0	0	0
24	1 July 40 to 30 June 41	0	0	0	0	0
25	1 July 41 to 30 June 42	0	0	0	0	0
26	1 July 42 to 30 June 43	0	0	0	0	0
27	1 July 43 to 30 June 44	0	0	0	0	0
28	1 July 44 to 30 June 45	0	0	0	0	0
29	1 July 45 to 30 June 46	0	0	0	0	0
30	1 July 46 to 30 June 47	0	0	0	0	0
31	1 July 47 to 30 June 48	0	0	0	0	0
32	1 July 48 to 30 June 49	0	0	0	0	0
33	1 July 49 to 30 June 50	0	0	0	0	0
34	1 July 50 to 30 June 51	0	0	0	0	0
35	1 July 51 to 30 June 52	0	0	0	0	0
36	1 July 52 to 30 June 53	0	0	0	0	0
37	1 July 53 to 30 June 54	0	0	0	0	0
38	1 July 54 to 30 June 55	0	0	0	0	0
39	1 July 55 to 30 June 56	0	0	0	0	0
40	2056+	0	0	0	0	0
<b>Totals</b>		<b>257,380</b>	<b>26,395</b>	<b>283,775</b>	<b>0</b>	<b>283,775</b>

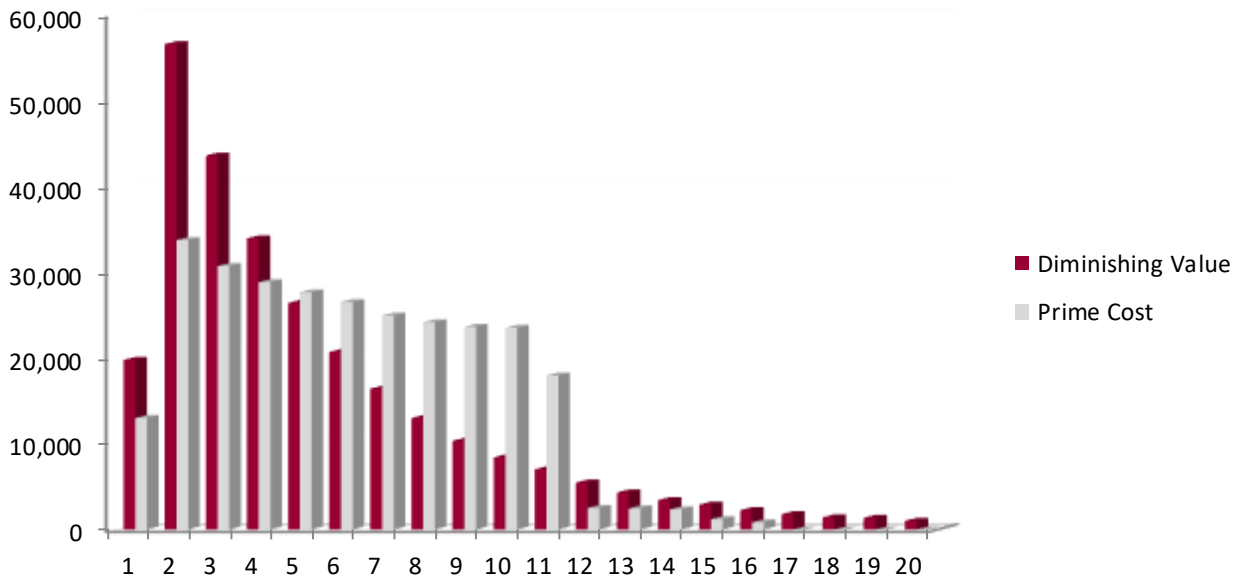
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

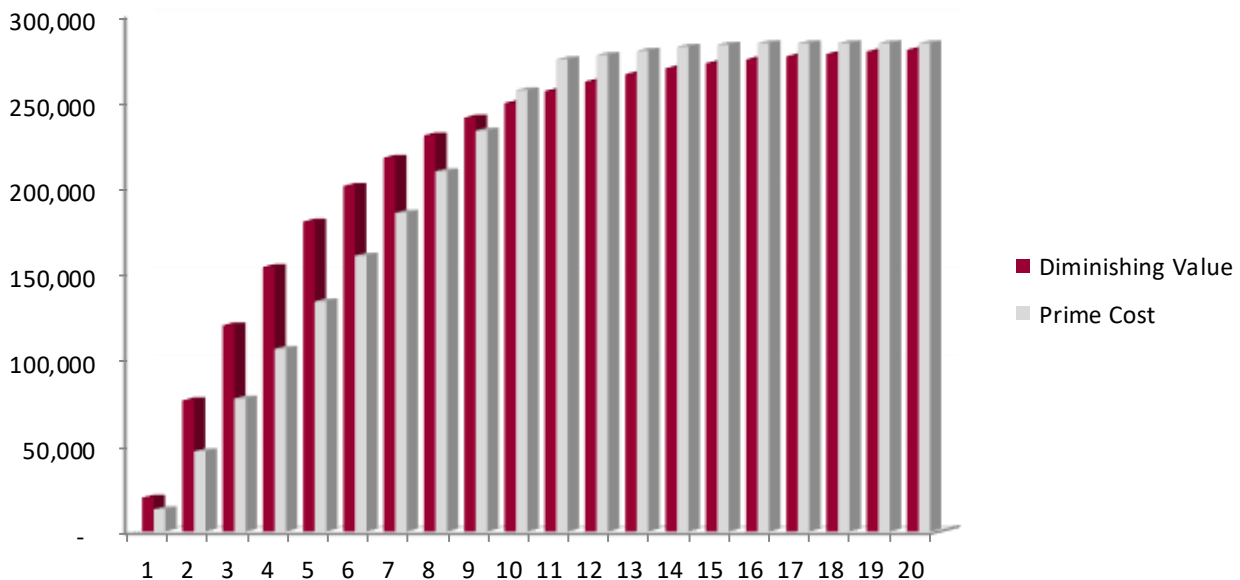
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	14 October 2017
Settlement Date	26 March 2018

### Expenditure Analysed

Purchase Price	\$1,880,000
Stamp Duty	\$67,675
<b>Total Expenditure Analysed</b>	<b>\$1,947,675</b>

### Historical Construction Details

Construction Start Date	14 October 2017
Construction Completion Date	1 October 2017
Historical Construction Cost (Estimated)*	\$283,775

## 9. Reconciliation of Capital Expenditure

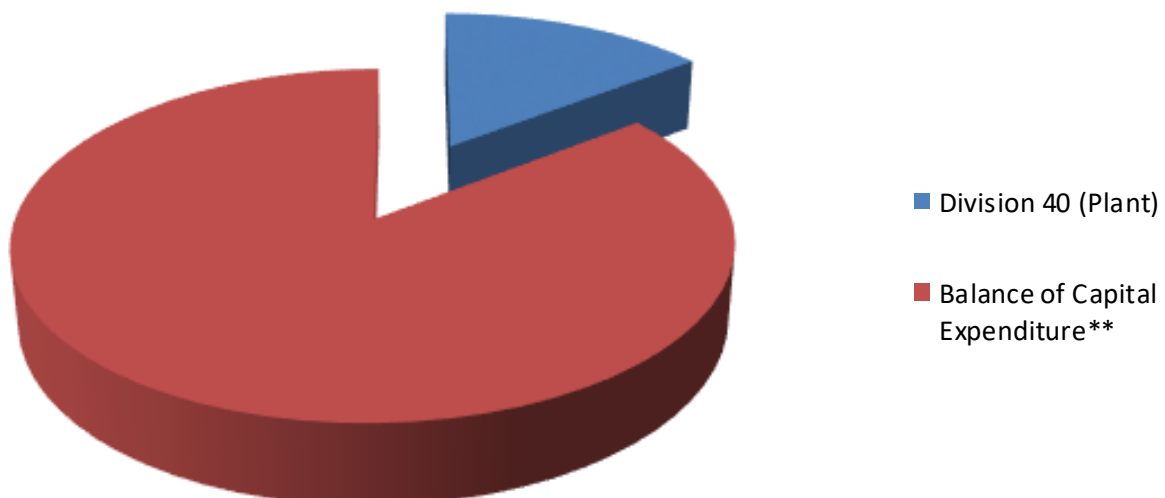
### Apportionment of cost relating to:

Division 40 (Plant)	\$283,775
Balance of Capital Expenditure**	\$1,663,900
<b>Total Expenditure Analysed</b>	<b>\$1,947,675</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>Counters, freestanding (including check-out and service counters)</b>	20.00%	26-Mar-18	7,800	410	1,478	1,182	946	757	605	484	387	310	248
<b>Computer systems</b>													
General	40.00%	26-Mar-18	7,500	789	2,684	1,611	966	580	326	204	127	80	50
General	18.75%	26-Mar-18	5,400	1,013	1,645	1,028	643	402	251	157	98	61	38
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	26-Mar-18	1,100	206	335	209	131	82	51	32	20	12	8
Emergency warning & intercommunication system	16.67%	26-Mar-18	1,450	64	231	193	361	226	141	88	55	34	22
Fire extinguishers	18.75%	26-Mar-18	700	131	213	133	83	52	33	20	13	8	5
<b>Floor coverings ( removable without damage)</b>													
Floating timber	13.33%	26-Mar-18	16,610	582	2,137	1,852	1,605	1,391	1,206	1,045	906	785	680
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	15.00%	26-Mar-18	16,125	636	2,324	1,975	1,679	1,427	1,213	1,031	876	745	633
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	18.75%	26-Mar-18	5,925	1,111	1,805	1,128	705	441	275	172	108	67	42
<b>Garbage disposal</b>													
Garbage bins	18.75%	26-Mar-18	350	66	107	67	42	26	16	10	6	4	2
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	26-Mar-18	3,530	662	1,076	672	420	263	164	103	64	40	25
<b>Patient monitoring assets</b>	18.75%	26-Mar-18	900	169	274	171	107	67	42	26	16	10	6
<b>Point of Sales</b>	20.00%	26-Mar-18	5,550	292	1,052	841	673	538	431	345	276	221	331
<b>Refrigeration</b>													
Fridge	20.00%	26-Mar-18	6,600	347	1,251	1,000	800	640	512	410	328	262	210
Fridge	18.75%	26-Mar-18	750	141	229	143	89	56	35	22	14	9	5
<b>Medical asset</b>													
Robotic pick and place packaging machines	20.00%	26-Mar-18	170,000	8,942	32,212	25,769	20,615	16,492	13,194	10,555	8,444	6,755	5,404
Clinical furniture	18.75%	26-Mar-18	520	98	158	99	62	39	24	15	9	6	4
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	26-Mar-18	5,700	450	1,575	1,103	772	540	378	331	207	129	81
<b>Shelving</b>	20.00%	26-Mar-18	17,550	923	3,325	2,660	2,128	1,703	1,362	1,090	872	697	558
<b>Shopping trolleys</b>	18.75%	26-Mar-18	370	69	113	70	44	28	17	11	7	4	3
<b>Carried forward</b>			<b>274,430</b>	<b>17,101</b>	<b>54,224</b>	<b>41,909</b>	<b>32,872</b>	<b>25,748</b>	<b>20,277</b>	<b>16,150</b>	<b>12,833</b>	<b>10,240</b>	<b>8,355</b>

## Diminishing Value Depreciation Schedule (cont.)

Assets Generally	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Division 40 - Plant and Equipment</b>													
Brought forward			274,430	17,101	54,224	41,909	32,872	25,748	20,277	16,150	12,833	10,240	8,355
Signage for business identification (including lighting for signs)	18.75%	26-Mar-18	6,850	1,284	2,087	1,304	815	510	318	199	124	78	49
Televisions	20.00%	26-Mar-18	1,200	63	227	341	213	133	83	52	33	20	13
\$300 items	100.00%	26-Mar-18	1,295	1,295									
<b>Pooled Plant Total</b>				4,949	8,042	5,367	3,716	2,322	1,778	1,442	901	563	683
<b>Effective Life Plant Total</b>				14,794	48,496	38,187	30,185	24,068	18,901	14,959	12,088	9,775	7,733
<b>Total Division 40</b>			283,775	19,743	56,538	43,554	33,901	26,391	20,679	16,401	12,990	10,338	8,416
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Total Division 43</b>													
<b>Total Depreciation</b>			283,775	19,743	56,538	43,554	33,901	26,391	20,679	16,401	12,990	10,338	8,416

## 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>Counters, freestanding (including check-out and service counters)</b>	10.00%	26-Mar-18	7,800	205	780	780	780	780	780	780	780	780	780
<b>Computer systems</b>													
General	20.00%	26-Mar-18	7,500	395	1,500	1,500	1,500	1,500	1,105				
General	18.75%	26-Mar-18	5,400	1,013	1,645	1,028	643	402	251	157	98	61	38
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	26-Mar-18	1,100	206	335	209	131	82	51	32	20	12	8
Emergency warning & intercommunication system	8.33%	26-Mar-18	1,450	32	121	121	121	121	121	121	121	121	121
Fire extinguishers	18.75%	26-Mar-18	700	131	213	133	83	52	33	20	13	8	5
<b>Floor coverings ( removable without damage)</b>													
Floating timber	6.67%	26-Mar-18	16,610	291	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	7.50%	26-Mar-18	16,125	318	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	18.75%	26-Mar-18	5,925	1,111	1,805	1,128	705	441	275	172	108	67	42
<b>Garbage disposal</b>													
Garbage bins	18.75%	26-Mar-18	350	66	107	67	42	26	16	10	6	4	2
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	26-Mar-18	3,530	662	1,076	672	420	263	164	103	64	40	25
<b>Patient monitoring assets</b>	18.75%	26-Mar-18	900	169	274	171	107	67	42	26	16	10	6
<b>Point of Sales</b>	10.00%	26-Mar-18	5,550	146	555	555	555	555	555	555	555	555	555
<b>Refrigeration</b>													
Fridge	10.00%	26-Mar-18	6,600	174	660	660	660	660	660	660	660	660	660
Fridge	18.75%	26-Mar-18	750	141	229	143	89	56	35	22	14	9	5
<b>Medical asset</b>													
Robotic pick and place packaging machines	10.00%	26-Mar-18	170,000	4,471	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Clinical furniture	18.75%	26-Mar-18	520	98	158	99	62	39	24	15	9	6	4
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	26-Mar-18	5,700	225	855	855	855	855	855	855	345		
<b>Shelving</b>	10.00%	26-Mar-18	17,550	462	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755
<b>Shopping trolleys</b>	18.75%	26-Mar-18	370	69	113	70	44	28	17	11	7	4	3
<b>Carried forward</b>			<b>274,430</b>	<b>10,383</b>	<b>31,498</b>	<b>29,265</b>	<b>27,869</b>	<b>26,997</b>	<b>26,057</b>	<b>24,611</b>	<b>23,888</b>	<b>23,410</b>	<b>23,327</b>

## Prime Cost Depreciation Schedule (cont.)

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Brought forward			274,430	10,383	31,498	29,265	27,869	26,997	26,057	24,611	23,888	23,410	23,327
Signage for business identification (including lighting for signs)	18.75%	26-Mar-18	6,850	1,284	2,087	1,304	815	510	318	199	124	78	49
Televisions	10.00%	26-Mar-18	1,200	32	120	120	120	120	120	120	120	120	120
\$300 items	100.00%	26-Mar-18	1,295	1,295									
Pooled Plant Total				4,949	8,042	5,026	3,141	1,963	1,227	767	479	300	187
Effective Life Plant Total				8,045	25,663	25,663	25,663	25,663	25,268	24,163	23,653	23,308	23,308
<b>Total Division 40</b>			<b>283,775</b>	<b>12,994</b>	<b>33,705</b>	<b>30,689</b>	<b>28,804</b>	<b>27,626</b>	<b>26,496</b>	<b>24,930</b>	<b>24,132</b>	<b>23,608</b>	<b>23,495</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Total Division 43</b>													
<b>Total Depreciation</b>			<b>283,775</b>	<b>12,994</b>	<b>33,705</b>	<b>30,689</b>	<b>28,804</b>	<b>27,626</b>	<b>26,496</b>	<b>24,930</b>	<b>24,132</b>	<b>23,608</b>	<b>23,495</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

### Sub-total

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value

### Sub-total

### Totals

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.