



Tax Depreciation Report

901 / 1 Boys Avenue,
Blacktown NSW 2148

Harsh Chawla and Shiwali Verma
70 Belmore St
RYDE, NSW 2112

Issue Schedule	
Issue Date:	Issued by:
17 September 2018	Mark Kilroy Bsc (Hons) MRICS

Harsh Chawla and Shiwali Verma
70 Belmore St
RYDE, NSW 2112

September 2018
Job No: RES2148005

Tax Depreciation Report – 901/1 Boys Avenue, Blacktown NSW 2148

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

17 September 2018

Purchaser

Harsh Chawla and Shiwali Verma

Property Address

901/1 Boys Avenue, Blacktown NSW 2148

Real Property Description

LOT 24 SP97121

Property Type

Residential Unit

Date of Construction

1 April 2018

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								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</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>100 / 10 Years = 10% (Straight Line)</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	4 May 18 to 30 June 18	2,565	3,902	6,467	1,040	7,507
2	1 July 18 to 30 June 19	10,027	6,549	16,576	6,660	23,236
3	1 July 19 to 30 June 20	8,280	4,093	12,373	6,660	19,033
4	1 July 20 to 30 June 21	6,581	2,925	9,506	6,660	16,166
5	1 July 21 to 30 June 22	5,365	2,145	7,511	6,660	14,171
6	1 July 22 to 30 June 23	4,301	2,024	6,325	6,660	12,985
7	1 July 23 to 30 June 24	3,202	2,259	5,461	6,660	12,121
8	1 July 24 to 30 June 25	2,750	1,412	4,162	6,660	10,822
9	1 July 25 to 30 June 26	2,375	883	3,258	6,660	9,918
10	1 July 26 to 30 June 27	2,064	552	2,615	6,660	9,275
11	1 July 27 to 30 June 28	1,804	345	2,148	6,660	8,808
12	1 July 28 to 30 June 29	1,418	530	1,948	6,660	8,608
13	1 July 29 to 30 June 30	1,267	331	1,598	6,660	8,258
14	1 July 30 to 30 June 31	1,138	207	1,345	6,660	8,005
15	1 July 31 to 30 June 32	1,026	129	1,156	6,660	7,816
16	1 July 32 to 30 June 33	757	403	1,161	6,660	7,821
17	1 July 33 to 30 June 34	707	252	959	6,660	7,619
18	1 July 34 to 30 June 35	660	158	817	6,660	7,477
19	1 July 35 to 30 June 36	616	98	714	6,660	7,374
20	1 July 36 to 30 June 37	575	62	636	6,660	7,296
21	1 July 37 to 30 June 38	536	38	575	6,660	7,235
22	1 July 38 to 30 June 39	501	24	525	6,660	7,185
23	1 July 39 to 30 June 40	467	15	482	6,660	7,142
24	1 July 40 to 30 June 41	436	9	445	6,660	7,105
25	1 July 41 to 30 June 42	407	6	413	6,660	7,073
26	1 July 42 to 30 June 43	380	4	384	6,660	7,044
27	1 July 43 to 30 June 44	355	2	357	6,660	7,017
28	1 July 44 to 30 June 45	331	1	332	6,660	6,992
29	1 July 45 to 30 June 46	309	1	310	6,660	6,970
30	1 July 46 to 30 June 47	288	1	289	6,660	6,949
31	1 July 47 to 30 June 48	269	0	269	6,660	6,929
32	1 July 48 to 30 June 49	251	0	251	6,660	6,911
33	1 July 49 to 30 June 50	234	0	235	6,660	6,895
34	1 July 50 to 30 June 51	219	0	219	6,660	6,879
35	1 July 51 to 30 June 52	204	0	204	6,660	6,864
36	1 July 52 to 30 June 53	191	0	191	6,660	6,851
37	1 July 53 to 30 June 54	178	0	178	6,660	6,838
38	1 July 54 to 30 June 55	166	0	166	6,660	6,826
39	1 July 55 to 30 June 56	155	0	155	6,660	6,815
40	2056+	2,169	0	2,169	11,702	13,871
Totals		65,523	29,361	94,884	265,822	360,706

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	4 May 18 to 30 June 18	1,742	3,902	5,644	1,040	6,684
2	1 July 18 to 30 June 19	5,273	6,340	11,613	6,660	18,273
3	1 July 19 to 30 June 20	5,273	3,963	9,236	6,660	15,896
4	1 July 20 to 30 June 21	5,273	2,477	7,750	6,660	14,410
5	1 July 21 to 30 June 22	5,273	1,548	6,821	6,660	13,481
6	1 July 22 to 30 June 23	5,253	967	6,220	6,660	12,880
7	1 July 23 to 30 June 24	5,154	605	5,759	6,660	12,419
8	1 July 24 to 30 June 25	5,003	378	5,381	6,660	12,041
9	1 July 25 to 30 June 26	4,840	236	5,076	6,660	11,736
10	1 July 26 to 30 June 27	4,840	148	4,988	6,660	11,648
11	1 July 27 to 30 June 28	4,329	92	4,422	6,660	11,082
12	1 July 28 to 30 June 29	1,586	58	1,644	6,660	8,304
13	1 July 29 to 30 June 30	1,533	36	1,569	6,660	8,229
14	1 July 30 to 30 June 31	1,235	23	1,258	6,660	7,918
15	1 July 31 to 30 June 32	1,101	14	1,115	6,660	7,775
16	1 July 32 to 30 June 33	1,079	9	1,088	6,660	7,748
17	1 July 33 to 30 June 34	1,079	5	1,084	6,660	7,744
18	1 July 34 to 30 June 35	1,079	3	1,082	6,660	7,742
19	1 July 35 to 30 June 36	1,079	2	1,081	6,660	7,741
20	1 July 36 to 30 June 37	1,079	1	1,080	6,660	7,740
21	1 July 37 to 30 June 38	1,070	1	1,071	6,660	7,731
22	1 July 38 to 30 June 39	1,005	1	1,006	6,660	7,666
23	1 July 39 to 30 June 40	1,005	0	1,005	6,660	7,665
24	1 July 40 to 30 June 41	1,005	0	1,005	6,660	7,665
25	1 July 41 to 30 June 42	1,005	0	1,005	6,660	7,665
26	1 July 42 to 30 June 43	1,005	0	1,005	6,660	7,665
27	1 July 43 to 30 June 44	1,005	0	1,005	6,660	7,665
28	1 July 44 to 30 June 45	1,005	0	1,005	6,660	7,665
29	1 July 45 to 30 June 46	1,005	0	1,005	6,660	7,665
30	1 July 46 to 30 June 47	1,005	0	1,005	6,660	7,665
31	1 July 47 to 30 June 48	857	0	857	6,660	7,517
32	1 July 48 to 30 June 49	0	0	0	6,660	6,660
33	1 July 49 to 30 June 50	0	0	0	6,660	6,660
34	1 July 50 to 30 June 51	0	0	0	6,660	6,660
35	1 July 51 to 30 June 52	0	0	0	6,660	6,660
36	1 July 52 to 30 June 53	0	0	0	6,660	6,660
37	1 July 53 to 30 June 54	0	0	0	6,660	6,660
38	1 July 54 to 30 June 55	0	0	0	6,660	6,660
39	1 July 55 to 30 June 56	0	0	0	6,660	6,660
40	2056+	0	0	0	11,702	11,702
Totals		74,074	20,810	94,884	265,822	360,706

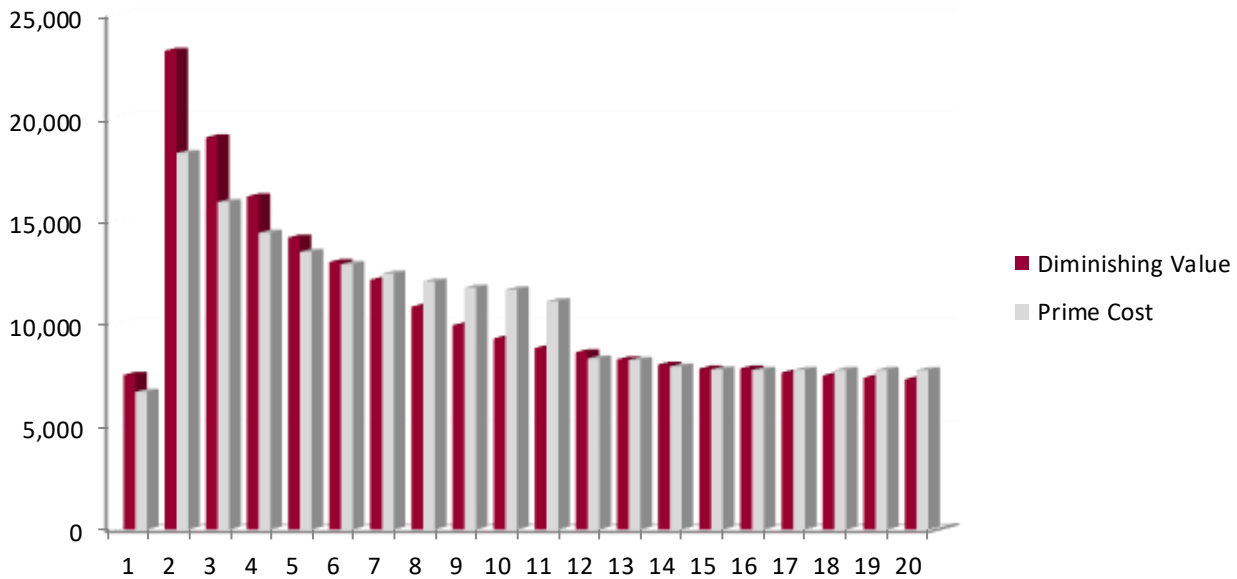
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

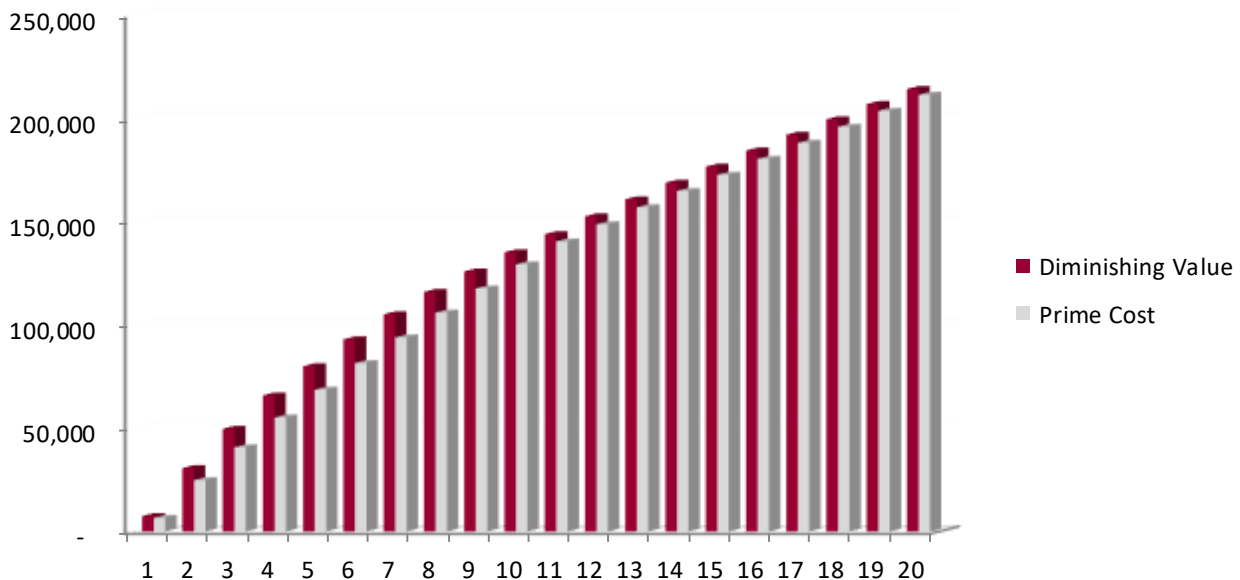
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	25 July 2015
Settlement Date	4 May 2018

Expenditure Analysed

Purchase Price	\$585,000
Stamp Duty	\$22,098
Legals	\$2,900
Post Expenditure	\$1,091
Total Expenditure Analysed	\$611,089

Historical Construction Details

Construction Start Date	4 August 2017
Construction Completion Date	1 April 2018
Historical Construction Cost (Estimated)*	\$320,536

9. Reconciliation of Capital Expenditure

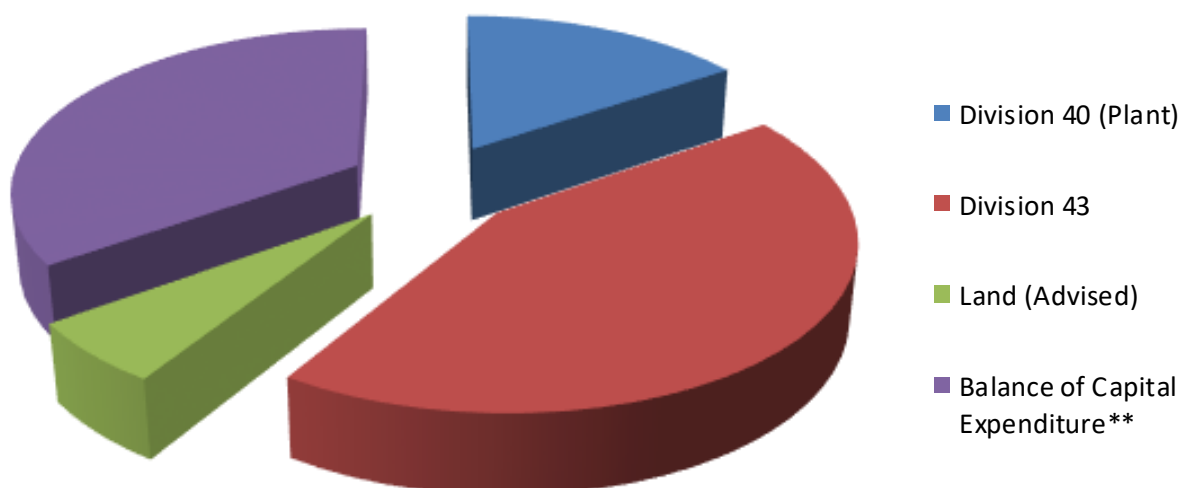
Apportionment of cost relating to:

Division 40 (Plant)	\$94,884
Division 43	\$265,822
Land (Advised)	\$36,843
Balance of Capital Expenditure**	\$213,540
Total Expenditure Analysed	\$611,089

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%	4-May-18	20,184	630	3,911	3,129	2,503	2,002	1,602	1,281	1,025	820	656
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	4-May-18	1,094	205	333	208	130	81	51	32	20	12	8
Computer systems													
Building management system	40.00%	4-May-18	593	37	209	130	81	51	32	20	12	8	5
Door closers													
	18.75%	4-May-18	825	155	252	157	98	61	38	24	15	9	6
Fire control assets													
Detection & alarm systems, detectors	18.75%	4-May-18	832	156	254	158	99	62	39	24	15	9	6
Detection & alarm systems, fire indicator panel	18.75%	4-May-18	741	139	226	141	88	55	34	22	13	8	5
Emergency warning & intercommunication system	18.75%	4-May-18	1,469	275	447	280	175	109	68	43	27	17	10
Hoses and nozzles	18.75%	4-May-18	955	179	291	182	114	71	44	28	17	11	7
Stair pressurisation & extraction fans	10.00%	4-May-18	1,483	23	146	131	118	106	359	224	140	88	55
Floor coverings (removable without damage)													
Carpets	20.00%	4-May-18	8,055	252	1,561	1,249	999	799	639	511	409	327	262
Furniture													
Furniture	15.00%	4-May-18	2,074	49	304	258	220	187	159	337	211	132	82
Furniture	18.75%	4-May-18	3,295	618	1,004	627	392	245	153	96	60	37	23
Garbage disposal													
Garbage chute	18.75%	4-May-18	1,854	348	565	353	221	138	86	54	34	21	13
Hot water systems (excluding piping)													
Gas or electric	18.75%	4-May-18	854	160	260	163	102	64	40	25	16	10	6
Kitchen assets													
Cooktops	16.67%	4-May-18	1,837	48	298	248	207	173	324	202	126	79	49
Dishwashers	20.00%	4-May-18	2,593	81	502	402	322	257	206	309	193	121	75
Ovens	16.67%	4-May-18	2,377	62	386	322	268	223	186	349	218	136	85
Rangehoods	18.75%	4-May-18	972	182	296	185	116	72	45	28	18	11	7
Laundry assets													
Clothes dryers	18.75%	4-May-18	972	182	296	185	116	72	45	28	18	11	7
Lifts (including hydraulic & tractions lifts)													
	6.67%	4-May-18	30,159	314	1,990	1,857	1,733	1,618	1,510	1,409	1,315	1,228	1,146
Lights													
Shades, removable	18.75%	4-May-18	5,254	985	1,601	1,001	625	391	244	153	95	60	37
MATV - amplifiers & modulators													
	20.00%	4-May-18	1,705	53	330	264	211	317	198	124	77	48	30
Carried forward			90,178	5,133	15,461	11,631	8,938	7,155	6,103	5,323	4,075	3,203	2,581

Diminishing Value Depreciation Schedule (cont.)

Assets Generally			Diminishing										
Division 40 - Plant and Equipment	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
Brought forward			90,178	5,133	15,461	11,631	8,938	7,155	6,103	5,323	4,075	3,203	2,581
Security systems & equipment													
Electronic	30.00%	4-May-18	2,096	98	599	420	367	229	143	90	56	35	22
Ventilating plant													
Ventilation plant - fans only	18.75%	4-May-18	601	113	183	114	72	45	28	17	11	7	4
\$300 items	100.00%	4-May-18	918	918									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	18.75%	10-May-18	1,091	205	332	208	130	81	51	32	20	12	8
Pooled Plant Total				3,902	6,549	4,093	2,925	2,145	2,024	2,259	1,412	883	552
Effective Life Plant Total				2,565	10,027	8,280	6,581	5,365	4,301	3,202	2,750	2,375	2,064
Total Division 40			94,884	6,467	16,576	12,373	9,506	7,511	6,325	5,461	4,162	3,258	2,615
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Works - Completed 2018	2.50%	04-May-18	264,413	1,035	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625
Structural Improvements - Completed 2018	2.50%	04-May-18	1,409	5	35	35	35	35	35	35	35	35	35
Total Division 43			265,822	1,040	6,660	6,660	6,660	6,660	6,660	6,660	6,660	6,660	6,660
Total Depreciation			360,706	7,507	23,236	19,033	16,166	14,171	12,985	12,121	10,822	9,918	9,275

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%	04-May-18	20,184	315	2,018	2,018	2,018	2,018	2,018	2,018	2,018	2,018	2,018
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	04-May-18	1,094	205	333	208	130	81	51	32	20	12	8
Computer systems													
Building management system	20.00%	04-May-18	593	19	119	119	119	119	99				
Door closers													
	18.75%	04-May-18	825	155	252	157	98	61	38	24	15	9	6
Fire control assets													
Detection & alarm systems, detectors	18.75%	04-May-18	832	156	254	158	99	62	39	24	15	9	6
Detection & alarm systems, fire indicator panel	18.75%	04-May-18	741	139	226	141	88	55	34	22	13	8	5
Emergency warning & intercommunication system	18.75%	04-May-18	1,469	275	447	280	175	109	68	43	27	17	10
Hoses and nozzles	18.75%	04-May-18	955	179	291	182	114	71	44	28	17	11	7
Stair pressurisation & extraction fans	5.00%	04-May-18	1,483	12	74	74	74	74	74	74	74	74	74
Floor coverings (removable without damage)													
Carpets	10.00%	04-May-18	8,055	126	806	806	806	806	806	806	806	806	806
Furniture													
Furniture	7.50%	04-May-18	2,074	24	156	156	156	156	156	156	156	156	156
Furniture	18.75%	04-May-18	3,295	618	1,004	627	392	245	153	96	60	37	23
Garbage disposal													
Garbage chute	18.75%	04-May-18	1,854	348	565	353	221	138	86	54	34	21	13
Hot water systems (excluding piping)													
Gas or electric	18.75%	04-May-18	854	160	260	163	102	64	40	25	16	10	6
Kitchen assets													
Cooktops	8.33%	04-May-18	1,837	24	153	153	153	153	153	153	153	153	153
Dishwashers	10.00%	04-May-18	2,593	40	259	259	259	259	259	259	259	259	259
Ovens	8.33%	04-May-18	2,377	31	198	198	198	198	198	198	198	198	198
Rangehoods	18.75%	04-May-18	972	182	296	185	116	72	45	28	18	11	7
Laundry assets													
Clothes dryers	18.75%	04-May-18	972	182	296	185	116	72	45	28	18	11	7
Lifts (including hydraulic & tractions lifts)													
	3.33%	04-May-18	30,159	157	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005
Lights													
Shades, removable	18.75%	04-May-18	5,254	985	1,601	1,001	625	391	244	153	95	60	37
MATV - amplifiers & modulators													
	10.00%	04-May-18	1,705	27	171	171	171	171	171	171	171	171	171
Carried forward			90,178	4,359	10,784	8,600	7,234	6,381	5,827	5,396	5,187	5,057	4,976

Prime Cost Depreciation Schedule (cont.)

Assets Generally		Prime Cost	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment		Rate												
Brought forward				90,178	4,359	10,784	8,600	7,234	6,381	5,827	5,396	5,187	5,057	4,976
Security systems & equipment														
Electronic	15.00%	04-May-18	2,096	49	314	314	314	314	314	314	314	163		
Ventilating plant														
Ventilation plant - fans only	18.75%	04-May-18	601	113	183	114	72	45	28	17	11	7	4	
\$300 items	100.00%	04-May-18	918	918										
Additional Items (Post Expenditure)					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	18.75%	10-May-18	1,091	205	332	208	130	81	51	32	20	12	8	
Pooled Plant Total				3,902	6,340	3,963	2,477	1,548	967	605	378	236	148	
Effective Life Plant Total				1,742	5,273	5,273	5,273	5,273	5,253	5,154	5,003	4,840	4,840	
Total Division 40				94,884	5,644	11,613	9,236	7,750	6,821	6,220	5,759	5,381	5,076	4,988
Division 43 - Capital Works Allowance														
		Rate	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Building Works - Completed 2018		2.50%	264,413	1,035	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625	6,625
Structural Improvements - Completed 2018		2.50%	1,409	5	35	35	35	35	35	35	35	35	35	35
Total Division 43			265,822	1,040	6,660	6,660	6,660	6,660	6,660	6,660	6,660	6,660	6,660	6,660
Total Depreciation			360,706	6,684	18,273	15,896	14,410	13,481	12,880	12,419	12,041	11,736	11,648	

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 2018	4 Aug 17 to 1 Apr 18	265,012	2.50%	6,625	264,413
Sub-total		265,012		6,625	264,413

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2018	4 Aug 17 to 1 Apr 18	1,412	2.50%	35	1,409
Sub-total		1,412		35	1,409
Totals		266,424		6,660	265,822

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	
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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.