Tax Depreciation Report

133 Hoyle Drive,
Dean Park NSW 2761

Bunty Raheja
6 Garrard Street
GRANVILLE, NSW 2142

Issue Schedule	
Issue Date:	Issued by:
19 November 2018	Mark Kilroy Bsc (Hons) MRICS

Bunty Raheja
6 Garrard Street
GRANVILLE, NSW 2142

November 2018
Job No: RES2761002

Tax Depreciation Report – 133 Hoyle Drive, Dean Park NSW 2761

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

19 November 2018

Purchaser

Bunty Raheja

Property Address

133 Hoyle Drive, Dean Park NSW 2761

Real Property Description

LOT 728 DP714944

Property Type

Residential House

Date of Construction

Pre 1985

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 deprecating 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

Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.

Benefits

- 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)

Calculation Example

Under Diminishing Value method, the effective life is dividing by 200.

200 / 10 Years = 20% (Adjusted Value)

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
$2,000	$1,600	$1,280	$1,024	$819.20

Prime Cost Method

Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.

Benefits

- Write off assets when they are demolished or disposed.

Calculation Example

Under Prime Cost method, the effective life is dividing by 100.

100 / 10 Years = 10% (Straight Line)

If an asset has a value of $10,000 and an effective life of 10 years the following annual depreciation may be claimed.

Year 1	Year 2	Year 3	Year 4	Year 5
$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	15 March 18 to 30 June 18	975	4,222	5,197	991	**991**
2	1 July 18 to 30 June 19	3,149	6,861	10,011	3,388	**3,388**
3	1 July 19 to 30 June 20	2,586	4,288	6,874	3,424	**3,424**
4	1 July 20 to 30 June 21	1,977	3,012	4,989	3,424	**3,424**
5	1 July 21 to 30 June 22	1,465	2,240	3,706	3,424	**3,424**
6	1 July 22 to 30 June 23	1,203	1,400	2,603	3,424	**3,424**
7	1 July 23 to 30 June 24	801	1,225	2,026	3,424	**3,424**
8	1 July 24 to 30 June 25	535	1,127	1,661	3,424	**3,424**
9	1 July 25 to 30 June 26	251	1,054	1,305	3,424	**3,424**
10	1 July 26 to 30 June 27	209	659	868	3,424	**3,424**
11	1 July 27 to 30 June 28	174	412	586	3,424	**3,424**
12	1 July 28 to 30 June 29	0	584	584	3,424	**3,424**
13	1 July 29 to 30 June 30	0	365	365	3,415	**3,415**
14	1 July 30 to 30 June 31	0	228	228	3,323	**3,323**
15	1 July 31 to 30 June 32	0	143	143	3,323	**3,323**
16	1 July 32 to 30 June 33	0	89	89	3,323	**3,323**
17	1 July 33 to 30 June 34	0	56	56	3,323	**3,323**
18	1 July 34 to 30 June 35	0	35	35	3,323	**3,323**
19	1 July 35 to 30 June 36	0	22	22	3,323	**3,323**
20	1 July 36 to 30 June 37	0	14	14	3,323	**3,323**
21	1 July 37 to 30 June 38	0	9	9	3,323	**3,323**
22	1 July 38 to 30 June 39	0	5	5	3,323	**3,323**
23	1 July 39 to 30 June 40	0	3	3	3,323	**3,323**
24	1 July 40 to 30 June 41	0	2	2	3,323	**3,323**
25	1 July 41 to 30 June 42	0	1	1	3,323	**3,323**
26	1 July 42 to 30 June 43	0	1	1	3,014	**3,014**
27	1 July 43 to 30 June 44	0	1	1	2,903	**2,903**
28	1 July 44 to 30 June 45	0	0	0	2,903	**2,903**
29	1 July 45 to 30 June 46	0	0	0	2,903	**2,903**
30	1 July 46 to 30 June 47	0	0	0	2,903	**2,903**
31	1 July 47 to 30 June 48	0	0	0	2,903	**2,903**
32	1 July 48 to 30 June 49	0	0	0	2,903	**2,903**
33	1 July 49 to 30 June 50	0	0	0	2,903	**2,903**
34	1 July 50 to 30 June 51	0	0	0	2,139	**2,139**
35	1 July 51 to 30 June 52	0	0	0	2,111	**2,111**
36	1 July 52 to 30 June 53	0	0	0	2,111	**2,111**
37	1 July 53 to 30 June 54	0	0	0	2,111	**2,111**
38	1 July 54 to 30 June 55	0	0	0	2,111	**2,111**
39	1 July 55 to 30 June 56	0	0	0	2,111	**2,111**
40	2056+	0	0	0	3,331	**3,331**
	Totals	**13,326**	**28,059**	**41,385**	**121,270**	**121,270**

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	15 March 18 to 30 June 18	488	4,222	4,710	991	**991**
2	1 July 18 to 30 June 19	1,663	6,861	8,524	3,388	**3,388**
3	1 July 19 to 30 June 20	1,663	4,288	5,951	3,424	**3,424**
4	1 July 20 to 30 June 21	1,663	2,680	4,343	3,424	**3,424**
5	1 July 21 to 30 June 22	1,663	1,675	3,338	3,424	**3,424**
6	1 July 22 to 30 June 23	1,663	1,047	2,710	3,424	**3,424**
7	1 July 23 to 30 June 24	1,663	654	2,317	3,424	**3,424**
8	1 July 24 to 30 June 25	1,663	409	2,072	3,424	**3,424**
9	1 July 25 to 30 June 26	1,663	256	1,919	3,424	**3,424**
10	1 July 26 to 30 June 27	1,663	160	1,823	3,424	**3,424**
11	1 July 27 to 30 June 28	1,438	100	1,538	3,424	**3,424**
12	1 July 28 to 30 June 29	888	62	950	3,424	**3,424**
13	1 July 29 to 30 June 30	663	39	702	3,415	**3,415**
14	1 July 30 to 30 June 31	158	24	182	3,323	**3,323**
15	1 July 31 to 30 June 32	158	15	173	3,323	**3,323**
16	1 July 32 to 30 June 33	106	10	116	3,323	**3,323**
17	1 July 33 to 30 June 34	0	6	6	3,323	**3,323**
18	1 July 34 to 30 June 35	0	4	4	3,323	**3,323**
19	1 July 35 to 30 June 36	0	2	2	3,323	**3,323**
20	1 July 36 to 30 June 37	0	1	1	3,323	**3,323**
21	1 July 37 to 30 June 38	0	1	1	3,323	**3,323**
22	1 July 38 to 30 June 39	0	1	1	3,323	**3,323**
23	1 July 39 to 30 June 40	0	0	0	3,323	**3,323**
24	1 July 40 to 30 June 41	0	0	0	3,323	**3,323**
25	1 July 41 to 30 June 42	0	0	0	3,323	**3,323**
26	1 July 42 to 30 June 43	0	0	0	3,014	**3,014**
27	1 July 43 to 30 June 44	0	0	0	2,903	**2,903**
28	1 July 44 to 30 June 45	0	0	0	2,903	**2,903**
29	1 July 45 to 30 June 46	0	0	0	2,903	**2,903**
30	1 July 46 to 30 June 47	0	0	0	2,903	**2,903**
31	1 July 47 to 30 June 48	0	0	0	2,903	**2,903**
32	1 July 48 to 30 June 49	0	0	0	2,903	**2,903**
33	1 July 49 to 30 June 50	0	0	0	2,903	**2,903**
34	1 July 50 to 30 June 51	0	0	0	2,139	**2,139**
35	1 July 51 to 30 June 52	0	0	0	2,111	**2,111**
36	1 July 52 to 30 June 53	0	0	0	2,111	**2,111**
37	1 July 53 to 30 June 54	0	0	0	2,111	**2,111**
38	1 July 54 to 30 June 55	0	0	0	2,111	**2,111**
39	1 July 55 to 30 June 56	0	0	0	2,111	**2,111**
40	2056+	0	0	0	3,331	**3,331**
	Totals	**18,866**	**22,519**	**41,385**	**121,270**	**121,270**

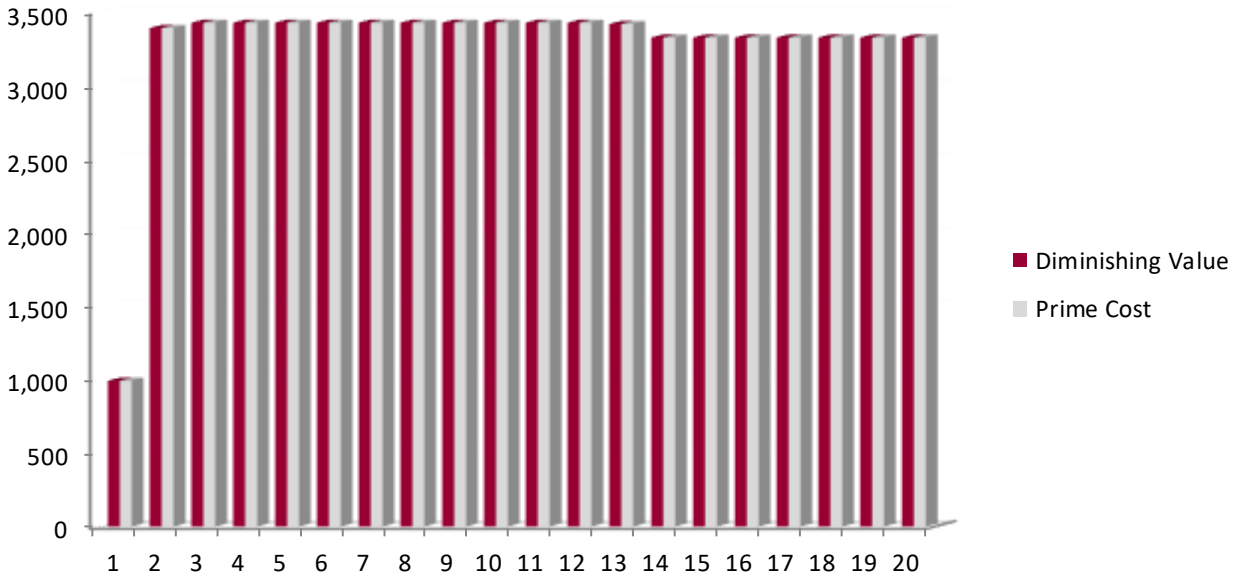
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

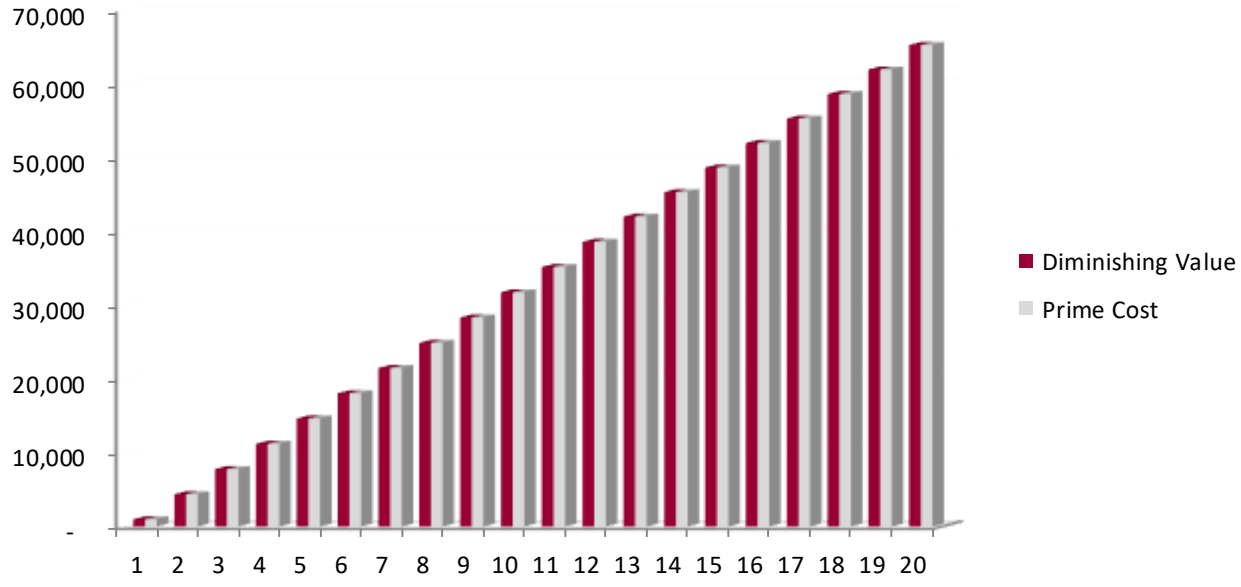
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	$1,000	$100	$900	$100

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	24 January 2018
Settlement Date	15 March 2018

Expenditure Analysed	
Purchase Price	$730,000
Stamp Duty	$28,623
Total Expenditure Analysed	**$758,623**

Historical Construction Details	
Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

9. Reconciliation of Capital Expenditure

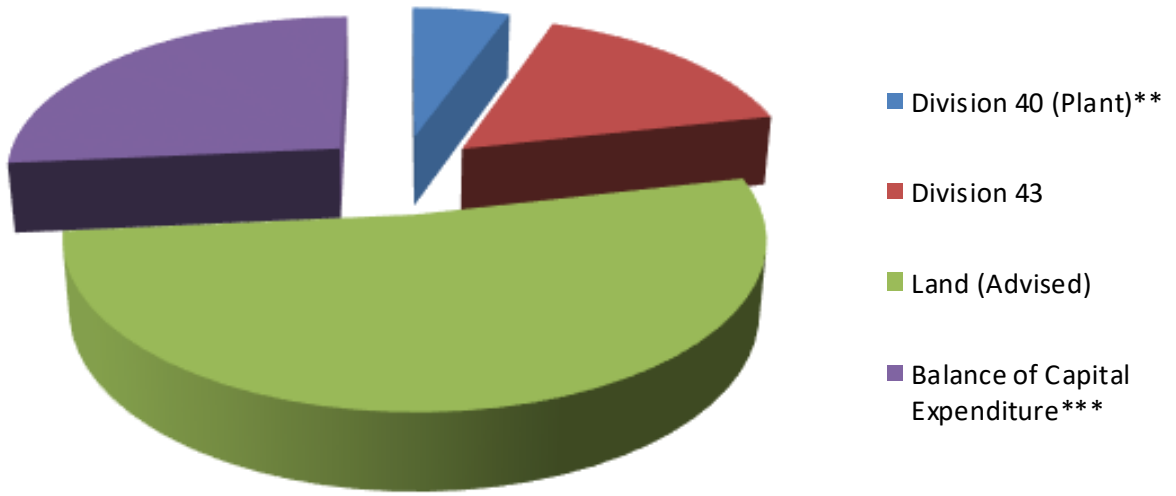
Apportionment of cost relating to:	
Division 40 (Plant)**	$41,385
Division 43	$121,270
Land (Advised)	$394,900
Balance of Capital Expenditure***	$201,068
Total Expenditure Analysed	**$758,623**

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

** Division 40 (Plant) has been excluded as property was purchased post 9 May 2017

*** 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%	15-Mar-18	4,729	277	890	712	570	456	365	292	233	350	219
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	15-Mar-18	788	148	240	150	94	59	37	23	14	9	6
Blinds Residential	18.75%	15-Mar-18	2,207	414	672	420	263	164	103	64	40	25	16
Ceiling Fans	18.75%	15-Mar-18	3,310	621	1,009	630	394	246	154	96	60	38	23
Curtains and drapes	18.75%	15-Mar-18	4,280	803	1,304	815	509	318	199	124	78	49	30
Door closers	18.75%	15-Mar-18	568	106	173	108	68	42	26	16	10	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	15-Mar-18	1,387	260	423	264	165	103	64	40	25	16	10
Floor coverings (removable without damage)													
Carpets	20.00%	15-Mar-18	3,023	177	569	455	364	291	233	350	219	137	85
Furniture	18.75%	15-Mar-18	5,249	984	1,599	1,000	625	390	244	153	95	60	37
Garbage disposal													
Garbage bins	18.75%	15-Mar-18	504	95	154	96	60	38	23	15	9	6	4
Hot water systems (excluding piping)													
Gas or electric	16.67%	15-Mar-18	5,675	277	900	750	625	521	434	362	301	251	209
Kitchen assets													
Cooktops	16.67%	15-Mar-18	1,340	65	212	177	332	207	130	81	51	32	20
Ovens	16.67%	15-Mar-18	1,734	85	275	229	191	358	224	140	87	55	34
Rangehoods	18.75%	15-Mar-18	1,419	266	432	270	169	106	66	41	26	16	10
Stoves	13.33%	15-Mar-18	2,365	92	303	263	228	197	171	148	361	226	141
Lights													
Shades, removable	18.75%	15-Mar-18	2,018	378	615	384	240	150	94	59	37	23	14
Pumps	18.75%	15-Mar-18	788	148	240	150	94	59	37	23	14	9	6
Pooled Plant Total				**4,222**	**6,861**	**4,288**	**3,012**	**2,240**	**1,400**	**1,225**	**1,127**	**1,054**	**659**
Effective Life Plant Total				**975**	**3,149**	**2,586**	**1,977**	**1,465**	**1,203**	**801**	**535**	**251**	**209**
Total Division 40			**41,385**	**5,197**	**10,011**	**6,874**	**4,989**	**3,706**	**2,603**	**2,026**	**1,661**	**1,305**	**868**

Diminishing Value Depreciation Schedule (cont.)

Division 43 - Capital Works Allowance	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1990	2.50%	15-Mar-18	1,233	30	101	101	101	101	101	101	101	101	101
Building Works - Completed 2002	2.50%	15-Mar-18	8,236	98	335	335	335	335	335	335	335	335	335
Building Works - Completed 2010	2.50%	15-Mar-18	21,695	197	671	671	671	671	671	671	671	671	671
Building Works - Completed 2018	2.50%	15-Mar-18	79,494	585	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995
Structural Improvements - Completed 2019	2.50%	14-Apr-19	1,813		9	45	45	45	45	45	45	45	45
Structural Improvements - Completed 2002	2.50%	15-Mar-18	2,078	25	85	85	85	85	85	85	85	85	85
Structural Improvements - Completed 2010	2.50%	15-Mar-18	3,909	35	121	121	121	121	121	121	121	121	121
Structural Improvements - Completed 2018	2.50%	15-Mar-18	2,812	21	71	71	71	71	71	71	71	71	71
Total Division 43			**121,270**	**991**	**3,388**	**3,424**	**3,424**	**3,424**	**3,424**	**3,424**	**3,424**	**3,424**	**3,424**
Total Depreciation			**162,655**	**6,188**	**13,399**	**10,298**	**8,413**	**7,130**	**6,027**	**5,450**	**5,085**	**4,729**	**4,292**

11. Prime Cost Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Prime Cost 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%	15-Mar-18	4,729	139	473	473	473	473	473	473	473	473	473
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	15-Mar-18	788	148	240	150	94	59	37	23	14	9	6
Blinds Residential	18.75%	15-Mar-18	2,207	414	672	420	263	164	103	64	40	25	16
Ceiling Fans	18.75%	15-Mar-18	3,310	621	1,009	630	394	246	154	96	60	38	23
Curtains and drapes	18.75%	15-Mar-18	4,280	803	1,304	815	509	318	199	124	78	49	30
Door closers	18.75%	15-Mar-18	568	106	173	108	68	42	26	16	10	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	15-Mar-18	1,387	260	423	264	165	103	64	40	25	16	10
Floor coverings (removable without damage)													
Carpets	10.00%	15-Mar-18	3,023	89	302	302	302	302	302	302	302	302	302
Furniture	18.75%	15-Mar-18	5,249	984	1,599	1,000	625	390	244	153	95	60	37
Garbage disposal													
Garbage bins	18.75%	15-Mar-18	504	95	154	96	60	38	23	15	9	6	4
Hot water systems (excluding piping)													
Gas or electric	8.33%	15-Mar-18	5,675	139	473	473	473	473	473	473	473	473	473
Kitchen assets													
Cooktops	8.33%	15-Mar-18	1,340	33	112	112	112	112	112	112	112	112	112
Ovens	8.33%	15-Mar-18	1,734	42	145	145	145	145	145	145	145	145	145
Rangehoods	18.75%	15-Mar-18	1,419	266	432	270	169	106	66	41	26	16	10
Stoves	6.67%	15-Mar-18	2,365	46	158	158	158	158	158	158	158	158	158
Lights													
Shades, removable	18.75%	15-Mar-18	2,018	378	615	384	240	150	94	59	37	23	14
Pumps	18.75%	15-Mar-18	788	148	240	150	94	59	37	23	14	9	6
Pooled Plant Total				4,222	6,861	4,288	2,680	1,675	1,047	654	409	256	160
Effective Life Plant Total				488	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663
Total Division 40			41,385	4,710	8,524	5,951	4,343	3,338	2,710	2,317	2,072	1,919	1,823

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 1990	2.50%	15-Mar-18	1,233	30	101	101	101	101	101	101	101	101	101
Building Works - Completed 2002	2.50%	15-Mar-18	8,236	98	335	335	335	335	335	335	335	335	335
Building Works - Completed 2010	2.50%	15-Mar-18	21,695	197	671	671	671	671	671	671	671	671	671
Building Works - Completed 2018	2.50%	15-Mar-18	79,494	585	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995
Structural Improvements - Completed 2019	2.50%	14-Apr-19	1,813		9	45	45	45	45	45	45	45	45
Structural Improvements - Completed 2002	2.50%	15-Mar-18	2,078	25	85	85	85	85	85	85	85	85	85
Structural Improvements - Completed 2010	2.50%	15-Mar-18	3,909	35	121	121	121	121	121	121	121	121	121
Structural Improvements - Completed 2018	2.50%	15-Mar-18	2,812	21	71	71	71	71	71	71	71	71	71
Total Division 43			121,270	991	3,388	3,424	3,424	3,424	3,424	3,424	3,424	3,424	3,424
Total Depreciation			**162,655**	**5,701**	**11,912**	**9,375**	**7,767**	**6,762**	**6,134**	**5,741**	**5,496**	**5,343**	**5,247**

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 1990	19 May 90 to 22 Jun 90	4,024	2.50%	101	1,233
Building Works - Completed 2002	5 Sep 02 to 10 Oct 02	13,413	2.50%	335	8,236
Building Works - Completed 2010	18 Jun 10 to 22 Jul 10	26,826	2.50%	671	21,695
Building Works - Completed 2018	24 Jul 17 to 20 Jan 18	79,789	2.50%	1,995	79,494
Sub-total		124,053		3,102	110,658

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	15 Mar 19 to 14 Apr 19	1,813	2.50%	45	1,813
Structural Improvements - Completed 2002	5 Sep 02 to 10 Oct 02	3,384	2.50%	85	2,078
Structural Improvements - Completed 2010	18 Jun 10 to 22 Jul 10	4,834	2.50%	121	3,909
Structural Improvements - Completed 2018	24 Jul 17 to 20 Jan 18	2,823	2.50%	71	2,812
Sub-total		12,853		322	10,612
Totals		136,905		3,424	121,270

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.

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

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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.