



Tax Depreciation Report

35/2 Monash Green Drive,
Clayton VIC 3168

Anthony and Oksana Szymanski
P.O.Box 859
PORT MELBOURNE, VIC 3207

Issue Schedule	
Issue Date:	Issued by:
25 January 2019	Mark Kilroy Bsc (Hons) MRICS

Anthony and Oksana Szymanski
P.O.Box 859
PORT MELBOURNE, VIC 3207

January 2019
Job No: RES3168005

Tax Depreciation Report – 35/2 Monash Green Drive, Clayton VIC 3168

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

25 January 2019

Purchaser

Anthony and Oksana Szymanski

Property Address

35/2 Monash Green Drive, Clayton VIC 3168

Real Property Description

LOT 131 PS445109

Property Type

Residential Unit

Date of Construction

1 December 2002

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				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
200 / 10 Years = 20% (Adjusted Value)					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.					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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	13 February 14 to 30 June 14	2,579	0	2,579	978	3,557
2	1 July 14 to 30 June 15	6,262	0	6,262	2,604	8,866
3	1 July 15 to 30 June 16	3,197	3,276	6,473	2,606	9,079
4	1 July 16 to 30 June 17	1,669	3,448	5,117	2,619	7,736
5	1 July 17 to 30 June 18	1,374	2,155	3,530	2,619	6,149
6	1 July 18 to 30 June 19	1,030	2,538	3,568	2,619	6,187
7	1 July 19 to 30 June 20	932	1,032	1,964	2,619	4,583
8	1 July 20 to 30 June 21	775	645	1,420	2,619	4,039
9	1 July 21 to 30 June 22	381	1,097	1,479	2,619	4,098
10	1 July 22 to 30 June 23	0	1,323	1,323	2,619	3,942
11	1 July 23 to 30 June 24	0	827	827	2,619	3,446
12	1 July 24 to 30 June 25	0	517	517	2,619	3,136
13	1 July 25 to 30 June 26	0	323	323	2,619	2,942
14	1 July 26 to 30 June 27	0	202	202	2,619	2,821
15	1 July 27 to 30 June 28	0	126	126	2,619	2,745
16	1 July 28 to 30 June 29	0	79	79	2,619	2,698
17	1 July 29 to 30 June 30	0	49	49	2,619	2,668
18	1 July 30 to 30 June 31	0	31	31	2,619	2,650
19	1 July 31 to 30 June 32	0	19	19	2,619	2,638
20	1 July 32 to 30 June 33	0	12	12	2,619	2,631
21	1 July 33 to 30 June 34	0	8	8	2,619	2,627
22	1 July 34 to 30 June 35	0	5	5	2,619	2,624
23	1 July 35 to 30 June 36	0	3	3	2,619	2,622
24	1 July 36 to 30 June 37	0	2	2	2,619	2,621
25	1 July 37 to 30 June 38	0	1	1	2,619	2,620
26	1 July 38 to 30 June 39	0	1	1	2,619	2,620
27	1 July 39 to 30 June 40	0	0	0	2,619	2,619
28	1 July 40 to 30 June 41	0	0	0	2,619	2,619
29	1 July 41 to 30 June 42	0	0	0	2,619	2,619
30	1 July 42 to 30 June 43	0	0	0	1,218	1,218
31	1 July 43 to 30 June 44	0	0	0	247	247
32	1 July 44 to 30 June 45	0	0	0	247	247
33	1 July 45 to 30 June 46	0	0	0	247	247
34	1 July 46 to 30 June 47	0	0	0	247	247
35	1 July 47 to 30 June 48	0	0	0	247	247
36	1 July 48 to 30 June 49	0	0	0	247	247
37	1 July 49 to 30 June 50	0	0	0	247	247
38	1 July 50 to 30 June 51	0	0	0	247	247
39	1 July 51 to 30 June 52	0	0	0	247	247
40	2052+	0	0	0	332	332
Totals		18,199	17,719	35,918	78,055	113,973

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	13 February 14 to 30 June 14	1,289	0	1,289	978	2,267
2	1 July 14 to 30 June 15	3,432	0	3,432	2,604	6,036
3	1 July 15 to 30 June 16	3,437	0	3,437	2,606	6,043
4	1 July 16 to 30 June 17	3,479	0	3,479	2,619	6,098
5	1 July 17 to 30 June 18	3,479	0	3,479	2,619	6,098
6	1 July 18 to 30 June 19	4,378	0	4,378	2,619	6,997
7	1 July 19 to 30 June 20	2,696	0	2,696	2,619	5,315
8	1 July 20 to 30 June 21	2,528	0	2,528	2,619	5,147
9	1 July 21 to 30 June 22	2,451	0	2,451	2,619	5,070
10	1 July 22 to 30 June 23	2,451	0	2,451	2,619	5,070
11	1 July 23 to 30 June 24	1,974	0	1,974	2,619	4,593
12	1 July 24 to 30 June 25	1,164	0	1,164	2,619	3,783
13	1 July 25 to 30 June 26	1,003	0	1,003	2,619	3,622
14	1 July 26 to 30 June 27	690	0	690	2,619	3,309
15	1 July 27 to 30 June 28	439	0	439	2,619	3,058
16	1 July 28 to 30 June 29	374	0	374	2,619	2,993
17	1 July 29 to 30 June 30	230	0	230	2,619	2,849
18	1 July 30 to 30 June 31	115	0	115	2,619	2,734
19	1 July 31 to 30 June 32	75	0	75	2,619	2,694
20	1 July 32 to 30 June 33	75	0	75	2,619	2,694
21	1 July 33 to 30 June 34	62	0	62	2,619	2,681
22	1 July 34 to 30 June 35	20	0	20	2,619	2,639
23	1 July 35 to 30 June 36	20	0	20	2,619	2,639
24	1 July 36 to 30 June 37	20	0	20	2,619	2,639
25	1 July 37 to 30 June 38	20	0	20	2,619	2,639
26	1 July 38 to 30 June 39	18	0	18	2,619	2,637
27	1 July 39 to 30 June 40	0	0	0	2,619	2,619
28	1 July 40 to 30 June 41	0	0	0	2,619	2,619
29	1 July 41 to 30 June 42	0	0	0	2,619	2,619
30	1 July 42 to 30 June 43	0	0	0	1,218	1,218
31	1 July 43 to 30 June 44	0	0	0	247	247
32	1 July 44 to 30 June 45	0	0	0	247	247
33	1 July 45 to 30 June 46	0	0	0	247	247
34	1 July 46 to 30 June 47	0	0	0	247	247
35	1 July 47 to 30 June 48	0	0	0	247	247
36	1 July 48 to 30 June 49	0	0	0	247	247
37	1 July 49 to 30 June 50	0	0	0	247	247
38	1 July 50 to 30 June 51	0	0	0	247	247
39	1 July 51 to 30 June 52	0	0	0	247	247
40	2052+	0	0	0	332	332
Totals		35,918	0	35,918	78,055	113,973

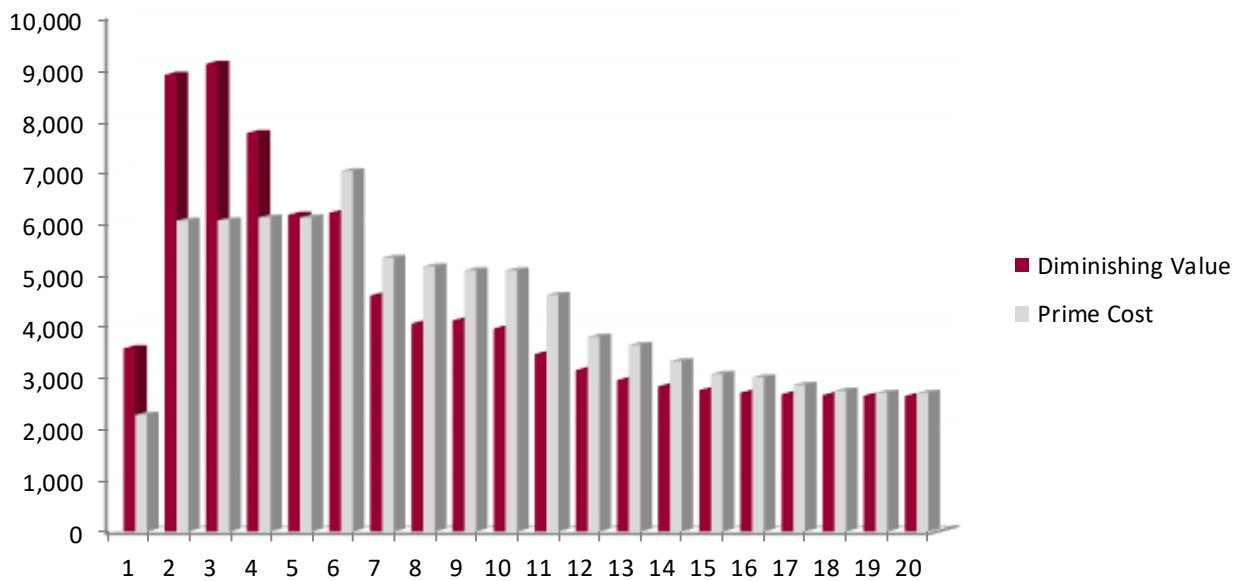
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

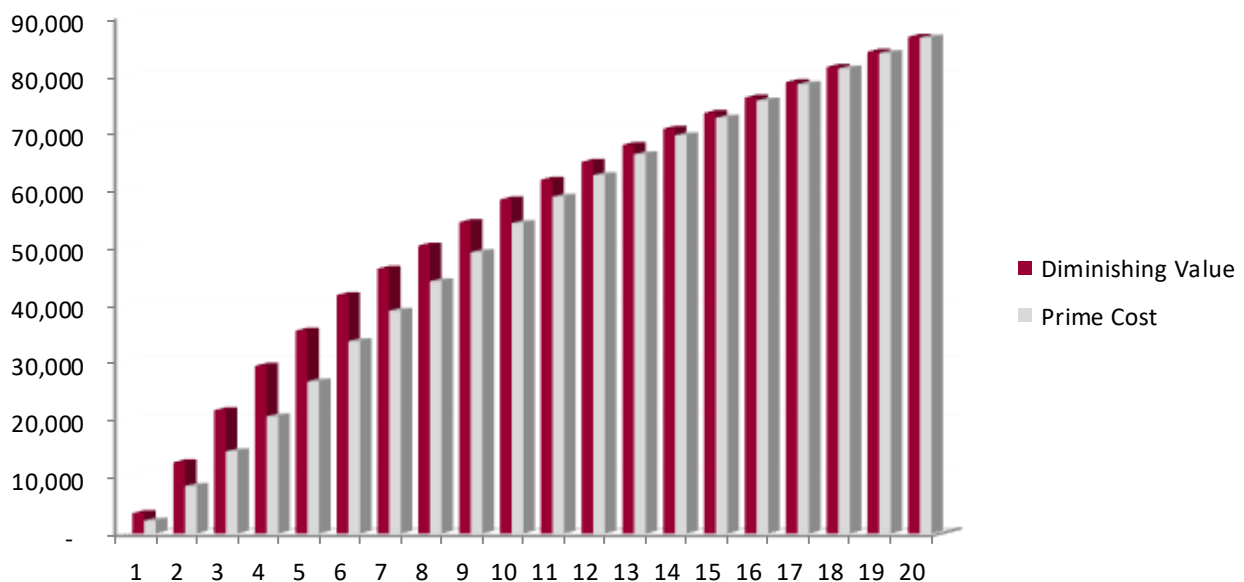
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	13 December 2013
Settlement Date	13 February 2014

Expenditure Analysed

Purchase Price	\$330,000
Stamp Duty	\$12,000
Legals	\$1,464
Post Expenditure	\$2,922
Total Expenditure Analysed	\$346,386

Historical Construction Details

Construction Start Date	5 April 2002
Construction Completion Date	1 December 2002
Historical Construction Cost (Estimated)*	\$116,879

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$35,918
Division 43	\$78,055
Land (Advised)	\$76,691
Balance of Capital Expenditure**	\$155,722
Total Expenditure Analysed	\$346,386

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%	13-Feb-14	5,352	402	990	792	634	507	406	324	260	208	311
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	13-Feb-14	446	33	83	124	77	48	30	19	12	7	5
Blinds Residential													
	20.00%	13-Feb-14	1,656	124	306	245	368	230	144	90	56	35	22
Computer systems													
Building management system	40.00%	13-Feb-14	1,189	179	404	227	142	89	56	35	22	14	8
Door closers													
	20.00%	13-Feb-14	450	34	83	125	78	49	30	19	12	7	5
Fire control assets													
Detection & alarm systems, detectors	10.00%	13-Feb-14	602	23	58	195	122	76	48	30	19	12	7
Detection & alarm systems, fire indicator panel	16.67%	13-Feb-14	1,487	93	232	194	363	227	142	89	55	35	22
Emergency warning & intercommunication system	16.67%	13-Feb-14	749	47	117	220	137	86	54	33	21	13	8
Hoses and nozzles	20.00%	13-Feb-14	1,035	78	191	287	179	112	70	44	27	17	11
Pumps, diesel & electric	8.00%	13-Feb-14	506	15	39	169	106	66	41	26	16	10	6
Fire extinguishers	15.00%	13-Feb-14	178	10	25	54	34	21	13	8	5	3	2
Fire sprinklers - pumps only													
	10.00%	13-Feb-14	506	19	49	164	103	64	40	25	16	10	6
Floor coverings (removable without damage)													
Carpets	20.00%	13-Feb-14	905	68	167	251	157	98	61	38	24	15	9
Floating timber	13.33%	13-Feb-14	2,523	126	320	277	240	208	180	156	135	330	206
Furniture													
	15.00%	13-Feb-14	3,211	181	455	386	328	279	237	202	171	364	228
Garbage disposal													
Garbage bins	30.00%	13-Feb-14	63	7	17	15	9	6	4	2	1	1	1
Hot water systems (excluding piping)													
Gas or electric	16.67%	13-Feb-14	952	60	149	279	174	109	68	43	27	17	10
Kitchen assets													
Cooktops	16.67%	13-Feb-14	1,517	95	237	197	370	231	145	90	56	35	22
Dishwashers	20.00%	13-Feb-14	2,141	161	396	317	253	203	304	190	119	74	46
Ovens	16.67%	13-Feb-14	1,963	123	307	256	213	177	887				
Rangehoods	16.67%	13-Feb-14	803	50	125	235	147	92	57	36	22	14	9
Lights													
Shades, removable	40.00%	13-Feb-14	2,616	393	889	533	300	188	117	73	46	29	18
MATV - amplifiers & modulators													
	20.00%	13-Feb-14	892	67	165	248	155	97	60	38	24	15	9
		Carried forward	31,740	2,386	5,805	5,790	4,690	3,263	3,195	1,610	1,146	1,264	972

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
Division 40 - Plant and Equipment													
Brought forward			31,740	2,386	5,805	5,790	4,690	3,263	3,195	1,610	1,146	1,264	972
Security systems & equipment													
Electronic	30.00%	13-Feb-14	1,576	177	420	367	229	143	90	56	35	22	14
Sunshades	15.00%	13-Feb-14	45	3	6	13	8	5	3	2	1	1	0
Swimming pools													
Filtration equipment	15.00%	13-Feb-14	223	13	32	67	42	26	16	10	6	4	2
Additional Items (Post Expenditure)													
Furniture	15.00%	20-May-16	629			236	147	92	58	36	23	14	9
Kitchen assets													
Ovens	16.67%	8-Oct-18	1,705						206	250	208	173	325
Pooled Plant Total													
Effective Life Plant Total				2,579	6,262	3,197	1,669	1,374	1,030	932	775	381	
Total Division 40			35,918	2,579	6,262	6,473	5,117	3,530	3,568	1,964	1,420	1,479	1,323
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 2002	2.50%	13-Feb-14	62,176	811	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Building Works - Completed 2013	2.50%	13-Feb-14	7,899	75	199	199	199	199	199	199	199	199	199
Building Works - Completed 2016	2.50%	20-May-16	588			2	15	15	15	15	15	15	15
Structural Improvements - Completed 2002	2.50%	13-Feb-14	6,102	80	212	212	212	212	212	212	212	212	212
Structural Improvements - Completed 2013	2.50%	13-Feb-14	1,290	12	33	33	33	33	33	33	33	33	33
Total Division 43			78,055	978	2,604	2,606	2,619	2,619	2,619	2,619	2,619	2,619	2,619
Total Depreciation			113,973	3,557	8,866	9,079	7,736	6,149	6,187	4,583	4,039	4,098	3,942

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%	13-Feb-14	5,352	201	535	535	535	535	535	535	535	535	535	
Bathroom assets														
Exhaust fans (including light/heating)	10.00%	13-Feb-14	446	17	45	45	45	45	45	45	45	45	45	
Blinds Residential														
	10.00%	13-Feb-14	1,656	62	166	166	166	166	166	166	166	166	166	
Computer systems														
Building management system	20.00%	13-Feb-14	1,189	89	238	238	238	238	148					
Door closers														
	10.00%	13-Feb-14	450	17	45	45	45	45	45	45	45	45	45	
Fire control assets														
Detection & alarm systems, detectors	5.00%	13-Feb-14	602	11	30	30	30	30	30	30	30	30	30	
Detection & alarm systems, fire indicator panel	8.33%	13-Feb-14	1,487	47	124	124	124	124	124	124	124	124	124	
Emergency warning & intercommunication system	8.33%	13-Feb-14	749	23	62	62	62	62	62	62	62	62	62	
Hoses and nozzles	10.00%	13-Feb-14	1,035	39	103	103	103	103	103	103	103	103	103	
Pumps, diesel & electric	4.00%	13-Feb-14	506	8	20	20	20	20	20	20	20	20	20	
Fire extinguishers	7.50%	13-Feb-14	178	5	13	13	13	13	13	13	13	13	13	
Fire sprinklers - pumps only														
	5.00%	13-Feb-14	506	9	25	25	25	25	25	25	25	25	25	
Floor coverings (removable without damage)														
Carpets	10.00%	13-Feb-14	905	34	90	90	90	90	90	90	90	90	90	
Floating timber	6.67%	13-Feb-14	2,523	63	168	168	168	168	168	168	168	168	168	
Furniture														
	7.50%	13-Feb-14	3,211	90	241	241	241	241	241	241	241	241	241	
Garbage disposal														
Garbage bins	15.00%	13-Feb-14	63	4	9	9	9	9	9	9	5			
Hot water systems (excluding piping)														
Gas or electric	8.33%	13-Feb-14	952	30	79	79	79	79	79	79	79	79	79	
Kitchen assets														
Cooktops	8.33%	13-Feb-14	1,517	47	126	126	126	126	126	126	126	126	126	
Dishwashers	10.00%	13-Feb-14	2,141	80	214	214	214	214	214	214	214	214	214	
Ovens	8.33%	13-Feb-14	1,963	61	164	164	164	164	1,245					
Rangehoods	8.33%	13-Feb-14	803	25	67	67	67	67	67	67	67	67	67	
Lights														
Shades, removable	20.00%	13-Feb-14	2,616	196	523	523	523	523	327					
MATV - amplifiers & modulators														
	10.00%	13-Feb-14	892	33	89	89	89	89	89	89	89	89	89	
Carried forward			31,740	1,193	3,176	3,176	3,176	3,176	3,176	3,971	2,251	2,247	2,242	2,242

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			31,740	1,193	3,176	3,176	3,176	3,176	3,971	2,251	2,247	2,242	2,242
Security systems & equipment														
Electronic		15.00%	13-Feb-14	1,576	89	236	236	236	236	236	236	71		
Sunshades		7.50%	13-Feb-14	45	1	3	3	3	3	3	3	3	3	3
Swimming pools														
Filtration equipment		7.50%	13-Feb-14	223	6	17	17	17	17	17	17	17	17	17
Additional Items (Post Expenditure)														
					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Furniture		7.50%	20-May-16	629			5	47	47	47	47	47	47	47
Kitchen assets														
Ovens		8.33%	08-Oct-18	1,705						103	142	142	142	142
Pooled Plant Total														
Effective Life Plant Total					1,289	3,432	3,437	3,479	3,479	4,378	2,696	2,528	2,451	2,451
Total Division 40				35,918	1,289	3,432	3,437	3,479	3,479	4,378	2,696	2,528	2,451	2,451
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 2002		2.50%	13-Feb-14	62,176	811	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Building Works - Completed 2013		2.50%	13-Feb-14	7,899	75	199	199	199	199	199	199	199	199	199
Building Works - Completed 2016		2.50%	20-May-16	588			2	15	15	15	15	15	15	15
Structural Improvements - Completed 2002		2.50%	13-Feb-14	6,102	80	212	212	212	212	212	212	212	212	212
Structural Improvements - Completed 2013		2.50%	13-Feb-14	1,290	12	33	33	33	33	33	33	33	33	33
Total Division 43				78,055	978	2,604	2,606	2,619	2,619	2,619	2,619	2,619	2,619	2,619
Total Depreciation				113,973	2,267	6,036	6,043	6,098	6,098	6,997	5,315	5,147	5,070	5,070

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 2002	5 Apr 02 to 1 Dec 02	86,388	2.50%	2,160	62,176
Building Works - Completed 2013	5 Oct 13 to 10 Oct 13	7,968	2.50%	199	7,899
Building Works - Completed 2016	15 May 16 to 20 May 16	588	2.50%	15	588
Sub-total		94,944		2,374	70,663

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2002	5 Apr 02 to 1 Dec 02	8,478	2.50%	212	6,102
Structural Improvements - Completed 2013	5 Oct 13 to 10 Oct 13	1,301	2.50%	33	1,290
Sub-total		9,780		245	7,392
Totals		104,724		2,619	78,055

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	
Company Name	Koste Pty Ltd
Postal Address	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
Office Number	1300 669 400
Office Email	info@koste.com.au
Tax Agent Number	24836767

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.