



## Tax Depreciation Report

18 Daniell Close,  
Ripley QLD 4306

Kieran Adamantine  
45A Toora Drive  
WESTMEADOWS, VIC 3049

Issue Schedule	
Issue Date:	Issued by:
06 February 2019	Mark Kilroy Bsc (Hons) MRICS

Kieran Adamantine  
45A Toora Drive  
WESTMEADOWS, VIC 3049

February 2019  
Job No: RES4306011

### **Tax Depreciation Report – 18 Daniell Close, Ripley QLD 4306**

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 .....	12
12. Division 43 Capital Works Schedule .....	13
13. Definition of Terms .....	14
14. Contact Details .....	15
15. Disclaimer.....	16

## 1. Property Information

**Date of Report**

6 February 2019

**Purchaser**

Kieran Adamantine

**Property Address**

18 Daniell Close, Ripley QLD 4306

**Real Property Description**

L11 SP293716

**Property Type**

Residential Unit

**Date of Construction**

14 January 2019

## 2. Report Details

### 2.1 Introduction

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

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

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

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

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

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

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

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

### **3. Capital Allowances**

#### **3.1 Entitlement**

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

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

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

#### **3.3 Effective Life**

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

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

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

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

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

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

### 3.6 Method of Depreciation

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

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

## **4. Capital Works**

### **4.1 Entitlement**

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

### **4.2 Method of Depreciation**

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

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

### **4.3 Method of Depreciation**

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



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	21 January 19 to 30 June 19	2,183	3,056	5,239	2,050	7,289
2	1 July 19 to 30 June 20	4,156	4,965	9,122	4,675	13,797
3	1 July 20 to 30 June 21	3,293	3,428	6,720	4,675	11,395
4	1 July 21 to 30 June 22	2,203	3,185	5,388	4,675	10,063
5	1 July 22 to 30 June 23	1,841	1,991	3,832	4,675	8,507
6	1 July 23 to 30 June 24	1,396	1,576	2,971	4,675	7,646
7	1 July 24 to 30 June 25	1,174	985	2,159	4,675	6,834
8	1 July 25 to 30 June 26	992	616	1,607	4,675	6,282
9	1 July 26 to 30 June 27	664	715	1,379	4,675	6,054
10	1 July 27 to 30 June 28	380	810	1,190	4,675	5,865
11	1 July 28 to 30 June 29	342	506	848	4,675	5,523
12	1 July 29 to 30 June 30	308	316	624	4,675	5,299
13	1 July 30 to 30 June 31	277	198	475	4,675	5,150
14	1 July 31 to 30 June 32	249	124	373	4,675	5,048
15	1 July 32 to 30 June 33	224	77	302	4,675	4,977
16	1 July 33 to 30 June 34	202	48	250	4,675	4,925
17	1 July 34 to 30 June 35	182	30	212	4,675	4,887
18	1 July 35 to 30 June 36	164	19	182	4,675	4,857
19	1 July 36 to 30 June 37	147	12	159	4,675	4,834
20	1 July 37 to 30 June 38	132	7	140	4,675	4,815
21	1 July 38 to 30 June 39	119	5	124	4,675	4,799
22	1 July 39 to 30 June 40	107	3	110	4,675	4,785
23	1 July 40 to 30 June 41	0	364	364	4,675	5,039
24	1 July 41 to 30 June 42	0	227	227	4,675	4,902
25	1 July 42 to 30 June 43	0	142	142	4,675	4,817
26	1 July 43 to 30 June 44	0	89	89	4,675	4,764
27	1 July 44 to 30 June 45	0	56	56	4,675	4,731
28	1 July 45 to 30 June 46	0	35	35	4,675	4,710
29	1 July 46 to 30 June 47	0	22	22	4,675	4,697
30	1 July 47 to 30 June 48	0	14	14	4,675	4,689
31	1 July 48 to 30 June 49	0	8	8	4,675	4,683
32	1 July 49 to 30 June 50	0	5	5	4,675	4,680
33	1 July 50 to 30 June 51	0	3	3	4,675	4,678
34	1 July 51 to 30 June 52	0	2	2	4,675	4,677
35	1 July 52 to 30 June 53	0	1	1	4,675	4,676
36	1 July 53 to 30 June 54	0	1	1	4,675	4,676
37	1 July 54 to 30 June 55	0	1	1	4,675	4,676
38	1 July 55 to 30 June 56	0	0	0	4,675	4,675
39	1 July 56 to 30 June 57	0	0	0	4,675	4,675
40	2057+	0	0	0	7,199	7,199
<b>Totals</b>		<b>20,735</b>	<b>23,642</b>	<b>44,377</b>	<b>186,899</b>	<b>231,276</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	21 January 19 to 30 June 19	1,197	3,056	4,253	2,050	6,303
2	1 July 19 to 30 June 20	2,249	4,965	7,214	4,675	11,889
3	1 July 20 to 30 June 21	2,249	3,103	5,352	4,675	10,027
4	1 July 21 to 30 June 22	2,249	1,940	4,189	4,675	8,864
5	1 July 22 to 30 June 23	2,249	1,212	3,461	4,675	8,136
6	1 July 23 to 30 June 24	2,249	758	3,007	4,675	7,682
7	1 July 24 to 30 June 25	2,249	474	2,723	4,675	7,398
8	1 July 25 to 30 June 26	2,249	296	2,545	4,675	7,220
9	1 July 26 to 30 June 27	2,249	185	2,434	4,675	7,109
10	1 July 27 to 30 June 28	2,249	116	2,365	4,675	7,040
11	1 July 28 to 30 June 29	1,634	72	1,706	4,675	6,381
12	1 July 29 to 30 June 30	840	45	885	4,675	5,560
13	1 July 30 to 30 June 31	674	28	703	4,675	5,378
14	1 July 31 to 30 June 32	461	18	479	4,675	5,154
15	1 July 32 to 30 June 33	461	11	472	4,675	5,147
16	1 July 33 to 30 June 34	461	7	468	4,675	5,143
17	1 July 34 to 30 June 35	461	4	465	4,675	5,140
18	1 July 35 to 30 June 36	461	3	464	4,675	5,139
19	1 July 36 to 30 June 37	461	2	463	4,675	5,138
20	1 July 37 to 30 June 38	461	1	462	4,675	5,137
21	1 July 38 to 30 June 39	268	1	268	4,675	4,943
22	1 July 39 to 30 June 40	0	0	0	4,675	4,675
23	1 July 40 to 30 June 41	0	0	0	4,675	4,675
24	1 July 41 to 30 June 42	0	0	0	4,675	4,675
25	1 July 42 to 30 June 43	0	0	0	4,675	4,675
26	1 July 43 to 30 June 44	0	0	0	4,675	4,675
27	1 July 44 to 30 June 45	0	0	0	4,675	4,675
28	1 July 45 to 30 June 46	0	0	0	4,675	4,675
29	1 July 46 to 30 June 47	0	0	0	4,675	4,675
30	1 July 47 to 30 June 48	0	0	0	4,675	4,675
31	1 July 48 to 30 June 49	0	0	0	4,675	4,675
32	1 July 49 to 30 June 50	0	0	0	4,675	4,675
33	1 July 50 to 30 June 51	0	0	0	4,675	4,675
34	1 July 51 to 30 June 52	0	0	0	4,675	4,675
35	1 July 52 to 30 June 53	0	0	0	4,675	4,675
36	1 July 53 to 30 June 54	0	0	0	4,675	4,675
37	1 July 54 to 30 June 55	0	0	0	4,675	4,675
38	1 July 55 to 30 June 56	0	0	0	4,675	4,675
39	1 July 56 to 30 June 57	0	0	0	4,675	4,675
40	2057+	0	0	0	7,199	7,199
<b>Totals</b>		<b>28,080</b>	<b>16,297</b>	<b>44,377</b>	<b>186,899</b>	<b>231,276</b>

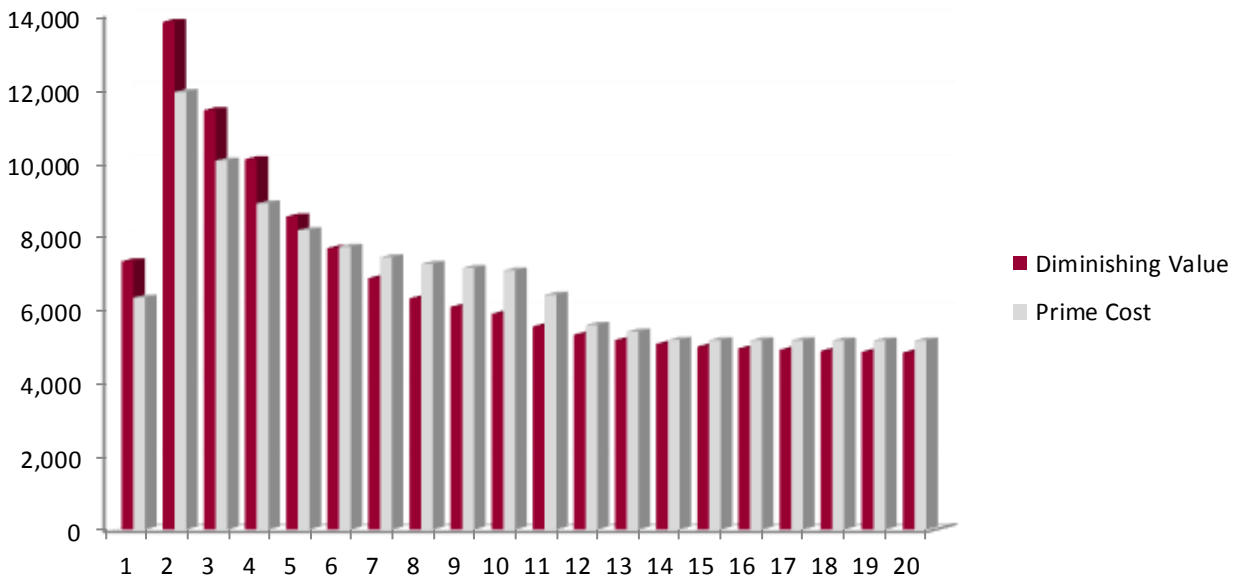
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

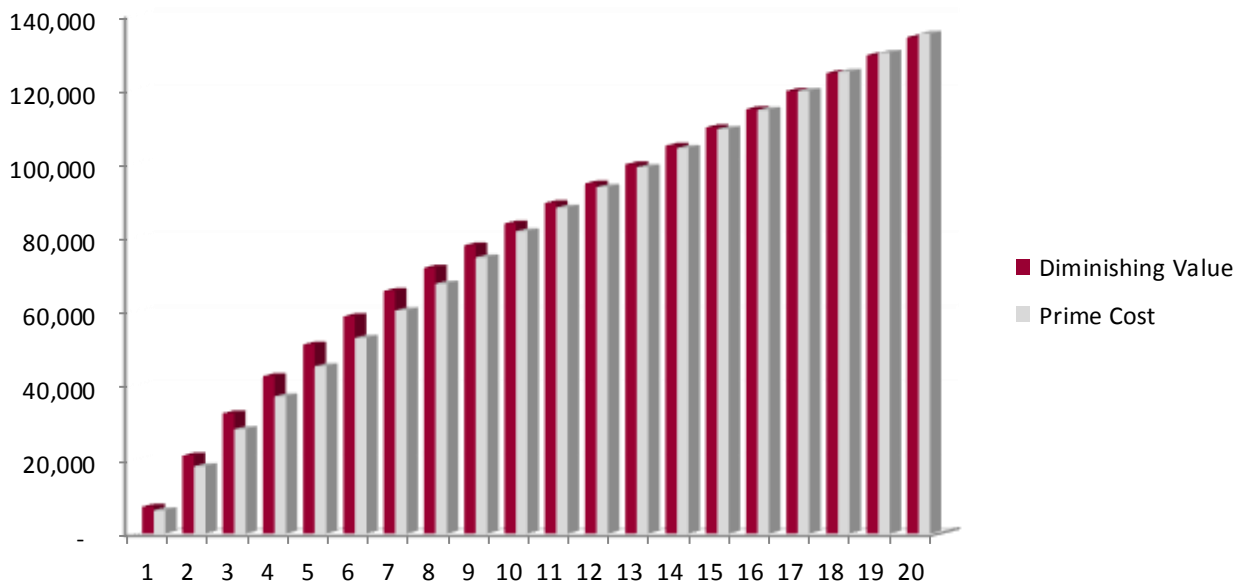
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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

### Construction Details

Contract Date	11 July 2018
Handover Date	14 January 2019

### Expenditure Analysed

Construction Cost	\$235,980
Stamp Duty	N/A
<b>Total Expenditure Analysed</b>	<b>\$235,980</b>

### Historical Construction Details

Construction Start Date	11 July 2018
Construction Completion Date	14 January 2019
Historical Construction Cost (Estimated)*	\$235,980

## 9. Reconciliation of Capital Expenditure

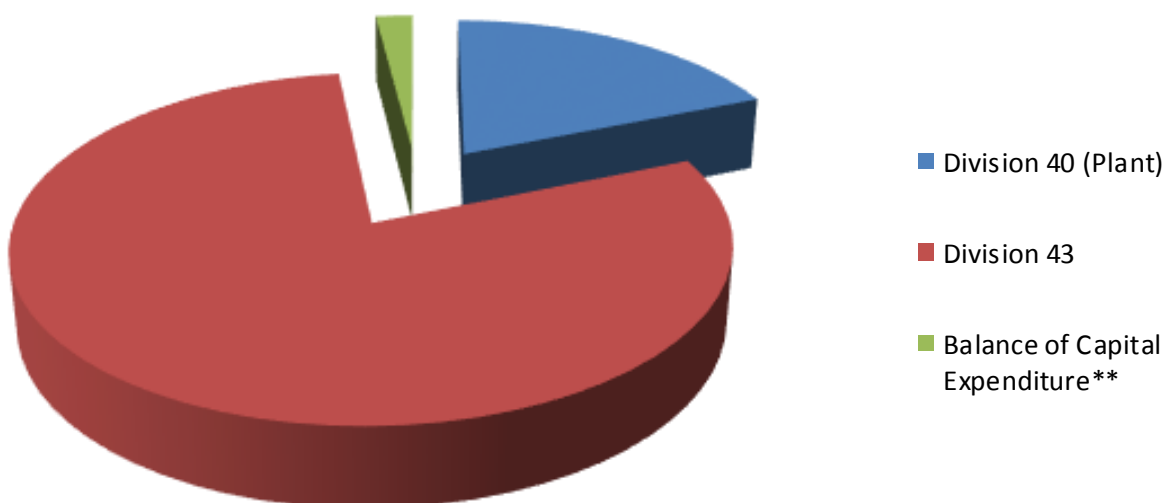
### Apportionment of cost relating to:

Division 40 (Plant)	\$44,377
Division 43	\$186,899
Balance of Capital Expenditure**	\$4,704
<b>Total Expenditure Analysed</b>	<b>\$235,980</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	Diminishing	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	Value Rate												
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	21-Jan-19	6,328	555	1,155	924	739	591	473	378	303	242	363
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	21-Jan-19	659	124	201	126	78	49	31	19	12	7	5
<b>Blinds Residential</b>													
	18.75%	21-Jan-19	3,679	690	1,121	701	438	274	171	107	67	42	26
<b>Ceiling Fans</b>													
	18.75%	21-Jan-19	1,648	309	502	314	196	123	77	48	30	19	12
<b>Door closers</b>													
	18.75%	21-Jan-19	475	89	145	90	56	35	22	14	9	5	3
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	21-Jan-19	2,320	435	707	442	276	173	108	67	42	26	16
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	21-Jan-19	4,600	403	839	671	537	430	344	275	220	330	206
<b>Furniture</b>													
	18.75%	21-Jan-19	4,522	848	1,378	861	538	336	210	131	82	51	32
<b>Garage doors, automatic</b>													
Motors	20.00%	21-Jan-19	1,582	139	289	231	346	217	135	85	53	33	21
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	21-Jan-19	1,978	144	306	255	212	177	332	207	129	81	51
<b>Kitchen assets</b>													
Cooktops	16.67%	21-Jan-19	1,121	82	173	325	203	127	79	50	31	19	12
Dishwashers	20.00%	21-Jan-19	1,582	139	289	231	346	217	135	85	53	33	21
Ovens	16.67%	21-Jan-19	1,450	106	224	187	350	219	137	85	53	33	21
Rangehoods	18.75%	21-Jan-19	593	111	181	113	71	44	28	17	11	7	4
<b>Lights</b>													
Shades, removable	18.75%	21-Jan-19	2,399	450	731	457	286	178	112	70	44	27	17
<b>Solar power generating system assets</b>													
	10.00%	21-Jan-19	9,229	405	882	794	715	643	579	521	469	422	380
<b>\$300 items</b>													
	100.00%	21-Jan-19	211	211									
<b>Pooled Plant Total</b>				<b>3,056</b>	<b>4,965</b>	<b>3,428</b>	<b>3,185</b>	<b>1,991</b>	<b>1,576</b>	<b>985</b>	<b>616</b>	<b>715</b>	<b>810</b>
<b>Effective Life Plant Total</b>				<b>2,183</b>	<b>4,156</b>	<b>3,293</b>	<b>2,203</b>	<b>1,841</b>	<b>1,396</b>	<b>1,174</b>	<b>992</b>	<b>664</b>	<b>380</b>
<b>Total Division 40</b>			<b>44,377</b>	<b>5,239</b>	<b>9,122</b>	<b>6,720</b>	<b>5,388</b>	<b>3,832</b>	<b>2,971</b>	<b>2,159</b>	<b>1,607</b>	<b>1,379</b>	<b>1,190</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2019</b>		2.50%	21-Jan-19	170,784	1,873	4,272	4,272	4,272	4,272	4,272	4,272	4,272	4,272
<b>Structural Improvements - Completed 2019</b>		2.50%	21-Jan-19	16,115	177	403	403	403	403	403	403	403	403
<b>Total Division 43</b>			<b>186,899</b>	<b>2,050</b>	<b>4,675</b>	<b>4,675</b>	<b>4,675</b>	<b>4,675</b>	<b>4,675</b>	<b>4,675</b>	<b>4,675</b>	<b>4,675</b>	<b>4,675</b>
<b>Total Depreciation</b>			<b>231,276</b>	<b>7,289</b>	<b>13,797</b>	<b>11,395</b>	<b>10,063</b>	<b>8,507</b>	<b>7,646</b>	<b>6,834</b>	<b>6,282</b>	<b>6,054</b>	<b>5,865</b>

## 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>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	21-Jan-19	6,328	277	633	633	633	633	633	633	633	633	633
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	21-Jan-19	659	124	201	126	78	49	31	19	12	7	5
<b>Blinds Residential</b>	18.75%	21-Jan-19	3,679	690	1,121	701	438	274	171	107	67	42	26
<b>Ceiling Fans</b>	18.75%	21-Jan-19	1,648	309	502	314	196	123	77	48	30	19	12
<b>Door closers</b>	18.75%	21-Jan-19	475	89	145	90	56	35	22	14	9	5	3
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	21-Jan-19	2,320	435	707	442	276	173	108	67	42	26	16
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	21-Jan-19	4,600	202	460	460	460	460	460	460	460	460	460
<b>Furniture</b>	18.75%	21-Jan-19	4,522	848	1,378	861	538	336	210	131	82	51	32
<b>Garage doors, automatic</b>													
Motors	10.00%	21-Jan-19	1,582	69	158	158	158	158	158	158	158	158	158
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	21-Jan-19	1,978	72	165	165	165	165	165	165	165	165	165
<b>Kitchen assets</b>													
Cooktops	8.33%	21-Jan-19	1,121	41	93	93	93	93	93	93	93	93	93
Dishwashers	10.00%	21-Jan-19	1,582	69	158	158	158	158	158	158	158	158	158
Ovens	8.33%	21-Jan-19	1,450	53	121	121	121	121	121	121	121	121	121
Rangehoods	18.75%	21-Jan-19	593	111	181	113	71	44	28	17	11	7	4
<b>Lights</b>													
Shades, removable	18.75%	21-Jan-19	2,399	450	731	457	286	178	112	70	44	27	17
<b>Solar power generating system assets</b>													
	5.00%	21-Jan-19	9,229	202	461	461	461	461	461	461	461	461	461
<b>\$300 items</b>	100.00%	21-Jan-19	211	211									
<b>Pooled Plant Total</b>				3,056	4,965	3,103	1,940	1,212	758	474	296	185	116
<b>Effective Life Plant Total</b>				1,197	2,249	2,249	2,249	2,249	2,249	2,249	2,249	2,249	2,249
<b>Total Division 40</b>			44,377	4,253	7,214	5,352	4,189	3,461	3,007	2,723	2,545	2,434	2,365
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2019</b>	2.50%	21-Jan-19	170,784	1,873	4,272	4,272	4,272	4,272	4,272	4,272	4,272	4,272	4,272
<b>Structural Improvements - Completed 2019</b>	2.50%	21-Jan-19	16,115	177	403	403	403	403	403	403	403	403	403
<b>Total Division 43</b>			186,899	2,050	4,675	4,675	4,675	4,675	4,675	4,675	4,675	4,675	4,675
<b>Total Depreciation</b>			231,276	6,303	11,889	10,027	8,864	8,136	7,682	7,398	7,220	7,109	7,040

## 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 2019	11 Jul 18 to 14 Jan 19	170,866	2.50%	4,272	170,784
<b>Sub-total</b>		<b>170,866</b>		<b>4,272</b>	<b>170,784</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	11 Jul 18 to 14 Jan 19	16,122	2.50%	403	16,115
<b>Sub-total</b>		<b>16,122</b>		<b>403</b>	<b>16,115</b>
<b>Totals</b>		<b>186,989</b>		<b>4,675</b>	<b>186,899</b>

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

### 13. Definition of Terms

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
<b>Decline in Value</b>	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.



## 14. Contact Details

COMPANY DETAILS	
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.