



## Tax Depreciation Report

8/354 Zillmere Rd,  
Zillmere QLD 4034, Australia

Andrew Herrera  
153 Bay Street  
LOCKDALE , NSW 2216

Issue Schedule	
Issue Date:	Issued by:
26 March 2019	Mark Kilroy Bsc (Hons) MRICS

Andrew Herrera  
153 Bay Street  
LOCKDALE , NSW 2216

March 2019  
Job No: RES4034006

**Tax Depreciation Report – 8/354 Zillmere Rd, Zillmere QLD 4034, Australia**

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

26 March 2019

### Purchaser

Andrew Herrera

### Property Address

8/354 Zillmere Rd, Zillmere QLD 4034, Australia

### Real Property Description

L8 BUP10854

### Property Type

Residential Unit

### Date of Construction

1 May 1989

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

## **4. Capital Works**

### **4.1 Entitlement**

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

### **4.2 Method of Depreciation**

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

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

### **4.3 Method of Depreciation**

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



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	6 May 17 to 30 June 17	2,517	1,178	3,695	311	4,006
2	1 July 17 to 30 June 18	2,473	2,198	4,671	2,067	6,738
3	1 July 18 to 30 June 19	1,863	1,729	3,592	2,067	5,659
4	1 July 19 to 30 June 20	1,329	1,440	2,770	2,067	4,837
5	1 July 20 to 30 June 21	784	1,525	2,310	2,067	4,377
6	1 July 21 to 30 June 22	520	1,304	1,824	2,067	3,891
7	1 July 22 to 30 June 23	261	1,178	1,439	2,067	3,506
8	1 July 23 to 30 June 24	209	736	945	2,067	3,012
9	1 July 24 to 30 June 25	0	774	774	2,067	2,841
10	1 July 25 to 30 June 26	0	484	484	2,067	2,551
11	1 July 26 to 30 June 27	0	302	302	2,067	2,369
12	1 July 27 to 30 June 28	0	189	189	2,067	2,256
13	1 July 28 to 30 June 29	0	118	118	2,067	2,185
14	1 July 29 to 30 June 30	0	74	74	2,067	2,141
15	1 July 30 to 30 June 31	0	46	46	2,067	2,113
16	1 July 31 to 30 June 32	0	29	29	2,067	2,096
17	1 July 32 to 30 June 33	0	18	18	1,908	1,926
18	1 July 33 to 30 June 34	0	11	11	715	726
19	1 July 34 to 30 June 35	0	7	7	715	722
20	1 July 35 to 30 June 36	0	4	4	715	719
21	1 July 36 to 30 June 37	0	3	3	715	718
22	1 July 37 to 30 June 38	0	2	2	715	717
23	1 July 38 to 30 June 39	0	1	1	715	716
24	1 July 39 to 30 June 40	0	1	1	715	716
25	1 July 40 to 30 June 41	0	0	0	715	715
26	1 July 41 to 30 June 42	0	0	0	697	697
27	1 July 42 to 30 June 43	0	0	0	498	498
28	1 July 43 to 30 June 44	0	0	0	498	498
29	1 July 44 to 30 June 45	0	0	0	498	498
30	1 July 45 to 30 June 46	0	0	0	498	498
31	1 July 46 to 30 June 47	0	0	0	498	498
32	1 July 47 to 30 June 48	0	0	0	498	498
33	1 July 48 to 30 June 49	0	0	0	498	498
34	1 July 49 to 30 June 50	0	0	0	498	498
35	1 July 50 to 30 June 51	0	0	0	372	372
36	1 July 51 to 30 June 52	0	0	0	30	30
37	1 July 52 to 30 June 53	0	0	0	30	30
38	1 July 53 to 30 June 54	0	0	0	30	30
39	1 July 54 to 30 June 55	0	0	0	30	30
40	2055+	0	0	0	36	36
<b>Totals</b>		<b>9,956</b>	<b>13,352</b>	<b>23,309</b>	<b>44,153</b>	<b>67,462</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	6 May 17 to 30 June 17	2,314	1,178	3,492	311	3,803
2	1 July 17 to 30 June 18	1,350	1,914	3,264	2,067	5,331
3	1 July 18 to 30 June 19	1,350	1,197	2,547	2,067	4,614
4	1 July 19 to 30 June 20	1,350	748	2,098	2,067	4,165
5	1 July 20 to 30 June 21	1,350	467	1,817	2,067	3,884
6	1 July 21 to 30 June 22	1,350	292	1,642	2,067	3,709
7	1 July 22 to 30 June 23	1,350	183	1,533	2,067	3,600
8	1 July 23 to 30 June 24	1,350	114	1,464	2,067	3,531
9	1 July 24 to 30 June 25	1,350	71	1,421	2,067	3,488
10	1 July 25 to 30 June 26	1,350	45	1,395	2,067	3,462
11	1 July 26 to 30 June 27	1,231	28	1,259	2,067	3,326
12	1 July 27 to 30 June 28	542	17	559	2,067	2,626
13	1 July 28 to 30 June 29	469	11	480	2,067	2,547
14	1 July 29 to 30 June 30	113	7	120	2,067	2,187
15	1 July 30 to 30 June 31	113	4	117	2,067	2,184
16	1 July 31 to 30 June 32	94	3	96	2,067	2,163
17	1 July 32 to 30 June 33	0	2	2	1,908	1,910
18	1 July 33 to 30 June 34	0	1	1	715	716
19	1 July 34 to 30 June 35	0	1	1	715	716
20	1 July 35 to 30 June 36	0	0	0	715	715
21	1 July 36 to 30 June 37	0	0	0	715	715
22	1 July 37 to 30 June 38	0	0	0	715	715
23	1 July 38 to 30 June 39	0	0	0	715	715
24	1 July 39 to 30 June 40	0	0	0	715	715
25	1 July 40 to 30 June 41	0	0	0	715	715
26	1 July 41 to 30 June 42	0	0	0	697	697
27	1 July 42 to 30 June 43	0	0	0	498	498
28	1 July 43 to 30 June 44	0	0	0	498	498
29	1 July 44 to 30 June 45	0	0	0	498	498
30	1 July 45 to 30 June 46	0	0	0	498	498
31	1 July 46 to 30 June 47	0	0	0	498	498
32	1 July 47 to 30 June 48	0	0	0	498	498
33	1 July 48 to 30 June 49	0	0	0	498	498
34	1 July 49 to 30 June 50	0	0	0	498	498
35	1 July 50 to 30 June 51	0	0	0	372	372
36	1 July 51 to 30 June 52	0	0	0	30	30
37	1 July 52 to 30 June 53	0	0	0	30	30
38	1 July 53 to 30 June 54	0	0	0	30	30
39	1 July 54 to 30 June 55	0	0	0	30	30
40	2055+	0	0	0	36	36
<b>Totals</b>		<b>17,026</b>	<b>6,283</b>	<b>23,309</b>	<b>44,153</b>	<b>67,462</b>

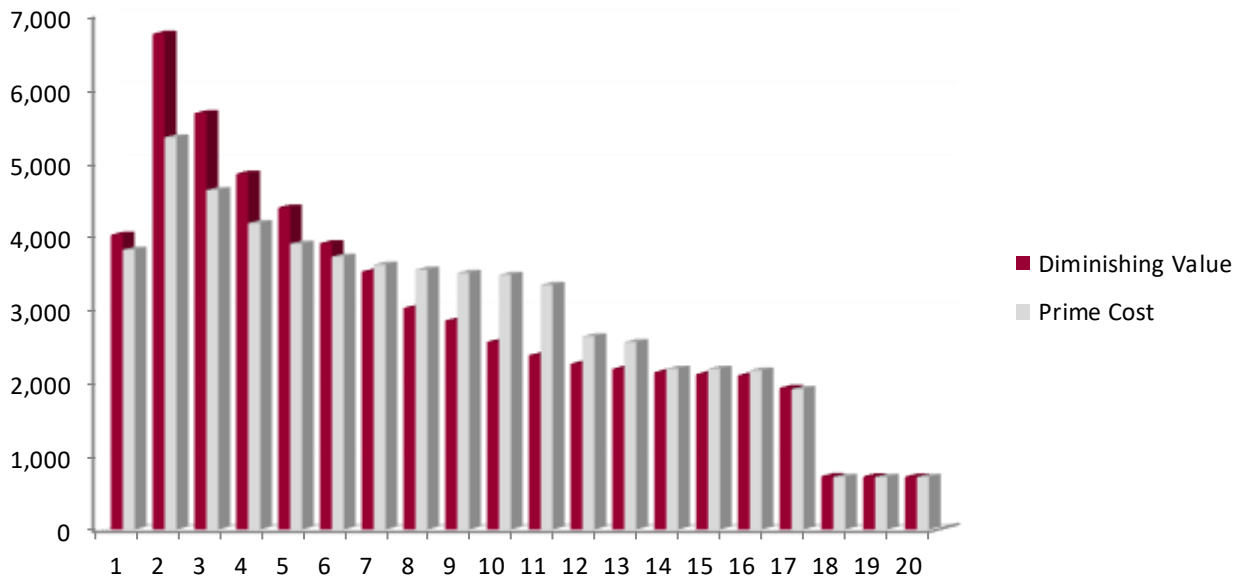
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

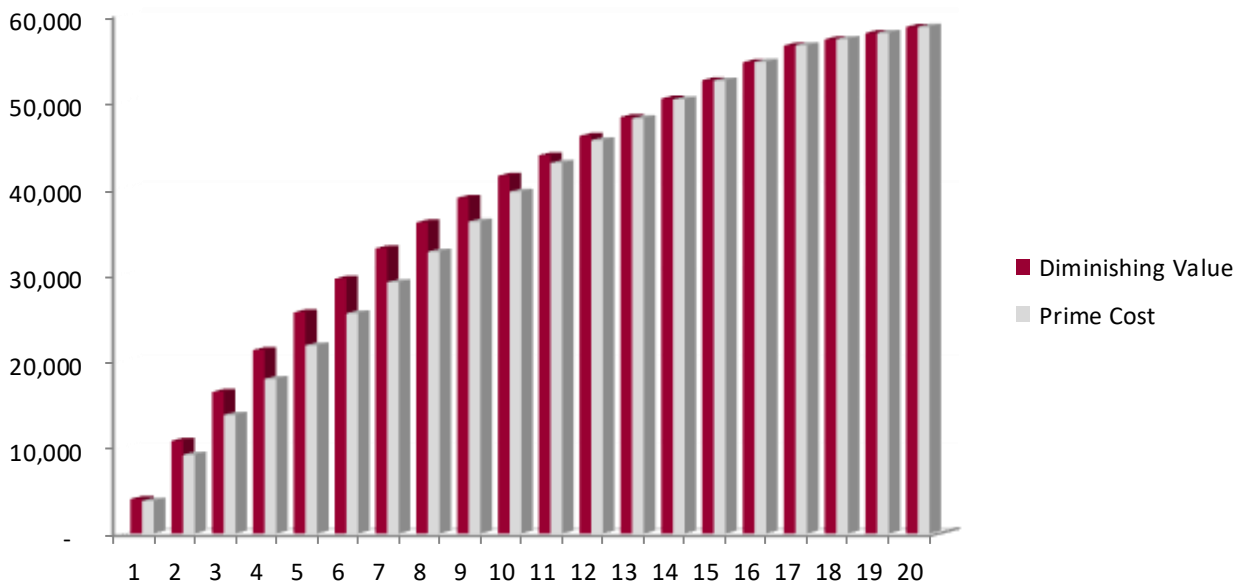
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

## 8. Capital Expenditure Analysed

### Purchase Details

Contract Date	20 March 2017
Settlement Date	6 May 2017

### Expenditure Analysed

Purchase Price	\$223,000
Stamp Duty	\$6,298
Post Expenditure	\$1,960
<b>Total Expenditure Analysed</b>	<b>\$231,258</b>

### Historical Construction Details

Construction Start Date	2 November 1988
Construction Completion Date	1 May 1989
Historical Construction Cost (Estimated)*	\$49,050

## 9. Reconciliation of Capital Expenditure

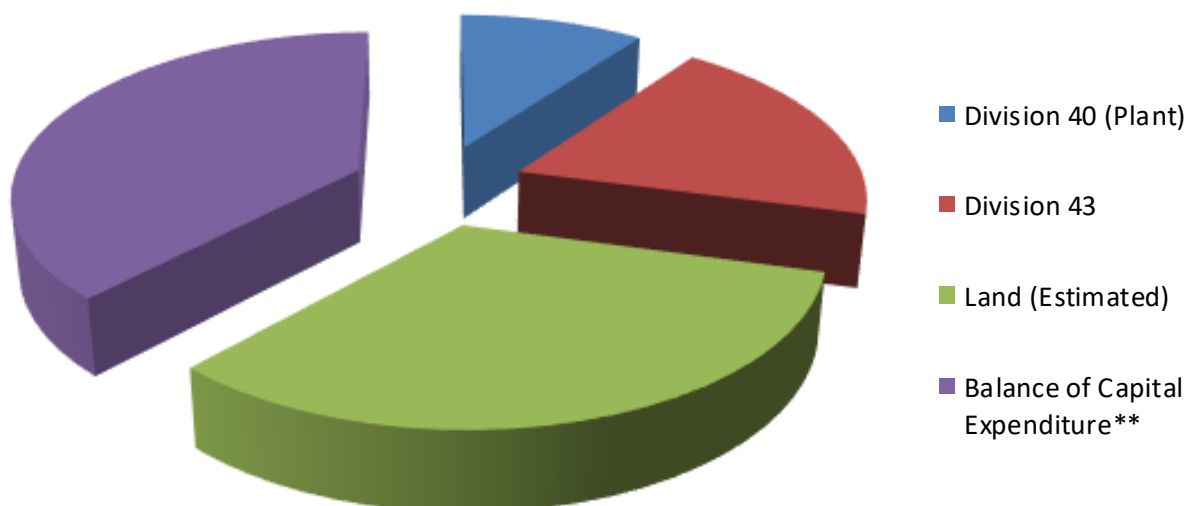
### Apportionment of cost relating to:

Division 40 (Plant)	\$23,309
Division 43	\$44,153
Land (Estimated)	\$75,833
Balance of Capital Expenditure**	\$87,963
<b>Total Expenditure Analysed</b>	<b>\$231,258</b>

### Notes

\* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

\*\* Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



## 10. Diminishing Value Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	6-May-17	4,112	124	798	638	510	408	327	261	209	314	196
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	6-May-17	343	64	104	65	41	25	16	10	6	4	2
<b>Blinds Residential</b>													
	18.75%	6-May-17	418	78	127	80	50	31	19	12	8	5	3
<b>Ceiling Fans</b>													
	18.75%	6-May-17	959	180	292	183	114	71	45	28	17	11	7
<b>Curtains and drapes</b>													
	18.75%	6-May-17	684	128	208	130	81	51	32	20	12	8	5
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	6-May-17	302	57	92	57	36	22	14	9	5	3	2
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	6-May-17	1,546	47	300	240	360	225	141	88	55	34	21
Floating timber	13.33%	6-May-17	1,693	34	221	192	166	144	351	219	137	86	54
<b>Furniture</b>													
	18.75%	6-May-17	2,330	437	710	444	277	173	108	68	42	26	17
<b>Garage doors, automatic</b>													
Motors	20.00%	6-May-17	1,645	50	319	255	204	306	191	120	75	47	29
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	6-May-17	2,467	62	401	334	278	232	193	362	227	142	88
<b>Kitchen assets</b>													
Cooktops	16.67%	6-May-17	1,165	29	189	355	222	139	87	54	34	21	13
Dishwashers	20.00%	6-May-17	1,645	1,645									
Ovens	16.67%	6-May-17	1,508	38	245	204	170	319	199	125	78	49	30
Rangehoods	18.75%	6-May-17	617	116	188	117	73	46	29	18	11	7	4
<b>Lights</b>													
Shades, removable	18.75%	6-May-17	630	118	192	120	75	47	29	18	11	7	4
<b>\$300 items</b>													
	100.00%	6-May-17	466	466									
<b>Additional Items (Post Expenditure)</b>				<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Kitchen assets</b>													
Dishwashers	20.00%	8-May-17	780	23	284	178	111	69	43	27	17	11	7
<b>Pooled Plant Total</b>				<b>1,178</b>	<b>2,198</b>	<b>1,729</b>	<b>1,440</b>	<b>1,525</b>	<b>1,304</b>	<b>1,178</b>	<b>736</b>	<b>774</b>	<b>484</b>
<b>Effective Life Plant Total</b>				<b>2,517</b>	<b>2,473</b>	<b>1,863</b>	<b>1,329</b>	<b>784</b>	<b>520</b>	<b>261</b>	<b>209</b>	<b>774</b>	<b>484</b>
<b>Total Division 40</b>			<b>23,309</b>	<b>3,695</b>	<b>4,671</b>	<b>3,592</b>	<b>2,770</b>	<b>2,310</b>	<b>1,824</b>	<b>1,439</b>	<b>945</b>	<b>774</b>	<b>484</b>

## 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 1993	2.50%	06-May-17	20,296	191	1,266	1,266	1,266	1,266	1,266	1,266	1,266	1,266	1,266
Building Works - Completed 2002	2.50%	06-May-17	4,635	28	185	185	185	185	185	185	185	185	185
Building Works - Completed 2011	2.50%	06-May-17	14,001	62	413	413	413	413	413	413	413	413	413
Building Works - Completed 2017	2.50%	10-May-17	1,180	4	30	30	30	30	30	30	30	30	30
Structural Improvements - Completed 1993	2.50%	06-May-17	1,381	13	86	86	86	86	86	86	86	86	86
Structural Improvements - Completed 2002	2.50%	06-May-17	805	5	32	32	32	32	32	32	32	32	32
Structural Improvements - Completed 2011	2.50%	06-May-17	1,855	8	55	55	55	55	55	55	55	55	55
<b>Total Division 43</b>			<b>44,153</b>	<b>311</b>	<b>2,067</b>	<b>2,067</b>	<b>2,067</b>	<b>2,067</b>	<b>2,067</b>	<b>2,067</b>	<b>2,067</b>	<b>2,067</b>	<b>2,067</b>
<b>Total Depreciation</b>			<b>67,462</b>	<b>4,006</b>	<b>6,738</b>	<b>5,659</b>	<b>4,837</b>	<b>4,377</b>	<b>3,891</b>	<b>3,506</b>	<b>3,012</b>	<b>2,841</b>	<b>2,551</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%	06-May-17	4,112	62	411	411	411	411	411	411	411	411	411
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	06-May-17	343	64	104	65	41	25	16	10	6	4	2
<b>Blinds Residential</b>	18.75%	06-May-17	418	78	127	80	50	31	19	12	8	5	3
<b>Ceiling Fans</b>	18.75%	06-May-17	959	180	292	183	114	71	45	28	17	11	7
<b>Curtains and drapes</b>	18.75%	06-May-17	684	128	208	130	81	51	32	20	12	8	5
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	06-May-17	302	57	92	57	36	22	14	9	5	3	2
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	06-May-17	1,546	23	155	155	155	155	155	155	155	155	155
Floating timber	6.67%	06-May-17	1,693	17	113	113	113	113	113	113	113	113	113
<b>Furniture</b>	18.75%	06-May-17	2,330	437	710	444	277	173	108	68	42	26	17
<b>Garage doors, automatic</b>													
Motors	10.00%	06-May-17	1,645	25	164	164	164	164	164	164	164	164	164
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	06-May-17	2,467	31	206	206	206	206	206	206	206	206	206
<b>Kitchen assets</b>													
Cooktops	8.33%	06-May-17	1,165	15	97	97	97	97	97	97	97	97	97
Dishwashers	10.00%	06-May-17	1,645	1,645									
Ovens	8.33%	06-May-17	1,508	19	126	126	126	126	126	126	126	126	126
Rangehoods	18.75%	06-May-17	617	116	188	117	73	46	29	18	11	7	4
<b>Lights</b>													
Shades, removable	18.75%	06-May-17	630	118	192	120	75	47	29	18	11	7	4
<b>\$300 items</b>	100.00%	06-May-17	466	466									
<b>Additional Items (Post Expenditure)</b>				<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Kitchen assets</b>													
Dishwashers	10.00%	08-May-17	780	11	78	78	78	78	78	78	78	78	78
<b>Pooled Plant Total</b>				<b>1,178</b>	<b>1,914</b>	<b>1,197</b>	<b>748</b>	<b>467</b>	<b>292</b>	<b>183</b>	<b>114</b>	<b>71</b>	<b>45</b>
<b>Effective Life Plant Total</b>				<b>2,314</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>	<b>1,350</b>
<b>Total Division 40</b>			<b>23,309</b>	<b>3,492</b>	<b>3,264</b>	<b>2,547</b>	<b>2,098</b>	<b>1,817</b>	<b>1,642</b>	<b>1,533</b>	<b>1,464</b>	<b>1,421</b>	<b>1,395</b>

## 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 1993	2.50%	06-May-17	20,296	191	1,266	1,266	1,266	1,266	1,266	1,266	1,266	1,266
Building Works - Completed 2002	2.50%	06-May-17	4,635	28	185	185	185	185	185	185	185	185
Building Works - Completed 2011	2.50%	06-May-17	14,001	62	413	413	413	413	413	413	413	413
Building Works - Completed 2017	2.50%	10-May-17	1,180	4	30	30	30	30	30	30	30	30
Structural Improvements - Completed 1993	2.50%	06-May-17	1,381	13	86	86	86	86	86	86	86	86
Structural Improvements - Completed 2002	2.50%	06-May-17	805	5	32	32	32	32	32	32	32	32
Structural Improvements - Completed 2011	2.50%	06-May-17	1,855	8	55	55	55	55	55	55	55	55
<b>Total Division 43</b>			44,153	311	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,067
<b>Total Depreciation</b>			67,462	3,803	5,331	4,614	4,165	3,884	3,709	3,600	3,531	3,488



## 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 1993	1 May 93 to 22 May 93	50,654	2.50%	1,266	20,296
Building Works - Completed 2002	1 Jun 02 to 5 Jun 02	7,395	2.50%	185	4,635
Building Works - Completed 2011	21 Feb 11 to 25 Mar 11	16,531	2.50%	413	14,001
Building Works - Completed 2017	8 May 17 to 10 May 17	1,180	2.50%	30	1,180

**Sub-total** 75,760 1,894 40,112

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	1 May 93 to 22 May 93	3,446	2.50%	86	1,381
Structural Improvements - Completed 2002	1 Jun 02 to 5 Jun 02	1,284	2.50%	32	805
Structural Improvements - Completed 2011	21 Feb 11 to 25 Mar 11	2,190	2.50%	55	1,855

**Sub-total** 6,920 173 4,041

**Totals** 82,681 2,067 44,153

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
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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.