

Tax Depreciation Report

3804/568 Collins Street,
Melbourne VIC 3000

Issue Schedule	
Issue Date:	Issued by:
September 2016	Mark Kilroy Bsc (Hons) MRICS

Sandy Ko
80 Summer Street,
Orange NSW 2800

26 September 2016
Job No: RES3000017

Tax Depreciation Report – 568/3804 Collins Street, Melbourne VIC 3000

Dear Sandy,

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 EXECUTIVE SUMMARY

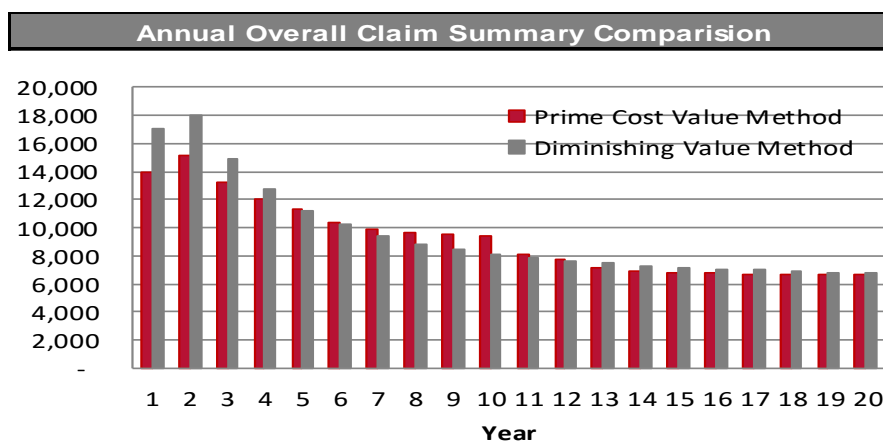
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	75,349	12%
Div 43 Capital Works	247,737	39%
Repairs and Maintenance	-	0%
Capital Non Eligible	268,293	43%
Land Value	37,000	6%
Total Purchase Cost + Additional Works	628,379	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/16		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	8,705	5,521
Div 40 - Low Value Pool	3,531	3,531
Div 43 - Capital Works	4,859	4,859
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	17,094	13,911

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	Sandy Ko
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Property	3804/568 Collins St, Melbourne VIC
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Property Type	Highrise Unit
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Date of Building Completion	01/09/2015
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Date of first let	18/09/2015
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Property Photo



3 REPORT DETAILS

3.1 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.

4 CAPITAL ALLOWANCES

4.1 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.

4.2 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 as detailed below:

$$\text{Qualifying Plant} = \frac{\text{Purchase Price} \times \text{Replacement Cost of Plant}}{\text{Land Value} + \text{Replacement Cost of Plant} + \text{Replacement Cost of Building}}$$

4.3 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.

4.4 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.

4.5 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.

4.6 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				
<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) 				
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				
<ul style="list-style-type: none"> • 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

5 CAPITAL WORKS

5.1 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.

5.2 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.

5.3 STRUCTURAL IMPROVEMENTS

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.

5.4 CAPITAL WORKS DEPRECIATION RATES

The following table demonstrates the various property types and depreciation rates for Capital Works 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

6 SUMMARY ANALYSIS

PROPERTY DETAILS	
Property Address	3804/568 Collins Street, Melbourne VIC 3000

PURCHASE DETAILS			
Exchange Date	09/07/2013	Settlement Date	18/09/2015
Purchase Price (Incl Fees)	\$627,400	Land Value (Est)	\$37,000

CONSTRUCTION DETAILS			
Construction Start Date	01/02/2013	Construction End Date	01/09/2015
Historic Construction Cost	\$323,374		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$75,349	This Tax Depreciation Schedule has been prepared based on the information provided for the construction or purchase of the said property. The apportionment of capital expenditure is based on this information.
Div 43 (Capital Works)	\$247,737	
Capital Non Deductable	\$268,293	
Land Non Deductable	\$37,000	
Total Expenditure Analysed	\$628,379 (Incl. Additional Work)	

Notes	
Opening Values	This is based on the original construction costs incurred including variations
Effective Lives	Used In accordance with the Commissioner of Taxation Rates
Site Inspection	The site inspection includes the measurement, photographic records, and identification of depreciating assets.
Disclaimer	This schedule is provided for the sole use of the tax payer and may not be used by a third party without the permission of Koste Pty Ltd.

7 TAX SUMMARY

The following tables outline the depreciation entitlements for the remaining life of the property. **Note: First Year Allowances are for YE 30/06/16**

7.1 DIMINISHING VALUE METHOD

Diminishing Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 286 Days	323,086	8,705	3,531	4,859	17,094	305,992
Year 2 - YE 30/06/2017	305,992	6,882	4,888	6,201	17,971	288,022
Year 3 - YE 30/06/2018	288,022	5,604	3,055	6,201	14,859	273,162
Year 4 - YE 30/06/2019	273,162	4,628	1,909	6,201	12,738	260,424
Year 5 - YE 30/06/2020	260,424	3,868	1,193	6,201	11,262	249,162
Year 6 - YE 30/06/2021	249,162	3,267	746	6,201	10,213	238,948
Year 7 - YE 30/06/2022	238,948	2,784	466	6,201	9,450	229,498
Year 8 - YE 30/06/2023	229,498	2,390	291	6,201	8,882	220,616
Year 9 - YE 30/06/2024	220,616	2,067	182	6,201	8,450	212,166
Year 10 - YE 30/06/2025	212,166	1,798	114	6,201	8,113	204,053
Year 11 - YE 30/06/2026	204,053	1,574	71	6,201	7,846	196,208
Year 12 - YE 30/06/2027	196,208	1,385	44	6,201	7,630	188,578
Year 13 - YE 30/06/2028	188,578	1,225	28	6,201	7,453	181,125
Year 14 - YE 30/06/2029	181,125	1,088	17	6,201	7,306	173,819
Year 15 - YE 30/06/2030	173,819	971	11	6,201	7,182	166,637
Year 16 - YE 30/06/2031	166,637	869	7	6,201	7,077	159,560
Year 17 - YE 30/06/2032	159,560	782	4	6,201	6,987	152,573
Year 18 - YE 30/06/2033	152,573	705	3	6,201	6,909	145,664
Year 19 - YE 30/06/2034	145,664	639	2	6,201	6,841	138,824
Year 20 - YE 30/06/2035	138,824	580	1	6,201	6,781	132,042
Year 21 +	132,042	6,974	2	125,067	132,042	
Totals		58,783	16,566	247,737	323,086	

7.2 PRIME COST METHOD

Prime Cost Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 286 Days	323,086	5,521	3,531	4,859	13,911	309,176
Year 2 - YE 30/06/2017	309,176	4,037	4,888	6,201	15,125	294,051
Year 3 - YE 30/06/2018	294,051	4,004	3,055	6,201	13,260	280,791
Year 4 - YE 30/06/2019	280,791	3,973	1,909	6,201	12,083	268,708
Year 5 - YE 30/06/2020	268,708	3,943	1,193	6,201	11,337	257,372
Year 6 - YE 30/06/2021	257,372	3,406	746	6,201	10,352	247,020
Year 7 - YE 30/06/2022	247,020	3,238	466	6,201	9,904	237,116
Year 8 - YE 30/06/2023	237,116	3,211	291	6,201	9,703	227,413
Year 9 - YE 30/06/2024	227,413	3,186	182	6,201	9,568	217,844
Year 10 - YE 30/06/2025	217,844	3,161	114	6,201	9,476	208,369
Year 11 - YE 30/06/2026	208,369	1,890	71	6,201	8,161	200,207
Year 12 - YE 30/06/2027	200,207	1,522	44	6,201	7,768	192,440
Year 13 - YE 30/06/2028	192,440	947	28	6,201	7,175	185,265
Year 14 - YE 30/06/2029	185,265	681	17	6,201	6,899	178,365
Year 15 - YE 30/06/2030	178,365	550	11	6,201	6,761	171,604
Year 16 - YE 30/06/2031	171,604	530	7	6,201	6,738	164,866
Year 17 - YE 30/06/2032	164,866	512	4	6,201	6,717	158,150
Year 18 - YE 30/06/2033	158,150	494	3	6,201	6,697	151,452
Year 19 - YE 30/06/2034	151,452	477	2	6,201	6,679	144,773
Year 20 - YE 30/06/2035	144,773	460	1	6,201	6,662	138,112
Year 21 +	138,112	13,043	2	125,067	138,112	
Totals		58,783	16,566	247,737	323,086	

8 DIMINISHING VALUE (DV)

						OV as at 18-Sep-2015	First Year 18-Sep-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Method	Effective Life	Dim Rate(%)	Opening Value		Year 1 (286 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
Air Conditioning												
ACMS	Air Conditioning - Split System	DV	10.00	20.00	4,325		678	3,647	729	583	467	373
Communications												
CMC	Intercom System Assets	DV	10.00	20.00	1,351		212	1,140	228	182	146	117
Floor Finishes												
FFCA	Carpet Floor Coverings	DV	10.00	20.00	6,467		1,013	5,453	1,091	873	698	558
Internal Fittings and Furnishings												
FUBT	Bathroom Accessories, freestanding	DV	5.00	40.00	3,243		1,017	2,227	891	534	321	192
FUFR	Furniture - Freestanding	DV	13.33	15.00	2,703		318	2,385	358	304	258	220
Kitchen Equipment												
KECT	Cooktop	DV	12.00	16.67	1,351		176	1,175	196	163	136	113
KEDI	Dishwasher	DV	10.00	20.00	2,162		339	1,823	365	292	233	187
KEOV	Oven	DV	12.00	16.67	1,946		254	1,692	282	235	196	163
Laundry Equipment												
LQWM	Washing Machine	DV	10.00	20.00	1,622		254	1,368	274	219	175	140
Ventilation												
KEER	Rangehood	DV	12.00	16.67	1,135		148	987	164	137	114	95
Water Supply												
WSHE	Hot Water Unit - Electric	DV	12.00	16.67	4,054		529	3,525	587	490	408	340
Common Areas - Floor Finishes												
CFFCA	Carpet Floor Coverings	DV	10.00	20.00	379		59	320	64	51	41	33
Common Areas - Transportation												
CTSHL	Lifts	DV	30.00	6.67	24,696		1,290	23,406	1,560	1,456	1,359	1,269
Common Areas - Ventilation												
CVEEF	Ventilation Fans	DV	20.00	10.00	1,011		79	932	93	84	75	68
Common Areas - Total Immediate Writeoff Items less than \$300												
CICMIC	Intercom System Assets	DV	1.00	100.00	111		111	-	-	-	-	-
CIDSME	Door Closer - Surface Mounted	DV	1.00	100.00	190		190	-	-	-	-	-
CIFPDE	Fire Detection - Detectors	DV	1.00	100.00	243		243	-	-	-	-	-
CIFPFI	Fire Detection - Fire indicator panels	DV	1.00	100.00	138		138	-	-	-	-	-
CIFPCP	EWIS - Master emergency control panels	DV	1.00	100.00	184		184	-	-	-	-	-
CIFPSP	EWIS - Speakers	DV	1.00	100.00	237		237	-	-	-	-	-
CIFPFE	Fire Extinguisher	DV	1.00	100.00	111		111	-	-	-	-	-
CIFPPM	Fire pumps (including electric and diesel)	DV	1.00	100.00	257		257	-	-	-	-	-
CIFUMR	Mirrors - Freestanding	DV	1.00	100.00	51		51	-	-	-	-	-
CILPLF	Fittings (Excluding hardwired)	DV	1.00	100.00	34		34	-	-	-	-	-
CISCCA	CCTV System - Cameras	DV	1.00	100.00	132		132	-	-	-	-	-
CISCSW	CCTV System - Switching Units	DV	1.00	100.00	230		230	-	-	-	-	-
CISQGC	Gym Equipment - Cardiovascular	DV	1.00	100.00	248		248	-	-	-	-	-
CISQGR	Gym Equipment - Resistance	DV	1.00	100.00	92		92	-	-	-	-	-
CISWCH	Swimming pool - Chlorinators	DV	1.00	100.00	23		23	-	-	-	-	-
CISWFA	Swimming pool - Filtration Assets	DV	1.00	100.00	55		55	-	-	-	-	-
Total					58,783		8,705	50,079	6,882	5,604	4,628	3,868

9 PRIME COST (PC)

						OV as at 18-Sep-2015	First Year 18-Sep-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Method	Effective Life	Prime Rate(%)	Opening Value		Year 1 (286 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
Air Conditioning												
ACMS	Air Conditioning - Split System	PC	10.00	10.00	4,325		339	3,986	432	432	432	432
Communications												
CMIC	Intercom System Assets	PC	10.00	10.00	1,351		106	1,246	135	135	135	135
Floor Finishes												
FFCA	Carpet Floor Coverings	PC	10.00	10.00	6,467		507	5,960	647	647	647	647
Internal Fitments and Furnishings												
FUBT	Bathroom Accessories, freestanding	PC	5.00	20.00	3,243		508	2,735	649	649	649	649
FUFR	Furniture - Freestanding	PC	13.33	7.50	2,703		159	2,544	203	203	203	203
Kitchen Equipment												
KECT	Cooktop	PC	12.00	8.33	1,351		88	1,263	113	113	113	113
KEDI	Dishwasher	PC	10.00	10.00	2,162		169	1,993	216	216	216	216
KEOV	Oven	PC	12.00	8.33	1,946		127	1,819	162	162	162	162
Laundry Equipment												
LQWM	Washing Machine	PC	10.00	10.00	1,622		127	1,495	162	162	162	162
Ventilation												
KEER	Rangehood	PC	12.00	8.33	1,135		74	1,061	95	95	95	95
Water Supply												
WSHE	Hot Water Unit - Electric	PC	12.00	8.33	4,054		265	3,790	338	338	338	338
Common Areas - Floor Finishes												
CFFCA	Carpet Floor Coverings	PC	10.00	10.00	379		30	350	35	31	28	25
Common Areas - Transportation												
CTSHL	Lifts	PC	30.00	3.33	24,696		645	24,051	802	775	749	724
Common Areas - Ventilation												
CVEEF	Ventilation Fans	PC	20.00	5.00	1,011		40	972	49	46	44	42
Common Areas - Total Immediate Writeoff Items less than \$300												
CICMIC	Intercom System Assets	PC	1.00	100.00	111		111	-	-	-	-	-
CIDSME	Door Closer - Surface Mounted	PC	1.00	100.00	190		190	-	-	-	-	-
CIFPDE	Fire Detection - Detectors	PC	1.00	100.00	243		243	-	-	-	-	-
CIFPFI	Fire Detection - Fire indicator panels	PC	1.00	100.00	138		138	-	-	-	-	-
CIFPCP	EWIS - Master emergency control panels	PC	1.00	100.00	184		184	-	-	-	-	-
CIFPSP	EWIS - Speakers	PC	1.00	100.00	237		237	-	-	-	-	-
CIFPFE	Fire Extinguisher	PC	1.00	100.00	111		111	-	-	-	-	-
CIFPPM	Fire pumps (including electric and diesel)	PC	1.00	100.00	257		257	-	-	-	-	-
CIFUMR	Mirrors - Freestanding	PC	1.00	100.00	51		51	-	-	-	-	-
CILPLF	Fittings (Excluding hardwired)	PC	1.00	100.00	34		34	-	-	-	-	-
CISCCA	CCTV System - Cameras	PC	1.00	100.00	132		132	-	-	-	-	-
CISCSW	CCTV System - Switching Units	PC	1.00	100.00	230		230	-	-	-	-	-
CISQGC	Gym Equipment - Cardiovascular	PC	1.00	100.00	248		248	-	-	-	-	-
CISQGR	Gym Equipment - Resistance	PC	1.00	100.00	92		92	-	-	-	-	-
CISWCH	Swimming pool - Chlorinators	PC	1.00	100.00	23		23	-	-	-	-	-
CISWFA	Swimming pool - Filtration Assets	PC	1.00	100.00	55		55	-	-	-	-	-
Total					58,783		5,521	53,262	4,037	4,004	3,973	3,943

10 LOW VALUE POOL

						OV as at 18-Sep-2015	First Year 18-Sep-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Method	Effective Life	Dim Rate(%)	Opening Value		Year 1 (286 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
Fire Protection												
FPSM	Fire Alarm - Smoke	DV	6.00	37.50	811		152	659	247	154	97	60
Internal Fitments and Furnishings												
FUMR	Mirrors - Freestanding	DV	15.00	37.50	1,770		332	1,438	539	337	211	132
Light & Power												
LPLF	Fittings (Excluding hardwired)	DV	5.00	37.50	4,108		770	3,338	1,252	782	489	306
LPEF	Bathroom Exhaust Fans	DV	10.00	37.50	2,460		461	1,998	749	468	293	183
LPTO	"Heated" Towel Rails	DV	10.00	37.50	865		162	703	264	165	103	64
Windows												
WWBR	Window Blinds Internal	DV	10.00	37.50	2,554		479	2,075	778	486	304	190
Common Areas - Fire Protection												
CFPHN	Fire Hose Reel	DV	10.00	37.50	1,179		346	833	312	195	122	76
Common Areas - Internal Fitments and Furnishings												
CFUFR	Furniture - Freestanding	DV	13.33	37.50	368		108	260	97	61	38	24
Common Areas - Special Equipment												
CGDGD	Garbage Compacting Systems	DV	6.67	37.50	888		261	627	235	147	92	57
Common Areas - Ventilation												
CVVEEF	Ventilation Fans	DV	20.00	37.50	460		135	325	122	76	48	30
Common Areas - Water Supply												
CWSHG	Hot Water Unit - Gas	DV	12.00	37.50	1,103		324	779	292	183	114	71
Total					16,566		3,531	13,035	4,888	3,055	1,909	1,193

The Low Value Pool Items are depreciated at 18.75% based on their opening value in the first year, and 37.5% each subsequent year on a diminishing basis.

11 CAPITAL WORKS (DIV 43)

						Opening Value as at 18-Sep-2015	First Year 18-Sep-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Completion Date	Original Cost	Rate(%)	Annual Claim	Opening Value (\$)	Year 1 (286 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
Division 43 - Capital Works												
BZ 1	Div 43 - Capital Works - Original Unit	1-Sep-15	204,696	2.50%	5,117	204,458	4,010	200,449	5,117	5,117	5,117	5,117
BZ 2	Div 43 - Capital Works - Common Areas	1-Sep-15	25,200	2.50%	630	25,171	494	24,677	630	630	630	630
BZ 3	Div 43 - Capital Works - Basement Parking	1-Sep-15	14,286	2.50%	357	14,269	280	13,989	357	357	357	357
Division 43 - Structural Works												
SZ 1	Div 43 - Structural Works - Driveway & Paved Areas	1-Sep-15	1,293	2.50%	32	1,291	25	1,266	32	32	32	32
SZ 2	Div 43 - Structural Works - Fencing & Walls	1-Sep-15	2,551	2.50%	64	2,548	50	2,498	64	64	64	64
Total Division 43 Works			248,025		6,201	247,737	4,859	242,879	6,201	6,201	6,201	6,201

The property is estimated to have been built in September 2015 and therefore does qualify for Div 43 capital works allowances charged at 2.5% annually.

12 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.

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