



## Tax Depreciation Report

5/1 Rufus Street,  
Blackwater, QLD 4717

Chris & Aggie Bradley  
110 Perouse Road  
RANDWICK, NSW 2031

Issue Schedule	
Issue Date:	Issued by:
30 November 2020	Mark Kilroy Bsc (Hons) MRICS

Chris & Aggie Bradley  
110 Perouse Road  
RANDWICK, NSW 2031

November 2020  
Job No: COM4717001

**Tax Depreciation Report – 5/1 Rufus Street, Blackwater, QLD 4717**

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

30 November 2020

### Purchaser

Christopher Bradley & Agnieszka Szemplinska

### Property Address

5/1 Rufus Street, Blackwater, QLD 4717

### Real Property Description

L5 SP293409

### Property Type

Commercial

### Date of Construction

Pre 1985

## 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				
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"> <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>				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
<b>200 / 10 Years = 20% (Adjusted Value)</b>				
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"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
<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.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

## **4. Capital Works**

### **4.1 Entitlement**

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

### **4.2 Method of Depreciation**

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

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

### **4.3 Method of Depreciation**

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



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	26 November 18 to 30 June 19	5,799	722	6,521	849	7,370
2	1 July 19 to 30 June 20	8,586	1,172	9,759	1,434	11,193
3	1 July 20 to 30 June 21	6,797	733	7,529	1,434	8,963
4	1 July 21 to 30 June 22	5,388	458	5,846	1,434	7,280
5	1 July 22 to 30 June 23	3,986	650	4,637	1,434	6,071
6	1 July 23 to 30 June 24	3,002	770	3,772	1,434	5,206
7	1 July 24 to 30 June 25	1,909	1,474	3,382	1,434	4,816
8	1 July 25 to 30 June 26	1,527	921	2,448	1,434	3,882
9	1 July 26 to 30 June 27	1,221	576	1,797	1,434	3,231
10	1 July 27 to 30 June 28	977	360	1,337	1,434	2,771
11	1 July 28 to 30 June 29	586	591	1,178	1,434	2,612
12	1 July 29 to 30 June 30	469	370	839	1,434	2,273
13	1 July 30 to 30 June 31	375	231	606	1,434	2,040
14	1 July 31 to 30 June 32	300	144	445	1,434	1,879
15	1 July 32 to 30 June 33	240	90	330	1,434	1,764
16	1 July 33 to 30 June 34	0	417	417	1,338	1,755
17	1 July 34 to 30 June 35	0	260	260	1,080	1,340
18	1 July 35 to 30 June 36	0	163	163	1,080	1,243
19	1 July 36 to 30 June 37	0	102	102	1,080	1,182
20	1 July 37 to 30 June 38	0	64	64	1,080	1,144
21	1 July 38 to 30 June 39	0	40	40	1,080	1,120
22	1 July 39 to 30 June 40	0	25	25	1,080	1,105
23	1 July 40 to 30 June 41	0	16	16	1,080	1,096
24	1 July 41 to 30 June 42	0	10	10	1,080	1,090
25	1 July 42 to 30 June 43	0	6	6	1,080	1,086
26	1 July 43 to 30 June 44	0	4	4	1,080	1,084
27	1 July 44 to 30 June 45	0	2	2	1,080	1,082
28	1 July 45 to 30 June 46	0	1	1	1,080	1,081
29	1 July 46 to 30 June 47	0	1	1	1,080	1,081
30	1 July 47 to 30 June 48	0	1	1	1,080	1,081
31	1 July 48 to 30 June 49	0	0	0	1,051	1,051
32	1 July 49 to 30 June 50	0	0	0	580	580
33	1 July 50 to 30 June 51	0	0	0	580	580
34	1 July 51 to 30 June 52	0	0	0	387	387
35	1 July 52 to 30 June 53	0	0	0	0	0
36	1 July 53 to 30 June 54	0	0	0	0	0
37	1 July 54 to 30 June 55	0	0	0	0	0
38	1 July 55 to 30 June 56	0	0	0	0	0
39	1 July 56 to 30 June 57	0	0	0	0	0
40	2057+	0	0	0	0	0
<b>Totals</b>		<b>41,164</b>	<b>10,373</b>	<b>51,537</b>	<b>39,981</b>	<b>91,518</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	26 November 18 to 30 June 19	2,899	722	3,621	849	4,470
2	1 July 19 to 30 June 20	4,899	1,172	6,071	1,434	7,505
3	1 July 20 to 30 June 21	4,899	733	5,632	1,434	7,066
4	1 July 21 to 30 June 22	4,899	458	5,357	1,434	6,791
5	1 July 22 to 30 June 23	4,899	286	5,185	1,434	6,619
6	1 July 23 to 30 June 24	4,899	179	5,078	1,434	6,512
7	1 July 24 to 30 June 25	4,899	112	5,011	1,434	6,445
8	1 July 25 to 30 June 26	4,422	70	4,492	1,434	5,926
9	1 July 26 to 30 June 27	4,383	44	4,427	1,434	5,861
10	1 July 27 to 30 June 28	4,383	27	4,410	1,434	5,844
11	1 July 28 to 30 June 29	1,912	17	1,929	1,434	3,363
12	1 July 29 to 30 June 30	206	11	217	1,434	1,651
13	1 July 30 to 30 June 31	89	7	96	1,434	1,530
14	1 July 31 to 30 June 32	0	4	4	1,434	1,438
15	1 July 32 to 30 June 33	0	3	3	1,434	1,437
16	1 July 33 to 30 June 34	0	2	2	1,338	1,340
17	1 July 34 to 30 June 35	0	1	1	1,080	1,081
18	1 July 35 to 30 June 36	0	1	1	1,080	1,081
19	1 July 36 to 30 June 37	0	0	0	1,080	1,080
20	1 July 37 to 30 June 38	0	0	0	1,080	1,080
21	1 July 38 to 30 June 39	0	0	0	1,080	1,080
22	1 July 39 to 30 June 40	0	0	0	1,080	1,080
23	1 July 40 to 30 June 41	0	0	0	1,080	1,080
24	1 July 41 to 30 June 42	0	0	0	1,080	1,080
25	1 July 42 to 30 June 43	0	0	0	1,080	1,080
26	1 July 43 to 30 June 44	0	0	0	1,080	1,080
27	1 July 44 to 30 June 45	0	0	0	1,080	1,080
28	1 July 45 to 30 June 46	0	0	0	1,080	1,080
29	1 July 46 to 30 June 47	0	0	0	1,080	1,080
30	1 July 47 to 30 June 48	0	0	0	1,080	1,080
31	1 July 48 to 30 June 49	0	0	0	1,051	1,051
32	1 July 49 to 30 June 50	0	0	0	580	580
33	1 July 50 to 30 June 51	0	0	0	580	580
34	1 July 51 to 30 June 52	0	0	0	387	387
35	1 July 52 to 30 June 53	0	0	0	0	0
36	1 July 53 to 30 June 54	0	0	0	0	0
37	1 July 54 to 30 June 55	0	0	0	0	0
38	1 July 55 to 30 June 56	0	0	0	0	0
39	1 July 56 to 30 June 57	0	0	0	0	0
40	2057+	0	0	0	0	0
<b>Totals</b>		<b>47,688</b>	<b>3,849</b>	<b>51,537</b>	<b>39,981</b>	<b>91,518</b>

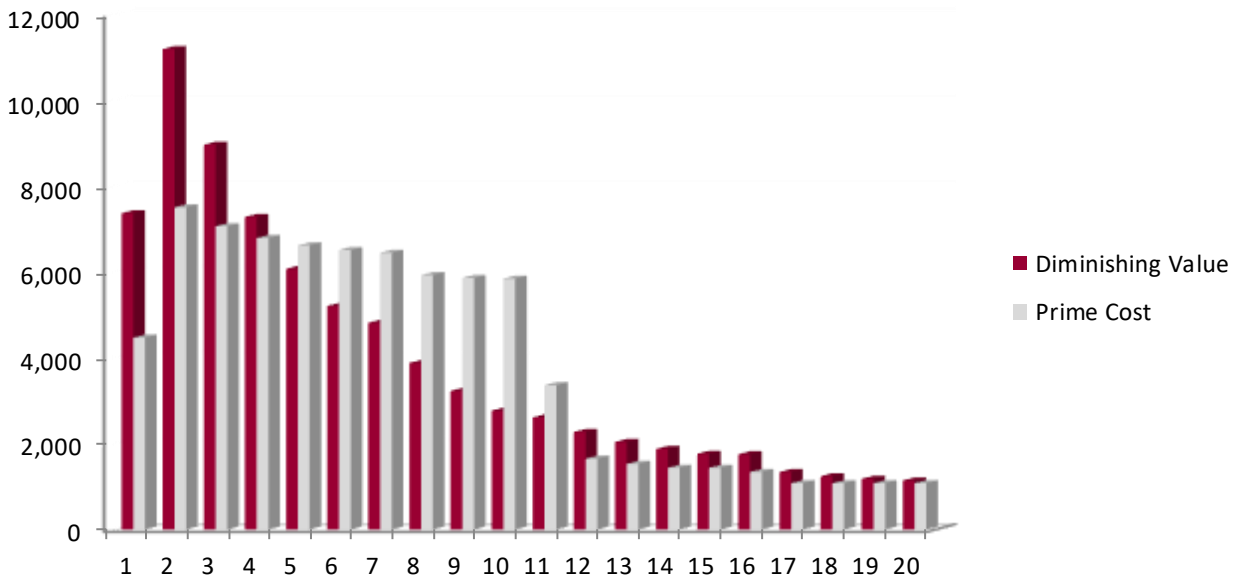
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

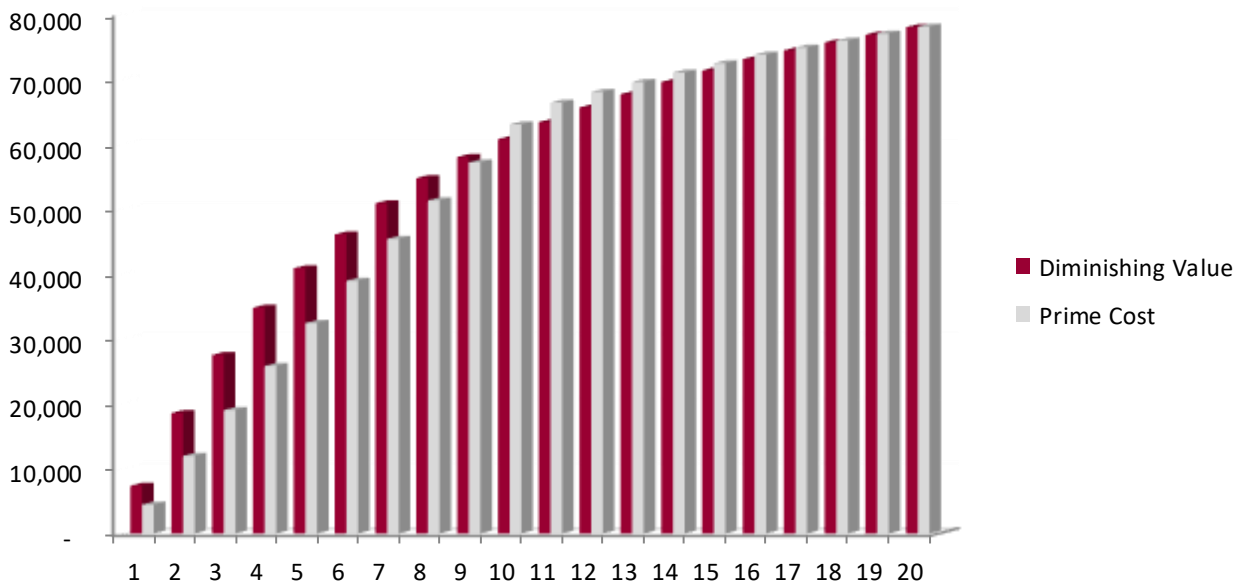
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	25 September 2018
Settlement Date	26 November 2018

### Expenditure Analysed

Purchase Price	\$288,000
Stamp Duty	\$8,505
Legals	\$2,187
<b>Total Expenditure Analysed</b>	<b>\$298,692</b>

### Historical Construction Details

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

## 9. Reconciliation of Capital Expenditure

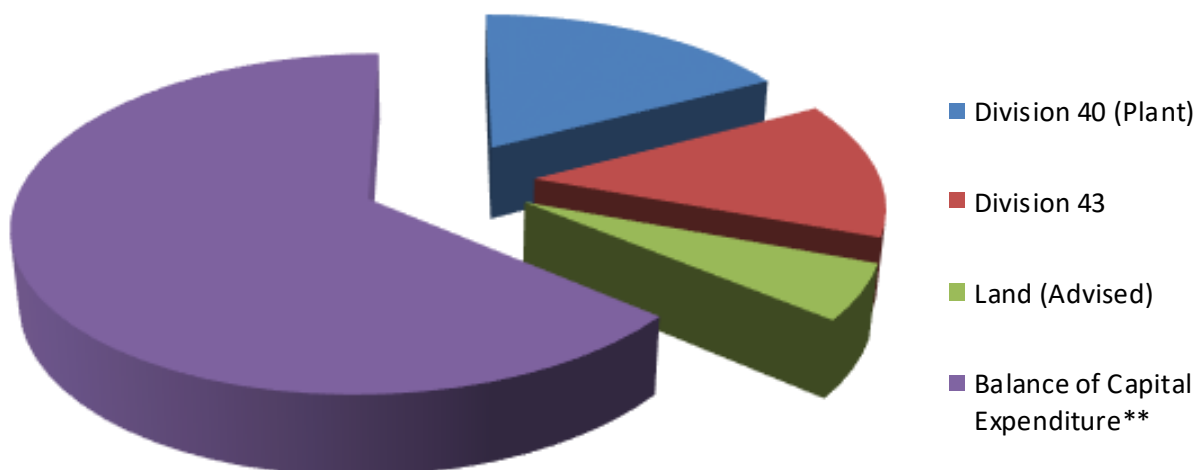
### Apportionment of cost relating to:

Division 40 (Plant)	\$51,537
Division 43	\$39,981
Land (Advised)	\$16,061
Balance of Capital Expenditure**	\$191,113
<b>Total Expenditure Analysed</b>	<b>\$298,692</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 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>Division 40 - Plant and Equipment</b>													
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	26-Nov-18	8,258	977	1,456	1,165	932	746	596	477	382	305	244
<b>Door closers</b>	20.00%	26-Nov-18	3,028	358	534	427	342	273	219	328	205	128	80
Door closers	18.75%	26-Nov-18	493	92	150	94	59	37	23	14	9	6	3
<b>Fire control assets</b>													
Fire extinguishers	18.75%	26-Nov-18	482	90	147	92	57	36	22	14	9	5	3
<b>Floor coverings ( removable without damage)</b>													
Linoleum & vinyl	20.00%	26-Nov-18	2,684	318	473	379	303	242	363	227	142	89	55
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	26-Nov-18	2,477	244	372	310	258	215	179	337	210	131	82
<b>Lights</b>													
Fittings	18.75%	26-Nov-18	2,461	461	750	469	293	183	114	72	45	28	17
Emergency	18.75%	26-Nov-18	413	77	126	79	49	31	19	12	7	5	3
<b>Refrigeration assets:</b>													
Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)	20.00%	26-Nov-18	3,028	358	534	427	342	273	219	328	205	128	80
Insulation panels used in cool or freezer rooms	20.00%	26-Nov-18	24,773	2,932	4,368	3,495	2,796	2,237	1,789	1,431	1,145	916	733
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	26-Nov-18	3,441	611	849	594	416	364	227	142	89	56	35
<b>Pooled Plant Total</b>				<b>722</b>	<b>1,172</b>	<b>733</b>	<b>458</b>	<b>650</b>	<b>770</b>	<b>1,474</b>	<b>921</b>	<b>576</b>	<b>360</b>
<b>Effective Life Plant Total</b>				<b>5,799</b>	<b>8,586</b>	<b>6,797</b>	<b>5,388</b>	<b>3,986</b>	<b>3,002</b>	<b>1,909</b>	<b>1,527</b>	<b>1,221</b>	<b>977</b>
<b>Total Division 40</b>			<b>51,537</b>	<b>6,521</b>	<b>9,759</b>	<b>7,529</b>	<b>5,846</b>	<b>4,637</b>	<b>3,772</b>	<b>3,382</b>	<b>2,448</b>	<b>1,797</b>	<b>1,337</b>
<b>Division 43 - Capital Works Allowance</b>													
	<b>Rate</b>		<b>Opening Value</b>	<b>Year 1</b>	<b>Year2</b>	<b>Year 3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Year8</b>	<b>Year9</b>	<b>Year10</b>
<b>Building Works - Completed 1994</b>	2.50%	26-Nov-18	1,806	70	118	118	118	118	118	118	118	118	118
<b>Building Works - Completed 2009</b>	2.50%	26-Nov-18	15,267	296	500	500	500	500	500	500	500	500	500
<b>Structural Improvements - Completed 1994</b>	2.50%	26-Nov-18	3,618	140	236	236	236	236	236	236	236	236	236
<b>Structural Improvements - Completed 2012</b>	2.50%	26-Nov-18	19,290	343	580	580	580	580	580	580	580	580	580
<b>Total Division 43</b>			<b>39,981</b>	<b>849</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>
<b>Total Depreciation</b>			<b>91,518</b>	<b>7,370</b>	<b>11,193</b>	<b>8,963</b>	<b>7,280</b>	<b>6,071</b>	<b>5,206</b>	<b>4,816</b>	<b>3,882</b>	<b>3,231</b>	<b>2,771</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%	26-Nov-18	8,258	489	826	826	826	826	826	826	826	826	826
<b>Door closers</b>													
Door closers	10.00%	26-Nov-18	3,028	179	303	303	303	303	303	303	303	303	303
Door closers	18.75%	26-Nov-18	493	92	150	94	59	37	23	14	9	6	3
<b>Fire control assets</b>													
Fire extinguishers	18.75%	26-Nov-18	482	90	147	92	57	36	22	14	9	5	3
<b>Floor coverings ( removable without damage)</b>													
Linoleum & vinyl	10.00%	26-Nov-18	2,684	159	268	268	268	268	268	268	268	268	268
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	26-Nov-18	2,477	122	206	206	206	206	206	206	206	206	206
<b>Lights</b>													
Fittings	18.75%	26-Nov-18	2,461	461	750	469	293	183	114	72	45	28	17
Emergency	18.75%	26-Nov-18	413	77	126	79	49	31	19	12	7	5	3
<b>Refrigeration assets:</b>													
Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)													
Insulation panels used in cool or freezer rooms	10.00%	26-Nov-18	3,028	179	303	303	303	303	303	303	303	303	303
Insulation panels used in cool or freezer rooms	10.00%	26-Nov-18	24,773	1,466	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	26-Nov-18	3,441	305	516	516	516	516	516	516	39		
<b>Pooled Plant Total</b>				<b>722</b>	<b>1,172</b>	<b>733</b>	<b>458</b>	<b>286</b>	<b>179</b>	<b>112</b>	<b>70</b>	<b>44</b>	<b>27</b>
<b>Effective Life Plant Total</b>				<b>2,899</b>	<b>4,899</b>	<b>4,899</b>	<b>4,899</b>	<b>4,899</b>	<b>4,899</b>	<b>4,899</b>	<b>4,422</b>	<b>4,383</b>	<b>4,383</b>
<b>Total Division 40</b>			<b>51,537</b>	<b>3,621</b>	<b>6,071</b>	<b>5,632</b>	<b>5,357</b>	<b>5,185</b>	<b>5,078</b>	<b>5,011</b>	<b>4,492</b>	<b>4,427</b>	<b>4,410</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1994	2.50%	26-Nov-18	1,806	70	118	118	118	118	118	118	118	118	118
Building Works - Completed 2009	2.50%	26-Nov-18	15,267	296	500	500	500	500	500	500	500	500	500
Structural Improvements - Completed 1994	2.50%	26-Nov-18	3,618	140	236	236	236	236	236	236	236	236	236
Structural Improvements - Completed 2012	2.50%	26-Nov-18	19,290	343	580	580	580	580	580	580	580	580	580
<b>Total Division 43</b>			<b>39,981</b>	<b>849</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>	<b>1,434</b>
<b>Total Depreciation</b>			<b>91,518</b>	<b>4,470</b>	<b>7,505</b>	<b>7,066</b>	<b>6,791</b>	<b>6,619</b>	<b>6,512</b>	<b>6,445</b>	<b>5,926</b>	<b>5,861</b>	<b>5,844</b>

## 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 1994	11 Mar 94 to 10 Apr 94	4,704	2.50%	118	1,806
Building Works - Completed 2009	6 May 09 to 5 Jun 09	20,011	2.50%	500	15,267
<b>Sub-total</b>		<b>24,715</b>		<b>618</b>	<b>17,073</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1994	11 Mar 94 to 10 Apr 94	9,426	2.50%	236	3,618
Structural Improvements - Completed 2012	31 Jan 12 to 1 Mar 12	23,201	2.50%	580	19,290
<b>Sub-total</b>		<b>32,627</b>		<b>816</b>	<b>22,908</b>
<b>Totals</b>		<b>57,342</b>		<b>1,434</b>	<b>39,981</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	
<b>Company Name</b>	Koste Pty Ltd
<b>Postal Address</b>	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
<b>Office Number</b>	1300 669 400
<b>Office Email</b>	info@koste.com.au

LEAD SURVEYOR DETAILS	
<b>Surveyors Name</b>	Mark Kilroy
<b>Tax Agent Number</b>	24370523
<b>Contact Number</b>	1300 669 400
<b>Email</b>	mark@koste.com.au

## **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.