



Tax Depreciation Report

263/129 Laver Drive,
Robina QLD 4226

Peter Owens
5 Wilcox Lane
SUNBURY, VIC 3429

Issue Schedule	
Issue Date:	Issued by:
25 September 2018	Mark Kilroy Bsc (Hons) MRICS

Peter Owens
5 Wilcox Lane
SUNBURY, VIC 3429

September 2018
Job No: RES4226047

Tax Depreciation Report – 263/129 Laver Drive, Robina QLD 4226

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

25 September 2018

Purchaser

Peter Owens

Property Address

263/129 Laver Drive, Robina QLD 4226

Real Property Description

L263 SP214470

Property Type

Residential Unit

Date of Construction

8 October 2009

Property Photo



2. Report Details

2.1 Introduction

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

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

Division 40 (Capital Allowances)

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

Division 40 (Capital Allowances) - Low Value Pool

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

Division 43 (Capital Works)

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

3. Capital Allowances

3.1 Entitlement

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

3.2 Qualifying Expenditure Calculation

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

3.3 Effective Life

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

3.4 Immediate Write-Off Assets

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

3.5 Low Value Pool

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

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

3.6 Method of Depreciation

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

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

4. Capital Works

4.1 Entitlement

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

4.2 Method of Depreciation

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

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

4.3 Method of Depreciation

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

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	2 July 17 to 30 June 18	9,706	2,358	12,064	5,119	17,183
2	1 July 18 to 30 June 19	7,108	4,833	11,941	5,148	17,089
3	1 July 19 to 30 June 20	5,513	3,325	8,838	5,148	13,986
4	1 July 20 to 30 June 21	4,272	2,361	6,633	5,148	11,781
5	1 July 21 to 30 June 22	3,404	1,837	5,241	5,148	10,389
6	1 July 22 to 30 June 23	2,666	1,496	4,162	5,148	9,310
7	1 July 23 to 30 June 24	2,105	1,260	3,365	5,148	8,513
8	1 July 24 to 30 June 25	1,786	787	2,573	5,148	7,721
9	1 July 25 to 30 June 26	1,522	492	2,015	5,148	7,163
10	1 July 26 to 30 June 27	1,304	308	1,612	5,148	6,760
11	1 July 27 to 30 June 28	1,123	192	1,315	5,148	6,463
12	1 July 28 to 30 June 29	605	806	1,411	5,148	6,559
13	1 July 29 to 30 June 30	416	842	1,259	5,148	6,407
14	1 July 30 to 30 June 31	388	527	915	5,148	6,063
15	1 July 31 to 30 June 32	363	329	692	5,148	5,840
16	1 July 32 to 30 June 33	338	206	544	5,148	5,692
17	1 July 33 to 30 June 34	316	129	444	5,148	5,592
18	1 July 34 to 30 June 35	295	80	375	5,148	5,523
19	1 July 35 to 30 June 36	275	50	325	5,148	5,473
20	1 July 36 to 30 June 37	257	31	288	5,148	5,436
21	1 July 37 to 30 June 38	240	20	259	5,148	5,407
22	1 July 38 to 30 June 39	224	12	236	5,148	5,384
23	1 July 39 to 30 June 40	209	8	216	5,148	5,364
24	1 July 40 to 30 June 41	195	5	200	5,148	5,348
25	1 July 41 to 30 June 42	182	3	185	5,148	5,333
26	1 July 42 to 30 June 43	170	2	172	5,148	5,320
27	1 July 43 to 30 June 44	158	1	160	5,148	5,308
28	1 July 44 to 30 June 45	148	1	149	5,148	5,297
29	1 July 45 to 30 June 46	138	0	138	5,148	5,286
30	1 July 46 to 30 June 47	129	0	129	5,148	5,277
31	1 July 47 to 30 June 48	120	0	120	5,148	5,268
32	1 July 48 to 30 June 49	112	0	112	5,148	5,260
33	1 July 49 to 30 June 50	105	0	105	1,376	1,481
34	1 July 50 to 30 June 51	98	0	98	0	98
35	1 July 51 to 30 June 52	91	0	91	0	91
36	1 July 52 to 30 June 53	85	0	85	0	85
37	1 July 53 to 30 June 54	79	0	79	0	79
38	1 July 54 to 30 June 55	74	0	74	0	74
39	1 July 55 to 30 June 56	69	0	69	0	69
40	2056+	0	969	969	0	969
Totals		46,389	23,270	69,660	166,083	235,743

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	2 July 17 to 30 June 18	5,030	2,358	7,388	5,119	12,507
2	1 July 18 to 30 June 19	4,703	3,832	8,535	5,148	13,683
3	1 July 19 to 30 June 20	4,703	2,395	7,098	5,148	12,246
4	1 July 20 to 30 June 21	4,703	1,497	6,200	5,148	11,348
5	1 July 21 to 30 June 22	4,703	936	5,639	5,148	10,787
6	1 July 22 to 30 June 23	4,703	585	5,288	5,148	10,436
7	1 July 23 to 30 June 24	4,201	365	4,566	5,148	9,714
8	1 July 24 to 30 June 25	4,032	228	4,260	5,148	9,408
9	1 July 25 to 30 June 26	4,032	143	4,175	5,148	9,323
10	1 July 26 to 30 June 27	4,031	89	4,121	5,148	9,269
11	1 July 27 to 30 June 28	1,523	56	1,579	5,148	6,727
12	1 July 28 to 30 June 29	1,503	35	1,538	5,148	6,686
13	1 July 29 to 30 June 30	957	22	978	5,148	6,126
14	1 July 30 to 30 June 31	638	14	652	5,148	5,800
15	1 July 31 to 30 June 32	476	9	485	5,148	5,633
16	1 July 32 to 30 June 33	476	5	481	5,148	5,629
17	1 July 33 to 30 June 34	476	3	479	5,148	5,627
18	1 July 34 to 30 June 35	476	2	478	5,148	5,626
19	1 July 35 to 30 June 36	476	1	477	5,148	5,625
20	1 July 36 to 30 June 37	476	1	477	5,148	5,625
21	1 July 37 to 30 June 38	476	1	477	5,148	5,625
22	1 July 38 to 30 June 39	476	0	476	5,148	5,624
23	1 July 39 to 30 June 40	476	0	476	5,148	5,624
24	1 July 40 to 30 June 41	476	0	476	5,148	5,624
25	1 July 41 to 30 June 42	476	0	476	5,148	5,624
26	1 July 42 to 30 June 43	476	0	476	5,148	5,624
27	1 July 43 to 30 June 44	476	0	476	5,148	5,624
28	1 July 44 to 30 June 45	476	0	476	5,148	5,624
29	1 July 45 to 30 June 46	476	0	476	5,148	5,624
30	1 July 46 to 30 June 47	476	0	476	5,148	5,624
31	1 July 47 to 30 June 48	6	0	6	5,148	5,154
32	1 July 48 to 30 June 49	0	0	0	5,148	5,148
33	1 July 49 to 30 June 50	0	0	0	1,376	1,376
34	1 July 50 to 30 June 51	0	0	0	0	0
35	1 July 51 to 30 June 52	0	0	0	0	0
36	1 July 52 to 30 June 53	0	0	0	0	0
37	1 July 53 to 30 June 54	0	0	0	0	0
38	1 July 54 to 30 June 55	0	0	0	0	0
39	1 July 55 to 30 June 56	0	0	0	0	0
40	2056+	0	0	0	0	0
Totals		57,083	12,577	69,660	166,083	235,743

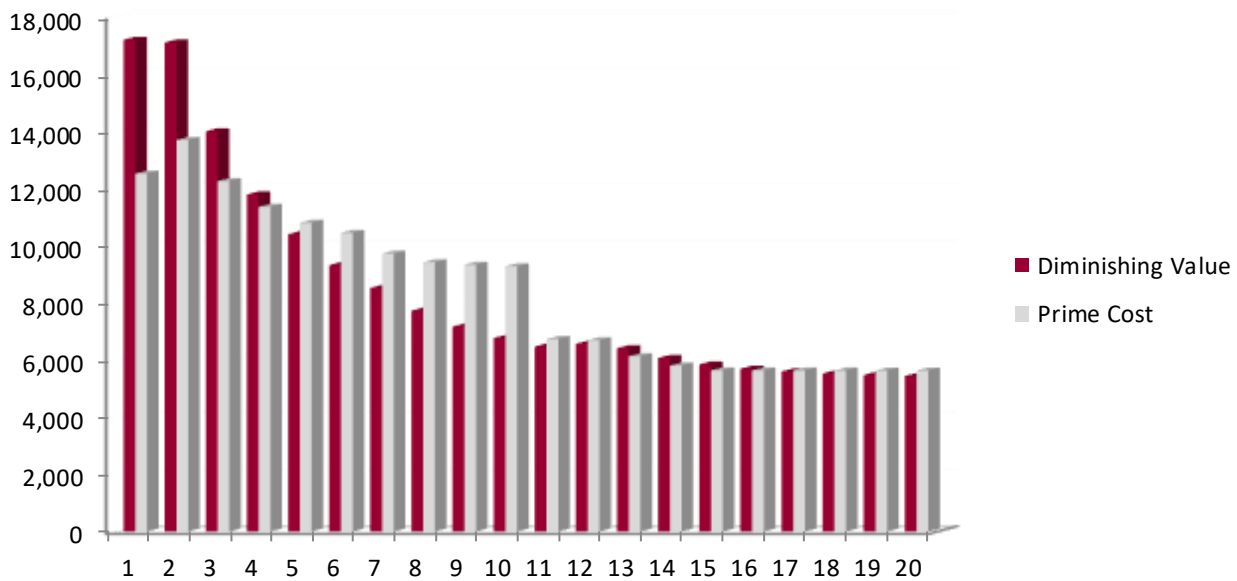
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

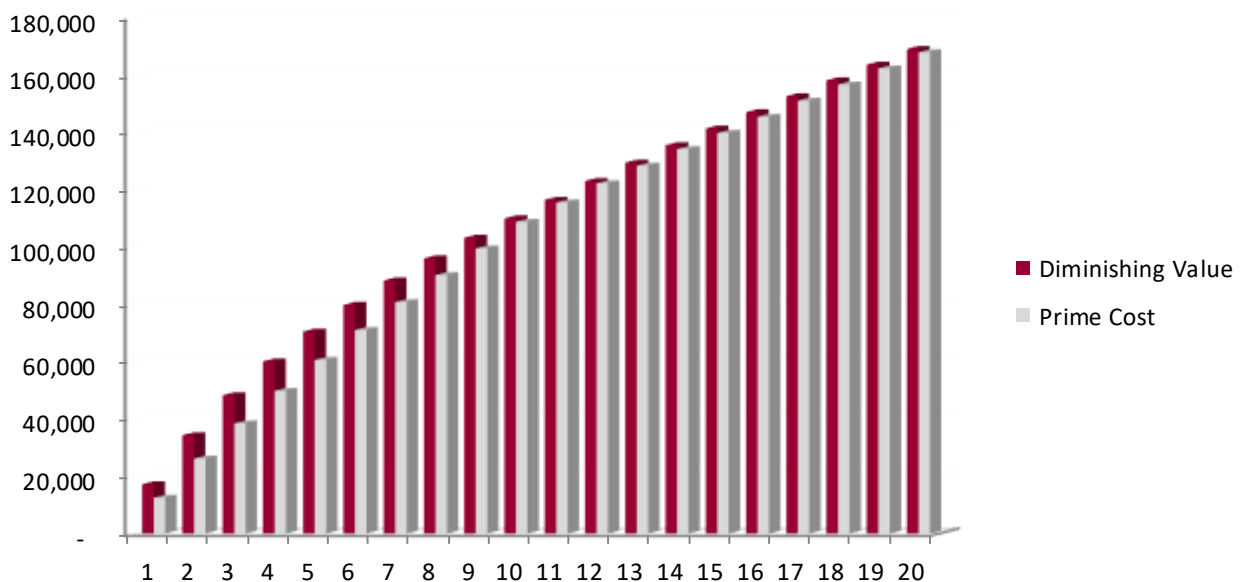
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	3 January 2017
Settlement Date	2 July 2017

Expenditure Analysed

Purchase Price	\$550,000
Stamp Duty	\$25,000
Legals	\$8,000
Total Expenditure Analysed	\$583,000

Historical Construction Details

Construction Start Date	1 January 2009
Construction Completion Date	8 October 2009
Historical Construction Cost (Estimated)*	\$243,224

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$69,660
Division 43	\$166,083
Land (Assessed)	\$109,773
Balance of Capital Expenditure**	\$237,484
Total Expenditure Analysed	\$583,000

Notes

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

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



10. Diminishing Value Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	2-Jul-17	11,285	2,245	1,808	1,447	1,157	926	741	592	474	379	303
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	2-Jul-17	1,176	220	358	224	140	87	55	34	21	13	8
Blinds Residential	20.00%	2-Jul-17	1,129	224	339	212	132	83	52	32	20	13	8
Blinds Residential	18.75%	2-Jul-17	423	79	129	81	50	31	20	12	8	5	3
Ceiling Fans	18.75%	2-Jul-17	1,411	265	430	269	168	105	66	41	26	16	10
Curtains and drapes	33.33%	2-Jul-17	2,539	842	566	377	283	177	111	69	43	27	17
Curtains and drapes	18.75%	2-Jul-17	1,524	286	464	290	181	113	71	44	28	17	11
Door closers	18.75%	2-Jul-17	973	182	296	185	116	72	45	28	18	11	7
Fire control assets													
Detection & alarm systems, detectors	18.75%	2-Jul-17	1,228	230	374	234	146	91	57	36	22	14	9
Emergency warning & intercommunication system	18.75%	2-Jul-17	864	162	263	165	103	64	40	25	16	10	6
Hoses and nozzles	18.75%	2-Jul-17	331	62	101	63	39	25	15	10	6	4	2
Floor coverings (removable without damage)													
Carpets	20.00%	2-Jul-17	9,972	1,984	1,598	1,278	1,023	818	654	524	419	335	268
Furniture	15.00%	2-Jul-17	6,348	947	810	689	585	498	423	359	306	260	221
Furniture	18.75%	2-Jul-17	2,122	398	647	404	253	158	99	62	39	24	15
Hot water systems (excluding piping)													
Gas or electric	16.67%	2-Jul-17	1,058	175	331	207	129	81	51	32	20	12	8
Kitchen assets													
Cooktops	16.67%	2-Jul-17	1,998	331	278	232	193	362	226	141	88	55	35
Dishwashers	20.00%	2-Jul-17	2,821	561	452	362	289	231	347	217	136	85	53
Ovens	16.67%	2-Jul-17	2,586	429	360	300	250	208	173	325	203	127	79
Rangehoods	16.67%	2-Jul-17	1,058	175	331	207	129	81	51	32	20	12	8
Lifts (including hydraulic & tractions lifts)	6.67%	2-Jul-17	14,283	947	889	830	774	723	675	630	588	549	512
Lights													
Shades, removable	18.75%	2-Jul-17	2,012	377	613	383	239	150	94	58	37	23	14
MATV - amplifiers & modulators	18.75%	2-Jul-17	514	96	157	98	61	38	24	15	9	6	4
Security systems & equipment													
Electronic	30.00%	2-Jul-17	1,652	493	348	304	190	119	74	46	29	18	11
\$300 items	100.00%	2-Jul-17	353	353									
Pooled Plant Total				2,358	4,833	3,325	2,361	1,837	1,496	1,260	787	492	308
Effective Life Plant Total				9,706	7,108	5,513	4,272	3,404	2,666	2,105	1,786	1,522	1,304
Total Division 40			69,660	12,064	11,941	8,838	6,633	5,241	4,162	3,365	2,573	2,015	1,612

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 2009	2.50%	02-Jul-17	163,089	5,027	5,055	5,055	5,055	5,055	5,055	5,055	5,055	5,055	5,055
Structural Improvements - Completed 2009	2.50%	02-Jul-17	2,994	92	93	93	93	93	93	93	93	93	93
Total Division 43			166,083	5,119	5,148	5,148	5,148	5,148	5,148	5,148	5,148	5,148	5,148
Total Depreciation			235,743	17,183	17,089	13,986	11,781	10,389	9,310	8,513	7,721	7,163	6,760

11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	02-Jul-17	11,285	1,122	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	02-Jul-17	1,176	220	358	224	140	87	55	34	21	13	8
Blinds Residential	10.00%	02-Jul-17	1,129	112	113	113	113	113	113	113	113	113	112
Blinds Residential	18.75%	02-Jul-17	423	79	129	81	50	31	20	12	8	5	3
Ceiling Fans	18.75%	02-Jul-17	1,411	265	430	269	168	105	66	41	26	16	10
Curtains and drapes	16.67%	02-Jul-17	2,539	421	423	423	423	423	423	3			
Curtains and drapes	18.75%	02-Jul-17	1,524	286	464	290	181	113	71	44	28	17	11
Door closers	18.75%	02-Jul-17	973	182	296	185	116	72	45	28	18	11	7
Fire control assets													
Detection & alarm systems, detectors	18.75%	02-Jul-17	1,228	230	374	234	146	91	57	36	22	14	9
Emergency warning & intercommunication system	18.75%	02-Jul-17	864	162	263	165	103	64	40	25	16	10	6
Hoses and nozzles	18.75%	02-Jul-17	331	62	101	63	39	25	15	10	6	4	2
Floor coverings (removable without damage)													
Carpets	10.00%	02-Jul-17	9,972	992	997	997	997	997	997	997	997	997	997
Furniture	7.50%	02-Jul-17	6,348	474	476	476	476	476	476	476	476	476	476
Furniture	18.75%	02-Jul-17	2,122	398	647	404	253	158	99	62	39	24	15
Hot water systems (excluding piping)													
Gas or electric	8.33%	02-Jul-17	1,058	88	88	88	88	88	88	88	88	88	88
Kitchen assets													
Cooktops	8.33%	02-Jul-17	1,998	166	167	167	167	167	167	167	167	167	167
Dishwashers	10.00%	02-Jul-17	2,821	281	282	282	282	282	282	282	282	282	282
Ovens	8.33%	02-Jul-17	2,586	214	216	216	216	216	216	216	216	216	216
Rangehoods	8.33%	02-Jul-17	1,058	88	88	88	88	88	88	88	88	88	88
Lifts (including hydraulic & tractions lifts)	3.33%	02-Jul-17	14,283	473	476	476	476	476	476	476	476	476	476
Lights													
Shades, removable	18.75%	02-Jul-17	2,012	377	613	383	239	150	94	58	37	23	14
MATV - amplifiers & modulators	18.75%	02-Jul-17	514	96	157	98	61	38	24	15	9	6	4
Security systems & equipment													
Electronic	15.00%	02-Jul-17	1,652	246	248	248	248	248	248	165			
\$300 items	100.00%	02-Jul-17	353	353									
Pooled Plant Total				2,358	3,832	2,395	1,497	936	585	365	228	143	89
Effective Life Plant Total				5,030	4,703	4,703	4,703	4,703	4,703	4,201	4,032	4,032	4,031
Total Division 40			69,660	7,388	8,535	7,098	6,200	5,639	5,288	4,566	4,260	4,175	4,121

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 2009	2.50%	02-Jul-17	163,089	5,027	5,055	5,055	5,055	5,055	5,055	5,055	5,055	5,055	5,055
Structural Improvements - Completed 2009	2.50%	02-Jul-17	2,994	92	93	93	93	93	93	93	93	93	93
Total Division 43			166,083	5,119	5,148	5,148	5,148	5,148	5,148	5,148	5,148	5,148	5,148
Total Depreciation			235,743	12,507	13,683	12,246	11,348	10,787	10,436	9,714	9,408	9,323	9,269

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 2009	1 Jan 09 to 8 Oct 09	202,199	2.50%	5,055	163,089
Sub-total		202,199		5,055	163,089

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2009	1 Jan 09 to 8 Oct 09	3,712	2.50%	93	2,994
Sub-total		3,712		93	2,994
Totals		205,911		5,148	166,083

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

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

13. Definition of Terms

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

14. Contact Details

COMPANY DETAILS	
Company Name	Koste Pty Ltd
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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.