



## Tax Depreciation Report

33/84 The Promenade,  
Springfield Lakes QLD 4300

ACJAM Super Fund  
9 Hercules Street  
HAMILTON, QLD 4007

Issue Schedule	
Issue Date:	Issued by:
02 October 2018	Mark Kilroy Bsc (Hons) MRICS

ACJAM Super Fund  
9 Hercules Street  
HAMILTON, QLD 4007

October 2018  
Job No: RES4300026

**Tax Depreciation Report – 33/84 The Promenade, Springfield Lakes QLD 4300**

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

2 October 2018

### Purchaser

ACJAM Super Fund

### Property Address

33/84 The Promenade, Springfield Lakes QLD 4300

### Real Property Description

L33 SP297658

### Property Type

Residential Townhouse

### Date of Construction

25 February 2018

### 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				
<p>Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.</p>					<p>Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.</p>				
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	27 March 18 to 30 June 18	1,503	2,293	3,796	1,273	5,069
2	1 July 18 to 30 June 19	4,355	3,726	8,081	4,893	12,974
3	1 July 19 to 30 June 20	3,532	2,329	5,860	4,893	10,753
4	1 July 20 to 30 June 21	2,709	1,807	4,516	4,893	9,409
5	1 July 21 to 30 June 22	1,615	2,218	3,833	4,893	8,726
6	1 July 22 to 30 June 23	849	2,407	3,256	4,893	8,149
7	1 July 23 to 30 June 24	687	1,504	2,191	4,893	7,084
8	1 July 24 to 30 June 25	396	1,299	1,696	4,893	6,589
9	1 July 25 to 30 June 26	317	812	1,129	4,893	6,022
10	1 July 26 to 30 June 27	254	508	761	4,893	5,654
11	1 July 27 to 30 June 28	203	317	520	4,893	5,413
12	1 July 28 to 30 June 29	0	503	503	4,893	5,396
13	1 July 29 to 30 June 30	0	314	314	4,893	5,207
14	1 July 30 to 30 June 31	0	196	196	4,893	5,089
15	1 July 31 to 30 June 32	0	123	123	4,893	5,016
16	1 July 32 to 30 June 33	0	77	77	4,893	4,970
17	1 July 33 to 30 June 34	0	48	48	4,893	4,941
18	1 July 34 to 30 June 35	0	30	30	4,893	4,923
19	1 July 35 to 30 June 36	0	19	19	4,893	4,912
20	1 July 36 to 30 June 37	0	12	12	4,893	4,905
21	1 July 37 to 30 June 38	0	7	7	4,893	4,900
22	1 July 38 to 30 June 39	0	5	5	4,893	4,898
23	1 July 39 to 30 June 40	0	3	3	4,893	4,896
24	1 July 40 to 30 June 41	0	2	2	4,893	4,895
25	1 July 41 to 30 June 42	0	1	1	4,893	4,894
26	1 July 42 to 30 June 43	0	1	1	4,893	4,894
27	1 July 43 to 30 June 44	0	0	0	4,893	4,893
28	1 July 44 to 30 June 45	0	0	0	4,893	4,893
29	1 July 45 to 30 June 46	0	0	0	4,893	4,893
30	1 July 46 to 30 June 47	0	0	0	4,893	4,893
31	1 July 47 to 30 June 48	0	0	0	4,893	4,893
32	1 July 48 to 30 June 49	0	0	0	4,893	4,893
33	1 July 49 to 30 June 50	0	0	0	4,893	4,893
34	1 July 50 to 30 June 51	0	0	0	4,893	4,893
35	1 July 51 to 30 June 52	0	0	0	4,893	4,893
36	1 July 52 to 30 June 53	0	0	0	4,893	4,893
37	1 July 53 to 30 June 54	0	0	0	4,893	4,893
38	1 July 54 to 30 June 55	0	0	0	4,893	4,893
39	1 July 55 to 30 June 56	0	0	0	4,893	4,893
40	2056+	0	0	0	8,110	8,110
<b>Totals</b>		<b>16,418</b>	<b>20,561</b>	<b>36,979</b>	<b>195,317</b>	<b>232,296</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	27 March 18 to 30 June 18	906	2,293	3,199	1,273	4,472
2	1 July 18 to 30 June 19	2,290	3,726	6,016	4,893	10,909
3	1 July 19 to 30 June 20	2,290	2,329	4,619	4,893	9,512
4	1 July 20 to 30 June 21	2,290	1,456	3,746	4,893	8,639
5	1 July 21 to 30 June 22	2,290	910	3,200	4,893	8,093
6	1 July 22 to 30 June 23	2,290	569	2,859	4,893	7,752
7	1 July 23 to 30 June 24	2,290	355	2,645	4,893	7,538
8	1 July 24 to 30 June 25	2,290	222	2,512	4,893	7,405
9	1 July 25 to 30 June 26	2,290	139	2,429	4,893	7,322
10	1 July 26 to 30 June 27	2,290	87	2,377	4,893	7,270
11	1 July 27 to 30 June 28	1,876	54	1,930	4,893	6,823
12	1 July 28 to 30 June 29	669	34	703	4,893	5,596
13	1 July 29 to 30 June 30	534	21	555	4,893	5,448
14	1 July 30 to 30 June 31	150	13	163	4,893	5,056
15	1 July 31 to 30 June 32	4	8	12	4,893	4,905
16	1 July 32 to 30 June 33	0	5	5	4,893	4,898
17	1 July 33 to 30 June 34	0	3	3	4,893	4,896
18	1 July 34 to 30 June 35	0	2	2	4,893	4,895
19	1 July 35 to 30 June 36	0	1	1	4,893	4,894
20	1 July 36 to 30 June 37	0	1	1	4,893	4,894
21	1 July 37 to 30 June 38	0	0	0	4,893	4,893
22	1 July 38 to 30 June 39	0	0	0	4,893	4,893
23	1 July 39 to 30 June 40	0	0	0	4,893	4,893
24	1 July 40 to 30 June 41	0	0	0	4,893	4,893
25	1 July 41 to 30 June 42	0	0	0	4,893	4,893
26	1 July 42 to 30 June 43	0	0	0	4,893	4,893
27	1 July 43 to 30 June 44	0	0	0	4,893	4,893
28	1 July 44 to 30 June 45	0	0	0	4,893	4,893
29	1 July 45 to 30 June 46	0	0	0	4,893	4,893
30	1 July 46 to 30 June 47	0	0	0	4,893	4,893
31	1 July 47 to 30 June 48	0	0	0	4,893	4,893
32	1 July 48 to 30 June 49	0	0	0	4,893	4,893
33	1 July 49 to 30 June 50	0	0	0	4,893	4,893
34	1 July 50 to 30 June 51	0	0	0	4,893	4,893
35	1 July 51 to 30 June 52	0	0	0	4,893	4,893
36	1 July 52 to 30 June 53	0	0	0	4,893	4,893
37	1 July 53 to 30 June 54	0	0	0	4,893	4,893
38	1 July 54 to 30 June 55	0	0	0	4,893	4,893
39	1 July 55 to 30 June 56	0	0	0	4,893	4,893
40	2056+	0	0	0	8,110	8,110
<b>Totals</b>		<b>24,750</b>	<b>12,230</b>	<b>36,979</b>	<b>195,317</b>	<b>232,296</b>

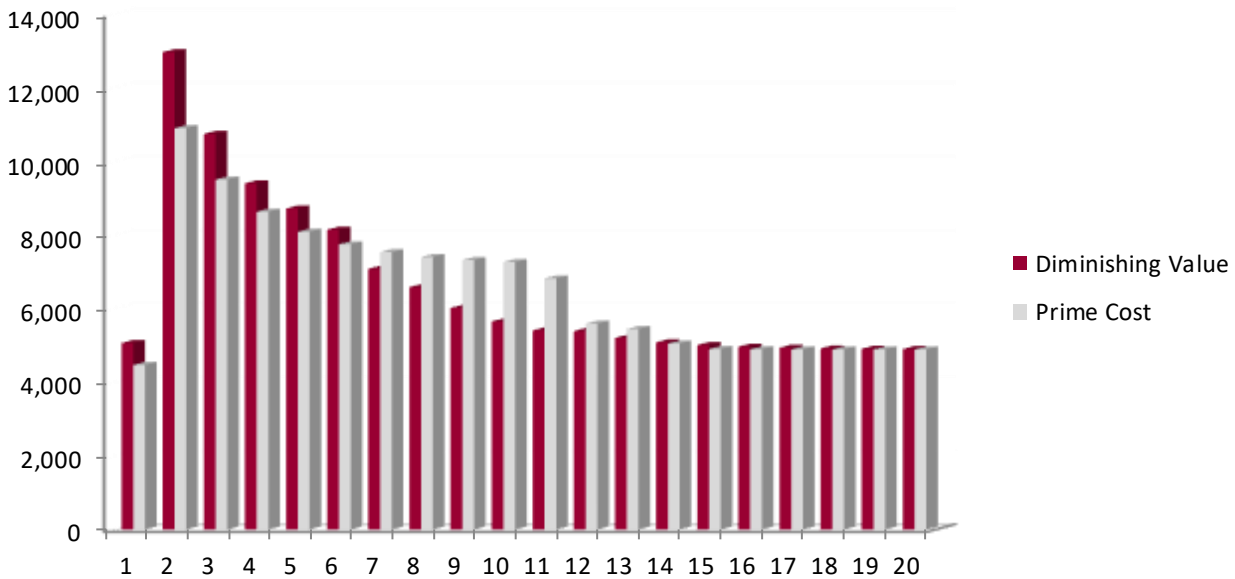
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

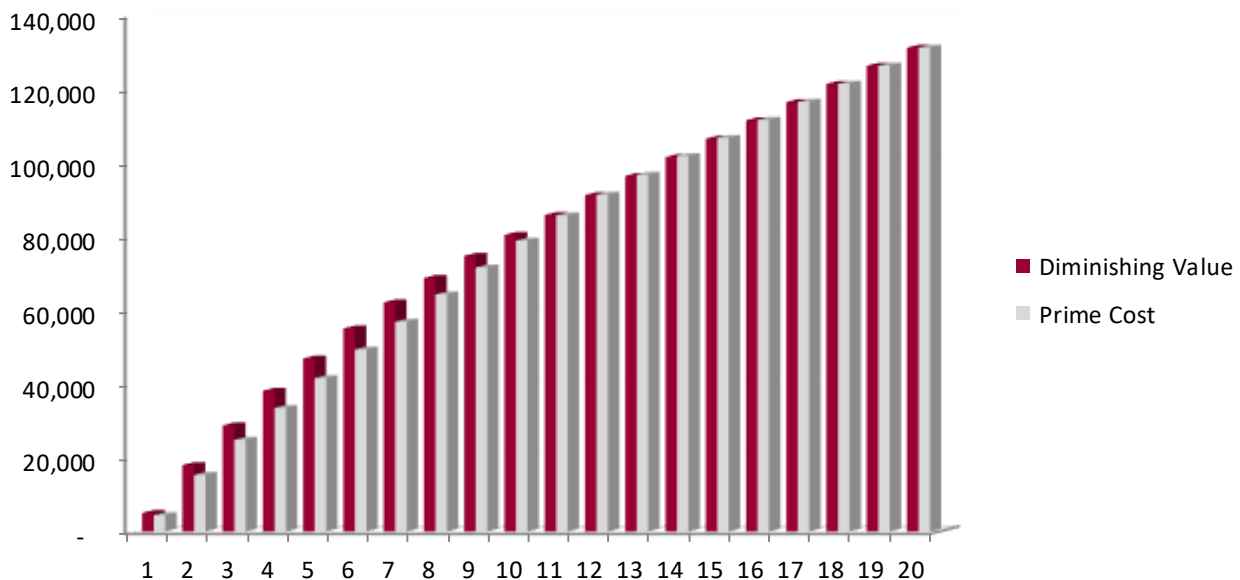
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	4 April 2017
Settlement Date	27 March 2018

### Expenditure Analysed

Purchase Price	\$335,000
Stamp Duty	\$10,150
<b>Total Expenditure Analysed</b>	<b>\$345,150</b>

### Historical Construction Details

Construction Start Date	4 April 2017
Construction Completion Date	25 February 2018
Historical Construction Cost (Estimated)*	\$224,352

## 9. Reconciliation of Capital Expenditure

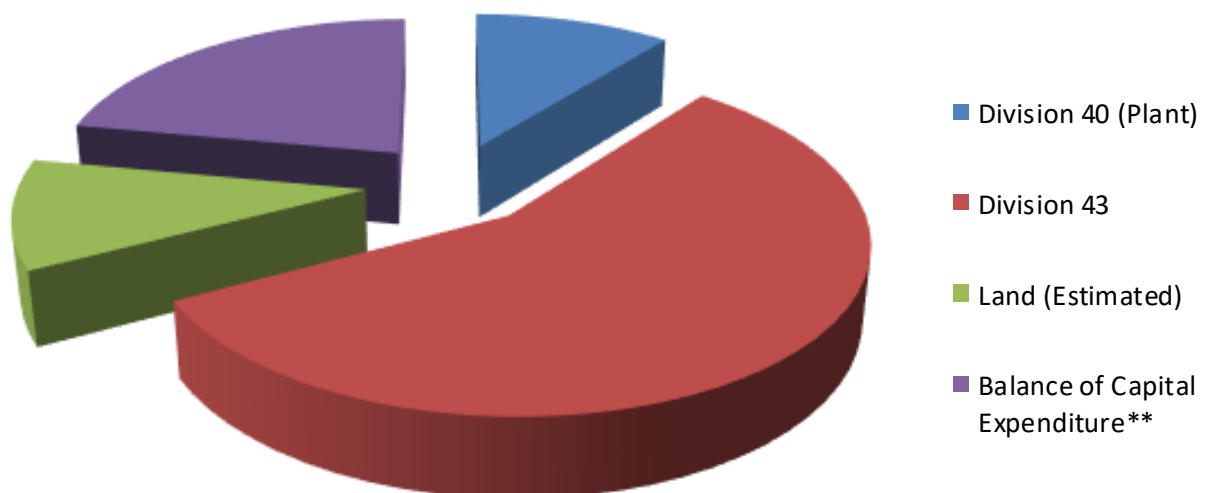
### Apportionment of cost relating to:

Division 40 (Plant)	\$36,979
Division 43	\$195,317
Land (Estimated)	\$36,796
Balance of Capital Expenditure**	\$76,058
<b>Total Expenditure Analysed</b>	<b>\$345,150</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%	27-Mar-18	7,972	415	1,511	1,209	967	774	619	495	396	317	254
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	27-Mar-18	830	156	253	158	99	62	39	24	15	9	6
<b>Blinds Residential</b>													
Blinds Residential	20.00%	27-Mar-18	1,993	104	378	302	242	363	227	142	89	55	35
Blinds Residential	18.75%	27-Mar-18	664	125	202	127	79	49	31	19	12	8	5
<b>Ceiling Fans</b>													
Ceiling Fans	18.75%	27-Mar-18	1,661	311	506	316	198	124	77	48	30	19	12
<b>Computer systems</b>													
General	18.75%	27-Mar-18	581	109	177	111	69	43	27	17	11	7	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	27-Mar-18	1,462	274	445	278	174	109	68	42	27	17	10
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	27-Mar-18	2,267	118	430	344	275	220	330	206	129	81	50
Floating timber	18.75%	27-Mar-18	367	69	112	70	44	27	17	11	7	4	3
<b>Furniture</b>													
Furniture	15.00%	27-Mar-18	1,993	78	287	244	208	176	375	234	146	92	57
Furniture	18.75%	27-Mar-18	3,496	656	1,065	666	416	260	163	102	63	40	25
<b>Garage doors, automatic</b>													
Motors	20.00%	27-Mar-18	1,993	104	378	302	242	363	227	142	89	55	35
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	27-Mar-18	2,990	130	477	397	331	276	230	192	359	224	140
<b>Kitchen assets</b>													
Cooktops	16.67%	27-Mar-18	1,412	61	225	188	352	220	137	86	54	34	21
Dishwashers	20.00%	27-Mar-18	1,993	104	378	302	242	363	227	142	89	55	35
Ovens	16.67%	27-Mar-18	1,827	79	291	243	202	169	316	198	123	77	48
Rangehoods	18.75%	27-Mar-18	747	140	228	142	89	56	35	22	14	8	5
<b>Lights</b>													
Shades, removable	18.75%	27-Mar-18	2,421	454	738	461	288	180	113	70	44	27	17
<b>\$300 items</b>													
\$300 items	100.00%	27-Mar-18	310	310									
<b>Pooled Plant Total</b>				<b>2,293</b>	<b>3,726</b>	<b>2,329</b>	<b>1,807</b>	<b>2,218</b>	<b>2,407</b>	<b>1,504</b>	<b>1,299</b>	<b>812</b>	<b>508</b>
<b>Effective Life Plant Total</b>				<b>1,503</b>	<b>4,355</b>	<b>3,532</b>	<b>2,709</b>	<b>1,615</b>	<b>849</b>	<b>687</b>	<b>396</b>	<b>317</b>	<b>254</b>
<b>Total Division 40</b>			<b>36,979</b>	<b>3,796</b>	<b>8,081</b>	<b>5,860</b>	<b>4,516</b>	<b>3,833</b>	<b>3,256</b>	<b>2,191</b>	<b>1,696</b>	<b>1,129</b>	<b>761</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
<b>Building Works - Completed 2018</b>	2.50%	27-Mar-18	190,244	1,240	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766
<b>Structural Improvements - Completed 2018</b>	2.50%	27-Mar-18	5,073	33	127	127	127	127	127	127	127	127	127
<b>Total Division 43</b>			195,317	1,273	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893
<b>Total Depreciation</b>			232,296	5,069	12,974	10,753	9,409	8,726	8,149	7,084	6,589	6,022	5,654

## 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%	27-Mar-18	7,972	207	797	797	797	797	797	797	797	797	797
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	27-Mar-18	830	156	253	158	99	62	39	24	15	9	6
<b>Blinds Residential</b>													
Blinds Residential	10.00%	27-Mar-18	1,993	52	199	199	199	199	199	199	199	199	199
Blinds Residential	18.75%	27-Mar-18	664	125	202	127	79	49	31	19	12	8	5
<b>Ceiling Fans</b>													
Ceiling Fans	18.75%	27-Mar-18	1,661	311	506	316	198	124	77	48	30	19	12
<b>Computer systems</b>													
General	18.75%	27-Mar-18	581	109	177	111	69	43	27	17	11	7	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	27-Mar-18	1,462	274	445	278	174	109	68	42	27	17	10
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	27-Mar-18	2,267	59	227	227	227	227	227	227	227	227	227
Floating timber	18.75%	27-Mar-18	367	69	112	70	44	27	17	11	7	4	3
<b>Furniture</b>													
Furniture	7.50%	27-Mar-18	1,993	39	150	150	150	150	150	150	150	150	150
Furniture	18.75%	27-Mar-18	3,496	656	1,065	666	416	260	163	102	63	40	25
<b>Garage doors, automatic</b>													
Motors	10.00%	27-Mar-18	1,993	52	199	199	199	199	199	199	199	199	199
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	27-Mar-18	2,990	65	249	249	249	249	249	249	249	249	249
<b>Kitchen assets</b>													
Cooktops	8.33%	27-Mar-18	1,412	31	118	118	118	118	118	118	118	118	118
Dishwashers	10.00%	27-Mar-18	1,993	52	199	199	199	199	199	199	199	199	199
Ovens	8.33%	27-Mar-18	1,827	40	152	152	152	152	152	152	152	152	152
Rangehoods	18.75%	27-Mar-18	747	140	228	142	89	56	35	22	14	8	5
<b>Lights</b>													
Shades, removable	18.75%	27-Mar-18	2,421	454	738	461	288	180	113	70	44	27	17
<b>\$300 items</b>													
\$300 items	100.00%	27-Mar-18	310	310									
<b>Pooled Plant Total</b>				<b>2,293</b>	<b>3,726</b>	<b>2,329</b>	<b>1,456</b>	<b>910</b>	<b>569</b>	<b>355</b>	<b>222</b>	<b>139</b>	<b>87</b>
<b>Effective Life Plant Total</b>				<b>906</b>	<b>2,290</b>	<b>2,290</b>	<b>2,290</b>	<b>2,290</b>	<b>2,290</b>	<b>2,290</b>	<b>2,290</b>	<b>2,290</b>	<b>2,290</b>
<b>Total Division 40</b>			<b>36,979</b>	<b>3,199</b>	<b>6,016</b>	<b>4,619</b>	<b>3,746</b>	<b>3,200</b>	<b>2,859</b>	<b>2,645</b>	<b>2,512</b>	<b>2,429</b>	<b>2,377</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
<b>Building Works - Completed 2018</b>	2.50%	27-Mar-18	190,244	1,240	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766	4,766
<b>Structural Improvements - Completed 2018</b>	2.50%	27-Mar-18	5,073	33	127	127	127	127	127	127	127	127	127
<b>Total Division 43</b>			195,317	1,273	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893	4,893
<b>Total Depreciation</b>			232,296	4,472	10,909	9,512	8,639	8,093	7,752	7,538	7,405	7,322	7,270



## 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 2018	4 Apr 17 to 25 Feb 18	190,636	2.50%	4,766	190,244
<b>Sub-total</b>		<b>190,636</b>		<b>4,766</b>	<b>190,244</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2018	4 Apr 17 to 25 Feb 18	5,084	2.50%	127	5,073
<b>Sub-total</b>		<b>5,084</b>		<b>127</b>	<b>5,073</b>
<b>Totals</b>		<b>195,720</b>		<b>4,893</b>	<b>195,317</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.