



Tax Depreciation Report

30/253 Melton Road,
Northgate QLD 4013

Anita Bellingham
30/253 Melton Rd
NORTHGATE, QLD 4013

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

Anita Bellingham
30/253 Melton Rd
NORTHGATE, QLD 4013

October 2018
Job No: RES4013004

Tax Depreciation Report – 30/253 Melton Road, Northgate QLD 4013

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

29 October 2018

Purchaser

Anita Bellingham

Property Address

30/253 Melton Road, Northgate QLD 4013

Real Property Description

L30 SP127707

Property Type

Residential Townhouse

Date of Construction

1 February 2000

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"> • 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				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</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>100 / 10 Years = 10% (Straight Line)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>				
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

4. Capital Works

4.1 Entitlement

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

4.2 Method of Depreciation

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

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

4.3 Method of Depreciation

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

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	6 March 14 to 30 June 14	1,308	2,274	3,582	864	864
2	1 July 14 to 30 June 15	3,729	3,972	7,701	2,720	2,720
3	1 July 15 to 30 June 16	2,502	3,183	5,686	2,720	2,720
4	1 July 16 to 30 June 17	1,871	2,336	4,207	2,720	2,720
5	1 July 17 to 30 June 18	1,025	2,515	3,540	2,720	2,720
6	1 July 18 to 30 June 19	820	1,572	2,392	2,720	2,720
7	1 July 19 to 30 June 20	474	1,324	1,798	2,720	2,720
8	1 July 20 to 30 June 21	379	828	1,207	2,720	2,720
9	1 July 21 to 30 June 22	303	517	820	2,720	2,720
10	1 July 22 to 30 June 23	243	323	566	2,720	2,720
11	1 July 23 to 30 June 24	0	566	566	2,720	2,720
12	1 July 24 to 30 June 25	0	354	354	2,720	2,720
13	1 July 25 to 30 June 26	0	221	221	2,720	2,720
14	1 July 26 to 30 June 27	0	138	138	2,720	2,720
15	1 July 27 to 30 June 28	0	86	86	2,720	2,720
16	1 July 28 to 30 June 29	0	54	54	2,720	2,720
17	1 July 29 to 30 June 30	0	34	34	2,720	2,720
18	1 July 30 to 30 June 31	0	21	21	2,720	2,720
19	1 July 31 to 30 June 32	0	13	13	2,720	2,720
20	1 July 32 to 30 June 33	0	8	8	2,720	2,720
21	1 July 33 to 30 June 34	0	5	5	2,720	2,720
22	1 July 34 to 30 June 35	0	3	3	2,720	2,720
23	1 July 35 to 30 June 36	0	2	2	2,720	2,720
24	1 July 36 to 30 June 37	0	1	1	2,720	2,720
25	1 July 37 to 30 June 38	0	1	1	2,720	2,720
26	1 July 38 to 30 June 39	0	0	0	2,720	2,720
27	1 July 39 to 30 June 40	0	0	0	1,862	1,862
28	1 July 40 to 30 June 41	0	0	0	715	715
29	1 July 41 to 30 June 42	0	0	0	715	715
30	1 July 42 to 30 June 43	0	0	0	715	715
31	1 July 43 to 30 June 44	0	0	0	715	715
32	1 July 44 to 30 June 45	0	0	0	715	715
33	1 July 45 to 30 June 46	0	0	0	715	715
34	1 July 46 to 30 June 47	0	0	0	715	715
35	1 July 47 to 30 June 48	0	0	0	715	715
36	1 July 48 to 30 June 49	0	0	0	715	715
37	1 July 49 to 30 June 50	0	0	0	715	715
38	1 July 50 to 30 June 51	0	0	0	94	94
39	1 July 51 to 30 June 52	0	0	0	0	0
40	2052+	0	0	0	0	0
Totals		12,654	20,353	33,007	77,970	77,970

The diminishing value method involves multiplying the remaining amount (or also known as the written down value) of the item by the depreciation rate each year. Hence the term diminishing value method as it diminishes in value each year never quite reaching zero.

Example

	DV Rate	Opening Value	Year 1	WDV	Year 2
Carpet	20%	\$1,000	\$200	\$800	\$160

6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	6 March 14 to 30 June 14	654	2,274	2,928	864	864
2	1 July 14 to 30 June 15	2,058	3,694	5,752	2,720	2,720
3	1 July 15 to 30 June 16	2,058	2,309	4,367	2,720	2,720
4	1 July 16 to 30 June 17	2,058	1,443	3,501	2,720	2,720
5	1 July 17 to 30 June 18	2,058	902	2,960	2,720	2,720
6	1 July 18 to 30 June 19	2,058	564	2,622	2,720	2,720
7	1 July 19 to 30 June 20	2,058	352	2,410	2,720	2,720
8	1 July 20 to 30 June 21	1,912	220	2,132	2,720	2,720
9	1 July 21 to 30 June 22	1,835	138	1,973	2,720	2,720
10	1 July 22 to 30 June 23	1,835	86	1,921	2,720	2,720
11	1 July 23 to 30 June 24	1,390	54	1,444	2,720	2,720
12	1 July 24 to 30 June 25	431	34	465	2,720	2,720
13	1 July 25 to 30 June 26	341	21	362	2,720	2,720
14	1 July 26 to 30 June 27	128	13	141	2,720	2,720
15	1 July 27 to 30 June 28	7	8	16	2,720	2,720
16	1 July 28 to 30 June 29	0	5	5	2,720	2,720
17	1 July 29 to 30 June 30	0	3	3	2,720	2,720
18	1 July 30 to 30 June 31	0	2	2	2,720	2,720
19	1 July 31 to 30 June 32	0	1	1	2,720	2,720
20	1 July 32 to 30 June 33	0	1	1	2,720	2,720
21	1 July 33 to 30 June 34	0	0	0	2,720	2,720
22	1 July 34 to 30 June 35	0	0	0	2,720	2,720
23	1 July 35 to 30 June 36	0	0	0	2,720	2,720
24	1 July 36 to 30 June 37	0	0	0	2,720	2,720
25	1 July 37 to 30 June 38	0	0	0	2,720	2,720
26	1 July 38 to 30 June 39	0	0	0	2,720	2,720
27	1 July 39 to 30 June 40	0	0	0	1,862	1,862
28	1 July 40 to 30 June 41	0	0	0	715	715
29	1 July 41 to 30 June 42	0	0	0	715	715
30	1 July 42 to 30 June 43	0	0	0	715	715
31	1 July 43 to 30 June 44	0	0	0	715	715
32	1 July 44 to 30 June 45	0	0	0	715	715
33	1 July 45 to 30 June 46	0	0	0	715	715
34	1 July 46 to 30 June 47	0	0	0	715	715
35	1 July 47 to 30 June 48	0	0	0	715	715
36	1 July 48 to 30 June 49	0	0	0	715	715
37	1 July 49 to 30 June 50	0	0	0	715	715
38	1 July 50 to 30 June 51	0	0	0	94	94
39	1 July 51 to 30 June 52	0	0	0	0	0
40	2052+	0	0	0	0	0
Totals		20,881	12,126	33,007	77,970	77,970

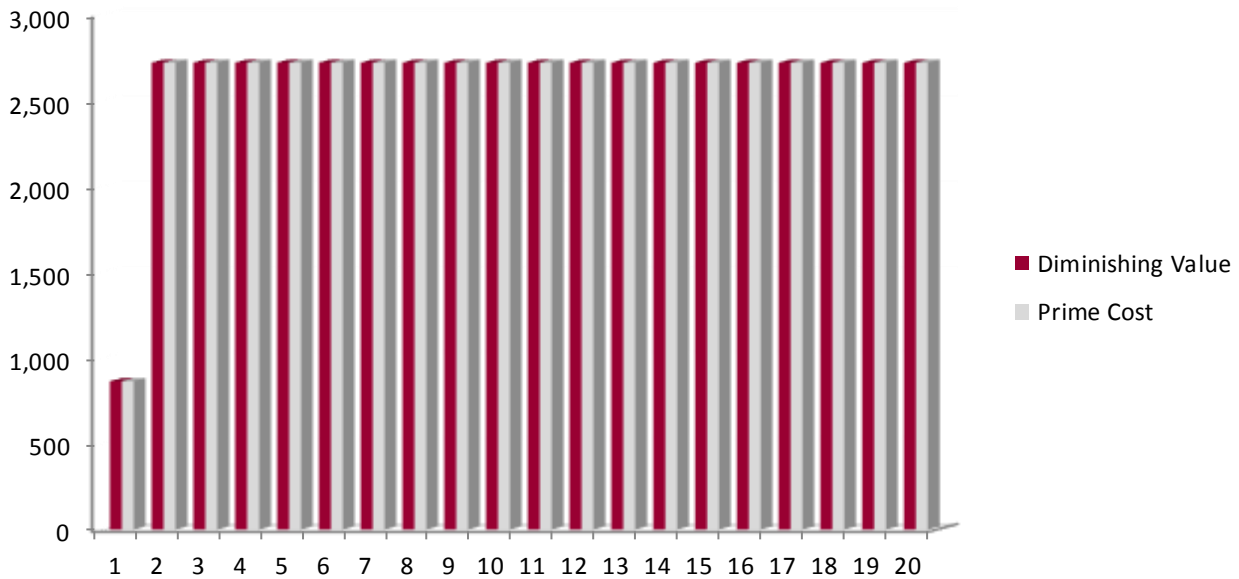
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

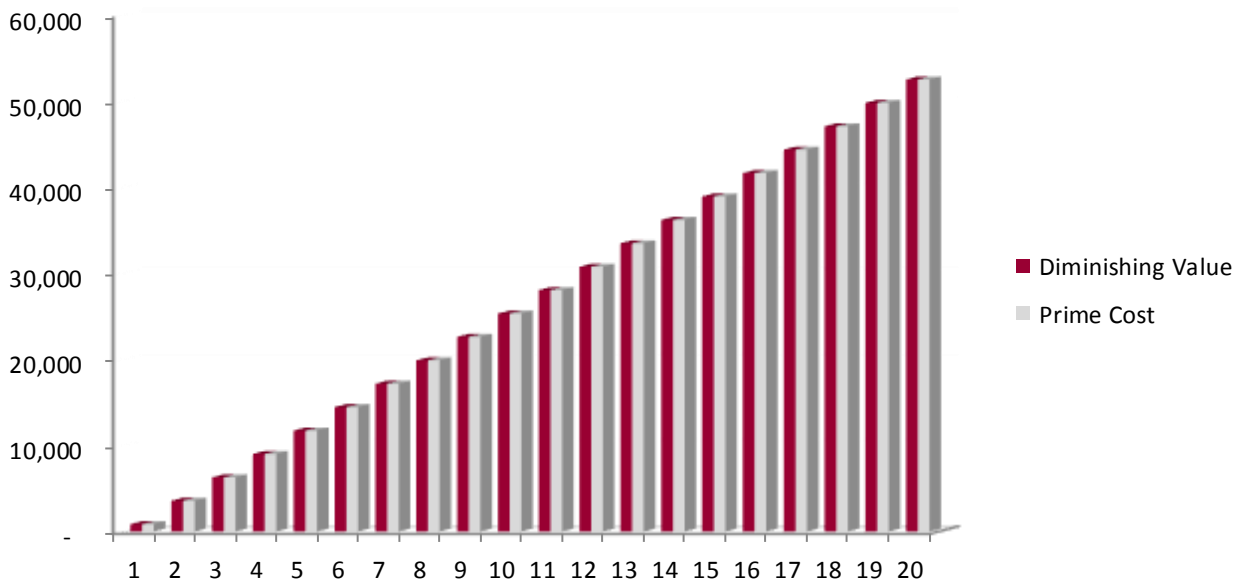
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	7 September 2013
Settlement Date	6 March 2014

Expenditure Analysed

Purchase Price	\$371,000
Stamp Duty	\$11,410
Legals	\$1,339
Total Expenditure Analysed	\$383,749

Historical Construction Details

Construction Start Date	7 May 1999
Construction Completion Date	1 February 2000
Historical Construction Cost (Estimated)*	\$106,826

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

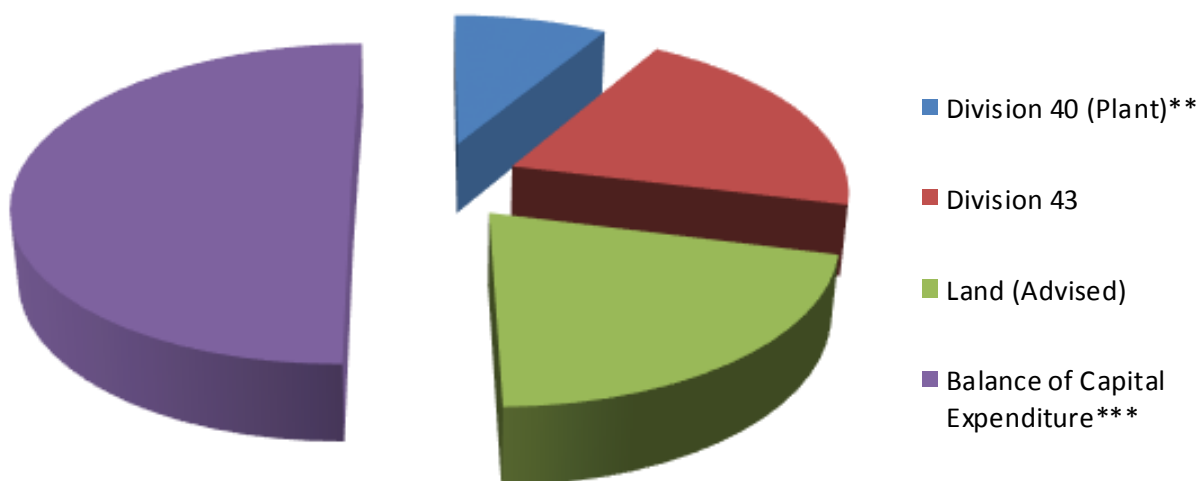
Division 40 (Plant)**	\$33,007
Division 43	\$77,970
Land (Advised)	\$80,170
Balance of Capital Expenditure***	\$192,602
Total Expenditure Analysed	\$383,749

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

** Division 40 (Plant) has been excluded as the property was available for rent after 1 July 2017

*** 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
automatically if located in "Take-off" or "Post Expenditure". the date is at end of financial year, 30 June YYYY	20.00%	6-Mar-14	2,972	189	557	445	356	285	228	342	214	134	83
	18.75%	6-Mar-14	825	155	252	157	98	61	38	24	15	9	6
Blinds Residential	20.00%	6-Mar-14	1,238	79	232	348	217	136	85	53	33	21	13
Blinds Residential	18.75%	6-Mar-14	2,240	420	682	427	267	167	104	65	41	25	16
Ceiling Fans	18.75%	6-Mar-14	825	155	252	157	98	61	38	24	15	9	6
Computer systems													
General	18.75%	6-Mar-14	578	108	176	110	69	43	27	17	10	7	4
Door closers	18.75%	6-Mar-14	403	76	123	77	48	30	19	12	7	5	3
Electrical Machinery & Equipment :													
Motors	20.00%	6-Mar-14	132	8	46	29	18	11	7	4	3	2	1
Fire control assets													
Detection & alarm systems, detectors	18.75%	6-Mar-14	686	129	209	131	82	51	32	20	12	8	5
Emergency warning & intercommunication system	16.67%	6-Mar-14	374	20	133	83	52	32	20	13	8	5	3
Fire extinguishers	18.75%	6-Mar-14	9	2	3	2	1	1	0	0	0	0	0
Floor coverings (removable without damage)													
Carpets	20.00%	6-Mar-14	7,719	491	1,446	1,156	925	740	592	474	379	303	243
Furniture	15.00%	6-Mar-14	1,486	71	212	180	153	326	204	127	80	50	31
Furniture	18.75%	6-Mar-14	4,027	755	1,227	767	479	300	187	117	73	46	29
Kitchen assets													
Cooktops	16.67%	6-Mar-14	1,403	74	221	185	346	216	135	84	53	33	21
Dishwashers	20.00%	6-Mar-14	1,981	126	371	297	237	356	223	139	87	54	34
Ovens	16.67%	6-Mar-14	1,816	96	287	239	199	373	233	146	91	57	36
Rangehoods	18.75%	6-Mar-14	743	139	226	141	88	55	35	22	13	8	5
Lights													
Shades, removable	18.75%	6-Mar-14	1,789	335	545	341	213	133	83	52	32	20	13
Security systems & equipment													
Electronic	30.00%	6-Mar-14	1,486	142	403	353	221	138	86	54	34	21	13
Swimming pools													
Filtration equipment	15.00%	6-Mar-14	275	13	98	61	38	24	15	9	6	4	2
Pooled Plant Total				2,274	3,972	3,183	2,336	2,515	1,572	1,324	828	517	323
Effective Life Plant Total				1,308	3,729	2,502	1,871	1,025	820	474	379	303	243
Total Division 40			33,007	3,582	7,701	5,686	4,207	3,540	2,392	1,798	1,207	820	566

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 2000	2.50%	06-Mar-14	49,610	609	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916
Building Works - Completed 2010	2.50%	06-Mar-14	18,903	165	519	519	519	519	519	519	519	519	519
Structural Improvements - Completed 2000	2.50%	06-Mar-14	2,299	28	89	89	89	89	89	89	89	89	89
Structural Improvements - Completed 2010	2.50%	06-Mar-14	7,158	62	196	196	196	196	196	196	196	196	196
Total Division 43			77,970	864	2,720	2,720	2,720	2,720	2,720	2,720	2,720	2,720	2,720
Total Depreciation			110,977	4,446	10,421	8,406	6,927	6,260	5,112	4,518	3,927	3,540	3,286

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%	06-Mar-14	2,972	94	297	297	297	297	297	297	297	297	297
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	06-Mar-14	825	155	252	157	98	61	38	24	15	9	6
Blinds Residential	10.00%	06-Mar-14	1,238	39	124	124	124	124	124	124	124	124	124
Blinds Residential	18.75%	06-Mar-14	2,240	420	682	427	267	167	104	65	41	25	16
Ceiling Fans	18.75%	06-Mar-14	825	155	252	157	98	61	38	24	15	9	6
Computer systems													
General	18.75%	06-Mar-14	578	108	176	110	69	43	27	17	10	7	4
Door closers	18.75%	06-Mar-14	403	76	123	77	48	30	19	12	7	5	3
Electrical Machinery & Equipment :													
Motors	10.00%	06-Mar-14	132	4	13	13	13	13	13	13	13	13	13
Fire control assets													
Detection & alarm systems, detectors	18.75%	06-Mar-14	686	129	209	131	82	51	32	20	12	8	5
Emergency warning & intercommunication system	8.33%	06-Mar-14	374	10	31	31	31	31	31	31	31	31	31
Fire extinguishers	18.75%	06-Mar-14	9	2	3	2	1	1	0	0	0	0	0
Floor coverings (removable without damage)													
Carpets	10.00%	06-Mar-14	7,719	245	772	772	772	772	772	772	772	772	772
Furniture	7.50%	06-Mar-14	1,486	35	111	111	111	111	111	111	111	111	111
Furniture	18.75%	06-Mar-14	4,027	755	1,227	767	479	300	187	117	73	46	29
Kitchen assets													
Cooktops	8.33%	06-Mar-14	1,403	37	117	117	117	117	117	117	117	117	117
Dishwashers	10.00%	06-Mar-14	1,981	63	198	198	198	198	198	198	198	198	198
Ovens	8.33%	06-Mar-14	1,816	48	151	151	151	151	151	151	151	151	151
Rangehoods	18.75%	06-Mar-14	743	139	226	141	88	55	35	22	13	8	5
Lights													
Shades, removable	18.75%	06-Mar-14	1,789	335	545	341	213	133	83	52	32	20	13
Security systems & equipment													
Electronic	15.00%	06-Mar-14	1,486	71	223	223	223	223	223	223	77		
Swimming pools													
Filtration equipment	7.50%	06-Mar-14	275	7	21	21	21	21	21	21	21	21	21
Pooled Plant Total				2,274	3,694	2,309	1,443	902	564	352	220	138	86
Effective Life Plant Total				654	2,058	2,058	2,058	2,058	2,058	2,058	1,912	1,835	1,835
Total Division 40			33,007	2,928	5,752	4,367	3,501	2,960	2,622	2,410	2,132	1,973	1,921

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 2000	2.50%	06-Mar-14	49,610	609	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916
Building Works - Completed 2010	2.50%	06-Mar-14	18,903	165	519	519	519	519	519	519	519	519	519
Structural Improvements - Completed 2000	2.50%	06-Mar-14	2,299	28	89	89	89	89	89	89	89	89	89
Structural Improvements - Completed 2010	2.50%	06-Mar-14	7,158	62	196	196	196	196	196	196	196	196	196
Total Division 43			77,970	864	2,720	2,720	2,720	2,720	2,720	2,720	2,720	2,720	2,720
Total Depreciation			110,977	3,792	8,472	7,087	6,221	5,680	5,342	5,130	4,852	4,693	4,641

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 2000	7 May 99 to 1 Feb 00	76,622	2.50%	1,916	49,610
Building Works - Completed 2010	4 Aug 10 to 19 Aug 10	20,743	2.50%	519	18,903
Sub-total		97,365		2,435	68,513

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2000	7 May 99 to 1 Feb 00	3,550	2.50%	89	2,299
Structural Improvements - Completed 2010	4 Aug 10 to 19 Aug 10	7,855	2.50%	196	7,158
Sub-total		11,405		285	9,457
Totals		108,770		2,720	77,970

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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LEAD SURVEYOR DETAILS	
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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.