



Tax Depreciation Report

29 Jones Parade,
Coolum Beach QLD 4573

Jason and Caroline Laughton
PO Box 494
EMERALD , QLD 4720

Issue Schedule	
Issue Date:	Issued by:
27 November 2018	Mark Kilroy Bsc (Hons) MRICS

Jason and Caroline Laughton
PO Box 494
EMERALD , QLD 4720

November 2018
Job No: RES4573003

Tax Depreciation Report – 29 Jones Parade, Coolum Beach QLD 4573

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

27 November 2018

Purchaser

Jason and Caroline Laughton

Property Address

29 Jones Parade, Coolum Beach QLD 4573

Real Property Description

L313 RP91490

Property Type

Residential House

Date of Construction

18 July 1993

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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
Benefits				
<ul style="list-style-type: none"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
200 / 10 Years = 20% (Adjusted Value)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
100 / 10 Years = 10% (Straight Line)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

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	5 June 17 to 30 June 17	964	1,754	2,718	214	2,932
2	1 July 17 to 30 June 18	3,721	4,817	8,538	3,129	11,667
3	1 July 18 to 30 June 19	3,069	1,968	5,038	3,129	8,167
4	1 July 19 to 30 June 20	2,418	1,562	3,980	3,129	7,109
5	1 July 20 to 30 June 21	1,996	976	2,973	3,129	6,102
6	1 July 21 to 30 June 22	1,651	610	2,261	3,129	5,390
7	1 July 22 to 30 June 23	1,367	381	1,748	3,129	4,877
8	1 July 23 to 30 June 24	960	564	1,524	3,129	4,653
9	1 July 24 to 30 June 25	454	1,007	1,461	3,129	4,590
10	1 July 25 to 30 June 26	393	630	1,023	3,129	4,152
11	1 July 26 to 30 June 27	341	394	734	3,129	3,863
12	1 July 27 to 30 June 28	295	246	541	3,129	3,670
13	1 July 28 to 30 June 29	134	497	631	3,129	3,760
14	1 July 29 to 30 June 30	0	637	637	3,129	3,766
15	1 July 30 to 30 June 31	0	398	398	3,129	3,527
16	1 July 31 to 30 June 32	0	249	249	3,129	3,378
17	1 July 32 to 30 June 33	0	156	156	3,129	3,285
18	1 July 33 to 30 June 34	0	97	97	2,044	2,141
19	1 July 34 to 30 June 35	0	61	61	2,005	2,066
20	1 July 35 to 30 June 36	0	38	38	2,005	2,043
21	1 July 36 to 30 June 37	0	24	24	2,005	2,029
22	1 July 37 to 30 June 38	0	15	15	2,005	2,020
23	1 July 38 to 30 June 39	0	9	9	2,005	2,014
24	1 July 39 to 30 June 40	0	6	6	2,005	2,011
25	1 July 40 to 30 June 41	0	4	4	2,005	2,009
26	1 July 41 to 30 June 42	0	2	2	2,005	2,007
27	1 July 42 to 30 June 43	0	1	1	1,938	1,939
28	1 July 43 to 30 June 44	0	1	1	1,169	1,170
29	1 July 44 to 30 June 45	0	1	1	1,162	1,163
30	1 July 45 to 30 June 46	0	0	0	1,162	1,162
31	1 July 46 to 30 June 47	0	0	0	1,162	1,162
32	1 July 47 to 30 June 48	0	0	0	1,162	1,162
33	1 July 48 to 30 June 49	0	0	0	1,162	1,162
34	1 July 49 to 30 June 50	0	0	0	1,162	1,162
35	1 July 50 to 30 June 51	0	0	0	1,162	1,162
36	1 July 51 to 30 June 52	0	0	0	965	965
37	1 July 52 to 30 June 53	0	0	0	0	0
38	1 July 53 to 30 June 54	0	0	0	0	0
39	1 July 54 to 30 June 55	0	0	0	0	0
40	2055+	0	0	0	0	0
Totals		17,764	17,106	34,869	80,568	115,437

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	5 June 17 to 30 June 17	830	1,754	2,584	214	2,798
2	1 July 17 to 30 June 18	1,959	4,443	6,402	3,129	9,531
3	1 July 18 to 30 June 19	1,959	1,735	3,694	3,129	6,823
4	1 July 19 to 30 June 20	1,959	1,084	3,043	3,129	6,172
5	1 July 20 to 30 June 21	1,959	678	2,637	3,129	5,766
6	1 July 21 to 30 June 22	1,959	423	2,382	3,129	5,511
7	1 July 22 to 30 June 23	1,959	265	2,224	3,129	5,353
8	1 July 23 to 30 June 24	1,959	165	2,124	3,129	5,253
9	1 July 24 to 30 June 25	1,959	103	2,062	3,129	5,191
10	1 July 25 to 30 June 26	1,959	65	2,024	3,129	5,153
11	1 July 26 to 30 June 27	1,870	40	1,910	3,129	5,039
12	1 July 27 to 30 June 28	778	25	803	3,129	3,932
13	1 July 28 to 30 June 29	778	16	794	3,129	3,923
14	1 July 29 to 30 June 30	778	10	788	3,129	3,917
15	1 July 30 to 30 June 31	716	6	722	3,129	3,851
16	1 July 31 to 30 June 32	666	4	670	3,129	3,799
17	1 July 32 to 30 June 33	0	2	2	3,129	3,131
18	1 July 33 to 30 June 34	0	2	2	2,044	2,046
19	1 July 34 to 30 June 35	0	1	1	2,005	2,006
20	1 July 35 to 30 June 36	0	1	1	2,005	2,006
21	1 July 36 to 30 June 37	0	0	0	2,005	2,005
22	1 July 37 to 30 June 38	0	0	0	2,005	2,005
23	1 July 38 to 30 June 39	0	0	0	2,005	2,005
24	1 July 39 to 30 June 40	0	0	0	2,005	2,005
25	1 July 40 to 30 June 41	0	0	0	2,005	2,005
26	1 July 41 to 30 June 42	0	0	0	2,005	2,005
27	1 July 42 to 30 June 43	0	0	0	1,938	1,938
28	1 July 43 to 30 June 44	0	0	0	1,169	1,169
29	1 July 44 to 30 June 45	0	0	0	1,162	1,162
30	1 July 45 to 30 June 46	0	0	0	1,162	1,162
31	1 July 46 to 30 June 47	0	0	0	1,162	1,162
32	1 July 47 to 30 June 48	0	0	0	1,162	1,162
33	1 July 48 to 30 June 49	0	0	0	1,162	1,162
34	1 July 49 to 30 June 50	0	0	0	1,162	1,162
35	1 July 50 to 30 June 51	0	0	0	1,162	1,162
36	1 July 51 to 30 June 52	0	0	0	965	965
37	1 July 52 to 30 June 53	0	0	0	0	0
38	1 July 53 to 30 June 54	0	0	0	0	0
39	1 July 54 to 30 June 55	0	0	0	0	0
40	2055+	0	0	0	0	0
Totals		24,047	10,823	34,869	80,568	115,437

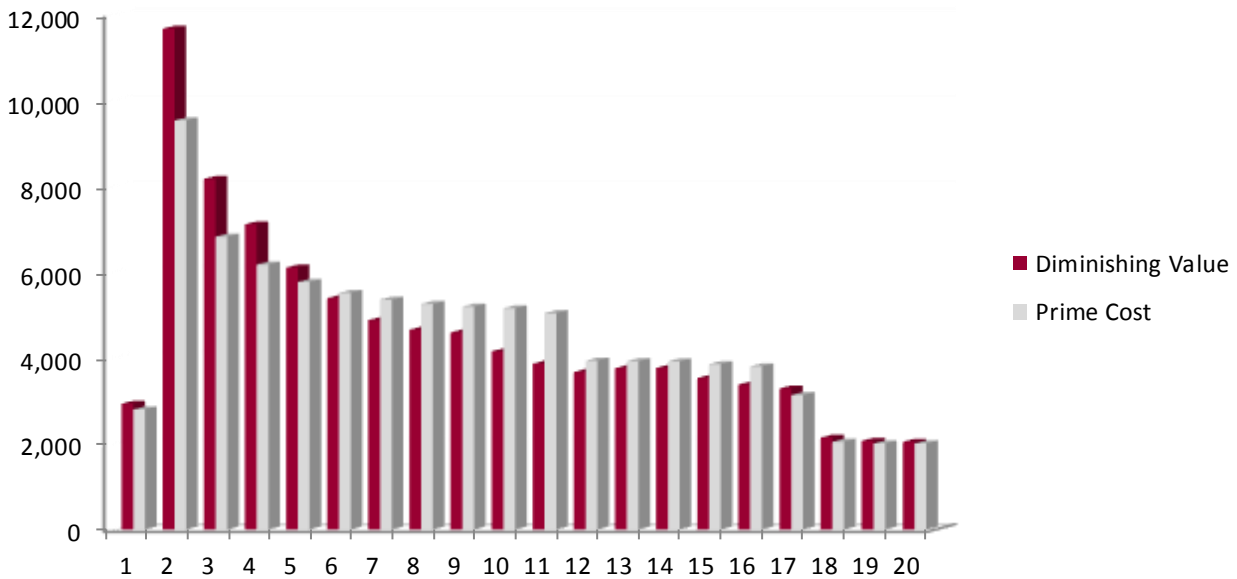
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

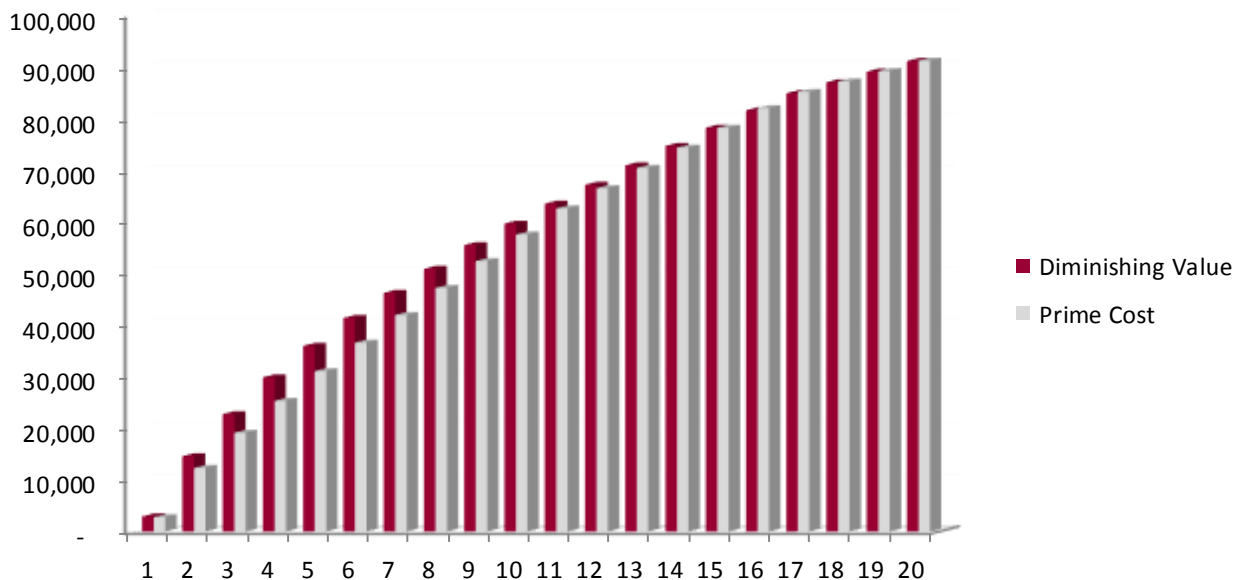
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	5 May 2017
Settlement Date	5 June 2017

Expenditure Analysed

Purchase Price	\$550,000
Stamp Duty	\$17,775
Legals	\$955
Total Expenditure Analysed	\$570,418

Historical Construction Details

Construction Start Date	19 January 1993
Construction Completion Date	18 July 1993
Historical Construction Cost (Estimated)*	\$87,502

9. Reconciliation of Capital Expenditure

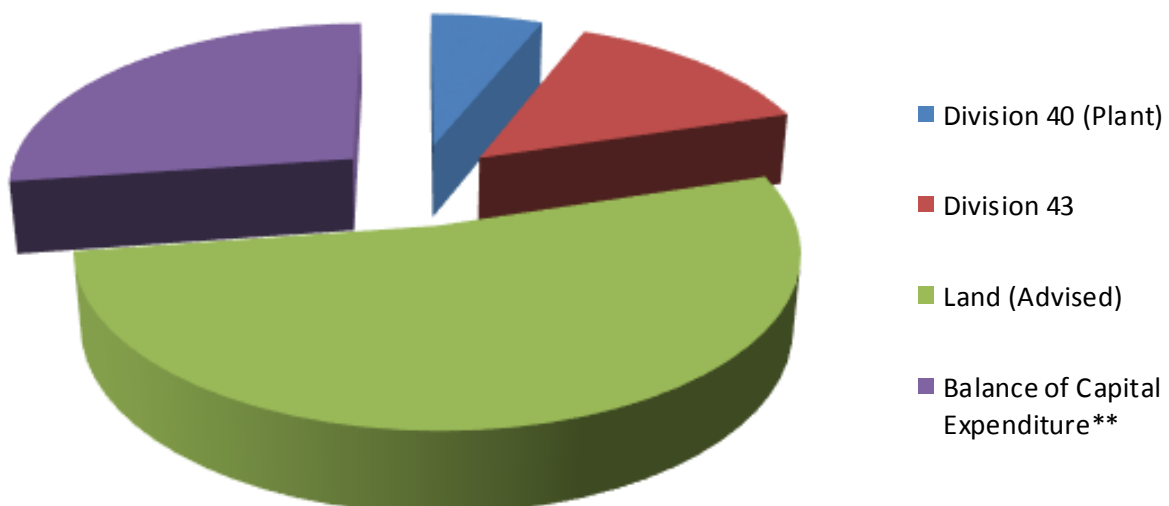
Apportionment of cost relating to:

Division 40 (Plant)	\$34,869
Division 43	\$80,568
Land (Advised)	\$299,372
Balance of Capital Expenditure**	\$155,608
Total Expenditure Analysed	\$570,418

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
Division 40 - Plant and Equipment													
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	5-Jun-17	4,197	57	828	662	530	424	339	271	217	326	203
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	5-Jun-17	700	131	213	133	83	52	33	20	13	8	5
Blinds Residential													
	18.75%	5-Jun-17	1,489	279	1,209								
Ceiling Fans													
	18.75%	5-Jun-17	2,448	459	746	466	291	182	114	71	44	28	17
Curtains and drapes													
	18.75%	5-Jun-17	564	106	458								
Fire control assets													
Detection & alarm systems, detectors	18.75%	5-Jun-17	308	58	94	59	37	23	14	9	6	3	2
Floor coverings (removable without damage)													
Carpets	20.00%	5-Jun-17	4,247	58	838	670	536	429	343	275	220	329	206
Floating timber	13.33%	5-Jun-17	4,456	41	589	510	442	383	332	288	249	216	187
Furniture													
	15.00%	5-Jun-17	1,007	10	374	234	146	91	57	36	22	14	9
	18.75%	5-Jun-17	2,071	388	631	394	246	154	96	60	38	24	15
Garage doors, automatic													
Motors	20.00%	5-Jun-17	3,358	46	662	530	424	339	271	217	326	203	127
Garden sheds, freestanding													
	18.75%	5-Jun-17	700	131	213	133	83	52	33	20	13	8	5
Hot water systems (excluding piping)													
Solar	13.33%	5-Jun-17	4,897	45	647	561	486	421	365	316	274	238	206
Kitchen assets													
Stoves	13.33%	5-Jun-17	1,189	11	157	136	332	207	130	81	51	32	20
Lights													
Shades, removable	18.75%	5-Jun-17	1,077	202	328	205	128	80	50	31	20	12	8
\$300 items	100.00%	5-Jun-17	476	476									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential													
	18.75%	6-Jun-18	1,064		399	249	156	97	61	38	24	15	9
Curtains and drapes													
	18.75%	6-Jun-18	403		151	95	59	37	23	14	9	6	4
\$300 items													
	100.00%	6-Jun-17	220	220									
Pooled Plant Total				1,754	4,817	1,968	1,562	976	610	381	564	1,007	630
Effective Life Plant Total				964	3,721	3,069	2,418	1,996	1,651	1,367	960	454	393
Total Division 40			34,869	2,718	8,538	5,038	3,980	2,973	2,261	1,748	1,524	1,461	1,023

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 1993	2.50%	05-Jun-17	15,204	65	944	944	944	944	944	944	944	944	944
Building Works - Completed 2003	2.50%	05-Jun-17	20,345	54	783	783	783	783	783	783	783	783	783
Building Works - Completed 2012	2.50%	05-Jun-17	34,754	68	996	996	996	996	996	996	996	996	996
Structural Improvements - Completed 1993	2.50%	05-Jun-17	2,896	12	180	180	180	180	180	180	180	180	180
Structural Improvements - Completed 2003	2.50%	05-Jun-17	1,571	4	60	60	60	60	60	60	60	60	60
Structural Improvements - Completed 2012	2.50%	05-Jun-17	5,798	11	166	166	166	166	166	166	166	166	166
Total Division 43			80,568	214	3,129	3,129	3,129	3,129	3,129	3,129	3,129	3,129	3,129
Total Depreciation			115,437	2,932	11,667	8,167	7,109	6,102	5,390	4,877	4,653	4,590	4,152

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%	05-Jun-17	4,197	29	420	420	420	420	420	420	420	420	420
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	05-Jun-17	700	131	213	133	83	52	33	20	13	8	5
Blinds Residential													
	18.75%	05-Jun-17	1,489	279	1,209								
Ceiling Fans													
	18.75%	05-Jun-17	2,448	459	746	466	291	182	114	71	44	28	17
Curtains and drapes													
	18.75%	05-Jun-17	564	106	458								
Fire control assets													
Detection & alarm systems, detectors	18.75%	05-Jun-17	308	58	94	59	37	23	14	9	6	3	2
Floor coverings (removable without damage)													
Carpets	10.00%	05-Jun-17	4,247	29	425	425	425	425	425	425	425	425	425
Floating timber	6.67%	05-Jun-17	4,456	20	297	297	297	297	297	297	297	297	297
Furniture													
Furniture	7.50%	05-Jun-17	1,007	5	76	76	76	76	76	76	76	76	76
Furniture	18.75%	05-Jun-17	2,071	388	631	394	246	154	96	60	38	24	15
Garage doors, automatic													
Motors	10.00%	05-Jun-17	3,358	23	336	336	336	336	336	336	336	336	336
Garden sheds, freestanding													
	18.75%	05-Jun-17	700	131	213	133	83	52	33	20	13	8	5
Hot water systems (excluding piping)													
Solar	6.67%	05-Jun-17	4,897	22	326	326	326	326	326	326	326	326	326
Kitchen assets													
Stoves	6.67%	05-Jun-17	1,189	5	79	79	79	79	79	79	79	79	79
Lights													
Shades, removable	18.75%	05-Jun-17	1,077	202	328	205	128	80	50	31	20	12	8
\$300 items	100.00%	05-Jun-17	476	476									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential													
	18.75%	06-Jun-18	1,064		399	249	156	97	61	38	24	15	9
Curtains and drapes													
	18.75%	06-Jun-18	403		151	95	59	37	23	14	9	6	4
\$300 items													
	100.00%	06-Jun-17	220	220									
Pooled Plant Total				1,754	4,443	1,735	1,084	678	423	265	165	103	65
Effective Life Plant Total				830	1,959	1,959	1,959	1,959	1,959	1,959	1,959	1,959	1,959
Total Division 40			34,869	2,584	6,402	3,694	3,043	2,637	2,382	2,224	2,124	2,062	2,024

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 1993	2.50%	05-Jun-17	15,204	65	944	944	944	944	944	944	944	944	944
Building Works - Completed 2003	2.50%	05-Jun-17	20,345	54	783	783	783	783	783	783	783	783	783
Building Works - Completed 2012	2.50%	05-Jun-17	34,754	68	996	996	996	996	996	996	996	996	996
Structural Improvements - Completed 1993	2.50%	05-Jun-17	2,896	12	180	180	180	180	180	180	180	180	180
Structural Improvements - Completed 2003	2.50%	05-Jun-17	1,571	4	60	60	60	60	60	60	60	60	60
Structural Improvements - Completed 2012	2.50%	05-Jun-17	5,798	11	166	166	166	166	166	166	166	166	166
Total Division 43			80,568	214	3,129	3,129	3,129	3,129	3,129	3,129	3,129	3,129	3,129
Total Depreciation			115,437	2,798	9,531	6,823	6,172	5,766	5,511	5,353	5,253	5,191	5,153

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 1993	19 Jan 93 to 18 Jul 93	37,771	2.50%	944	15,204
Building Works - Completed 2003	12 May 03 to 8 Jun 03	31,304	2.50%	783	20,345
Building Works - Completed 2012	7 Apr 12 to 28 Apr 12	39,841	2.50%	996	34,754

Sub-total 108,915 2,723 70,303

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	19 Jan 93 to 18 Jul 93	7,194	2.50%	180	2,896
Structural Improvements - Completed 2003	12 May 03 to 8 Jun 03	2,417	2.50%	60	1,571
Structural Improvements - Completed 2012	7 Apr 12 to 28 Apr 12	6,646	2.50%	166	5,798

Sub-total 16,257 406 10,265

Totals 125,173 3,129 80,568

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	
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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.