



Tax Depreciation Report

(Lot 54) Banksia, 2304 Vardon Lane,
Sanctuary Cove, QLD 4212

Ziyun Zhang & Kewei Mo as Trustees for Ziyun Zhang Family Trust
PO Box 808
SURFERS PARADISE, QLD 4217

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

Ziyun Zhang & Kewei Mo as Trustees for Ziyun Zhang Family Trust
PO Box 808
SURFERS PARADISE, QLD 4217

November 2018
Job No: RES4212027

Tax Depreciation Report – (Lot 54) Banksia, 2304 Vardon Lane, Sanctuary Cove, QLD 4212

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 November 2018

Purchaser

Ziyun Zhang & Kewei Mo as Trustees for Ziyun Zhang Family Trust

Property Address

(Lot 54) Banksia, 2304 Vardon Lane, Sanctuary Cove, QLD 4212

Real Property Description

LOT 54 GTP107324

Property Type

Residential House

Date of Construction

29 March 2016

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	21 February 17 to 30 June 17	4,760	5,874	10,634	7,825	18,459
2	1 July 17 to 30 June 18	11,766	9,545	21,310	22,139	43,449
3	1 July 18 to 30 June 19	9,294	6,320	15,613	22,139	37,752
4	1 July 19 to 30 June 20	7,023	4,638	11,660	22,139	33,799
5	1 July 20 to 30 June 21	5,664	2,898	8,563	22,139	30,702
6	1 July 21 to 30 June 22	4,255	2,459	6,714	22,139	28,853
7	1 July 22 to 30 June 23	3,432	1,537	4,968	22,139	27,107
8	1 July 23 to 30 June 24	2,617	1,302	3,919	22,139	26,058
9	1 July 24 to 30 June 25	1,649	1,820	3,469	22,139	25,608
10	1 July 25 to 30 June 26	1,319	1,138	2,457	22,139	24,596
11	1 July 26 to 30 June 27	1,055	711	1,766	22,139	23,905
12	1 July 27 to 30 June 28	659	791	1,450	22,139	23,589
13	1 July 28 to 30 June 29	528	494	1,022	22,139	23,161
14	1 July 29 to 30 June 30	231	668	898	22,139	23,037
15	1 July 30 to 30 June 31	0	763	763	22,139	22,902
16	1 July 31 to 30 June 32	0	477	477	22,139	22,616
17	1 July 32 to 30 June 33	0	298	298	22,139	22,437
18	1 July 33 to 30 June 34	0	186	186	22,139	22,325
19	1 July 34 to 30 June 35	0	116	116	22,139	22,255
20	1 July 35 to 30 June 36	0	73	73	22,139	22,212
21	1 July 36 to 30 June 37	0	45	45	22,139	22,184
22	1 July 37 to 30 June 38	0	28	28	22,139	22,167
23	1 July 38 to 30 June 39	0	18	18	22,139	22,157
24	1 July 39 to 30 June 40	0	11	11	22,139	22,150
25	1 July 40 to 30 June 41	0	7	7	22,139	22,146
26	1 July 41 to 30 June 42	0	4	4	22,139	22,143
27	1 July 42 to 30 June 43	0	3	3	22,139	22,142
28	1 July 43 to 30 June 44	0	2	2	22,139	22,141
29	1 July 44 to 30 June 45	0	1	1	22,139	22,140
30	1 July 45 to 30 June 46	0	1	1	22,139	22,140
31	1 July 46 to 30 June 47	0	0	0	22,139	22,139
32	1 July 47 to 30 June 48	0	0	0	22,139	22,139
33	1 July 48 to 30 June 49	0	0	0	22,139	22,139
34	1 July 49 to 30 June 50	0	0	0	22,139	22,139
35	1 July 50 to 30 June 51	0	0	0	22,139	22,139
36	1 July 51 to 30 June 52	0	0	0	22,139	22,139
37	1 July 52 to 30 June 53	0	0	0	22,139	22,139
38	1 July 53 to 30 June 54	0	0	0	22,139	22,139
39	1 July 54 to 30 June 55	0	0	0	22,139	22,139
40	2055+	0	0	0	16,492	16,492
Totals		54,250	42,229	96,479	865,599	962,078

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	21 February 17 to 30 June 17	2,524	5,874	8,398	7,825	16,223
2	1 July 17 to 30 June 18	6,328	9,545	15,873	22,139	38,012
3	1 July 18 to 30 June 19	6,328	5,965	12,293	22,139	34,432
4	1 July 19 to 30 June 20	6,328	3,728	10,056	22,139	32,195
5	1 July 20 to 30 June 21	6,328	2,330	8,658	22,139	30,797
6	1 July 21 to 30 June 22	6,328	1,456	7,784	22,139	29,923
7	1 July 22 to 30 June 23	6,328	910	7,238	22,139	29,377
8	1 July 23 to 30 June 24	6,105	569	6,674	22,139	28,813
9	1 July 24 to 30 June 25	6,003	356	6,359	22,139	28,498
10	1 July 25 to 30 June 26	6,003	222	6,225	22,139	28,364
11	1 July 26 to 30 June 27	4,274	139	4,413	22,139	26,552
12	1 July 27 to 30 June 28	1,123	87	1,210	22,139	23,349
13	1 July 28 to 30 June 29	831	54	885	22,139	23,024
14	1 July 29 to 30 June 30	322	34	356	22,139	22,495
15	1 July 30 to 30 June 31	0	21	21	22,139	22,160
16	1 July 31 to 30 June 32	0	13	13	22,139	22,152
17	1 July 32 to 30 June 33	0	8	8	22,139	22,147
18	1 July 33 to 30 June 34	0	5	5	22,139	22,144
19	1 July 34 to 30 June 35	0	3	3	22,139	22,142
20	1 July 35 to 30 June 36	0	2	2	22,139	22,141
21	1 July 36 to 30 June 37	0	1	1	22,139	22,140
22	1 July 37 to 30 June 38	0	1	1	22,139	22,140
23	1 July 38 to 30 June 39	0	0	0	22,139	22,139
24	1 July 39 to 30 June 40	0	0	0	22,139	22,139
25	1 July 40 to 30 June 41	0	0	0	22,139	22,139
26	1 July 41 to 30 June 42	0	0	0	22,139	22,139
27	1 July 42 to 30 June 43	0	0	0	22,139	22,139
28	1 July 43 to 30 June 44	0	0	0	22,139	22,139
29	1 July 44 to 30 June 45	0	0	0	22,139	22,139
30	1 July 45 to 30 June 46	0	0	0	22,139	22,139
31	1 July 46 to 30 June 47	0	0	0	22,139	22,139
32	1 July 47 to 30 June 48	0	0	0	22,139	22,139
33	1 July 48 to 30 June 49	0	0	0	22,139	22,139
34	1 July 49 to 30 June 50	0	0	0	22,139	22,139
35	1 July 50 to 30 June 51	0	0	0	22,139	22,139
36	1 July 51 to 30 June 52	0	0	0	22,139	22,139
37	1 July 52 to 30 June 53	0	0	0	22,139	22,139
38	1 July 53 to 30 June 54	0	0	0	22,139	22,139
39	1 July 54 to 30 June 55	0	0	0	22,139	22,139
40	2055+	0	0	0	16,492	16,492
Totals		65,153	31,326	96,479	865,599	962,078

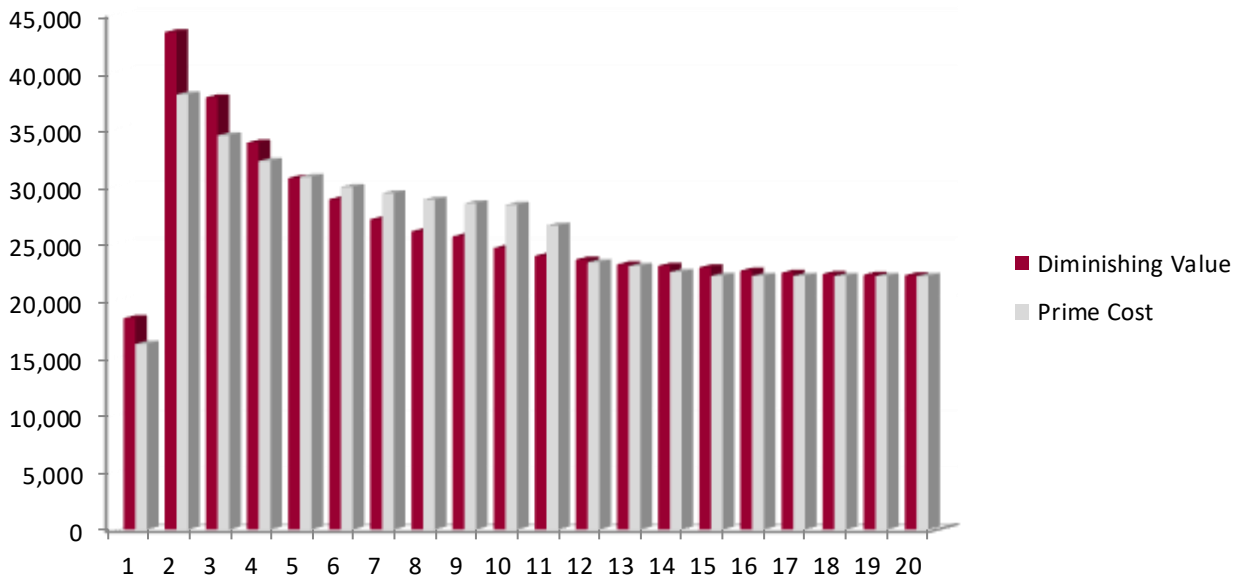
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

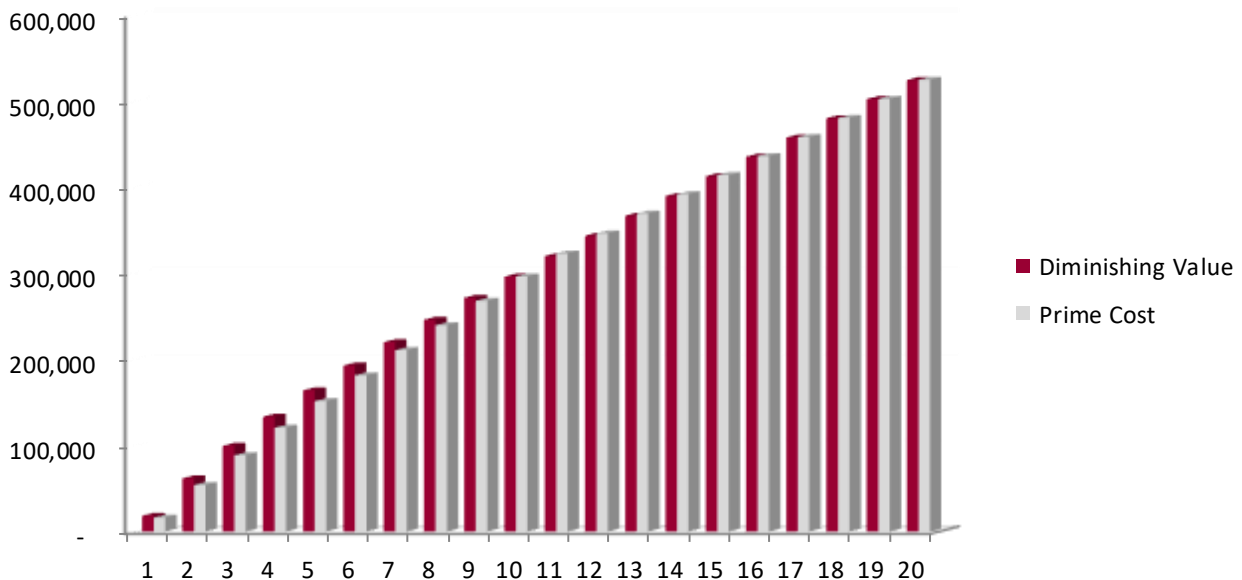
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	26 August 2016
Settlement Date	21 February 2017

Expenditure Analysed

Purchase Price	\$1,495,000
Stamp Duty	\$68,908
Legals	\$3,245
Total Expenditure Analysed	\$1,567,153

Historical Construction Details

Construction Start Date	1 October 2015
Construction Completion Date	29 March 2016
Historical Construction Cost (Estimated)*	\$957,377

9. Reconciliation of Capital Expenditure

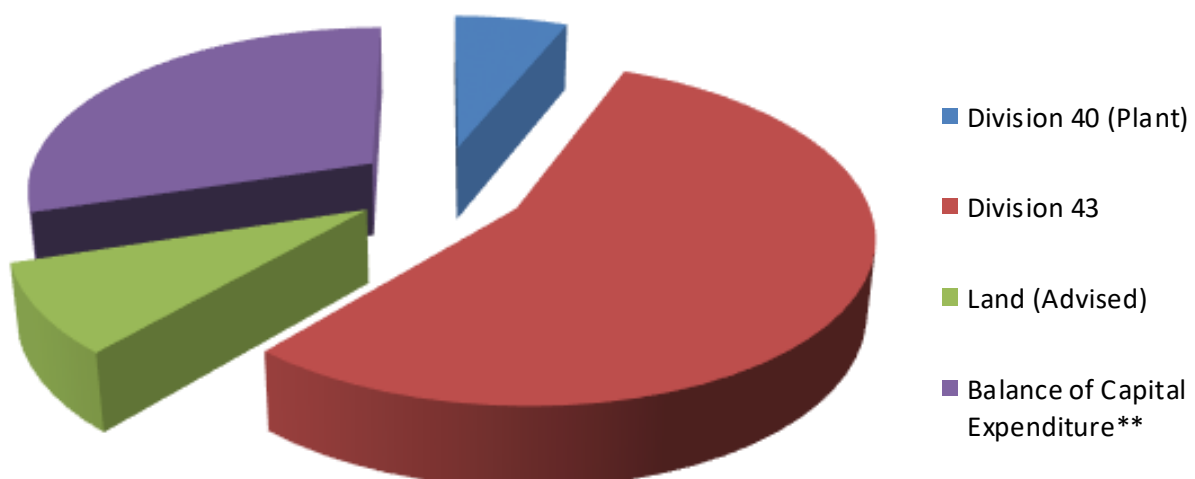
Apportionment of cost relating to:

Division 40 (Plant)	\$96,479
Division 43	\$865,599
Land (Advised)	\$136,689
Balance of Capital Expenditure**	\$468,386
Total Expenditure Analysed	\$1,567,153

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%	21-Feb-17	18,055	1,276	3,356	2,685	2,148	1,718	1,375	1,100	880	704	563
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	21-Feb-17	3,431	643	1,045	653	408	255	159	100	62	39	24
Blinds Residential													
Blinds Residential	20.00%	21-Feb-17	9,253	654	1,720	1,376	1,101	881	704	564	451	361	289
Blinds Residential	18.75%	21-Feb-17	4,216	790	1,285	803	502	314	196	123	77	48	30
Ceiling Fans													
Ceiling Fans	18.75%	21-Feb-17	2,708	508	825	516	322	201	126	79	49	31	19
Door closers													
Door closers	18.75%	21-Feb-17	325	61	99	62	39	24	15	9	6	4	2
Fire control assets													
Detection & alarm systems, detectors	18.75%	21-Feb-17	1,986	372	605	378	236	148	92	58	36	23	14
Floor coverings (removable without damage)													
Carpets	20.00%	21-Feb-17	14,987	1,059	2,785	2,228	1,783	1,426	1,141	913	730	584	467
Furniture													
Furniture	15.00%	21-Feb-17	3,250	172	462	392	334	284	241	205	174	370	231
Furniture	18.75%	21-Feb-17	6,482	1,215	1,975	1,234	771	482	301	188	118	74	46
Garage doors, automatic													
Motors	20.00%	21-Feb-17	4,333	306	805	644	515	412	330	264	211	317	198
Hot water systems (excluding piping)													
Gas or electric	16.67%	21-Feb-17	3,250	191	510	425	354	295	246	205	171	320	200
Kitchen assets													
Cooktops	16.67%	21-Feb-17	1,986	117	312	260	216	180	338	211	132	83	52
Dishwashers	20.00%	21-Feb-17	2,167	153	403	322	258	206	309	193	121	76	47
Ovens	16.67%	21-Feb-17	2,889	170	453	378	315	262	219	182	341	213	133
Rangehoods	16.67%	21-Feb-17	1,354	80	212	177	332	207	130	81	51	32	20
Lights													
Shades, removable	18.75%	21-Feb-17	11,185	2,097	3,408	2,130	1,331	832	520	325	203	127	79
Pumps													
Pumps	18.75%	21-Feb-17	993	186	303	189	118	74	46	29	18	11	7
Security systems & equipment													
Electronic	30.00%	21-Feb-17	2,167	230	581	407	356	222	139	87	54	34	21
Swimming pools													
Filtration equipment	15.00%	21-Feb-17	1,174	62	167	354	221	138	86	54	34	21	13
\$300 items													
\$300 items	100.00%	21-Feb-17	289	289									
Pooled Plant Total				5,874	9,545	6,320	4,638	2,898	2,459	1,537	1,302	1,820	1,138
Effective Life Plant Total				4,760	11,766	9,294	7,023	5,664	4,255	3,432	2,617	1,649	1,319
Total Division 40			96,479	10,634	21,310	15,613	11,660	8,563	6,714	4,968	3,919	3,469	2,457

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 2016	2.50%	21-Feb-17	799,716	7,229	20,454	20,454	20,454	20,454	20,454	20,454	20,454	20,454	20,454
Structural Improvements - Completed 2016	2.50%	21-Feb-17	65,883	596	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685
Total Division 43			865,599	7,825	22,139	22,139	22,139	22,139	22,139	22,139	22,139	22,139	22,139
Total Depreciation			962,078	18,459	43,449	37,752	33,799	30,702	28,853	27,107	26,058	25,608	24,596

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%	21-Feb-17	18,055	638	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806	1,806
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	21-Feb-17	3,431	643	1,045	653	408	255	159	100	62	39	24
Blinds Residential	10.00%	21-Feb-17	9,253	327	925	925	925	925	925	925	925	925	925
Blinds Residential	18.75%	21-Feb-17	4,216	790	1,285	803	502	314	196	123	77	48	30
Ceiling Fans	18.75%	21-Feb-17	2,708	508	825	516	322	201	126	79	49	31	19
Door closers	18.75%	21-Feb-17	325	61	99	62	39	24	15	9	6	4	2
Fire control assets													
Detection & alarm systems, detectors	18.75%	21-Feb-17	1,986	372	605	378	236	148	92	58	36	23	14
Floor coverings (removable without damage)													
Carpets	10.00%	21-Feb-17	14,987	530	1,499	1,499	1,499	1,499	1,499	1,499	1,499	1,499	1,499
Furniture	7.50%	21-Feb-17	3,250	86	244	244	244	244	244	244	244	244	244
Furniture	18.75%	21-Feb-17	6,482	1,215	1,975	1,234	771	482	301	188	118	74	46
Garage doors, automatic													
Motors	10.00%	21-Feb-17	4,333	153	433	433	433	433	433	433	433	433	433
Hot water systems (excluding piping)													
Gas or electric	8.33%	21-Feb-17	3,250	96	271	271	271	271	271	271	271	271	271
Kitchen assets													
Cooktops	8.33%	21-Feb-17	1,986	58	166	166	166	166	166	166	166	166	166
Dishwashers	10.00%	21-Feb-17	2,167	77	217	217	217	217	217	217	217	217	217
Ovens	8.33%	21-Feb-17	2,889	85	241	241	241	241	241	241	241	241	241
Rangehoods	8.33%	21-Feb-17	1,354	40	113	113	113	113	113	113	113	113	113
Lights													
Shades, removable	18.75%	21-Feb-17	11,185	2,097	3,408	2,130	1,331	832	520	325	203	127	79
Pumps	18.75%	21-Feb-17	993	186	303	189	118	74	46	29	18	11	7
Security systems & equipment													
Electronic	15.00%	21-Feb-17	2,167	115	325	325	325	325	325	325	102		
Swimming pools													
Filtration equipment	7.50%	21-Feb-17	1,174	31	88	88	88	88	88	88	88	88	88
\$300 items	100.00%	21-Feb-17	289	289									
Pooled Plant Total				5,874	9,545	5,965	3,728	2,330	1,456	910	569	356	222
Effective Life Plant Total				2,524	6,328	6,328	6,328	6,328	6,328	6,328	6,105	6,003	6,003
Total Division 40			96,479	8,398	15,873	12,293	10,056	8,658	7,784	7,238	6,674	6,359	6,225

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 2016	2.50%	21-Feb-17	799,716	7,229	20,454	20,454	20,454	20,454	20,454	20,454	20,454	20,454	20,454
Structural Improvements - Completed 2016	2.50%	21-Feb-17	65,883	596	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685
Total Division 43			865,599	7,825	22,139	22,139	22,139	22,139	22,139	22,139	22,139	22,139	22,139
Total Depreciation			962,078	16,223	38,012	34,432	32,195	30,797	29,923	29,377	28,813	28,498	28,364

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 2016	1 Oct 15 to 29 Mar 16	818,153	2.50%	20,454	799,716
Sub-total		818,153		20,454	799,716

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2016	1 Oct 15 to 29 Mar 16	67,402	2.50%	1,685	65,883
Sub-total		67,402		1,685	65,883
Totals		885,555		22,139	865,599

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.