



## Tax Depreciation Report

6/412 Fullarton Road,  
Myrtle Bank SA 5064

Mark Webb  
6/412 Fullarton Road  
MYRTLE BANK, SA 5064

Issue Schedule	
Issue Date:	Issued by:
11 December 2018	Mark Kilroy Bsc (Hons) MRICS

Mark Webb  
6/412 Fullarton Road  
MYRTLE BANK, SA 5064

December 2018  
Job No: RES5064001

### **Tax Depreciation Report – 6/412 Fullarton Road, Myrtle Bank SA 5064**

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

11 December 2018

### Purchaser

Mark Webb

### Property Address

6/412 Fullarton Road, Myrtle Bank SA 5064

### Real Property Description

LOT UN6 S2319

### Property Type

Residential Townhouse

### Date of Construction

Pre 1985

### Property Photo



## 2. Report Details

### 2.1 Introduction

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

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

#### **Division 40 (Capital Allowances)**

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

#### **Division 40 (Capital Allowances) - Low Value Pool**

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

#### **Division 43 (Capital Works)**

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

### **3. Capital Allowances**

#### **3.1 Entitlement**

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

#### **3.2 Qualifying Expenditure Calculation**

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

#### **3.3 Effective Life**

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

#### **3.4 Immediate Write-Off Assets**

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

#### **3.5 Low Value Pool**

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

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

### 3.6 Method of Depreciation

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

Diminishing Value Method					Prime Cost Method				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.					Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits					Benefits				
<ul style="list-style-type: none"> <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				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
<b>200 / 10 Years = 20% (Adjusted Value)</b>					<b>100 / 10 Years = 10% (Straight Line)</b>				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.					If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

## **4. Capital Works**

### **4.1 Entitlement**

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

### **4.2 Method of Depreciation**

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

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

### **4.3 Method of Depreciation**

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



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Original Assets **			Post Expenditure			Division 43	Totals
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40		
1	28 June 18 to 30 June 18	24	1,628	1,652	0	0	0	9	9
2	1 July 18 to 30 June 19	9,460	4,017	13,476	560	581	1,141	2,211	3,352
3	1 July 19 to 30 June 20	2,351	1,731	4,082	0	1,445	1,445	2,225	3,670
4	1 July 20 to 30 June 21	1,782	1,430	3,211	0	903	903	2,225	3,128
5	1 July 21 to 30 June 22	1,278	1,222	2,499	0	564	564	2,225	2,789
6	1 July 22 to 30 June 23	1,046	764	1,809	0	353	353	2,225	2,578
7	1 July 23 to 30 June 24	713	799	1,513	0	220	220	2,225	2,445
8	1 July 24 to 30 June 25	385	870	1,256	0	138	138	2,225	2,363
9	1 July 25 to 30 June 26	140	880	1,020	0	86	86	2,225	2,311
10	1 July 26 to 30 June 27	0	890	890	0	54	54	2,225	2,279
11	1 July 27 to 30 June 28	0	557	557	0	34	34	2,225	2,259
12	1 July 28 to 30 June 29	0	348	348	0	21	21	2,225	2,246
13	1 July 29 to 30 June 30	0	217	217	0	13	13	2,225	2,238
14	1 July 30 to 30 June 31	0	136	136	0	8	8	2,225	2,233
15	1 July 31 to 30 June 32	0	85	85	0	5	5	2,225	2,230
16	1 July 32 to 30 June 33	0	53	53	0	3	3	2,116	2,119
17	1 July 33 to 30 June 34	0	33	33	0	2	2	1,910	1,912
18	1 July 34 to 30 June 35	0	21	21	0	1	1	1,910	1,911
19	1 July 35 to 30 June 36	0	13	13	0	1	1	1,910	1,911
20	1 July 36 to 30 June 37	0	8	8	0	0	0	1,910	1,910
21	1 July 37 to 30 June 38	0	5	5	0	0	0	1,910	1,910
22	1 July 38 to 30 June 39	0	3	3	0	0	0	1,910	1,910
23	1 July 39 to 30 June 40	0	2	2	0	0	0	1,910	1,910
24	1 July 40 to 30 June 41	0	1	1	0	0	0	1,910	1,910
25	1 July 41 to 30 June 42	0	1	1	0	0	0	1,910	1,910
26	1 July 42 to 30 June 43	0	0	0	0	0	0	1,910	1,910
27	1 July 43 to 30 June 44	0	0	0	0	0	0	1,910	1,910
28	1 July 44 to 30 June 45	0	0	0	0	0	0	1,910	1,910
29	1 July 45 to 30 June 46	0	0	0	0	0	0	1,910	1,910
30	1 July 46 to 30 June 47	0	0	0	0	0	0	1,423	1,423
31	1 July 47 to 30 June 48	0	0	0	0	0	0	1,388	1,388
32	1 July 48 to 30 June 49	0	0	0	0	0	0	1,388	1,388
33	1 July 49 to 30 June 50	0	0	0	0	0	0	1,388	1,388
34	1 July 50 to 30 June 51	0	0	0	0	0	0	1,388	1,388
35	1 July 51 to 30 June 52	0	0	0	0	0	0	1,388	1,388
36	1 July 52 to 30 June 53	0	0	0	0	0	0	1,388	1,388
37	1 July 53 to 30 June 54	0	0	0	0	0	0	1,388	1,388
38	1 July 54 to 30 June 55	0	0	0	0	0	0	1,388	1,388
39	1 July 55 to 30 June 56	0	0	0	0	0	0	660	660
40	2056+	0	0	0	0	0	0	1,027	1,027
<b>Totals</b>		<b>17,178</b>	<b>15,715</b>	<b>32,894</b>	<b>560</b>	<b>4,434</b>	<b>4,994</b>	<b>72,305</b>	<b>77,299</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	Original Assets **			Post Expenditure			Division 43	Totals
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40		
1	28 June 18 to 30 June 18	12	1,628	1,640	0	0	0	9	9
2	1 July 18 to 30 June 19	8,877	2,971	11,848	349	263	612	2,211	2,823
3	1 July 19 to 30 June 20	1,569	1,531	3,100	359	164	523	2,225	2,748
4	1 July 20 to 30 June 21	1,569	957	2,526	359	103	462	2,225	2,687
5	1 July 21 to 30 June 22	1,569	598	2,167	359	64	423	2,225	2,648
6	1 July 22 to 30 June 23	1,569	374	1,943	359	40	399	2,225	2,624
7	1 July 23 to 30 June 24	1,569	234	1,803	359	25	384	2,225	2,609
8	1 July 24 to 30 June 25	1,528	146	1,674	359	16	375	2,225	2,600
9	1 July 25 to 30 June 26	1,441	91	1,532	359	10	369	2,225	2,594
10	1 July 26 to 30 June 27	1,441	57	1,498	359	6	365	2,225	2,590
11	1 July 27 to 30 June 28	1,432	36	1,468	359	4	363	2,225	2,588
12	1 July 28 to 30 June 29	465	22	487	242	2	245	2,225	2,470
13	1 July 29 to 30 June 30	464	14	478	237	1	239	2,225	2,464
14	1 July 30 to 30 June 31	289	9	298	76	1	77	2,225	2,302
15	1 July 31 to 30 June 32	225	5	231	76	1	77	2,225	2,302
16	1 July 32 to 30 June 33	190	3	193	76	0	76	2,116	2,192
17	1 July 33 to 30 June 34	2	2	4	6	0	7	1,910	1,917
18	1 July 34 to 30 June 35	0	1	1	0	0	0	1,910	1,910
19	1 July 35 to 30 June 36	0	1	1	0	0	0	1,910	1,910
20	1 July 36 to 30 June 37	0	1	1	0	0	0	1,910	1,910
21	1 July 37 to 30 June 38	0	0	0	0	0	0	1,910	1,910
22	1 July 38 to 30 June 39	0	0	0	0	0	0	1,910	1,910
23	1 July 39 to 30 June 40	0	0	0	0	0	0	1,910	1,910
24	1 July 40 to 30 June 41	0	0	0	0	0	0	1,910	1,910
25	1 July 41 to 30 June 42	0	0	0	0	0	0	1,910	1,910
26	1 July 42 to 30 June 43	0	0	0	0	0	0	1,910	1,910
27	1 July 43 to 30 June 44	0	0	0	0	0	0	1,910	1,910
28	1 July 44 to 30 June 45	0	0	0	0	0	0	1,910	1,910
29	1 July 45 to 30 June 46	0	0	0	0	0	0	1,910	1,910
30	1 July 46 to 30 June 47	0	0	0	0	0	0	1,423	1,423
31	1 July 47 to 30 June 48	0	0	0	0	0	0	1,388	1,388
32	1 July 48 to 30 June 49	0	0	0	0	0	0	1,388	1,388
33	1 July 49 to 30 June 50	0	0	0	0	0	0	1,388	1,388
34	1 July 50 to 30 June 51	0	0	0	0	0	0	1,388	1,388
35	1 July 51 to 30 June 52	0	0	0	0	0	0	1,388	1,388
36	1 July 52 to 30 June 53	0	0	0	0	0	0	1,388	1,388
37	1 July 53 to 30 June 54	0	0	0	0	0	0	1,388	1,388
38	1 July 54 to 30 June 55	0	0	0	0	0	0	1,388	1,388
39	1 July 55 to 30 June 56	0	0	0	0	0	0	660	660
40	2056+	0	0	0	0	0	0	1,027	1,027
<b>Totals</b>		<b>24,212</b>	<b>8,681</b>	<b>32,894</b>	<b>4,294</b>	<b>700</b>	<b>4,994</b>	<b>72,305</b>	<b>77,299</b>

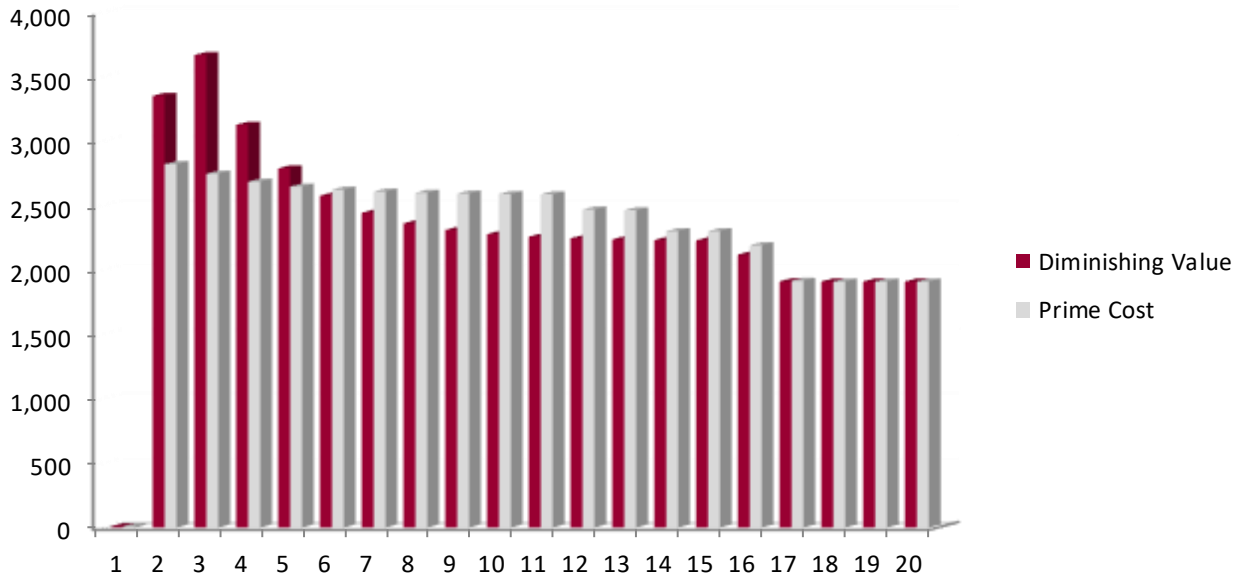
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

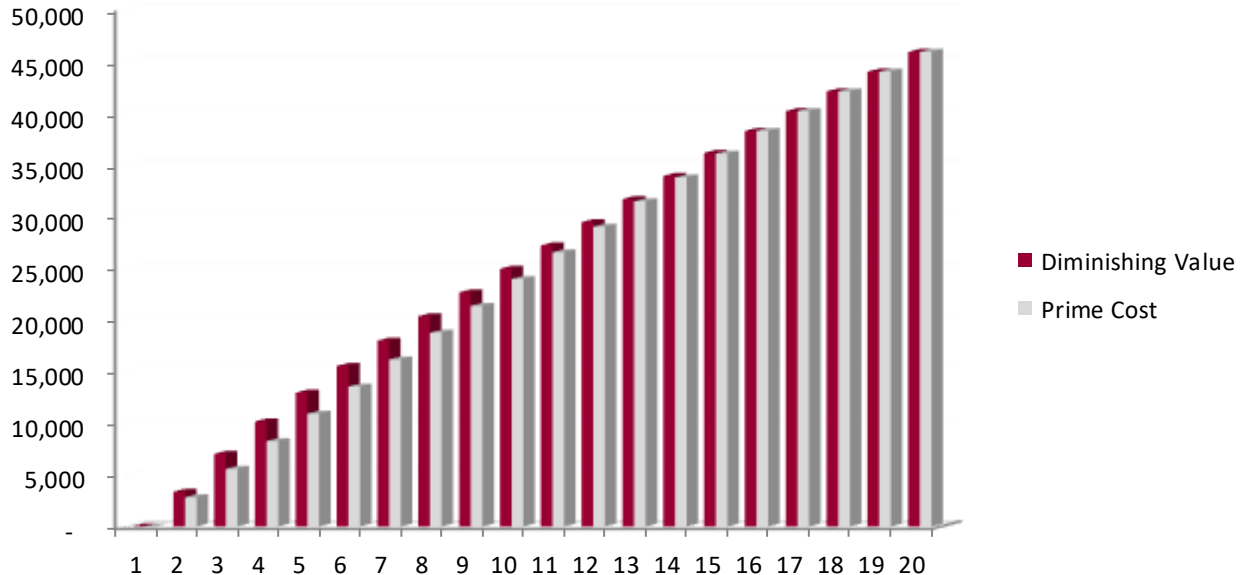
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	29 May 2018
Settlement Date	28 June 2018

### Expenditure Analysed

Purchase Price	\$385,000
Stamp Duty	\$15,580
Post Expenditure	\$25,311
<b>Total Expenditure Analysed</b>	<b>\$425,891</b>

### Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

## 9. Reconciliation of Capital Expenditure

### Apportionment of cost relating to:

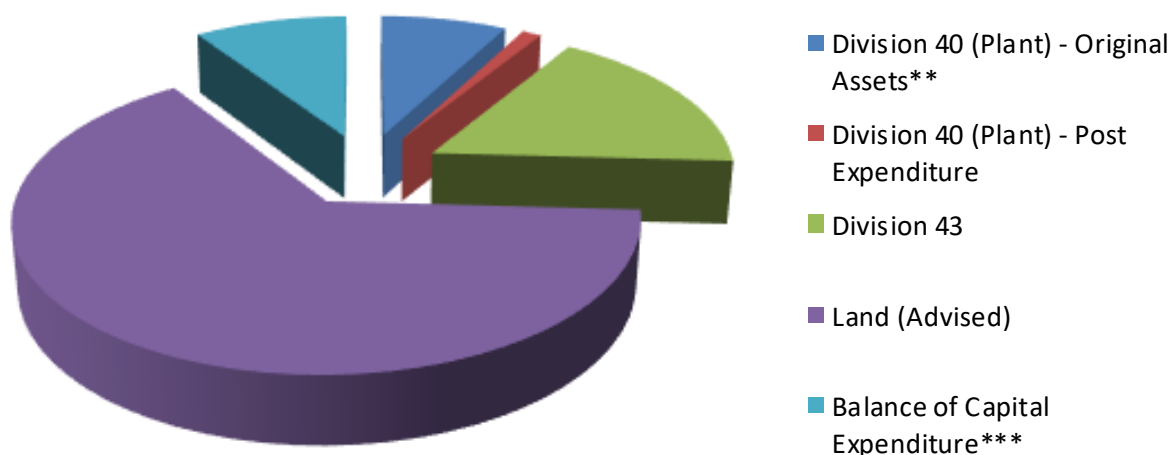
Division 40 (Plant) - Original Assets**	\$32,894
Division 40 (Plant) - Post Expenditure	\$4,994
Division 43	\$72,305
Land (Advised)	\$275,724
Balance of Capital Expenditure***	\$39,974
<b>Total Expenditure Analysed</b>	<b>\$425,891</b>

### 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

\*\* Division 40 (Plant) - Original Assets has been excluded as the property was purchased post 9 May 2017 or 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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	28-Jun-18	4,280	5	855	684	547	438	350	280	224	336	210
Room units	20.00%	28-Jun-18	1,070	1	1,069								
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	28-Jun-18	856	160	261	163	102	64	40	25	16	10	6
<b>Blinds Residential</b>													
	18.75%	28-Jun-18	1,219	229	371	232	145	91	57	35	22	14	9
<b>Curtains and drapes</b>													
	18.75%	28-Jun-18	883	166	269	168	105	66	41	26	16	10	6
<b>Door closers</b>													
	18.75%	28-Jun-18	514	96	156	98	61	38	24	15	9	6	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	28-Jun-18	314	59	96	60	37	23	15	9	6	4	2
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	28-Jun-18	3,776	4	754	603	483	386	309	247	371	232	145
Carpets	20.00%	28-Jun-18	1,022	1	1,021								
Linoleum & vinyl	20.00%	28-Jun-18	726	1	725								
<b>Furniture</b>													
Furniture	15.00%	28-Jun-18	1,284	1	192	164	348	217	136	85	53	33	21
Furniture	18.75%	28-Jun-18	1,956	367	596	372	233	145	91	57	36	22	14
<b>Garage doors, automatic</b>													
Motors	20.00%	28-Jun-18	1,712	2	342	274	219	328	205	128	80	50	31
<b>Garbage disposal</b>													
Garbage bins	18.75%	28-Jun-18	342	64	104	65	41	25	16	10	6	4	2
<b>Heating units</b>													
Freestanding	13.33%	28-Jun-18	2,853	2	380	329	286	247	214	186	161	140	340
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	28-Jun-18	2,140	2	356	297	247	206	172	322	201	126	79
<b>Kitchen assets</b>													
Cooktops	16.67%	28-Jun-18	1,213	1	1,212								
Dishwashers	20.00%	28-Jun-18	1,712	2	1,710								
Ovens	16.67%	28-Jun-18	1,569	1	1,568								
Rangehoods	18.75%	28-Jun-18	642	120	522								
<b>Laundry assets</b>													
Washing machines	18.75%	28-Jun-18	642	120	196	122	76	48	30	19	12	7	5
<b>Lights</b>													
Shades, removable	18.75%	28-Jun-18	1,313	246	400	250	156	98	61	38	24	15	9
<b>Carried forward</b>			<b>32,038</b>	<b>1,651</b>	<b>13,156</b>	<b>3,882</b>	<b>3,086</b>	<b>2,421</b>	<b>1,760</b>	<b>1,482</b>	<b>1,237</b>	<b>1,008</b>	<b>883</b>

## 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%	28-Jun-18	4,280	2	428	428	428	428	428	428	428	428	428	
Room units	10.00%	28-Jun-18	1,070	1	1,069									
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	18.75%	28-Jun-18	856	160	261	163	102	64	40	25	16	10	6	
<b>Blinds Residential</b>														
	18.75%	28-Jun-18	1,219	229	371	232	145	91	57	35	22	14	9	
<b>Curtains and drapes</b>														
	18.75%	28-Jun-18	883	166	269	168	105	66	41	26	16	10	6	
<b>Door closers</b>														
	18.75%	28-Jun-18	514	96	156	98	61	38	24	15	9	6	4	
<b>Fire control assets</b>														
Detection & alarm systems, detectors	18.75%	28-Jun-18	314	59	96	60	37	23	15	9	6	4	2	
<b>Floor coverings ( removable without damage)</b>														
Carpets	10.00%	28-Jun-18	3,776	2	378	378	378	378	378	378	378	378	378	
Carpets	10.00%	28-Jun-18	1,022	1	1,021									
Linoleum & vinyl	10.00%	28-Jun-18	726	0	726									
<b>Furniture</b>														
	7.50%	28-Jun-18	1,284	1	96	96	96	96	96	96	96	96	96	
	18.75%	28-Jun-18	1,956	367	596	372	233	145	91	57	36	22	14	
<b>Garage doors, automatic</b>														
Motors	10.00%	28-Jun-18	1,712	1	171	171	171	171	171	171	171	171	171	
<b>Garbage disposal</b>														
Garbage bins	18.75%	28-Jun-18	342	64	104	65	41	25	16	10	6	4	2	
<b>Heating units</b>														
Freestanding	6.67%	28-Jun-18	2,853	1	190	190	190	190	190	190	190	190	190	
<b>Hot water systems (excluding piping)</b>														
Gas or electric	8.33%	28-Jun-18	2,140	1	178	178	178	178	178	178	178	178	178	
<b>Kitchen assets</b>														
Cooktops	8.33%	28-Jun-18	1,213	1	1,212									
Dishwashers	10.00%	28-Jun-18	1,712	1	1,711									
Ovens	8.33%	28-Jun-18	1,569	1	1,569									
Rangehoods	18.75%	28-Jun-18	642	120	522									
<b>Laundry assets</b>														
Washing machines	18.75%	28-Jun-18	642	120	196	122	76	48	30	19	12	7	5	
<b>Lights</b>														
Shades, removable	18.75%	28-Jun-18	1,313	246	400	250	156	98	61	38	24	15	9	
	Carried forward		32,038	1,639	11,720	2,972	2,398	2,039	1,815	1,675	1,587	1,532	1,498	

## 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	12 Feb 93 to 15 Mar 93	8,700	2.50%	218	3,197
Building Works - Completed 2006	20 Jun 06 to 27 Jul 06	15,081	2.50%	377	10,583
Building Works - Completed 2015	7 Aug 15 to 6 Sep 15	25,521	2.50%	638	23,728
Building Works - Completed 2018	18 Jun 18 to 10 Jul 18	20,317	2.50%	508	20,317

**Sub-total** 69,620 1,741 57,825

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	12 Feb 93 to 15 Mar 93	3,867	2.50%	97	1,421
Structural Improvements - Completed 2006	20 Jun 06 to 27 Jul 06	5,800	2.50%	145	4,071
Structural Improvements - Completed 2015	7 Aug 15 to 6 Sep 15	9,667	2.50%	242	8,988

**Sub-total** 19,334 484 14,480

**Totals** 88,954 2,225 72,305

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
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LEAD SURVEYOR DETAILS	
<b>Surveyors Name</b>	Mark Kilroy
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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.