



Tax Depreciation Report

1 Larch Court,
Buderim QLD 4556

Anita Lis Sorensen
10 Davis Street
HEYFIELD, VIC 3858

Issue Schedule	
Issue Date:	Issued by:
12 February 2019	Mark Kilroy Bsc (Hons) MRICS

Anita Lis Sorensen
10 Davis Street
HEYFIELD, VIC 3858

February 2019
Job No: RES4556003

Tax Depreciation Report – 1 Larch Court, Buderim QLD 4556

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

12 February 2019

Purchaser

Anita Lis Sorensen

Property Address

1 Larch Court, Buderim QLD 4556

Real Property Description

L161 RP845370

Property Type

Residential House

Date of Construction

15 November 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					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	30 October 17 to 30 June 18	4,837	2,796	7,633	3,608	3,608
2	1 July 18 to 30 June 19	5,524	5,139	10,663	5,418	5,418
3	1 July 19 to 30 June 20	4,208	3,903	8,111	5,418	5,418
4	1 July 20 to 30 June 21	2,763	3,818	6,581	5,418	5,418
5	1 July 21 to 30 June 22	2,249	2,386	4,635	5,418	5,418
6	1 July 22 to 30 June 23	1,833	1,491	3,324	5,418	5,418
7	1 July 23 to 30 June 24	1,346	1,269	2,616	5,418	5,418
8	1 July 24 to 30 June 25	1,099	793	1,892	5,418	5,418
9	1 July 25 to 30 June 26	898	496	1,394	5,418	5,418
10	1 July 26 to 30 June 27	736	310	1,046	5,418	5,418
11	1 July 27 to 30 June 28	418	543	961	5,418	5,418
12	1 July 28 to 30 June 29	349	339	688	5,418	5,418
13	1 July 29 to 30 June 30	115	544	659	5,418	5,418
14	1 July 30 to 30 June 31	103	340	443	5,418	5,418
15	1 July 31 to 30 June 32	0	561	561	5,418	5,418
16	1 July 32 to 30 June 33	0	351	351	5,418	5,418
17	1 July 33 to 30 June 34	0	219	219	3,136	3,136
18	1 July 34 to 30 June 35	0	137	137	1,845	1,845
19	1 July 35 to 30 June 36	0	86	86	1,845	1,845
20	1 July 36 to 30 June 37	0	54	54	1,845	1,845
21	1 July 37 to 30 June 38	0	33	33	1,845	1,845
22	1 July 38 to 30 June 39	0	21	21	1,845	1,845
23	1 July 39 to 30 June 40	0	13	13	1,510	1,510
24	1 July 40 to 30 June 41	0	8	8	1,452	1,452
25	1 July 41 to 30 June 42	0	5	5	1,452	1,452
26	1 July 42 to 30 June 43	0	3	3	1,452	1,452
27	1 July 43 to 30 June 44	0	2	2	1,452	1,452
28	1 July 44 to 30 June 45	0	1	1	1,452	1,452
29	1 July 45 to 30 June 46	0	1	1	1,452	1,452
30	1 July 46 to 30 June 47	0	0	0	1,452	1,452
31	1 July 47 to 30 June 48	0	0	0	1,273	1,273
32	1 July 48 to 30 June 49	0	0	0	827	827
33	1 July 49 to 30 June 50	0	0	0	827	827
34	1 July 50 to 30 June 51	0	0	0	827	827
35	1 July 51 to 30 June 52	0	0	0	827	827
36	1 July 52 to 30 June 53	0	0	0	827	827
37	1 July 53 to 30 June 54	0	0	0	827	827
38	1 July 54 to 30 June 55	0	0	0	827	827
39	1 July 55 to 30 June 56	0	0	0	827	827
40	2056+	0	0	0	760	760
Totals		26,477	25,665	52,142	117,562	117,562

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	30 October 17 to 30 June 18	2,656	2,796	5,452	3,608	3,608
2	1 July 18 to 30 June 19	3,275	4,544	7,819	5,418	5,418
3	1 July 19 to 30 June 20	3,275	2,840	6,115	5,418	5,418
4	1 July 20 to 30 June 21	3,275	1,775	5,050	5,418	5,418
5	1 July 21 to 30 June 22	3,275	1,109	4,384	5,418	5,418
6	1 July 22 to 30 June 23	3,275	693	3,968	5,418	5,418
7	1 July 23 to 30 June 24	3,275	433	3,708	5,418	5,418
8	1 July 24 to 30 June 25	3,275	271	3,546	5,418	5,418
9	1 July 25 to 30 June 26	3,275	169	3,444	5,418	5,418
10	1 July 26 to 30 June 27	3,275	106	3,381	5,418	5,418
11	1 July 27 to 30 June 28	1,675	66	1,741	5,418	5,418
12	1 July 28 to 30 June 29	879	41	920	5,418	5,418
13	1 July 29 to 30 June 30	589	26	615	5,418	5,418
14	1 July 30 to 30 June 31	378	16	395	5,418	5,418
15	1 July 31 to 30 June 32	248	10	258	5,418	5,418
16	1 July 32 to 30 June 33	248	6	254	5,418	5,418
17	1 July 33 to 30 June 34	248	4	252	3,136	3,136
18	1 July 34 to 30 June 35	248	2	250	1,845	1,845
19	1 July 35 to 30 June 36	248	2	250	1,845	1,845
20	1 July 36 to 30 June 37	248	1	249	1,845	1,845
21	1 July 37 to 30 June 38	88	1	89	1,845	1,845
22	1 July 38 to 30 June 39	0	0	0	1,845	1,845
23	1 July 39 to 30 June 40	0	0	0	1,510	1,510
24	1 July 40 to 30 June 41	0	0	0	1,452	1,452
25	1 July 41 to 30 June 42	0	0	0	1,452	1,452
26	1 July 42 to 30 June 43	0	0	0	1,452	1,452
27	1 July 43 to 30 June 44	0	0	0	1,452	1,452
28	1 July 44 to 30 June 45	0	0	0	1,452	1,452
29	1 July 45 to 30 June 46	0	0	0	1,452	1,452
30	1 July 46 to 30 June 47	0	0	0	1,452	1,452
31	1 July 47 to 30 June 48	0	0	0	1,273	1,273
32	1 July 48 to 30 June 49	0	0	0	827	827
33	1 July 49 to 30 June 50	0	0	0	827	827
34	1 July 50 to 30 June 51	0	0	0	827	827
35	1 July 51 to 30 June 52	0	0	0	827	827
36	1 July 52 to 30 June 53	0	0	0	827	827
37	1 July 53 to 30 June 54	0	0	0	827	827
38	1 July 54 to 30 June 55	0	0	0	827	827
39	1 July 55 to 30 June 56	0	0	0	827	827
40	2056+	0	0	0	760	760
Totals		37,229	14,914	52,142	117,562	117,562

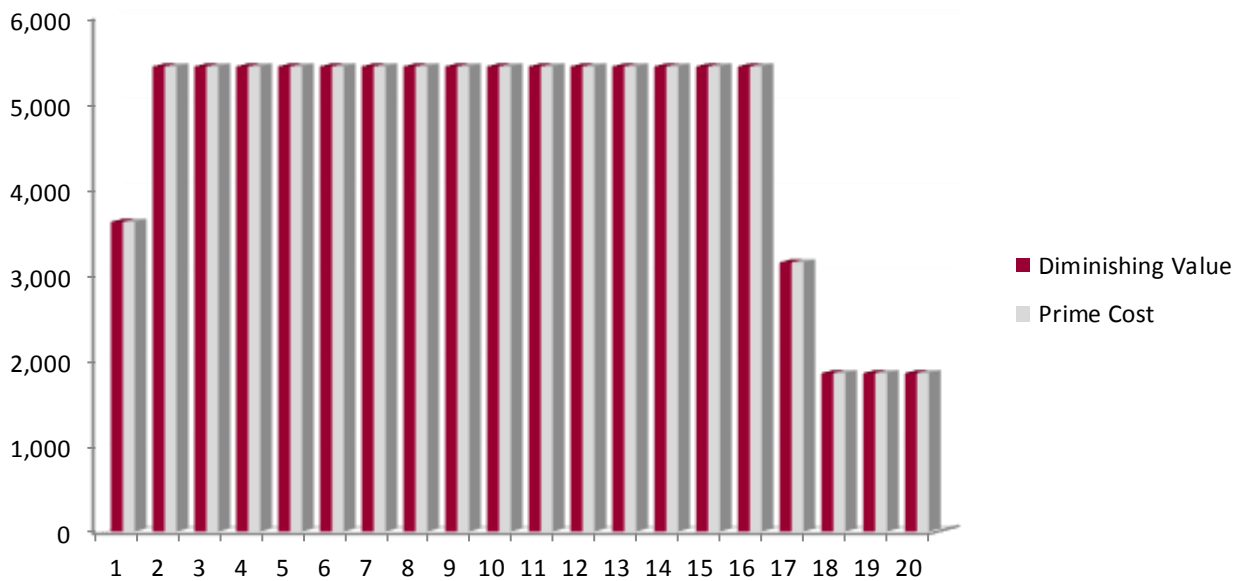
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

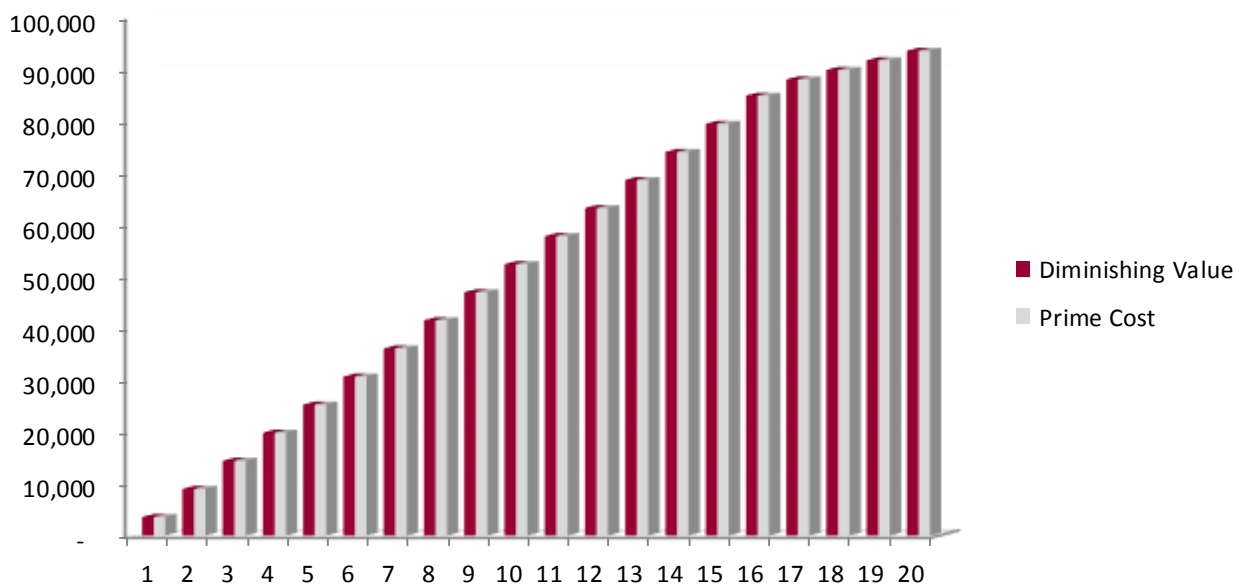
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	15 September 2017
Settlement Date	30 October 2017

Expenditure Analysed

Purchase Price	\$540,000
Stamp Duty	\$17,325
Legals	\$880
Total Expenditure Analysed	\$558,205

Historical Construction Details

Construction Start Date	19 May 1993
Construction Completion Date	15 November 1993
Historical Construction Cost (Estimated)*	\$266,026

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

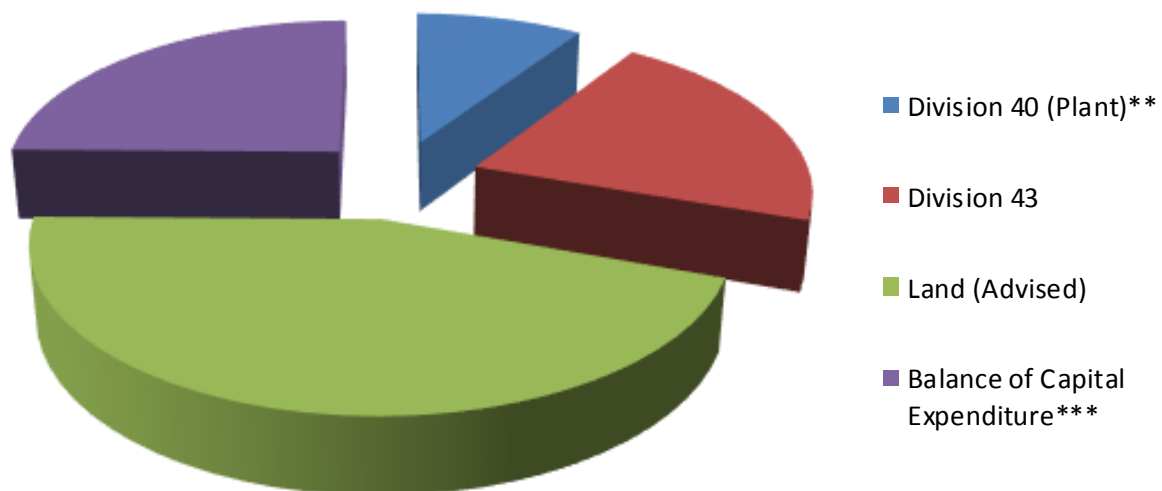
Division 40 (Plant)**	\$52,142
Division 43	\$117,562
Land (Advised)	\$250,280
Balance of Capital Expenditure***	\$138,221
Total Expenditure Analysed	\$558,205

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 property was purchased post 9 May 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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	30-Oct-17	11,889	1,583	2,061	1,649	1,319	1,055	844	675	540	432	346
Blinds Residential													
	18.75%	30-Oct-17	2,294	430	699	437	273	171	107	67	42	26	16
Curtains and drapes													
	18.75%	30-Oct-17	4,011	752	1,222	764	477	298	186	117	73	46	28
Fire control assets													
Detection & alarm systems, detectors	18.75%	30-Oct-17	615	115	188	117	73	46	29	18	11	7	4
Floor coverings (removable without damage)													
Carpets	20.00%	30-Oct-17	8,009	1,066	1,388	1,111	889	711	569	455	364	291	233
Furniture													
Furniture	15.00%	30-Oct-17	1,259	126	170	361	226	141	88	55	34	22	13
Furniture	18.75%	30-Oct-17	4,063	762	1,238	774	484	302	189	118	74	46	29
Garage doors, automatic													
Motors	20.00%	30-Oct-17	1,678	223	291	233	349	218	136	85	53	33	21
Garden sheds, freestanding													
	20.00%	30-Oct-17	699	93	227	142	89	56	35	22	14	8	5
Hot water systems (excluding piping)													
Gas or electric	16.67%	30-Oct-17	2,518	279	373	311	259	216	180	337	211	132	82
Kitchen assets													
Cooktops	16.67%	30-Oct-17	1,189	132	176	330	206	129	81	50	32	20	12
Dishwashers	20.00%	30-Oct-17	1,678	223	291	233	349	218	136	85	53	33	21
Ovens	16.67%	30-Oct-17	1,539	171	228	190	356	223	139	87	54	34	21
Rangehoods	18.75%	30-Oct-17	629	118	192	120	75	47	29	18	11	7	4
Lights													
Shades, removable	18.75%	30-Oct-17	3,301	619	1,006	629	393	246	153	96	60	37	23
Pumps													
	10.00%	30-Oct-17	1,049	70	367	230	143	90	56	35	22	14	9
Solar power generating system assets													
	10.00%	30-Oct-17	3,916	261	366	329	296	266	240	216	194	175	157
Swimming pools													
Filtration equipment	15.00%	30-Oct-17	1,329	133	179	153	324	203	127	79	49	31	19
\$300 items													
	100.00%	30-Oct-17	476	476									
Pooled Plant Total				2,796	5,139	3,903	3,818	2,386	1,491	1,269	793	496	310
Effective Life Plant Total				4,837	5,524	4,208	2,763	2,249	1,833	1,346	1,099	898	736
Total Division 40			52,142	7,633	10,663	8,111	6,581	4,635	3,324	2,616	1,892	1,394	1,046

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%	30-Oct-17	36,228	1,505	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260
Building Works - Completed 1999	2.50%	30-Oct-17	6,265	191	287	287	287	287	287	287	287	287	287
Building Works - Completed 2008	2.50%	30-Oct-17	13,943	306	459	459	459	459	459	459	459	459	459
Building Works - Completed 2017	2.50%	30-Oct-17	24,970	420	631	631	631	631	631	631	631	631	631
Structural Improvements - Completed 1993	2.50%	30-Oct-17	21,037	874	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313
Structural Improvements - Completed 1999	2.50%	30-Oct-17	2,308	71	106	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2008	2.50%	30-Oct-17	5,045	111	166	166	166	166	166	166	166	166	166
Structural Improvements - Completed 2017	2.50%	30-Oct-17	7,766	130	196	196	196	196	196	196	196	196	196
Total Division 43			117,562	3,608	5,418	5,418	5,418	5,418	5,418	5,418	5,418	5,418	5,418
Total Depreciation			169,704	11,241	16,081	13,529	11,999	10,053	8,742	8,034	7,310	6,812	6,464

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%	30-Oct-17	11,889	792	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189
Blinds Residential													
	18.75%	30-Oct-17	2,294	430	699	437	273	171	107	67	42	26	16
Curtains and drapes													
	18.75%	30-Oct-17	4,011	752	1,222	764	477	298	186	117	73	46	28
Fire control assets													
Detection & alarm systems, detectors	18.75%	30-Oct-17	615	115	188	117	73	46	29	18	11	7	4
Floor coverings (removable without damage)													
Carpets	10.00%	30-Oct-17	8,009	533	801	801	801	801	801	801	801	801	801
Furniture													
Furniture	7.50%	30-Oct-17	1,259	63	94	94	94	94	94	94	94	94	94
Furniture	18.75%	30-Oct-17	4,063	762	1,238	774	484	302	189	118	74	46	29
Garage doors, automatic													
Motors	10.00%	30-Oct-17	1,678	112	168	168	168	168	168	168	168	168	168
Garden sheds, freestanding													
	10.00%	30-Oct-17	699	47	70	70	70	70	70	70	70	70	70
Hot water systems (excluding piping)													
Gas or electric	8.33%	30-Oct-17	2,518	140	210	210	210	210	210	210	210	210	210
Kitchen assets													
Cooktops	8.33%	30-Oct-17	1,189	66	99	99	99	99	99	99	99	99	99
Dishwashers	10.00%	30-Oct-17	1,678	112	168	168	168	168	168	168	168	168	168
Ovens	8.33%	30-Oct-17	1,539	85	128	128	128	128	128	128	128	128	128
Rangehoods	18.75%	30-Oct-17	629	118	192	120	75	47	29	18	11	7	4
Lights													
Shades, removable	18.75%	30-Oct-17	3,301	619	1,006	629	393	246	153	96	60	37	23
Pumps													
	5.00%	30-Oct-17	1,049	35	52	52	52	52	52	52	52	52	52
Solar power generating system assets													
	5.00%	30-Oct-17	3,916	130	196	196	196	196	196	196	196	196	196
Swimming pools													
Filtration equipment	7.50%	30-Oct-17	1,329	66	100	100	100	100	100	100	100	100	100
\$300 items													
	100.00%	30-Oct-17	476	476									
Pooled Plant Total				2,796	4,544	2,840	1,775	1,109	693	433	271	169	106
Effective Life Plant Total				2,656	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275
Total Division 40			52,142	5,452	7,819	6,115	5,050	4,384	3,968	3,708	3,546	3,444	3,381

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%	30-Oct-17	36,228	1,505	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260
Building Works - Completed 1999	2.50%	30-Oct-17	6,265	191	287	287	287	287	287	287	287	287	287
Building Works - Completed 2008	2.50%	30-Oct-17	13,943	306	459	459	459	459	459	459	459	459	459
Building Works - Completed 2017	2.50%	30-Oct-17	24,970	420	631	631	631	631	631	631	631	631	631
Structural Improvements - Completed 1993	2.50%	30-Oct-17	21,037	874	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313
Structural Improvements - Completed 1999	2.50%	30-Oct-17	2,308	71	106	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2008	2.50%	30-Oct-17	5,045	111	166	166	166	166	166	166	166	166	166
Structural Improvements - Completed 2017	2.50%	30-Oct-17	7,766	130	196	196	196	196	196	196	196	196	196
Total Division 43			117,562	3,608	5,418	5,418	5,418	5,418	5,418	5,418	5,418	5,418	5,418
Total Depreciation			169,704	9,060	13,237	11,533	10,468	9,802	9,386	9,126	8,964	8,862	8,799

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 May 93 to 15 Nov 93	90,414	2.50%	2,260	36,228
Building Works - Completed 1999	24 Aug 99 to 3 Sep 99	11,480	2.50%	287	6,265
Building Works - Completed 2008	4 Mar 08 to 14 Mar 08	18,368	2.50%	459	13,943
Building Works - Completed 2017	8 May 17 to 18 May 17	25,256	2.50%	631	24,970

Sub-total 145,517 3,637 81,406

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1993	19 May 93 to 15 Nov 93	52,502	2.50%	1,313	21,037
Structural Improvements - Completed 1999	24 Aug 99 to 3 Sep 99	4,229	2.50%	106	2,308
Structural Improvements - Completed 2008	4 Mar 08 to 14 Mar 08	6,646	2.50%	166	5,045
Structural Improvements - Completed 2017	8 May 17 to 18 May 17	7,855	2.50%	196	7,766

Sub-total 71,232 1,781 36,156

Totals 216,750 5,418 117,562

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.