



Tax Depreciation Report

F127, 24–32 Lexington Drive,
Bella Vista NSW 2153

Alfalah Pty Ltd ATF Alfalah Unit Trust
F127, 24-32 Lexington Drive
BELLA VISTA, NSW 2153

Issue Schedule	
Issue Date:	Issued by:
11 March 2019	Mark Kilroy Bsc (Hons) MRICS



Alfalah Pty Ltd ATF Alfalah Unit Trust
F127, 24-32 Lexington Drive
BELLA VISTA, NSW 2153

March 2019
Job No: COM2153003

Tax Depreciation Report – F127, 24-32 Lexington Drive, Bella Vista NSW 2153

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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TABLE OF CONTENTS

1. Property Information	2
2. Report Details	3
3. Capital Allowances	4
4. Capital Works	6
5. Summary of Entitlements – Diminishing Value Method	7
6. Summary of Entitlements – Prime Cost Method	8
7. Comparison Graphs	9
8. Capital Expenditure Analysed	10
9. Reconciliation of Capital Expenditure	10
10. Diminishing Value Depreciation Schedule	11
11. Prime Cost Depreciation Schedule	13
12. Division 43 Capital Works Schedule	15
13. Definition of Terms	16
14. Contact Details	17
15. Disclaimer	18

1. Property Information

Date of Report

25 March 2019

Purchaser

Alfalah Pty Ltd ATF Alfalah Unit Trust

Property Address

F127, 24-32 Lexington Drive, Bella Vista NSW 2153

Real Property Description

LOT 55 SP77109

Property Type

Commercial

Date of Construction

10 October 2013

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"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 	<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 								
Calculation Example	Calculation Example								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>	<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p>100 / 10 Years = 10% (Straight Line)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

4. Capital Works

4.1 Entitlement

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

4.2 Method of Depreciation

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

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

4.3 Method of Depreciation

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

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	6 May 16 to 30 June 16	3,974	5,404	9,378	1,063	10,441
2	1 July 16 to 30 June 17	25,519	8,782	34,301	7,075	41,376
3	1 July 17 to 30 June 18	19,630	5,489	25,118	7,075	32,193
4	1 July 18 to 30 June 19	15,363	3,430	18,794	7,075	25,869
5	1 July 19 to 30 June 20	11,976	2,425	14,401	7,075	21,476
6	1 July 20 to 30 June 21	9,651	1,516	11,167	7,075	18,242
7	1 July 21 to 30 June 22	7,706	1,282	8,987	7,075	16,062
8	1 July 22 to 30 June 23	6,034	1,069	7,103	7,075	14,178
9	1 July 23 to 30 June 24	5,046	668	5,714	7,075	12,789
10	1 July 24 to 30 June 25	4,228	418	4,646	7,075	11,721
11	1 July 25 to 30 June 26	3,386	570	3,956	7,075	11,031
12	1 July 26 to 30 June 27	2,856	356	3,212	7,075	10,287
13	1 July 27 to 30 June 28	2,414	222	2,637	7,075	9,712
14	1 July 28 to 30 June 29	2,045	139	2,184	7,075	9,259
15	1 July 29 to 30 June 30	1,431	781	2,212	7,075	9,287
16	1 July 30 to 30 June 31	1,132	830	1,962	7,075	9,037
17	1 July 31 to 30 June 32	966	518	1,485	7,075	8,560
18	1 July 32 to 30 June 33	648	658	1,306	7,075	8,381
19	1 July 33 to 30 June 34	565	411	976	7,075	8,051
20	1 July 34 to 30 June 35	494	257	750	7,075	7,825
21	1 July 35 to 30 June 36	431	161	592	7,075	7,667
22	1 July 36 to 30 June 37	377	100	477	7,075	7,552
23	1 July 37 to 30 June 38	330	63	393	7,075	7,468
24	1 July 38 to 30 June 39	153	379	532	7,075	7,607
25	1 July 39 to 30 June 40	137	237	375	7,075	7,450
26	1 July 40 to 30 June 41	124	148	272	7,075	7,347
27	1 July 41 to 30 June 42	111	93	204	7,075	7,279
28	1 July 42 to 30 June 43	100	58	158	7,075	7,233
29	1 July 43 to 30 June 44	0	374	374	7,075	7,449
30	1 July 44 to 30 June 45	0	234	234	7,075	7,309
31	1 July 45 to 30 June 46	0	146	146	7,075	7,221
32	1 July 46 to 30 June 47	0	91	91	7,075	7,166
33	1 July 47 to 30 June 48	0	57	57	7,075	7,132
34	1 July 48 to 30 June 49	0	36	36	7,075	7,111
35	1 July 49 to 30 June 50	0	22	22	7,075	7,097
36	1 July 50 to 30 June 51	0	14	14	7,075	7,089
37	1 July 51 to 30 June 52	0	9	9	7,075	7,084
38	1 July 52 to 30 June 53	0	5	5	7,075	7,080
39	1 July 53 to 30 June 54	0	3	3	1,976	1,979
40	2054+	0	6	6	0	6
Totals		126,827	37,462	164,289	264,814	429,103

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

Example

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

6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	6 May 16 to 30 June 16	1,742	8,457	10,199	1,063	11,262
2	1 July 16 to 30 June 17	11,593	13,743	25,336	7,075	32,411
3	1 July 17 to 30 June 18	11,593	8,589	20,182	7,075	27,257
4	1 July 18 to 30 June 19	11,593	5,368	16,961	7,075	24,036
5	1 July 19 to 30 June 20	11,593	3,355	14,948	7,075	22,023
6	1 July 20 to 30 June 21	11,104	2,097	13,201	7,075	20,276
7	1 July 21 to 30 June 22	8,332	1,311	9,643	7,075	16,718
8	1 July 22 to 30 June 23	8,169	819	8,988	7,075	16,063
9	1 July 23 to 30 June 24	7,989	512	8,501	7,075	15,576
10	1 July 24 to 30 June 25	7,989	320	8,309	7,075	15,384
11	1 July 25 to 30 June 26	7,402	200	7,602	7,075	14,677
12	1 July 26 to 30 June 27	4,098	125	4,223	7,075	11,298
13	1 July 27 to 30 June 28	4,065	78	4,143	7,075	11,218
14	1 July 28 to 30 June 29	3,908	49	3,957	7,075	11,032
15	1 July 29 to 30 June 30	1,869	31	1,900	7,075	8,975
16	1 July 30 to 30 June 31	1,351	19	1,370	7,075	8,445
17	1 July 31 to 30 June 32	989	12	1,001	7,075	8,076
18	1 July 32 to 30 June 33	989	7	996	7,075	8,071
19	1 July 33 to 30 June 34	989	5	994	7,075	8,069
20	1 July 34 to 30 June 35	989	3	992	7,075	8,067
21	1 July 35 to 30 June 36	838	2	840	7,075	7,915
22	1 July 36 to 30 June 37	0	1	1	7,075	7,076
23	1 July 37 to 30 June 38	0	1	1	7,075	7,076
24	1 July 38 to 30 June 39	0	0	0	7,075	7,075
25	1 July 39 to 30 June 40	0	0	0	7,075	7,075
26	1 July 40 to 30 June 41	0	0	0	7,075	7,075
27	1 July 41 to 30 June 42	0	0	0	7,075	7,075
28	1 July 42 to 30 June 43	0	0	0	7,075	7,075
29	1 July 43 to 30 June 44	0	0	0	7,075	7,075
30	1 July 44 to 30 June 45	0	0	0	7,075	7,075
31	1 July 45 to 30 June 46	0	0	0	7,075	7,075
32	1 July 46 to 30 June 47	0	0	0	7,075	7,075
33	1 July 47 to 30 June 48	0	0	0	7,075	7,075
34	1 July 48 to 30 June 49	0	0	0	7,075	7,075
35	1 July 49 to 30 June 50	0	0	0	7,075	7,075
36	1 July 50 to 30 June 51	0	0	0	7,075	7,075
37	1 July 51 to 30 June 52	0	0	0	7,075	7,075
38	1 July 52 to 30 June 53	0	0	0	7,075	7,075
39	1 July 53 to 30 June 54	0	0	0	1,976	1,976
40	2054+	0	0	0	0	0
Totals		119,185	45,104	164,289	264,814	429,103

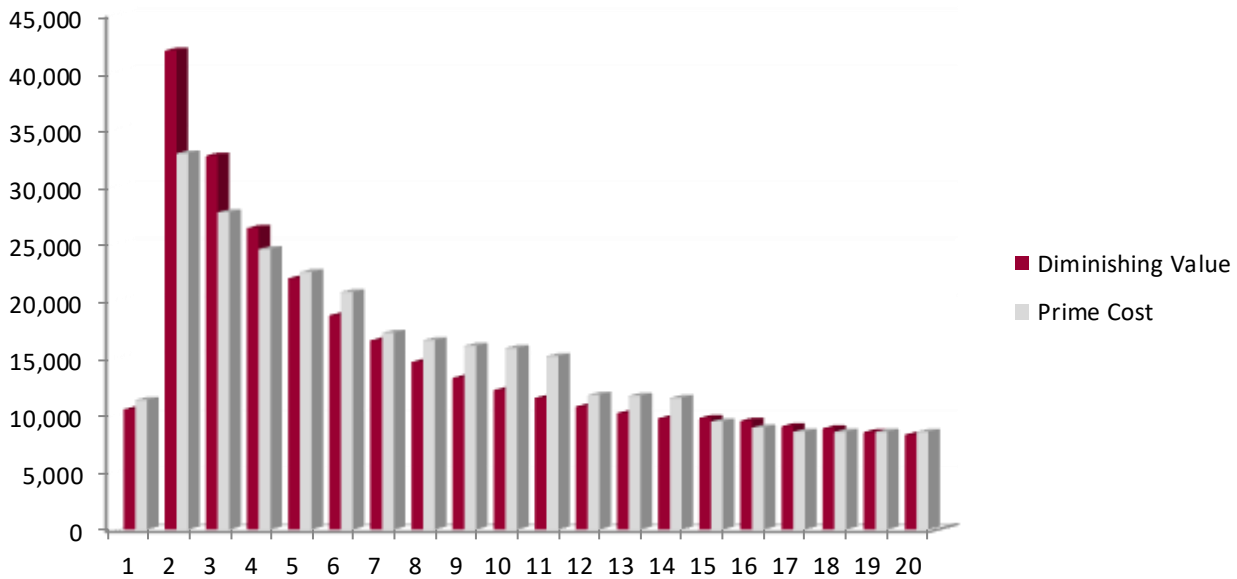
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

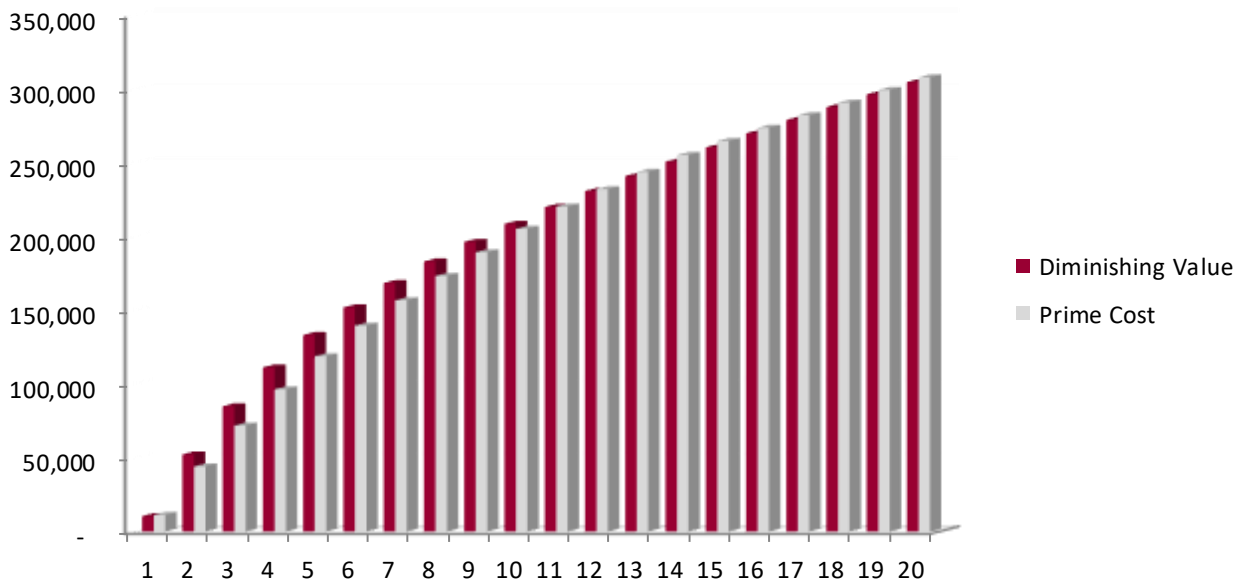
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	24 March 2016
Settlement Date	6 May 2016

Expenditure Analysed

Purchase Price	\$527,000
Total Expenditure Analysed	\$527,000

Historical Construction Details

Construction Start Date	13 January 2013
Construction Completion Date	10 October 2013
Historical Construction Cost (Advised)*	\$431,348

9. Reconciliation of Capital Expenditure

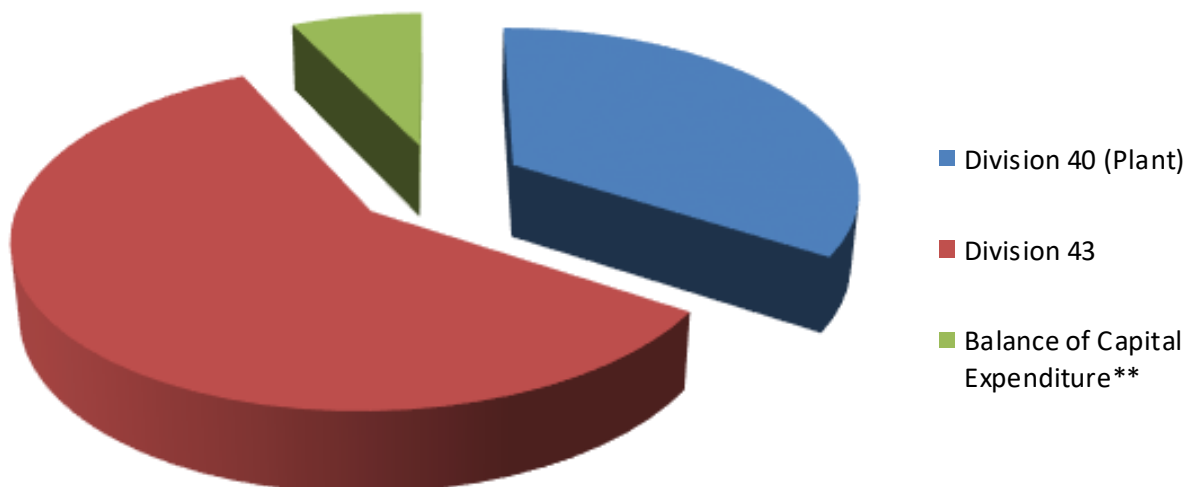
Apportionment of cost relating to:

Division 40 (Plant)	\$164,289
Division 43	\$264,814
Balance of Capital Expenditure**	\$51,845
Total Expenditure Analysed	\$527,000

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%	6-May-16	32,587	979	6,322	5,057	4,046	3,237	2,589	2,071	1,657	1,326	1,061
Blinds	18.75%	6-May-16	1,092	205	333	208	130	81	51	32	20	12	8
Computer systems													
General	40.00%	6-May-16	16,306	980	6,130	3,678	2,207	1,324	795	477	268	168	105
General	18.75%	6-May-16	3,792	711	1,155	722	451	282	176	110	69	43	27
Door closers	18.75%	6-May-16	278	52	85	53	33	21	13	8	5	3	2
Electrical Machinery & Equipment :													
Switchboards	10.00%	6-May-16	4,040	61	398	358	322	290	261	235	211	190	171
Fire control assets													
Detection & alarm systems, detectors	18.75%	6-May-16	2,503	469	763	477	298	186	116	73	45	28	18
Emergency warning & intercommunication system	18.75%	6-May-16	835	157	254	159	99	62	39	24	15	9	6
Hoses and nozzles	18.75%	6-May-16	88	16	27	17	10	7	4	3	2	1	1
Pumps, diesel & electric	18.75%	6-May-16	62	12	19	12	7	5	3	2	1	1	0
Fire extinguishers	18.75%	6-May-16	948	178	289	181	113	71	44	28	17	11	7
Furniture	15.00%	6-May-16	33,182	748	4,866	4,136	3,516	2,988	2,540	2,159	1,835	1,560	1,326
Furniture	18.75%	6-May-16	6,131	1,150	1,868	1,167	730	456	285	178	111	70	43
Kitchen assets													
Microwave ovens	18.75%	6-May-16	885	166	270	169	105	66	41	26	16	10	6
Refrigerators	16.67%	6-May-16	2,275	57	370	308	257	214	178	334	209	131	82
Lights													
Emergency	18.75%	6-May-16	758	142	231	144	90	56	35	22	14	9	5
Fittings	18.75%	6-May-16	9,759	1,830	2,973	1,858	1,161	726	454	284	177	111	69
Shades, removable	18.75%	6-May-16	301	56	92	57	36	22	14	9	5	3	2
Office furniture, freestanding													
Cabinets - timber/laminated	13.33%	6-May-16	6,447	129	842	730	633	548	475	412	357	309	268
Chairs	20.00%	6-May-16	16,281	489	3,158	2,527	2,021	1,617	1,294	1,035	828	662	530
Desks	10.00%	6-May-16	15,738	236	1,550	1,395	1,256	1,130	1,017	915	824	741	667
Reception assets	20.00%	6-May-16	6,320	190	1,226	981	785	628	502	402	321	257	206
Security systems & equipment													
Electronic	30.00%	6-May-16	2,290	103	656	459	321	281	176	110	69	43	27
Signage	18.75%	6-May-16	1,390	261	424	265	165	103	65	40	25	16	10
Pooled Plant Total				5,404	8,782	5,489	3,430	2,425	1,516	1,282	1,069	668	418
Effective Life Plant Total				3,974	25,519	19,630	15,363	11,976	9,651	7,706	6,034	5,046	4,228
Total Division 40			164,289	9,378	34,301	25,118	18,794	14,401	11,167	8,987	7,103	5,714	4,646

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 2013	2.50%	06-May-16	257,274	1,033	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874
Structural Improvements - Completed 2013	2.50%	06-May-16	7,540	30	201	201	201	201	201	201	201	201	201
Total Division 43			264,814	1,063	7,075	7,075	7,075	7,075	7,075	7,075	7,075	7,075	7,075
Total Depreciation			429,103	10,441	41,376	32,193	25,869	21,476	18,242	16,062	14,178	12,789	11,721

11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	06-May-16	32,587	490	3,259	3,259	3,259	3,259	3,259	3,259	3,259	3,259	3,259
Blinds	18.75%	06-May-16	1,092	205	333	208	130	81	51	32	20	12	8
Computer systems													
General	20.00%	06-May-16	16,306	490	3,261	3,261	3,261	3,261	2,772				
General	18.75%	06-May-16	3,792	711	1,155	722	451	282	176	110	69	43	27
Door closers	18.75%	06-May-16	278	52	85	53	33	21	13	8	5	3	2
Electrical Machinery & Equipment :													
Switchboards	5.00%	06-May-16	4,040	30	202	202	202	202	202	202	202	202	202
Fire control assets													
Detection & alarm systems, detectors	18.75%	06-May-16	2,503	469	763	477	298	186	116	73	45	28	18
Emergency warning & intercommunication system	18.75%	06-May-16	835	157	254	159	99	62	39	24	15	9	6
Hoses and nozzles	18.75%	06-May-16	88	16	27	17	10	7	4	3	2	1	1
Pumps, diesel & electric	18.75%	06-May-16	62	12	19	12	7	5	3	2	1	1	0
Fire extinguishers	18.75%	06-May-16	948	178	289	181	113	71	44	28	17	11	7
Furniture	7.50%	06-May-16	33,182	374	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489
Furniture	18.75%	06-May-16	6,131	1,150	1,868	1,167	730	456	285	178	111	70	43
Kitchen assets													
Microwave ovens	18.75%	06-May-16	885	166	270	169	105	66	41	26	16	10	6
Refrigerators	8.33%	06-May-16	2,275	28	190	190	190	190	190	190	190	190	190
Lights													
Emergency	18.75%	06-May-16	758	142	231	144	90	56	35	22	14	9	5
Fittings	18.75%	06-May-16	9,759	1,830	2,973	1,858	1,161	726	454	284	177	111	69
Shades, removable	18.75%	06-May-16	301	56	92	57	36	22	14	9	5	3	2
Office furniture, freestanding													
Cabinets - timber/laminated	6.67%	06-May-16	6,447	65	430	430	430	430	430	430	430	430	430
Chairs	18.75%	06-May-16	16,281	3,053	4,961	3,100	1,938	1,211	757	473	296	185	115
Desks	5.00%	06-May-16	15,738	118	787	787	787	787	787	787	787	787	787
Reception assets	10.00%	06-May-16	6,320	95	632	632	632	632	632	632	632	632	632
Security systems & equipment													
Electronic	15.00%	06-May-16	2,290	52	343	343	343	343	343	343	180		
Signage	18.75%	06-May-16	1,390	261	424	265	165	103	65	40	25	16	10
Pooled Plant Total				8,457	13,743	8,589	5,368	3,355	2,097	1,311	819	512	320
Effective Life Plant Total				1,742	11,593	11,593	11,593	11,593	11,104	8,332	8,169	7,989	7,989
Total Division 40			164,289	10,199	25,336	20,182	16,961	14,948	13,201	9,643	8,988	8,501	8,309

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 2013	2.50%	06-May-16	257,274	1,033	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874
Structural Improvements - Completed 2013	2.50%	06-May-16	7,540	30	201	201	201	201	201	201	201	201
Total Division 43			264,814	1,063	7,075	7,075	7,075	7,075	7,075	7,075	7,075	7,075
Total Depreciation			429,103	11,262	32,411	27,257	24,036	22,023	20,276	16,718	16,063	15,576

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 2013	13 Jan 13 to 10 Oct 13	274,958	2.50%	6,874	257,274
Sub-total		274,958		6,874	257,274

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2013	13 Jan 13 to 10 Oct 13	8,058	2.50%	201	7,540
Sub-total		8,058		201	7,540
Totals		283,016		7,075	264,814

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.