



Tax Depreciation Report

7103/31 Bourton Rd,
Merrimac QLD 4226

Susan Patricia Gibbs
Poinciana vistas 13/29 Ellis Drive
MUDGEERABA, QLD 4213

Issue Schedule	
Issue Date:	Issued by:
04 December 2019	Mark Kilroy Bsc (Hons) MRICS

Susan Patricia Gibbs
Poinciana vistas 13/29 Ellis Drive
MUDGEERABA, QLD 4213

December 2019
Job No: RES4226064

Tax Depreciation Report – 7103/31 Bourton Rd, Merrimac QLD 4226

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



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

4 December 2019

Purchaser

Susan Patricia Gibbs

Property Address

7103/31 Bourton Rd, Merrimac QLD 4226

Real Property Description

L7103 SP304120

Property Type

Residential Unit

Date of Construction

31 July 2019

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	13 September 19 to 30 June 20	6,762	1,144	7,906	4,657	12,563
2	1 July 20 to 30 June 21	5,831	2,830	8,661	5,858	14,519
3	1 July 21 to 30 June 22	4,607	1,769	6,375	5,858	12,233
4	1 July 22 to 30 June 23	3,241	1,703	4,944	5,858	10,802
5	1 July 23 to 30 June 24	2,137	2,110	4,247	5,858	10,105
6	1 July 24 to 30 June 25	1,568	1,687	3,255	5,858	9,113
7	1 July 25 to 30 June 26	1,301	1,054	2,356	5,858	8,214
8	1 July 26 to 30 June 27	934	991	1,924	5,858	7,782
9	1 July 27 to 30 June 28	776	619	1,395	5,858	7,253
10	1 July 28 to 30 June 29	646	387	1,033	5,858	6,891
11	1 July 29 to 30 June 30	539	242	780	5,858	6,638
12	1 July 30 to 30 June 31	0	1,207	1,207	5,858	7,065
13	1 July 31 to 30 June 32	0	755	755	5,858	6,613
14	1 July 32 to 30 June 33	0	472	472	5,858	6,330
15	1 July 33 to 30 June 34	0	295	295	5,858	6,153
16	1 July 34 to 30 June 35	0	184	184	5,858	6,042
17	1 July 35 to 30 June 36	0	115	115	5,858	5,973
18	1 July 36 to 30 June 37	0	72	72	5,858	5,930
19	1 July 37 to 30 June 38	0	45	45	5,858	5,903
20	1 July 38 to 30 June 39	0	28	28	5,858	5,886
21	1 July 39 to 30 June 40	0	18	18	5,858	5,876
22	1 July 40 to 30 June 41	0	11	11	5,858	5,869
23	1 July 41 to 30 June 42	0	7	7	5,858	5,865
24	1 July 42 to 30 June 43	0	4	4	5,858	5,862
25	1 July 43 to 30 June 44	0	3	3	5,858	5,861
26	1 July 44 to 30 June 45	0	2	2	5,858	5,860
27	1 July 45 to 30 June 46	0	1	1	5,858	5,859
28	1 July 46 to 30 June 47	0	1	1	5,858	5,859
29	1 July 47 to 30 June 48	0	0	0	5,858	5,858
30	1 July 48 to 30 June 49	0	0	0	5,858	5,858
31	1 July 49 to 30 June 50	0	0	0	5,858	5,858
32	1 July 50 to 30 June 51	0	0	0	5,858	5,858
33	1 July 51 to 30 June 52	0	0	0	5,858	5,858
34	1 July 52 to 30 June 53	0	0	0	5,858	5,858
35	1 July 53 to 30 June 54	0	0	0	5,858	5,858
36	1 July 54 to 30 June 55	0	0	0	5,858	5,858
37	1 July 55 to 30 June 56	0	0	0	5,858	5,858
38	1 July 56 to 30 June 57	0	0	0	5,858	5,858
39	1 July 57 to 30 June 58	0	0	0	5,858	5,858
40	2058+	0	0	0	6,338	6,338
Totals		28,342	17,754	46,097	233,599	279,696

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	13 September 19 to 30 June 20	3,547	1,144	4,691	4,657	9,348
2	1 July 20 to 30 June 21	4,044	1,858	5,902	5,858	11,760
3	1 July 21 to 30 June 22	4,044	1,162	5,206	5,858	11,064
4	1 July 22 to 30 June 23	4,044	726	4,770	5,858	10,628
5	1 July 23 to 30 June 24	4,044	454	4,498	5,858	10,356
6	1 July 24 to 30 June 25	3,384	284	3,667	5,858	9,525
7	1 July 25 to 30 June 26	3,190	177	3,367	5,858	9,225
8	1 July 26 to 30 June 27	3,031	111	3,142	5,858	9,000
9	1 July 27 to 30 June 28	3,031	69	3,100	5,858	8,958
10	1 July 28 to 30 June 29	3,031	43	3,074	5,858	8,932
11	1 July 29 to 30 June 30	1,617	27	1,644	5,858	7,502
12	1 July 30 to 30 June 31	1,250	17	1,267	5,858	7,125
13	1 July 31 to 30 June 32	826	11	836	5,858	6,694
14	1 July 32 to 30 June 33	535	7	542	5,858	6,400
15	1 July 33 to 30 June 34	310	4	314	5,858	6,172
16	1 July 34 to 30 June 35	70	3	72	5,858	5,930
17	1 July 35 to 30 June 36	0	2	2	5,858	5,860
18	1 July 36 to 30 June 37	0	1	1	5,858	5,859
19	1 July 37 to 30 June 38	0	1	1	5,858	5,859
20	1 July 38 to 30 June 39	0	0	0	5,858	5,858
21	1 July 39 to 30 June 40	0	0	0	5,858	5,858
22	1 July 40 to 30 June 41	0	0	0	5,858	5,858
23	1 July 41 to 30 June 42	0	0	0	5,858	5,858
24	1 July 42 to 30 June 43	0	0	0	5,858	5,858
25	1 July 43 to 30 June 44	0	0	0	5,858	5,858
26	1 July 44 to 30 June 45	0	0	0	5,858	5,858
27	1 July 45 to 30 June 46	0	0	0	5,858	5,858
28	1 July 46 to 30 June 47	0	0	0	5,858	5,858
29	1 July 47 to 30 June 48	0	0	0	5,858	5,858
30	1 July 48 to 30 June 49	0	0	0	5,858	5,858
31	1 July 49 to 30 June 50	0	0	0	5,858	5,858
32	1 July 50 to 30 June 51	0	0	0	5,858	5,858
33	1 July 51 to 30 June 52	0	0	0	5,858	5,858
34	1 July 52 to 30 June 53	0	0	0	5,858	5,858
35	1 July 53 to 30 June 54	0	0	0	5,858	5,858
36	1 July 54 to 30 June 55	0	0	0	5,858	5,858
37	1 July 55 to 30 June 56	0	0	0	5,858	5,858
38	1 July 56 to 30 June 57	0	0	0	5,858	5,858
39	1 July 57 to 30 June 58	0	0	0	5,858	5,858
40	2058+	0	0	0	6,338	6,338
Totals		39,997	6,100	46,097	233,599	279,696

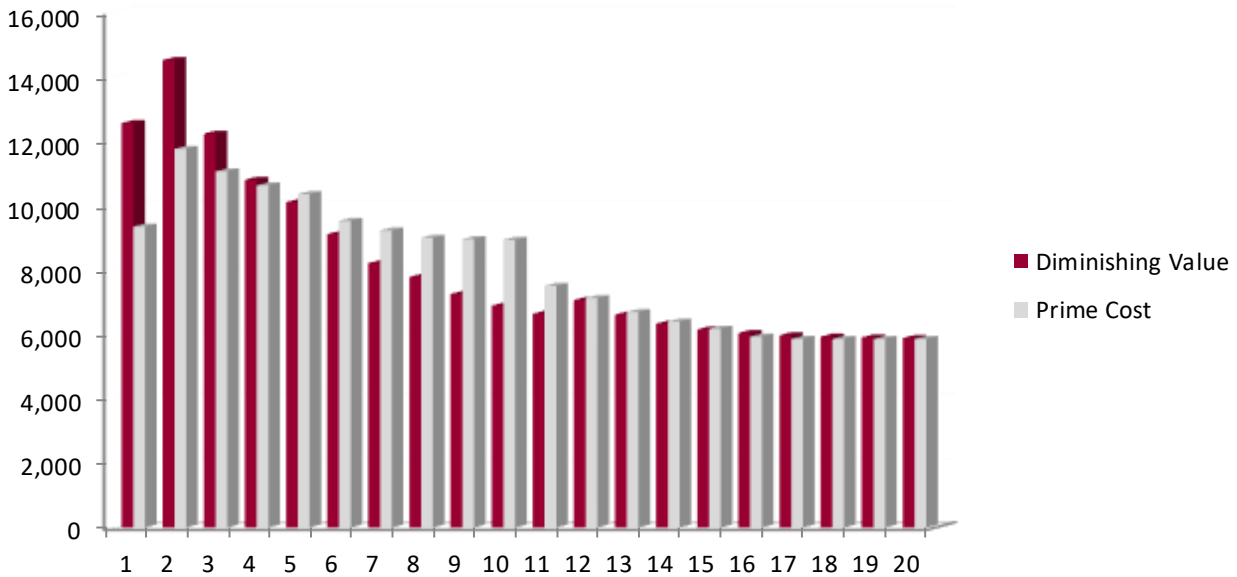
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

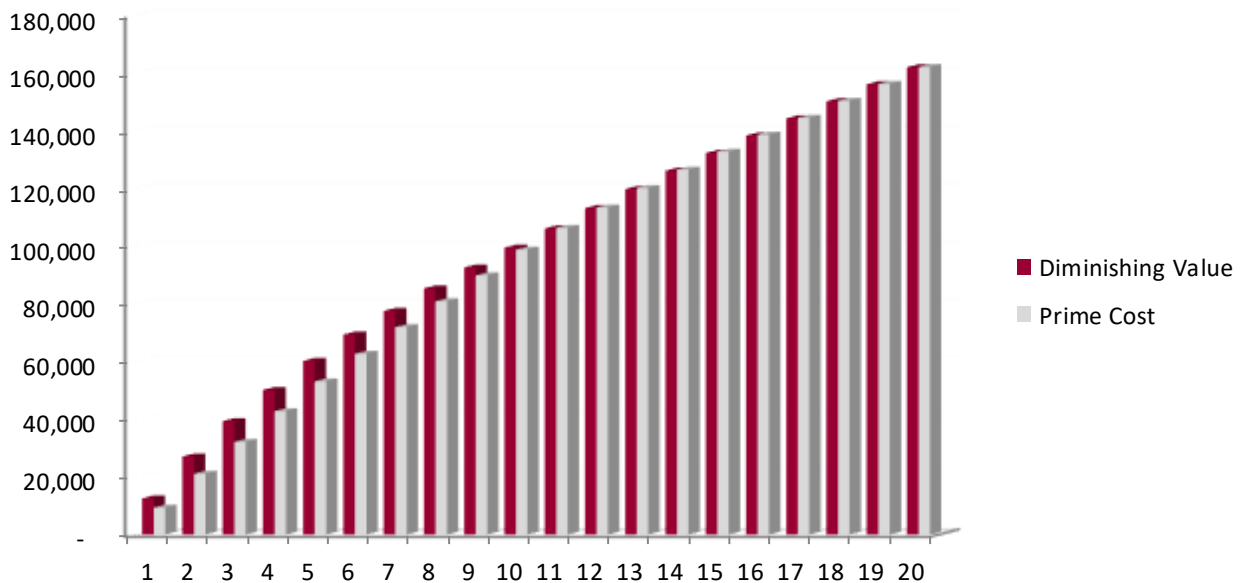
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	3 September 2018
Settlement Date	13 September 2019

Expenditure Analysed

Purchase Price	\$423,500
Legals	\$1,650
Total Expenditure Analysed	\$425,150

Historical Construction Details

Construction Completion Date	31 July 2019
Historical Construction Cost (Estimated)*	\$271,427

9. Reconciliation of Capital Expenditure

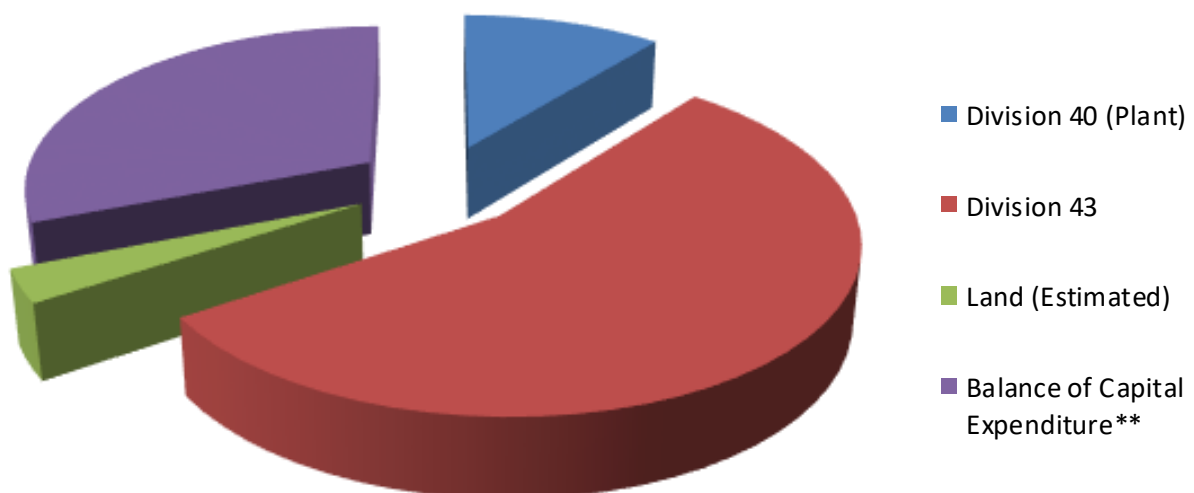
Apportionment of cost relating to:

Division 40 (Plant)	\$46,097
Division 43	\$233,599
Land (Estimated)	\$13,764
Balance of Capital Expenditure**	\$131,690
Total Expenditure Analysed	\$425,150

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%	13-Sep-19	9,643	1,533	1,622	1,298	1,038	830	664	531	425	340	272
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	13-Sep-19	1,785	335	544	340	212	133	83	52	32	20	13
Blinds Residential	20.00%	13-Sep-19	2,274	362	382	306	245	367	229	143	90	56	35
Ceiling Fans	40.00%	13-Sep-19	1,184	377	303	189	118	74	46	29	18	11	7
Door closers	18.75%	13-Sep-19	398	75	121	76	47	30	18	12	7	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	13-Sep-19	1,168	219	356	222	139	87	54	34	21	13	8
Fire sprinklers - pumps only	18.75%	13-Sep-19	587	110	179	112	70	44	27	17	11	7	4
Floor coverings (removable without damage)													
Carpets	20.00%	13-Sep-19	2,850	453	479	384	307	245	368	230	144	90	56
Floating timber	13.33%	13-Sep-19	4,657	494	555	481	417	361	313	271	235	204	177
Furniture	15.00%	13-Sep-19	5,484	654	725	616	524	445	378	321	273	232	197
Hot water systems (excluding piping)													
Gas or electric	16.67%	13-Sep-19	3,045	404	440	367	306	255	212	177	332	207	130
Kitchen assets													
Cooktops	16.67%	13-Sep-19	1,438	191	208	173	325	203	127	79	50	31	19
Dishwashers	20.00%	13-Sep-19	2,030	323	341	273	219	328	205	128	80	50	31
Microwave ovens	20.00%	13-Sep-19	1,015	161	320	200	125	78	49	31	19	12	7
Ovens	16.67%	13-Sep-19	1,861	247	269	224	187	350	219	137	86	53	33
Rangehoods	18.75%	13-Sep-19	930	174	284	177	111	69	43	27	17	11	7
Laundry assets													
Clothes dryers	18.75%	13-Sep-19	761	143	232	145	91	57	35	22	14	9	5
Lights													
Fittings (excluding hardwired)	40.00%	13-Sep-19	2,965	943	809	485	273	171	107	67	42	26	16
MATV - amplifiers & modulators	18.75%	13-Sep-19	470	88	143	89	56	35	22	14	9	5	3
Security systems & equipment													
Electronic	30.00%	13-Sep-19	1,219	291	348	218	136	85	53	33	21	13	8
\$300 items	100.00%	13-Sep-19	331	331									
Pooled Plant Total				1,144	2,830	1,769	1,703	2,110	1,687	1,054	991	619	387
Effective Life Plant Total				6,762	5,831	4,607	3,241	2,137	1,568	1,301	934	776	646
Total Division 40			46,097	7,906	8,661	6,375	4,944	4,247	3,255	2,356	1,924	1,395	1,033

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 2019	2.50%	13-Sep-19	230,540	4,596	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781
Structural Improvements - Completed 2019	2.50%	13-Sep-19	3,059	61	77	77	77	77	77	77	77	77	77
Total Division 43			233,599	4,657	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858
Total Depreciation			279,696	12,563	14,519	12,233	10,802	10,105	9,113	8,214	7,782	7,253	6,891

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%	13-Sep-19	9,643	767	964	964	964	964	964	964	964	964	964
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	13-Sep-19	1,785	335	544	340	212	133	83	52	32	20	13
Blinds Residential													
	10.00%	13-Sep-19	2,274	181	227	227	227	227	227	227	227	227	227
Ceiling Fans													
	20.00%	13-Sep-19	1,184	188	237	237	237	237	48				
Door closers													
	18.75%	13-Sep-19	398	75	121	76	47	30	18	12	7	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	13-Sep-19	1,168	219	356	222	139	87	54	34	21	13	8
Fire sprinklers - pumps only	18.75%	13-Sep-19	587	110	179	112	70	44	27	17	11	7	4
Floor coverings (removable without damage)													
Carpets	10.00%	13-Sep-19	2,850	227	285	285	285	285	285	285	285	285	285
Floating timber	6.67%	13-Sep-19	4,657	247	310	310	310	310	310	310	310	310	310
Furniture													
	7.50%	13-Sep-19	5,484	327	411	411	411	411	411	411	411	411	411
Hot water systems (excluding piping)													
Gas or electric	8.33%	13-Sep-19	3,045	202	254	254	254	254	254	254	254	254	254
Kitchen assets													
Cooktops	8.33%	13-Sep-19	1,438	95	120	120	120	120	120	120	120	120	120
Dishwashers	10.00%	13-Sep-19	2,030	161	203	203	203	203	203	203	203	203	203
Microwave ovens	10.00%	13-Sep-19	1,015	81	102	102	102	102	102	102	102	102	102
Ovens	8.33%	13-Sep-19	1,861	123	155	155	155	155	155	155	155	155	155
Rangehoods	18.75%	13-Sep-19	930	174	284	177	111	69	43	27	17	11	7
Laundry assets													
Clothes dryers	18.75%	13-Sep-19	761	143	232	145	91	57	35	22	14	9	5
Lights													
Fittings (excluding hardwired)	20.00%	13-Sep-19	2,965	472	593	593	593	593	122				
MATV - amplifiers & modulators													
	18.75%	13-Sep-19	470	88	143	89	56	35	22	14	9	5	3
Security systems & equipment													
Electronic	15.00%	13-Sep-19	1,219	145	183	183	183	183	183	159			
\$300 items													
	100.00%	13-Sep-19	331	331									
Pooled Plant Total				1,144	1,858	1,162	726	454	284	177	111	69	43
Effective Life Plant Total				3,547	4,044	4,044	4,044	4,044	3,384	3,190	3,031	3,031	3,031
Total Division 40			46,097	4,691	5,902	5,206	4,770	4,498	3,667	3,367	3,142	3,100	3,074

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 2019	2.50%	13-Sep-19	230,540	4,596	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781
Structural Improvements - Completed 2019	2.50%	13-Sep-19	3,059	61	77	77	77	77	77	77	77	77	77
Total Division 43			233,599	4,657	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858
Total Depreciation			279,696	9,348	11,760	11,064	10,628	10,356	9,525	9,225	9,000	8,958	8,932

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 2019	15 Aug 15 to 31 Jul 19	231,236	2.50%	5,781	230,540
Sub-total		231,236		5,781	230,540

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	15 Aug 15 to 31 Jul 19	3,068	2.50%	77	3,059
Sub-total		3,068		77	3,059
Totals		234,304		5,858	233,599

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	
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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.