



Tax Depreciation Report

Unit 209/548–568 Canterbury Road ,
Campsie NSW 2194

Bo Peng
918/6 Marquet St
RHODES, NSW 2138

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

Bo Peng
918/6 Marquet St
RHODES, NSW 2138

December 2019
Job No: RES2194009

Tax Depreciation Report – Unit 209/548-568 Canterbury Road , Campsie NSW 2194

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

18 December 2019

Purchaser

Bo Peng

Property Address

Unit 209/548-568 Canterbury Road , Campsie NSW 2194

Real Property Description

LOT 209 SP99071

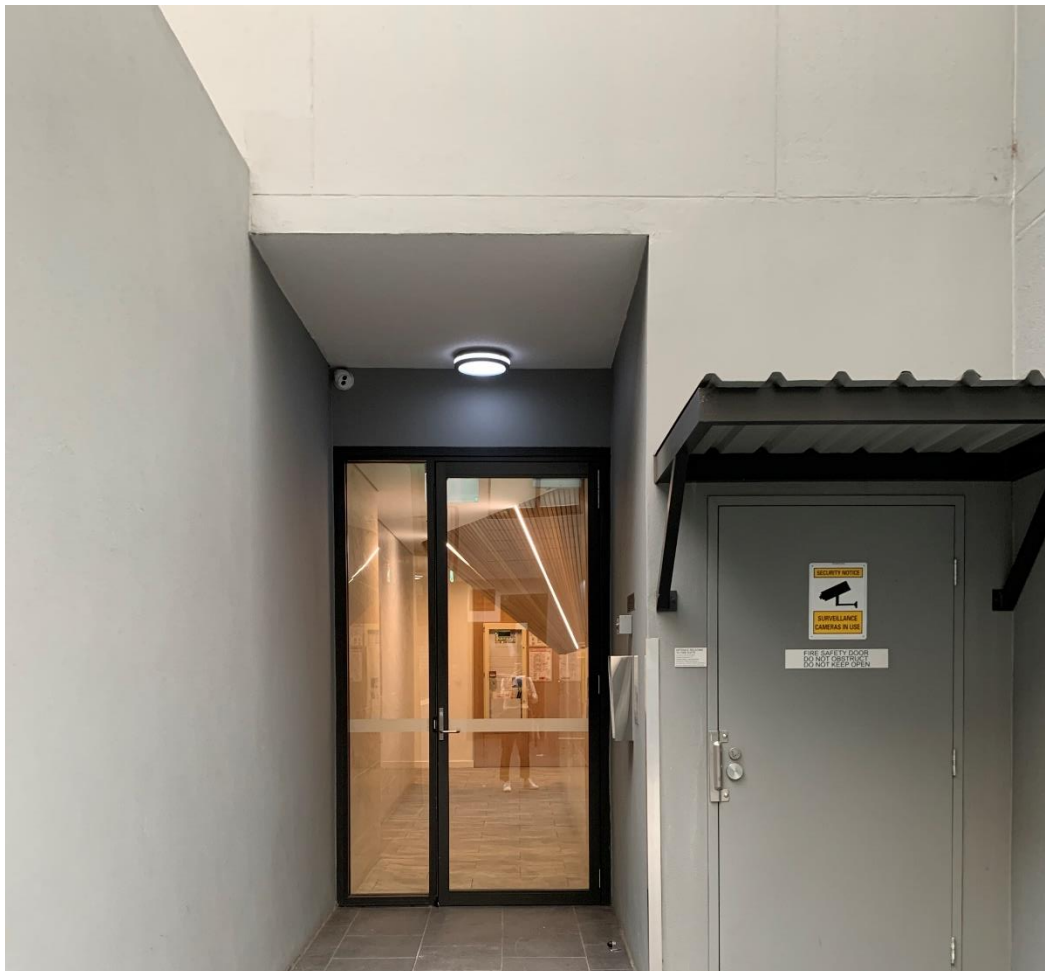
Property Type

Residential Unit

Date of Construction

25 March 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	24 April 19 to 30 June 19	2,128	2,759	4,887	1,260	6,147
2	1 July 19 to 30 June 20	5,966	4,484	10,449	6,863	17,312
3	1 July 20 to 30 June 21	4,452	3,475	7,927	6,863	14,790
4	1 July 21 to 30 June 22	3,650	2,172	5,822	6,863	12,685
5	1 July 22 to 30 June 23	2,844	1,702	4,546	6,863	11,409
6	1 July 23 to 30 June 24	1,800	2,134	3,933	6,863	10,796
7	1 July 24 to 30 June 25	1,424	1,695	3,119	6,863	9,982
8	1 July 25 to 30 June 26	1,173	1,059	2,233	6,863	9,096
9	1 July 26 to 30 June 27	968	662	1,630	6,863	8,493
10	1 July 27 to 30 June 28	800	414	1,214	6,863	8,077
11	1 July 28 to 30 June 29	662	259	921	6,863	7,784
12	1 July 29 to 30 June 30	549	162	711	6,863	7,574
13	1 July 30 to 30 June 31	456	101	557	6,863	7,420
14	1 July 31 to 30 June 32	188	422	610	6,863	7,473
15	1 July 32 to 30 June 33	163	264	427	6,863	7,290
16	1 July 33 to 30 June 34	141	165	306	6,863	7,169
17	1 July 34 to 30 June 35	0	447	447	6,863	7,310
18	1 July 35 to 30 June 36	0	279	279	6,863	7,142
19	1 July 36 to 30 June 37	0	175	175	6,863	7,038
20	1 July 37 to 30 June 38	0	109	109	6,863	6,972
21	1 July 38 to 30 June 39	0	68	68	6,863	6,931
22	1 July 39 to 30 June 40	0	43	43	6,863	6,906
23	1 July 40 to 30 June 41	0	27	27	6,863	6,890
24	1 July 41 to 30 June 42	0	17	17	6,863	6,880
25	1 July 42 to 30 June 43	0	10	10	6,863	6,873
26	1 July 43 to 30 June 44	0	7	7	6,863	6,870
27	1 July 44 to 30 June 45	0	4	4	6,863	6,867
28	1 July 45 to 30 June 46	0	3	3	6,863	6,866
29	1 July 46 to 30 June 47	0	2	2	6,863	6,865
30	1 July 47 to 30 June 48	0	1	1	6,863	6,864
31	1 July 48 to 30 June 49	0	1	1	6,863	6,864
32	1 July 49 to 30 June 50	0	0	0	6,863	6,863
33	1 July 50 to 30 June 51	0	0	0	6,863	6,863
34	1 July 51 to 30 June 52	0	0	0	6,863	6,863
35	1 July 52 to 30 June 53	0	0	0	6,863	6,863
36	1 July 53 to 30 June 54	0	0	0	6,863	6,863
37	1 July 54 to 30 June 55	0	0	0	6,863	6,863
38	1 July 55 to 30 June 56	0	0	0	6,863	6,863
39	1 July 56 to 30 June 57	0	0	0	6,863	6,863
40	2057+	0	0	0	11,915	11,915
Totals		27,365	23,119	50,484	273,969	324,453

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	24 April 19 to 30 June 19	1,561	2,759	4,320	1,260	5,580
2	1 July 19 to 30 June 20	3,089	4,484	7,573	6,863	14,436
3	1 July 20 to 30 June 21	3,089	2,802	5,891	6,863	12,754
4	1 July 21 to 30 June 22	3,089	1,751	4,840	6,863	11,703
5	1 July 22 to 30 June 23	3,089	1,095	4,184	6,863	11,047
6	1 July 23 to 30 June 24	3,089	684	3,773	6,863	10,636
7	1 July 24 to 30 June 25	3,089	428	3,517	6,863	10,380
8	1 July 25 to 30 June 26	2,991	267	3,258	6,863	10,121
9	1 July 26 to 30 June 27	2,899	167	3,066	6,863	9,929
10	1 July 27 to 30 June 28	2,899	104	3,003	6,863	9,866
11	1 July 28 to 30 June 29	2,548	65	2,614	6,863	9,477
12	1 July 29 to 30 June 30	982	41	1,023	6,863	7,886
13	1 July 30 to 30 June 31	926	25	951	6,863	7,814
14	1 July 31 to 30 June 32	669	16	685	6,863	7,548
15	1 July 32 to 30 June 33	591	10	601	6,863	7,464
16	1 July 33 to 30 June 34	489	6	495	6,863	7,358
17	1 July 34 to 30 June 35	46	4	50	6,863	6,913
18	1 July 35 to 30 June 36	46	2	48	6,863	6,911
19	1 July 36 to 30 June 37	46	2	48	6,863	6,911
20	1 July 37 to 30 June 38	46	1	47	6,863	6,910
21	1 July 38 to 30 June 39	46	1	47	6,863	6,910
22	1 July 39 to 30 June 40	46	0	46	6,863	6,909
23	1 July 40 to 30 June 41	46	0	46	6,863	6,909
24	1 July 41 to 30 June 42	46	0	46	6,863	6,909
25	1 July 42 to 30 June 43	46	0	46	6,863	6,909
26	1 July 43 to 30 June 44	46	0	46	6,863	6,909
27	1 July 44 to 30 June 45	46	0	46	6,863	6,909
28	1 July 45 to 30 June 46	46	0	46	6,863	6,909
29	1 July 46 to 30 June 47	46	0	46	6,863	6,909
30	1 July 47 to 30 June 48	46	0	46	6,863	6,909
31	1 July 48 to 30 June 49	36	0	36	6,863	6,899
32	1 July 49 to 30 June 50	0	0	0	6,863	6,863
33	1 July 50 to 30 June 51	0	0	0	6,863	6,863
34	1 July 51 to 30 June 52	0	0	0	6,863	6,863
35	1 July 52 to 30 June 53	0	0	0	6,863	6,863
36	1 July 53 to 30 June 54	0	0	0	6,863	6,863
37	1 July 54 to 30 June 55	0	0	0	6,863	6,863
38	1 July 55 to 30 June 56	0	0	0	6,863	6,863
39	1 July 56 to 30 June 57	0	0	0	6,863	6,863
40	2057+	0	0	0	11,915	11,915
Totals		35,769	14,715	50,484	273,969	324,453

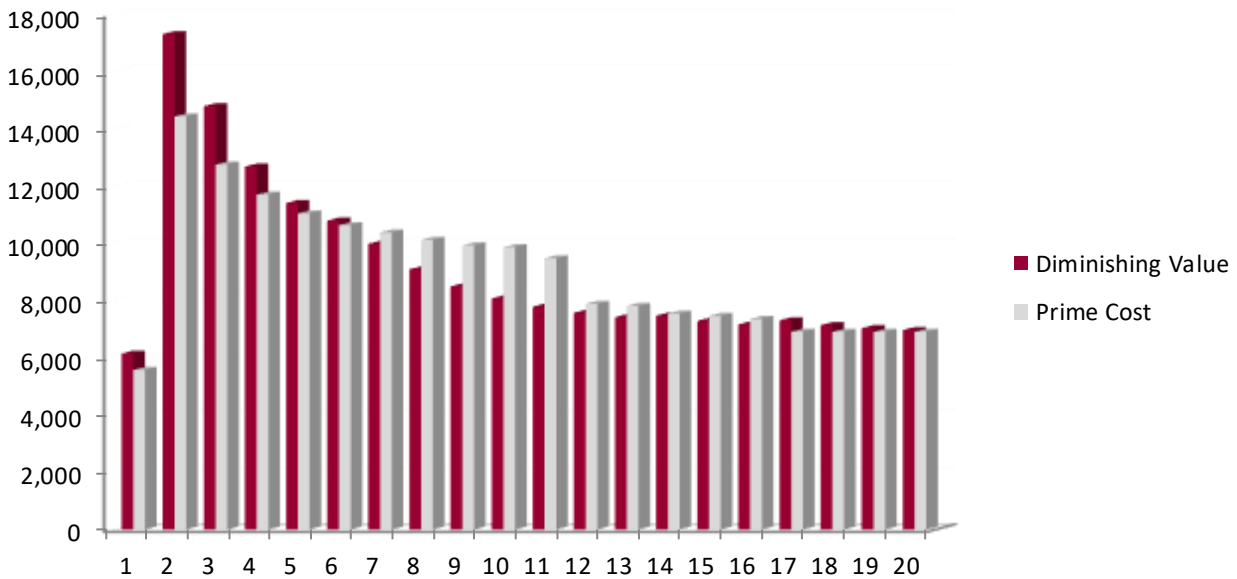
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

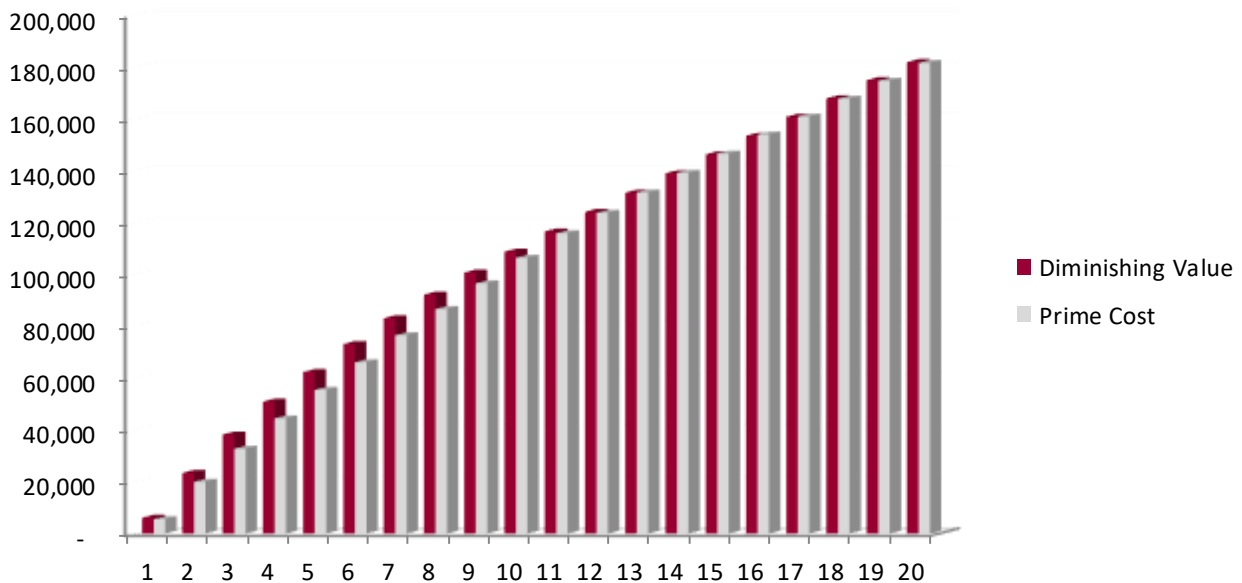
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	8 April 2018
Settlement Date	24 April 2019

Expenditure Analysed

Purchase Price	\$519,000
Stamp Duty	\$18,865
Legals	\$1,783
Total Expenditure Analysed	\$539,648

Historical Construction Details

Construction Start Date	30 March 2018
Construction Completion Date	25 March 2019
Historical Construction Cost (Estimated)*	\$306,488

9. Reconciliation of Capital Expenditure

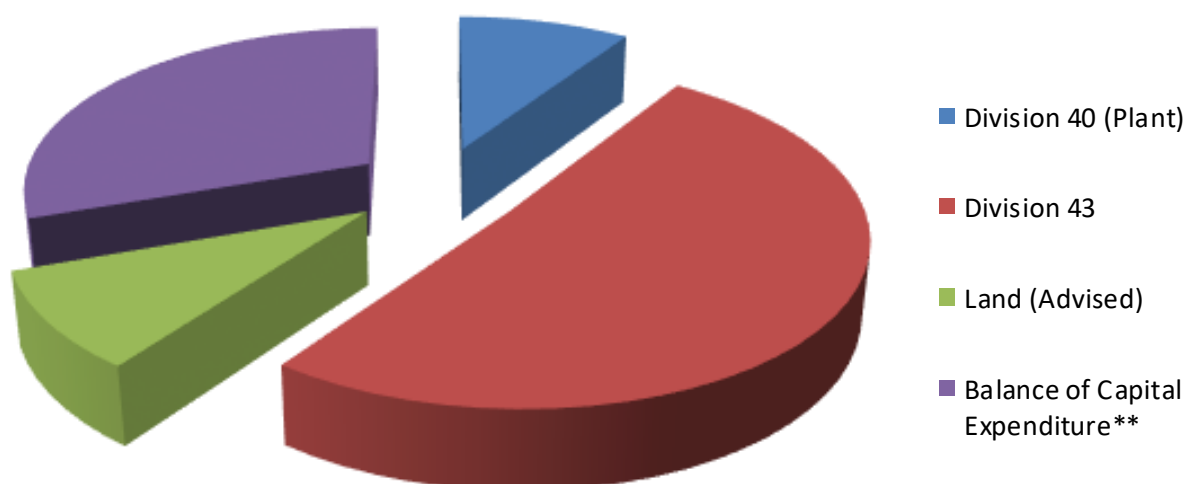
Apportionment of cost relating to:

Division 40 (Plant)	\$50,484
Division 43	\$273,969
Land (Advised)	\$50,989
Balance of Capital Expenditure**	\$164,206
Total Expenditure Analysed	\$539,648

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%	24-Apr-19	14,450	530	2,784	2,227	1,782	1,425	1,140	912	730	584	467
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	24-Apr-19	1,445	271	440	275	172	107	67	42	26	16	10
Blinds Residential	18.75%	24-Apr-19	1,484	278	452	283	177	110	69	43	27	17	11
Computer systems													
Building management system	18.75%	24-Apr-19	462	87	141	88	55	34	21	13	8	5	3
Door closers	18.75%	24-Apr-19	399	75	121	76	47	30	19	12	7	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	24-Apr-19	666	125	203	127	79	50	31	19	12	8	5
Detection & alarm systems, fire indicator panel	18.75%	24-Apr-19	578	108	176	110	69	43	27	17	10	7	4
Emergency warning & intercommunication system	18.75%	24-Apr-19	1,179	221	359	224	140	88	55	34	21	13	8
Floor coverings (removable without damage)													
Carpets	20.00%	24-Apr-19	2,409	88	464	371	297	238	356	223	139	87	54
Floating timber	13.33%	24-Apr-19	8,046	197	1,047	907	786	681	590	512	443	384	333
Furniture	15.00%	24-Apr-19	1,156	32	169	358	224	140	87	55	34	21	13
Furniture	18.75%	24-Apr-19	1,588	298	484	302	189	118	74	46	29	18	11
Kitchen assets													
Cooktops	16.67%	24-Apr-19	1,638	50	265	220	184	345	215	135	84	53	33
Dishwashers	20.00%	24-Apr-19	2,312	85	445	356	285	228	342	214	134	84	52
Ovens	16.67%	24-Apr-19	2,119	65	342	285	238	198	372	232	145	91	57
Rangehoods	18.75%	24-Apr-19	867	163	264	165	103	64	40	25	16	10	6
Laundry assets													
Washing machines	18.75%	24-Apr-19	867	163	264	165	103	64	40	25	16	10	6
Lifts (including hydraulic & tractions lifts)	6.67%	24-Apr-19	1,378	17	91	85	79	74	69	361	226	141	88
Lights													
Shades, removable	18.75%	24-Apr-19	3,627	680	1,105	691	432	270	169	105	66	41	26
Security systems & equipment													
Electronic	30.00%	24-Apr-19	1,267	70	359	314	196	123	77	48	30	19	12
Ventilating plant													
Ventilation plant - fans only	18.75%	24-Apr-19	1,554	291	473	296	185	116	72	45	28	18	11
\$300 items	100.00%	24-Apr-19	994	994									
Pooled Plant Total				2,759	4,484	3,475	2,172	1,702	2,134	1,695	1,059	662	414
Effective Life Plant Total				2,128	5,966	4,452	3,650	2,844	1,800	1,424	1,173	968	800
Total Division 40			50,484	4,887	10,449	7,927	5,822	4,546	3,933	3,119	2,233	1,630	1,214

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%	24-Apr-19	273,035	1,256	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840
Structural Improvements - Completed 2019	2.50%	24-Apr-19	934	4	23	23	23	23	23	23	23	23	23
Total Division 43			273,969	1,260	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863
Total Depreciation			324,453	6,147	17,312	14,790	12,685	11,409	10,796	9,982	9,096	8,493	8,077

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%	24-Apr-19	14,450	265	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	24-Apr-19	1,445	271	440	275	172	107	67	42	26	16	10
Blinds Residential	18.75%	24-Apr-19	1,484	278	452	283	177	110	69	43	27	17	11
Computer systems													
Building management system	18.75%	24-Apr-19	462	87	141	88	55	34	21	13	8	5	3
Door closers	18.75%	24-Apr-19	399	75	121	76	47	30	19	12	7	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	24-Apr-19	666	125	203	127	79	50	31	19	12	8	5
Detection & alarm systems, fire indicator panel	18.75%	24-Apr-19	578	108	176	110	69	43	27	17	10	7	4
Emergency warning & intercommunication system	18.75%	24-Apr-19	1,179	221	359	224	140	88	55	34	21	13	8
Floor coverings (removable without damage)													
Carpets	10.00%	24-Apr-19	2,409	44	241	241	241	241	241	241	241	241	241
Floating timber	6.67%	24-Apr-19	8,046	98	536	536	536	536	536	536	536	536	536
Furniture	7.50%	24-Apr-19	1,156	16	87	87	87	87	87	87	87	87	87
Furniture	18.75%	24-Apr-19	1,588	298	484	302	189	118	74	46	29	18	11
Kitchen assets													
Cooktops	8.33%	24-Apr-19	1,638	25	136	136	136	136	136	136	136	136	136
Dishwashers	10.00%	24-Apr-19	2,312	42	231	231	231	231	231	231	231	231	231
Ovens	8.33%	24-Apr-19	2,119	32	177	177	177	177	177	177	177	177	177
Rangehoods	18.75%	24-Apr-19	867	163	264	165	103	64	40	25	16	10	6
Laundry assets													
Washing machines	18.75%	24-Apr-19	867	163	264	165	103	64	40	25	16	10	6
Lifts (including hydraulic & tractions lifts)	3.33%	24-Apr-19	1,378	8	46	46	46	46	46	46	46	46	46
Lights													
Shades, removable	18.75%	24-Apr-19	3,627	680	1,105	691	432	270	169	105	66	41	26
Security systems & equipment													
Electronic	15.00%	24-Apr-19	1,267	35	190	190	190	190	190	190	92		
Ventilating plant													
Ventilation plant - fans only	18.75%	24-Apr-19	1,554	291	473	296	185	116	72	45	28	18	11
\$300 items	100.00%	24-Apr-19	994	994									
Pooled Plant Total				2,759	4,484	2,802	1,751	1,095	684	428	267	167	104
Effective Life Plant Total				1,561	3,089	3,089	3,089	3,089	3,089	3,089	2,991	2,899	2,899
Total Division 40			50,484	4,320	7,573	5,891	4,840	4,184	3,773	3,517	3,258	3,066	3,003

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%	24-Apr-19	273,035	1,256	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840
Structural Improvements - Completed 2019	2.50%	24-Apr-19	934	4	23	23	23	23	23	23	23	23	23
Total Division 43			273,969	1,260	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863	6,863
Total Depreciation			324,453	5,580	14,436	12,754	11,703	11,047	10,636	10,380	10,121	9,929	9,866

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	30 Mar 18 to 25 Mar 19	273,598	2.50%	6,840	273,035
Sub-total		273,598		6,840	273,035

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	30 Mar 18 to 25 Mar 19	936	2.50%	23	934
Sub-total		936		23	934
Totals		274,534		6,863	273,969

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.