



## Tax Depreciation Report

11 Morningview Place,  
Carindale, QLD 4152

Peter La  
2 Silky Oak Crescent  
CARINDALE, QLD 4152

Issue Schedule	
Issue Date:	Issued by:
09 March 2020	Mark Kilroy Bsc (Hons) MRICS

Peter La  
2 Silky Oak Crescent  
CARINDALE, QLD 4152

March 2020  
Job No: RES4152010

### **Tax Depreciation Report – 11 Morningview Place, Carindale, QLD 4152**

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**

9 March 2020

**Purchaser**

Peter La

**Property Address**

11 Morningview Place, Carindale, QLD 4152

**Real Property Description**

L34 SP299248

**Property Type**

Residential House

**Date of Construction**

10 April 2019

## 2. Report Details

### 2.1 Introduction

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

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

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

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

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

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

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

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

### **3. Capital Allowances**

#### **3.1 Entitlement**

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

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

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

#### **3.3 Effective Life**

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

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

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

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

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

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

### 3.6 Method of Depreciation

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

Diminishing Value Method	Prime Cost Method								
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.	Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.								
Benefits	Benefits								
<ul style="list-style-type: none"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>	<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>								
Calculation Example	Calculation Example								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></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><b>100 / 10 Years = 10% (Straight Line)</b></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	10 April 19 to 30 June 19	1,252	3,054	4,306	1,105	5,411
2	1 July 19 to 30 June 20	3,526	4,963	8,489	4,976	13,465
3	1 July 20 to 30 June 21	2,709	3,439	6,148	4,976	11,124
4	1 July 21 to 30 June 22	1,645	3,239	4,884	4,976	9,860
5	1 July 22 to 30 June 23	1,192	2,377	3,569	4,976	8,545
6	1 July 23 to 30 June 24	961	1,485	2,447	4,976	7,423
7	1 July 24 to 30 June 25	622	1,273	1,895	4,976	6,871
8	1 July 25 to 30 June 26	317	1,134	1,451	4,976	6,427
9	1 July 26 to 30 June 27	254	709	962	4,976	5,938
10	1 July 27 to 30 June 28	203	443	646	4,976	5,622
11	1 July 28 to 30 June 29	0	581	581	4,976	5,557
12	1 July 29 to 30 June 30	0	363	363	4,976	5,339
13	1 July 30 to 30 June 31	0	227	227	4,976	5,203
14	1 July 31 to 30 June 32	0	142	142	4,976	5,118
15	1 July 32 to 30 June 33	0	89	89	4,976	5,065
16	1 July 33 to 30 June 34	0	55	55	4,976	5,031
17	1 July 34 to 30 June 35	0	35	35	4,976	5,011
18	1 July 35 to 30 June 36	0	22	22	4,976	4,998
19	1 July 36 to 30 June 37	0	14	14	4,976	4,990
20	1 July 37 to 30 June 38	0	8	8	4,976	4,984
21	1 July 38 to 30 June 39	0	5	5	4,976	4,981
22	1 July 39 to 30 June 40	0	3	3	4,976	4,979
23	1 July 40 to 30 June 41	0	2	2	4,976	4,978
24	1 July 41 to 30 June 42	0	1	1	4,976	4,977
25	1 July 42 to 30 June 43	0	1	1	4,976	4,977
26	1 July 43 to 30 June 44	0	1	1	4,976	4,977
27	1 July 44 to 30 June 45	0	0	0	4,976	4,976
28	1 July 45 to 30 June 46	0	0	0	4,976	4,976
29	1 July 46 to 30 June 47	0	0	0	4,976	4,976
30	1 July 47 to 30 June 48	0	0	0	4,976	4,976
31	1 July 48 to 30 June 49	0	0	0	4,976	4,976
32	1 July 49 to 30 June 50	0	0	0	4,976	4,976
33	1 July 50 to 30 June 51	0	0	0	4,976	4,976
34	1 July 51 to 30 June 52	0	0	0	4,976	4,976
35	1 July 52 to 30 June 53	0	0	0	4,976	4,976
36	1 July 53 to 30 June 54	0	0	0	4,976	4,976
37	1 July 54 to 30 June 55	0	0	0	4,976	4,976
38	1 July 55 to 30 June 56	0	0	0	4,976	4,976
39	1 July 56 to 30 June 57	0	0	0	4,976	4,976
40	2057+	0	0	0	8,845	8,845
<b>Totals</b>		<b>12,682</b>	<b>23,666</b>	<b>36,348</b>	<b>199,038</b>	<b>235,386</b>

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

### Example

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

## 6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	10 April 19 to 30 June 19	844	3,054	3,898	1,105	5,003
2	1 July 19 to 30 June 20	1,840	4,963	6,803	4,976	11,779
3	1 July 20 to 30 June 21	1,840	3,102	4,942	4,976	9,918
4	1 July 21 to 30 June 22	1,840	1,939	3,779	4,976	8,755
5	1 July 22 to 30 June 23	1,840	1,212	3,052	4,976	8,028
6	1 July 23 to 30 June 24	1,840	757	2,597	4,976	7,573
7	1 July 24 to 30 June 25	1,840	473	2,313	4,976	7,289
8	1 July 25 to 30 June 26	1,840	296	2,136	4,976	7,112
9	1 July 26 to 30 June 27	1,840	185	2,025	4,976	7,001
10	1 July 27 to 30 June 28	1,840	116	1,956	4,976	6,932
11	1 July 28 to 30 June 29	1,556	72	1,628	4,976	6,604
12	1 July 29 to 30 June 30	531	45	576	4,976	5,552
13	1 July 30 to 30 June 31	440	28	468	4,976	5,444
14	1 July 31 to 30 June 32	119	18	137	4,976	5,113
15	1 July 32 to 30 June 33	9	11	20	4,976	4,996
16	1 July 33 to 30 June 34	0	7	7	4,976	4,983
17	1 July 34 to 30 June 35	0	4	4	4,976	4,980
18	1 July 35 to 30 June 36	0	3	3	4,976	4,979
19	1 July 36 to 30 June 37	0	2	2	4,976	4,978
20	1 July 37 to 30 June 38	0	1	1	4,976	4,977
21	1 July 38 to 30 June 39	0	1	1	4,976	4,977
22	1 July 39 to 30 June 40	0	0	0	4,976	4,976
23	1 July 40 to 30 June 41	0	0	0	4,976	4,976
24	1 July 41 to 30 June 42	0	0	0	4,976	4,976
25	1 July 42 to 30 June 43	0	0	0	4,976	4,976
26	1 July 43 to 30 June 44	0	0	0	4,976	4,976
27	1 July 44 to 30 June 45	0	0	0	4,976	4,976
28	1 July 45 to 30 June 46	0	0	0	4,976	4,976
29	1 July 46 to 30 June 47	0	0	0	4,976	4,976
30	1 July 47 to 30 June 48	0	0	0	4,976	4,976
31	1 July 48 to 30 June 49	0	0	0	4,976	4,976
32	1 July 49 to 30 June 50	0	0	0	4,976	4,976
33	1 July 50 to 30 June 51	0	0	0	4,976	4,976
34	1 July 51 to 30 June 52	0	0	0	4,976	4,976
35	1 July 52 to 30 June 53	0	0	0	4,976	4,976
36	1 July 53 to 30 June 54	0	0	0	4,976	4,976
37	1 July 54 to 30 June 55	0	0	0	4,976	4,976
38	1 July 55 to 30 June 56	0	0	0	4,976	4,976
39	1 July 56 to 30 June 57	0	0	0	4,976	4,976
40	2057+	0	0	0	8,845	8,845
<b>Totals</b>		<b>20,058</b>	<b>16,290</b>	<b>36,348</b>	<b>199,038</b>	<b>235,386</b>

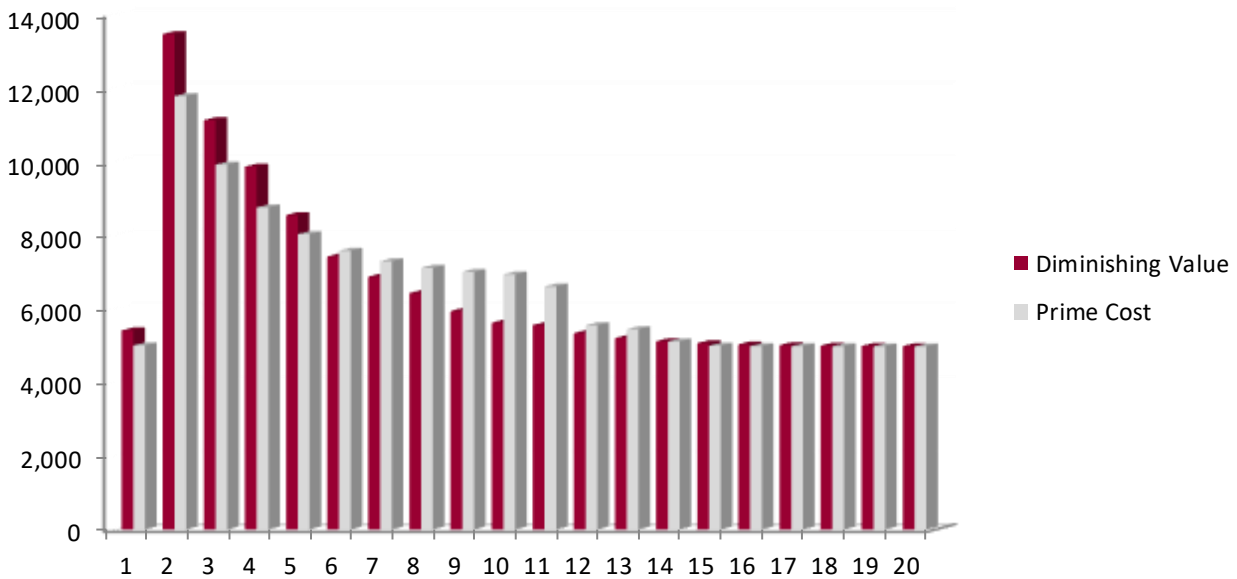
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

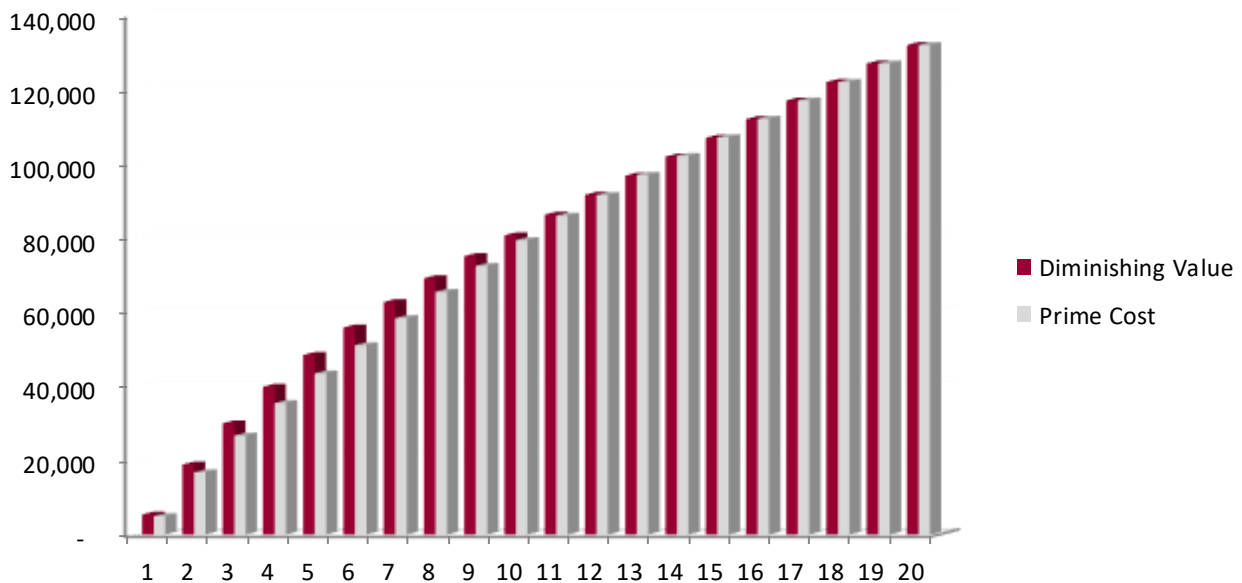
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

## 8. Capital Expenditure Analysed

### Construction Details

Contract Date	12 July 2018
Handover Date	10 April 2019

### Expenditure Analysed

Construction Cost	\$240,000
<b>Total Expenditure Analysed</b>	<b>\$240,000</b>

### Historical Construction Details

Construction Start Date	12 July 2018
Construction Completion Date	10 April 2019
Historical Construction Cost (Estimated)*	\$240,000

## 9. Reconciliation of Capital Expenditure

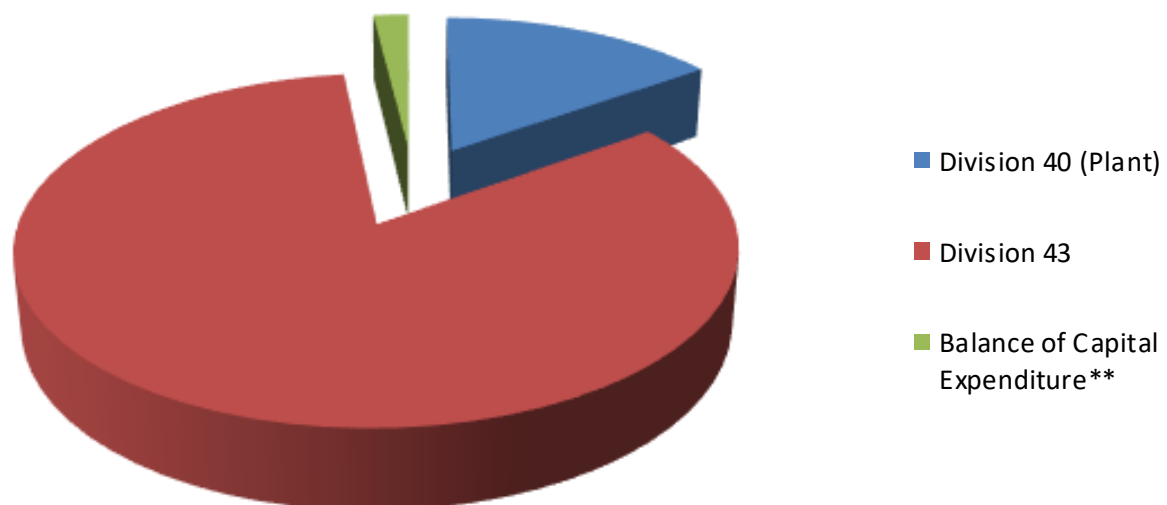
### Apportionment of cost relating to:

Division 40 (Plant)	\$36,348
Division 43	\$199,038
Balance of Capital Expenditure**	\$4,614
<b>Total Expenditure Analysed</b>	<b>\$240,000</b>

### Notes

\* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

\*\* 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	Diminishing	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment	Value Rate												
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	10-Apr-19	6,328	281	1,209	968	774	619	495	396	317	254	203
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	10-Apr-19	659	124	201	126	78	49	31	19	12	7	5
<b>Blinds Residential</b>	18.75%	10-Apr-19	3,014	565	918	574	359	224	140	88	55	34	21
<b>Ceiling Fans</b>	18.75%	10-Apr-19	2,307	433	703	439	275	172	107	67	42	26	16
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	10-Apr-19	1,740	326	530	331	207	129	81	51	32	20	12
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	10-Apr-19	3,604	160	689	551	441	353	282	226	339	212	132
<b>Furniture</b>	15.00%	10-Apr-19	1,582	53	229	195	166	352	220	138	86	54	34
<b>Furniture</b>	18.75%	10-Apr-19	3,692	692	1,125	703	439	275	172	107	67	42	26
<b>Garage doors, automatic</b>													
Motors	20.00%	10-Apr-19	1,582	70	302	242	363	227	142	89	55	35	22
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	10-Apr-19	2,373	88	381	317	265	220	184	344	215	135	84
<b>Kitchen assets</b>													
Cooktops	16.67%	10-Apr-19	1,121	41	180	337	211	132	82	51	32	20	13
Dishwashers	20.00%	10-Apr-19	1,582	70	302	242	363	227	142	89	55	35	22
Ovens	16.67%	10-Apr-19	1,450	54	233	194	364	227	142	89	55	35	22
Rangehoods	18.75%	10-Apr-19	593	111	181	113	71	44	28	17	11	7	4
<b>Lights</b>													
Shades, removable	18.75%	10-Apr-19	4,285	803	1,306	816	510	319	199	125	78	49	30
<b>\$300 items</b>	100.00%	10-Apr-19	435	435									
<b>Pooled Plant Total</b>				3,054	4,963	3,439	3,239	2,377	1,485	1,273	1,134	709	443
<b>Effective Life Plant Total</b>				1,252	3,526	2,709	1,645	1,192	961	622	317	254	203
<b>Total Division 40</b>			36,348	4,306	8,489	6,148	4,884	3,569	2,447	1,895	1,451	962	646
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2019</b>	2.50%	10-Apr-19	183,241	1,017	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581
<b>Structural Improvements - Completed 2019</b>	2.50%	10-Apr-19	15,797	88	395	395	395	395	395	395	395	395	395
<b>Total Division 43</b>			199,038	1,105	4,976	4,976	4,976	4,976	4,976	4,976	4,976	4,976	4,976
<b>Total Depreciation</b>			235,386	5,411	13,465	11,124	9,860	8,545	7,423	6,871	6,427	5,938	5,622

## 11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	10-Apr-19	6,328	140	633	633	633	633	633	633	633	633	633
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	10-Apr-19	659	124	201	126	78	49	31	19	12	7	5
<b>Blinds Residential</b>													
	18.75%	10-Apr-19	3,014	565	918	574	359	224	140	88	55	34	21
<b>Ceiling Fans</b>													
	18.75%	10-Apr-19	2,307	433	703	439	275	172	107	67	42	26	16
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	10-Apr-19	1,740	326	530	331	207	129	81	51	32	20	12
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	10-Apr-19	3,604	80	360	360	360	360	360	360	360	360	360
<b>Furniture</b>													
	7.50%	10-Apr-19	1,582	26	119	119	119	119	119	119	119	119	119
	18.75%	10-Apr-19	3,692	692	1,125	703	439	275	172	107	67	42	26
<b>Garage doors, automatic</b>													
Motors	10.00%	10-Apr-19	1,582	35	158	158	158	158	158	158	158	158	158
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	10-Apr-19	2,373	44	198	198	198	198	198	198	198	198	198
<b>Kitchen assets</b>													
Cooktops	8.33%	10-Apr-19	1,121	21	93	93	93	93	93	93	93	93	93
Dishwashers	10.00%	10-Apr-19	1,582	35	158	158	158	158	158	158	158	158	158
Ovens	8.33%	10-Apr-19	1,450	27	121	121	121	121	121	121	121	121	121
Rangehoods	18.75%	10-Apr-19	593	111	181	113	71	44	28	17	11	7	4
<b>Lights</b>													
Shades, removable	18.75%	10-Apr-19	4,285	803	1,306	816	510	319	199	125	78	49	30
<b>\$300 items</b>	100.00%	10-Apr-19	435	435									
<b>Pooled Plant Total</b>				3,054	4,963	3,102	1,939	1,212	757	473	296	185	116
<b>Effective Life Plant Total</b>				844	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840
<b>Total Division 40</b>			36,348	3,898	6,803	4,942	3,779	3,052	2,597	2,313	2,136	2,025	1,956
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2019</b>	2.50%	10-Apr-19	183,241	1,017	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581	4,581
<b>Structural Improvements - Completed 2019</b>	2.50%	10-Apr-19	15,797	88	395	395	395	395	395	395	395	395	395
<b>Total Division 43</b>			199,038	1,105	4,976	4,976	4,976	4,976	4,976	4,976	4,976	4,976	4,976
<b>Total Depreciation</b>			235,386	5,003	11,779	9,918	8,755	8,028	7,573	7,289	7,112	7,001	6,932

## 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	12 Jul 18 to 10 Apr 19	183,241	2.50%	4,581	183,241
<b>Sub-total</b>		<b>183,241</b>		<b>4,581</b>	<b>183,241</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	12 Jul 18 to 10 Apr 19	15,797	2.50%	395	15,797
<b>Sub-total</b>		<b>15,797</b>		<b>395</b>	<b>15,797</b>
<b>Totals</b>		<b>199,038</b>		<b>4,976</b>	<b>199,038</b>

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

### 13. Definition of Terms

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
<b>Decline in Value</b>	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.



## 14. Contact Details

COMPANY DETAILS	
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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.