



Tax Depreciation Report

51 Primrose Crescent,
Mickleham VIC 3064

Candice and Wilson Ohol
51 Primrose Crescent
MICKLEHAM, QLD 3064

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

Candice and Wilson Ohol
51 Primrose Crescent
MICKLEHAM, QLD 3064

March 2020
Job No: RES3064017

Tax Depreciation Report – 51 Primrose Crescent, Mickleham VIC 3064

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

18 March 2020

Purchaser

Candice and Wilson Ohol

Property Address

51 Primrose Crescent, Mickleham VIC 3064

Real Property Description

LOT 1630 PS734608

Property Type

Residential House

Date of Construction

1 November 2018

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	1 November 18 to 30 June 19	3,638	2,852	6,490	3,666	10,156
2	1 July 19 to 30 June 20	4,240	4,635	8,874	5,553	14,427
3	1 July 20 to 30 June 21	3,281	3,263	6,544	5,553	12,097
4	1 July 21 to 30 June 22	2,326	2,699	5,025	5,553	10,578
5	1 July 22 to 30 June 23	1,514	2,331	3,845	5,553	9,398
6	1 July 23 to 30 June 24	1,288	1,457	2,745	5,553	8,298
7	1 July 24 to 30 June 25	956	1,229	2,185	5,553	7,738
8	1 July 25 to 30 June 26	686	1,101	1,787	5,553	7,340
9	1 July 26 to 30 June 27	423	1,003	1,426	5,553	6,979
10	1 July 27 to 30 June 28	375	627	1,002	5,553	6,555
11	1 July 28 to 30 June 29	215	725	939	5,553	6,492
12	1 July 29 to 30 June 30	193	453	646	5,553	6,199
13	1 July 30 to 30 June 31	174	283	457	5,553	6,010
14	1 July 31 to 30 June 32	156	177	333	5,553	5,886
15	1 July 32 to 30 June 33	141	111	251	5,553	5,804
16	1 July 33 to 30 June 34	127	69	196	5,553	5,749
17	1 July 34 to 30 June 35	114	43	157	5,553	5,710
18	1 July 35 to 30 June 36	103	27	130	5,553	5,683
19	1 July 36 to 30 June 37	0	363	363	5,553	5,916
20	1 July 37 to 30 June 38	0	227	227	5,553	5,780
21	1 July 38 to 30 June 39	0	142	142	5,553	5,695
22	1 July 39 to 30 June 40	0	89	89	5,553	5,642
23	1 July 40 to 30 June 41	0	55	55	5,553	5,608
24	1 July 41 to 30 June 42	0	35	35	5,553	5,588
25	1 July 42 to 30 June 43	0	22	22	5,553	5,575
26	1 July 43 to 30 June 44	0	14	14	5,553	5,567
27	1 July 44 to 30 June 45	0	8	8	5,553	5,561
28	1 July 45 to 30 June 46	0	5	5	5,553	5,558
29	1 July 46 to 30 June 47	0	3	3	5,553	5,556
30	1 July 47 to 30 June 48	0	2	2	5,553	5,555
31	1 July 48 to 30 June 49	0	1	1	5,553	5,554
32	1 July 49 to 30 June 50	0	1	1	5,553	5,554
33	1 July 50 to 30 June 51	0	1	1	5,553	5,554
34	1 July 51 to 30 June 52	0	0	0	5,553	5,553
35	1 July 52 to 30 June 53	0	0	0	5,553	5,553
36	1 July 53 to 30 June 54	0	0	0	5,553	5,553
37	1 July 54 to 30 June 55	0	0	0	5,553	5,553
38	1 July 55 to 30 June 56	0	0	0	5,553	5,553
39	1 July 56 to 30 June 57	0	0	0	5,553	5,553
40	2057+	0	0	0	7,418	7,418
Totals		19,949	24,053	44,002	222,098	266,100

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	1 November 18 to 30 June 19	2,036	2,852	4,888	3,666	8,554
2	1 July 19 to 30 June 20	2,425	4,635	7,060	5,553	12,613
3	1 July 20 to 30 June 21	2,425	2,897	5,322	5,553	10,875
4	1 July 21 to 30 June 22	2,425	1,810	4,235	5,553	9,788
5	1 July 22 to 30 June 23	2,425	1,131	3,556	5,553	9,109
6	1 July 23 to 30 June 24	2,425	707	3,132	5,553	8,685
7	1 July 24 to 30 June 25	2,425	442	2,867	5,553	8,420
8	1 July 25 to 30 June 26	1,951	276	2,227	5,553	7,780
9	1 July 26 to 30 June 27	1,950	173	2,123	5,553	7,676
10	1 July 27 to 30 June 28	1,950	108	2,058	5,553	7,611
11	1 July 28 to 30 June 29	1,445	67	1,512	5,553	7,065
12	1 July 29 to 30 June 30	1,173	42	1,215	5,553	6,768
13	1 July 30 to 30 June 31	879	26	905	5,553	6,458
14	1 July 31 to 30 June 32	661	16	678	5,553	6,231
15	1 July 32 to 30 June 33	532	10	542	5,553	6,095
16	1 July 33 to 30 June 34	382	6	389	5,553	5,942
17	1 July 34 to 30 June 35	297	4	301	5,553	5,854
18	1 July 35 to 30 June 36	297	3	300	5,553	5,853
19	1 July 36 to 30 June 37	297	2	299	5,553	5,852
20	1 July 37 to 30 June 38	297	1	298	5,553	5,851
21	1 July 38 to 30 June 39	94	1	95	5,553	5,648
22	1 July 39 to 30 June 40	0	0	0	5,553	5,553
23	1 July 40 to 30 June 41	0	0	0	5,553	5,553
24	1 July 41 to 30 June 42	0	0	0	5,553	5,553
25	1 July 42 to 30 June 43	0	0	0	5,553	5,553
26	1 July 43 to 30 June 44	0	0	0	5,553	5,553
27	1 July 44 to 30 June 45	0	0	0	5,553	5,553
28	1 July 45 to 30 June 46	0	0	0	5,553	5,553
29	1 July 46 to 30 June 47	0	0	0	5,553	5,553
30	1 July 47 to 30 June 48	0	0	0	5,553	5,553
31	1 July 48 to 30 June 49	0	0	0	5,553	5,553
32	1 July 49 to 30 June 50	0	0	0	5,553	5,553
33	1 July 50 to 30 June 51	0	0	0	5,553	5,553
34	1 July 51 to 30 June 52	0	0	0	5,553	5,553
35	1 July 52 to 30 June 53	0	0	0	5,553	5,553
36	1 July 53 to 30 June 54	0	0	0	5,553	5,553
37	1 July 54 to 30 June 55	0	0	0	5,553	5,553
38	1 July 55 to 30 June 56	0	0	0	5,553	5,553
39	1 July 56 to 30 June 57	0	0	0	5,553	5,553
40	2057+	0	0	0	7,418	7,418
Totals		28,791	15,211	44,002	222,098	266,100

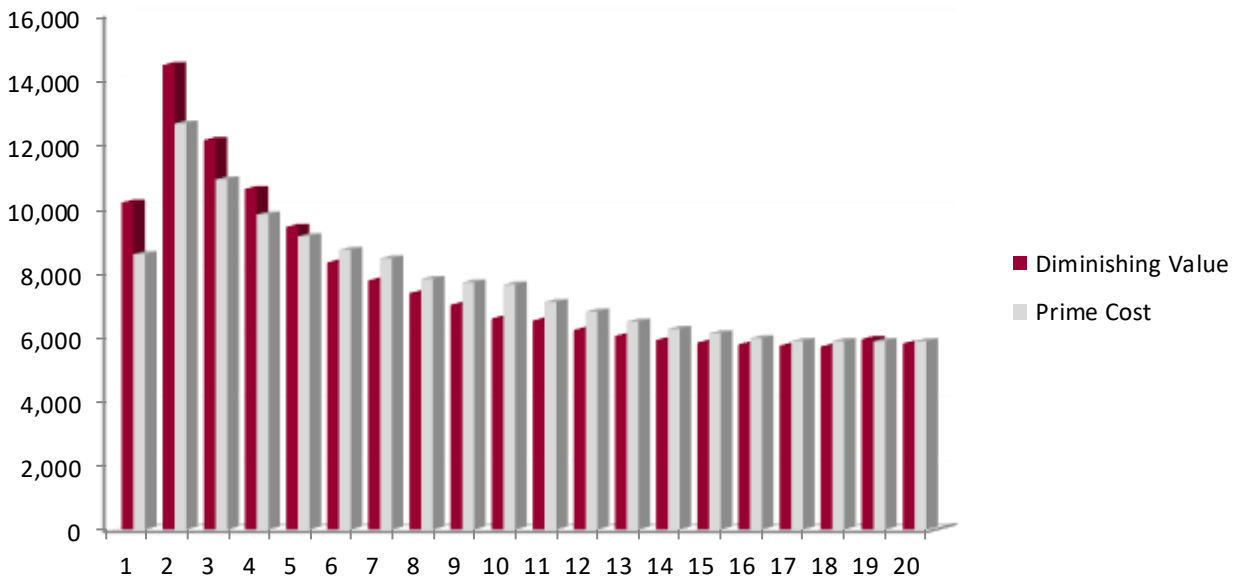
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

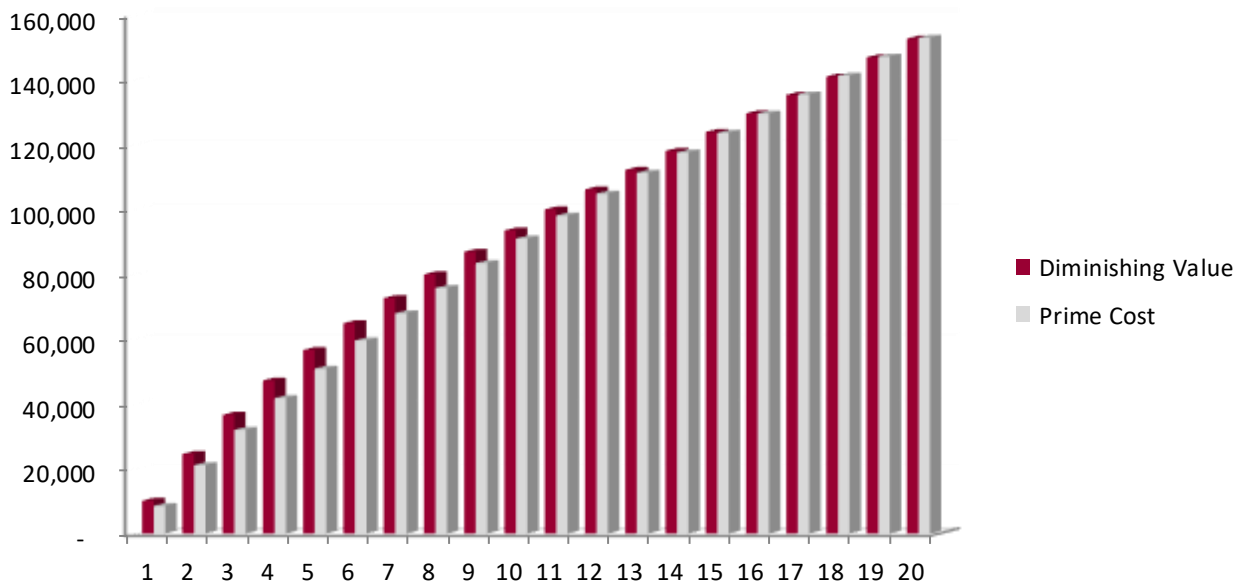
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	27 March 2018
Handover Date	1 November 2018

Expenditure Analysed

Construction Cost	\$260,000
Post Expenditure	\$7,600
Total Expenditure Analysed	\$267,600

Historical Construction Details

Construction Start Date	27 March 2018
Construction Completion Date	1 November 2018
Historical Construction Cost (Estimated)*	\$260,000

9. Reconciliation of Capital Expenditure

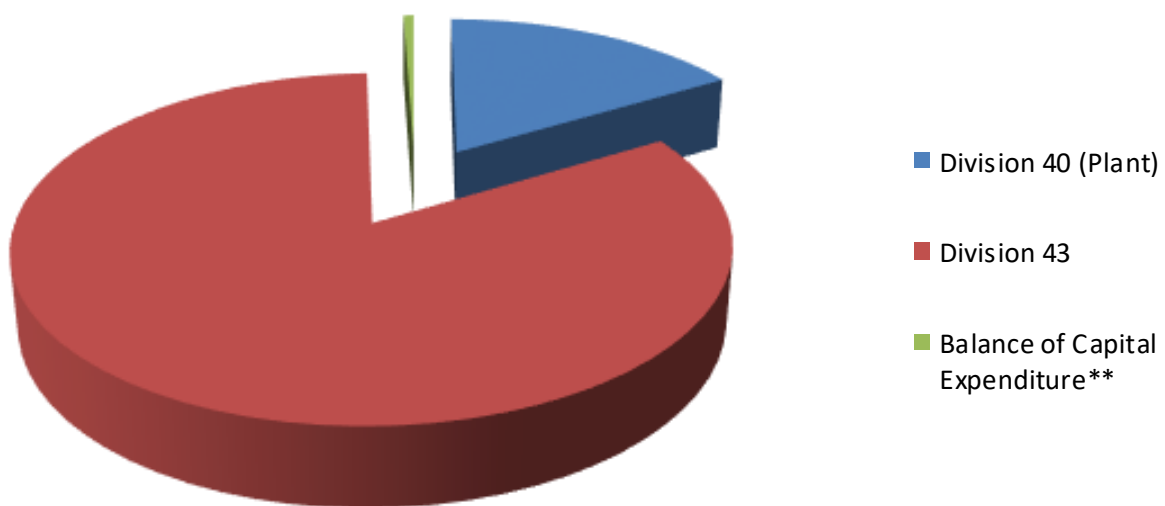
Apportionment of cost relating to:

Division 40 (Plant)	\$44,002
Division 43	\$222,098
Balance of Capital Expenditure**	\$1,500
Total Expenditure Analysed	\$267,600

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												
Air-conditioning assets (excl. ducting, pipes & vents)													
Evaporative cooling	20.00%	1-Nov-18	4,614	609	801	641	513	410	328	262	210	315	197
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	1-Nov-18	2,241	420	683	427	267	167	104	65	41	25	16
Ceiling Fans	18.75%	1-Nov-18	1,318	247	402	251	157	98	61	38	24	15	9
Computer systems													
General	18.75%	1-Nov-18	461	87	141	88	55	34	21	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	1-Nov-18	580	109	177	110	69	43	27	17	11	7	4
Floor coverings (removable without damage)													
Floating timber	13.33%	1-Nov-18	3,531	311	429	372	322	279	242	210	182	158	137
Furniture	15.00%	1-Nov-18	2,610	259	353	300	255	217	184	157	333	208	130
Furniture	18.75%	1-Nov-18	2,808	527	856	535	334	209	131	82	51	32	20
Garage doors, automatic													
Motors	20.00%	1-Nov-18	1,582	209	275	220	330	206	129	80	50	31	20
Heating units													
Gas ducted central heating	10.00%	1-Nov-18	5,933	392	554	499	449	404	364	327	294	265	239
Hot water systems (excluding piping)													
Gas or electric	16.67%	1-Nov-18	2,373	261	352	293	244	204	170	318	199	124	78
Kitchen assets													
Cooktops	16.67%	1-Nov-18	1,318	145	196	367	229	143	90	56	35	22	14
Dishwashers	20.00%	1-Nov-18	1,582	209	275	220	330	206	129	80	50	31	20
Ovens	16.67%	1-Nov-18	1,648	181	244	204	170	318	199	124	78	49	30
Rangehoods	18.75%	1-Nov-18	725	136	221	138	86	54	34	21	13	8	5
Lights													
Shades, removable	18.75%	1-Nov-18	4,476	839	1,364	852	533	333	208	130	81	51	32
Security systems & equipment													
Electronic	30.00%	1-Nov-18	3,164	627	761	533	373	326	204	127	80	50	31
\$300 items	100.00%	1-Nov-18	435	435									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	18.75%	1-Nov-18	2,600	488	792	495	309	193	121	76	47	30	18
Pooled Plant Total				2,852	4,635	3,263	2,699	2,331	1,457	1,229	1,101	1,003	627
Effective Life Plant Total				3,638	4,240	3,281	2,326	1,514	1,288	956	686	423	375
Total Division 40			44,002	6,490	8,874	6,544	5,025	3,845	2,745	2,185	1,787	1,426	1,002

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 2018	2.50%	01-Nov-18	201,413	3,324	5,035	5,035	5,035	5,035	5,035	5,035	5,035	5,035	5,035
Structural Improvements - Completed 2018	2.50%	01-Nov-18	17,185	284	430	430	430	430	430	430	430	430	430
Structural Improvements - Completed 2018	2.50%	01-Nov-18	3,500	58	88	88	88	88	88	88	88	88	88
Total Division 43			222,098	3,666	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553
Total Depreciation			266,100	10,156	14,427	12,097	10,578	9,398	8,298	7,738	7,340	6,979	6,555

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)													
Evaporative cooling	10.00%	01-Nov-18	4,614	305	461	461	461	461	461	461	461	461	461
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	01-Nov-18	2,241	420	683	427	267	167	104	65	41	25	16
Ceiling Fans	18.75%	01-Nov-18	1,318	247	402	251	157	98	61	38	24	15	9
Computer systems													
General	18.75%	01-Nov-18	461	87	141	88	55	34	21	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	01-Nov-18	580	109	177	110	69	43	27	17	11	7	4
Floor coverings (removable without damage)													
Floating timber	6.67%	01-Nov-18	3,531	155	235	235	235	235	235	235	235	235	235
Furniture	7.50%	01-Nov-18	2,610	129	196	196	196	196	196	196	196	196	196
Furniture	18.75%	01-Nov-18	2,808	527	856	535	334	209	131	82	51	32	20
Garage doors, automatic													
Motors	10.00%	01-Nov-18	1,582	104	158	158	158	158	158	158	158	158	158
Heating units													
Gas ducted central heating	5.00%	01-Nov-18	5,933	196	297	297	297	297	297	297	297	297	297
Hot water systems (excluding piping)													
Gas or electric	8.33%	01-Nov-18	2,373	131	198	198	198	198	198	198	198	198	198
Kitchen assets													
Cooktops	8.33%	01-Nov-18	1,318	73	110	110	110	110	110	110	110	110	110
Dishwashers	10.00%	01-Nov-18	1,582	104	158	158	158	158	158	158	158	158	158
Ovens	8.33%	01-Nov-18	1,648	91	137	137	137	137	137	137	137	137	137
Rangehoods	18.75%	01-Nov-18	725	136	221	138	86	54	34	21	13	8	5
Lights													
Shades, removable	18.75%	01-Nov-18	4,476	839	1,364	852	533	333	208	130	81	51	32
Security systems & equipment													
Electronic	15.00%	01-Nov-18	3,164	313	475	475	475	475	475	475	1		
\$300 items	100.00%	01-Nov-18	435	435									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Blinds Residential	18.75%	01-Nov-18	2,600	488	792	495	309	193	121	76	47	30	18
Pooled Plant Total				2,852	4,635	2,897	1,810	1,131	707	442	276	173	108
Effective Life Plant Total				2,036	2,425	2,425	2,425	2,425	2,425	2,425	1,951	1,950	1,950
Total Division 40			44,002	4,888	7,060	5,322	4,235	3,556	3,132	2,867	2,227	2,123	2,058

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 2018	2.50%	01-Nov-18	201,413	3,324	5,035	5,035	5,035	5,035	5,035	5,035	5,035	5,035	5,035
Structural Improvements - Completed 2018	2.50%	01-Nov-18	17,185	284	430	430	430	430	430	430	430	430	430
Structural Improvements - Completed 2018	2.50%	01-Nov-18	3,500	58	88	88	88	88	88	88	88	88	88
Total Division 43			222,098	3,666	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553	5,553
Total Depreciation			266,100	8,554	12,613	10,875	9,788	9,109	8,685	8,420	7,780	7,676	7,611

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 2018	27 Mar 18 to 1 Nov 18	201,413	2.50%	5,035	201,413
Sub-total		201,413		5,035	201,413

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2018	27 Mar 18 to 1 Nov 18	17,185	2.50%	430	17,185
Structural Improvements - Completed 2018	2 Oct 18 to 1 Nov 18	3,500	2.50%	88	3,500
Sub-total		20,685		518	20,685
Totals		222,098		5,553	222,098

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.