



Tax Depreciation Report

36/325–331 Peats Ferry Road,
Asquith NSW 2077

Nuan Hao Eric Wen
36/560 Military Road
[[CLIENT ADDRESS 2]]
MOSMAN, NSW 2088

Issue Schedule	
Issue Date:	Issued by:
15 April 2020	Mark Kilroy Bsc (Hons) MRICS

Nuan Hao Eric Wen
36/560 Military Road
MOSMAN, NSW 2088

April 2020
Job No: RES2077010

Tax Depreciation Report – 36/325-331 Peats Ferry Road, Asquith NSW 2077

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

15 April 2020

Purchaser

Nuan Hao Eric Wen

Property Address

36/325-331 Peats Ferry Road, Asquith NSW 2077

Real Property Description

LOT 36 SP94789

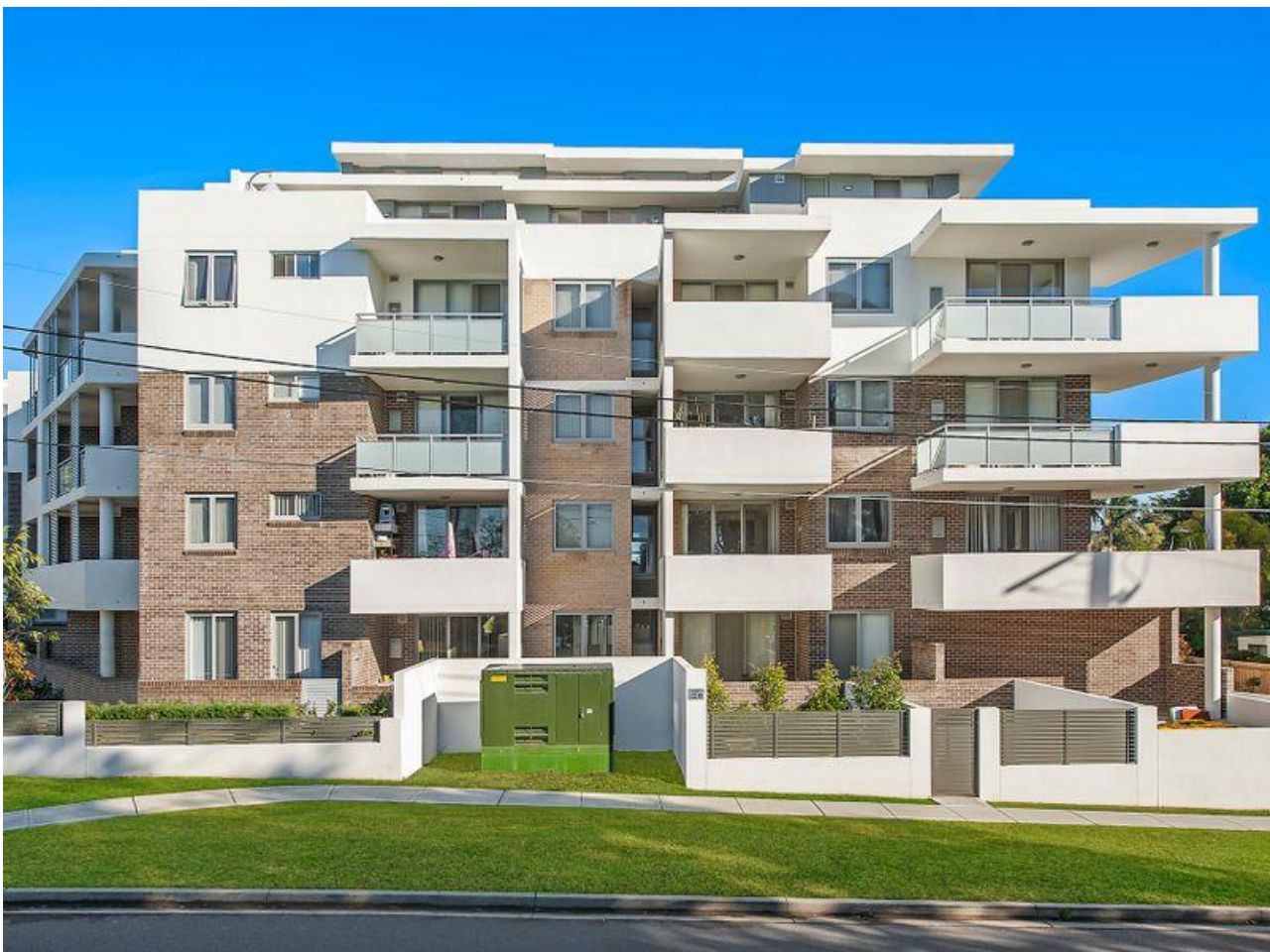
Property Type

Residential Unit

Date of Construction

17 August 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				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
200 / 10 Years = 20% (Adjusted Value)					100 / 10 Years = 10% (Straight Line)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.					If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
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 August 18 to 30 June 19	8,232	675	8,907	4,698	13,605
2	1 July 19 to 30 June 20	6,141	1,598	7,739	5,532	13,271
3	1 July 20 to 30 June 21	4,036	2,043	6,079	5,532	11,611
4	1 July 21 to 30 June 22	3,076	1,644	4,720	5,532	10,252
5	1 July 22 to 30 June 23	2,028	1,743	3,771	5,532	9,303
6	1 July 23 to 30 June 24	1,356	1,756	3,111	5,532	8,643
7	1 July 24 to 30 June 25	977	1,417	2,394	5,532	7,926
8	1 July 25 to 30 June 26	809	886	1,694	5,532	7,226
9	1 July 26 to 30 June 27	507	863	1,370	5,532	6,902
10	1 July 27 to 30 June 28	429	539	968	5,532	6,500
11	1 July 28 to 30 June 29	365	337	702	5,532	6,234
12	1 July 29 to 30 June 30	143	528	672	5,532	6,204
13	1 July 30 to 30 June 31	134	330	464	5,532	5,996
14	1 July 31 to 30 June 32	125	206	331	5,532	5,863
15	1 July 32 to 30 June 33	117	129	246	5,532	5,778
16	1 July 33 to 30 June 34	109	81	189	5,532	5,721
17	1 July 34 to 30 June 35	102	50	152	5,532	5,684
18	1 July 35 to 30 June 36	95	31	126	5,532	5,658
19	1 July 36 to 30 June 37	88	20	108	5,532	5,640
20	1 July 37 to 30 June 38	83	12	95	5,532	5,627
21	1 July 38 to 30 June 39	77	8	85	5,532	5,617
22	1 July 39 to 30 June 40	72	5	77	5,532	5,609
23	1 July 40 to 30 June 41	67	3	70	5,532	5,602
24	1 July 41 to 30 June 42	0	354	354	5,532	5,886
25	1 July 42 to 30 June 43	0	221	221	5,532	5,753
26	1 July 43 to 30 June 44	0	138	138	5,532	5,670
27	1 July 44 to 30 June 45	0	87	87	5,532	5,619
28	1 July 45 to 30 June 46	0	54	54	5,532	5,586
29	1 July 46 to 30 June 47	0	34	34	5,532	5,566
30	1 July 47 to 30 June 48	0	21	21	5,532	5,553
31	1 July 48 to 30 June 49	0	13	13	5,532	5,545
32	1 July 49 to 30 June 50	0	8	8	5,532	5,540
33	1 July 50 to 30 June 51	0	5	5	5,532	5,537
34	1 July 51 to 30 June 52	0	3	3	5,532	5,535
35	1 July 52 to 30 June 53	0	2	2	5,532	5,534
36	1 July 53 to 30 June 54	0	1	1	5,532	5,533
37	1 July 54 to 30 June 55	0	1	1	5,532	5,533
38	1 July 55 to 30 June 56	0	0	0	5,532	5,532
39	1 July 56 to 30 June 57	0	0	0	5,532	5,532
40	2057+	0	1	1	6,252	6,253
Totals		29,166	15,849	45,015	221,166	266,181

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 August 18 to 30 June 19	4,817	675	5,492	4,698	10,190
2	1 July 19 to 30 June 20	4,024	1,097	5,121	5,532	10,653
3	1 July 20 to 30 June 21	4,024	686	4,710	5,532	10,242
4	1 July 21 to 30 June 22	4,024	428	4,452	5,532	9,984
5	1 July 22 to 30 June 23	4,024	268	4,292	5,532	9,824
6	1 July 23 to 30 June 24	3,517	167	3,684	5,532	9,216
7	1 July 24 to 30 June 25	3,321	105	3,426	5,532	8,958
8	1 July 25 to 30 June 26	2,855	65	2,920	5,532	8,452
9	1 July 26 to 30 June 27	2,855	41	2,896	5,532	8,428
10	1 July 27 to 30 June 28	2,855	26	2,881	5,532	8,413
11	1 July 28 to 30 June 29	1,174	16	1,190	5,532	6,722
12	1 July 29 to 30 June 30	886	10	896	5,532	6,428
13	1 July 30 to 30 June 31	378	6	385	5,532	5,917
14	1 July 31 to 30 June 32	220	4	224	5,532	5,756
15	1 July 32 to 30 June 33	152	2	154	5,532	5,686
16	1 July 33 to 30 June 34	152	2	154	5,532	5,686
17	1 July 34 to 30 June 35	152	1	153	5,532	5,685
18	1 July 35 to 30 June 36	152	1	153	5,532	5,685
19	1 July 36 to 30 June 37	152	0	152	5,532	5,684
20	1 July 37 to 30 June 38	152	0	152	5,532	5,684
21	1 July 38 to 30 June 39	152	0	152	5,532	5,684
22	1 July 39 to 30 June 40	152	0	152	5,532	5,684
23	1 July 40 to 30 June 41	152	0	152	5,532	5,684
24	1 July 41 to 30 June 42	152	0	152	5,532	5,684
25	1 July 42 to 30 June 43	152	0	152	5,532	5,684
26	1 July 43 to 30 June 44	152	0	152	5,532	5,684
27	1 July 44 to 30 June 45	152	0	152	5,532	5,684
28	1 July 45 to 30 June 46	152	0	152	5,532	5,684
29	1 July 46 to 30 June 47	152	0	152	5,532	5,684
30	1 July 47 to 30 June 48	152	0	152	5,532	5,684
31	1 July 48 to 30 June 49	9	0	9	5,532	5,541
32	1 July 49 to 30 June 50	0	0	0	5,532	5,532
33	1 July 50 to 30 June 51	0	0	0	5,532	5,532
34	1 July 51 to 30 June 52	0	0	0	5,532	5,532
35	1 July 52 to 30 June 53	0	0	0	5,532	5,532
36	1 July 53 to 30 June 54	0	0	0	5,532	5,532
37	1 July 54 to 30 June 55	0	0	0	5,532	5,532
38	1 July 55 to 30 June 56	0	0	0	5,532	5,532
39	1 July 56 to 30 June 57	0	0	0	5,532	5,532
40	2057+	0	0	0	6,252	6,252
Totals		41,415	3,600	45,015	221,166	266,181

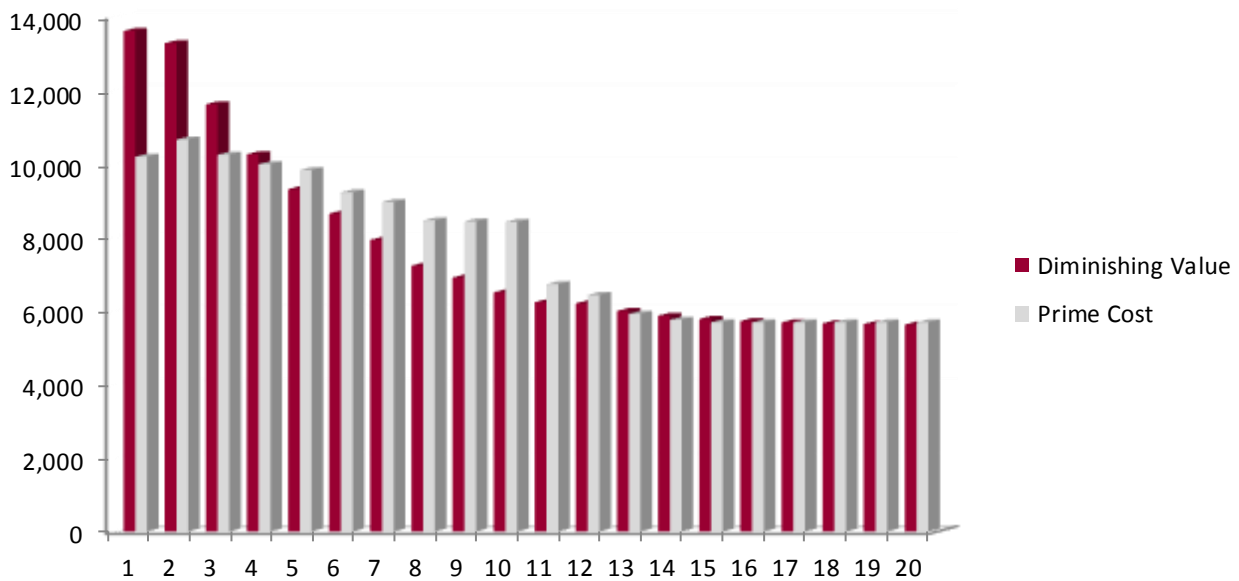
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

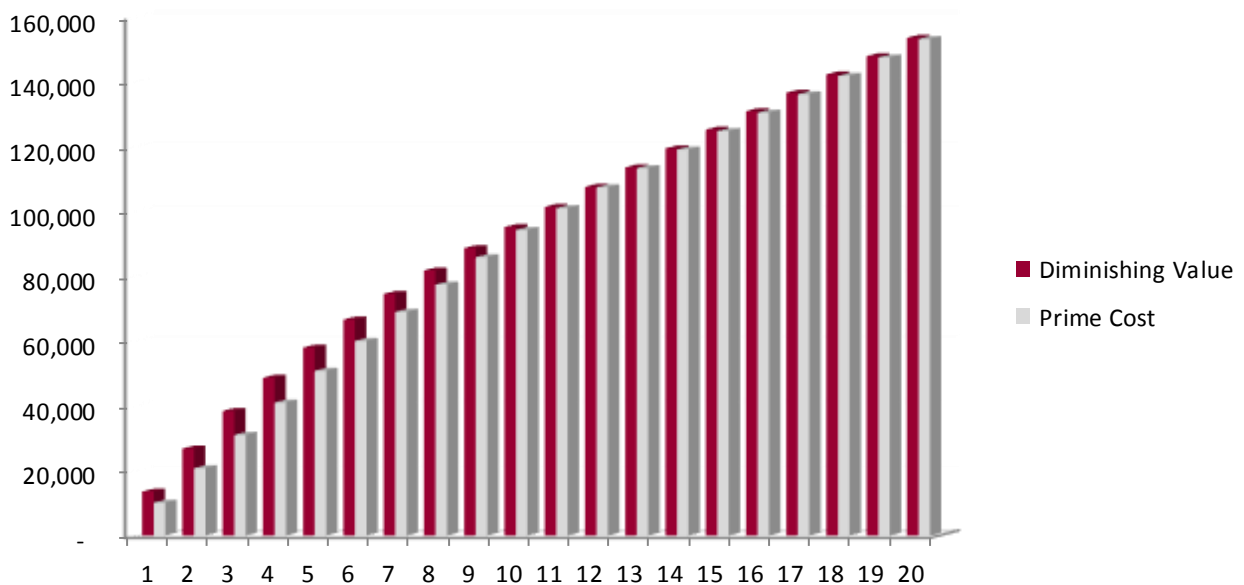
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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 October 2017
Settlement Date	24 August 2018

Expenditure Analysed

Purchase Price	\$489,000
Legals	\$800
Total Expenditure Analysed	\$489,800

Historical Construction Details

Construction Start Date	20 December 2017
Construction Completion Date	17 August 2018
Historical Construction Cost (Estimated)*	\$250,619

9. Reconciliation of Capital Expenditure

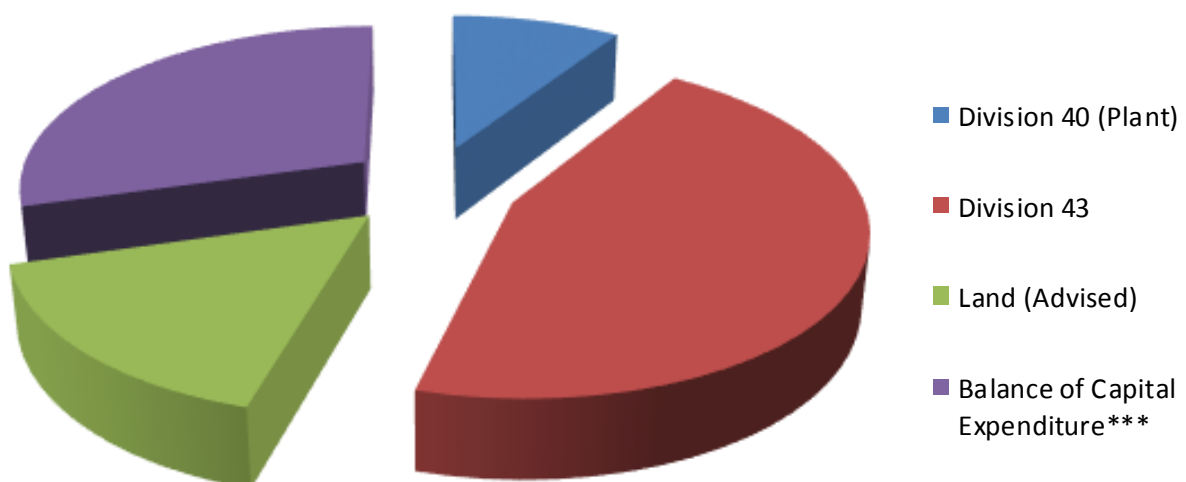
Apportionment of cost relating to:

Division 40 (Plant)	\$45,015
Division 43	\$221,166
Land (Advised)	\$79,380
Balance of Capital Expenditure***	\$144,239
Total Expenditure Analysed	\$489,800

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



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-Aug-18	9,499	1,613	1,577	1,262	1,009	807	646	517	413	331	265
Blinds Residential													
	20.00%	24-Aug-18	1,488	253	247	371	232	145	90	57	35	22	14
Computer systems													
General	18.75%	24-Aug-18	693	130	211	132	82	52	32	20	13	8	5
Building management system	40.00%	24-Aug-18	609	207	151	94	59	37	23	14	9	6	4
Door closers													
	18.75%	24-Aug-18	435	82	133	83	52	32	20	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	24-Aug-18	871	163	265	166	104	65	40	25	16	10	6
Detection & alarm systems, fire indicator panel	18.75%	24-Aug-18	761	143	232	145	91	57	35	22	14	9	5
Floor coverings (removable without damage)													
Carpets	20.00%	24-Aug-18	4,736	805	786	629	503	403	322	258	206	309	193
Furniture													
	15.00%	24-Aug-18	1,906	243	249	212	180	153	325	203	127	79	50
Hot water systems (excluding piping)													
Gas or electric	16.67%	24-Aug-18	1,644	233	235	196	368	230	144	90	56	35	22
Kitchen assets													
Cooktops	16.67%	24-Aug-18	1,880	266	269	224	187	350	219	137	86	53	33
Dishwashers	20.00%	24-Aug-18	2,672	454	444	355	284	227	341	213	133	83	52
Ovens	16.67%	24-Aug-18	2,474	350	354	295	246	205	171	320	200	125	78
Rangehoods	16.67%	24-Aug-18	1,088	154	350	219	137	86	53	33	21	13	8
Laundry assets													
Clothes dryers	20.00%	24-Aug-18	1,286	218	214	320	200	125	78	49	31	19	12
Lifts (including hydraulic & tractions lifts)													
	6.67%	24-Aug-18	4,545	257	286	267	249	232	217	202	189	176	165
Lights													
Fittings (excluding hardwired)	40.00%	24-Aug-18	2,376	807	627	353	221	138	86	54	34	21	13
Security systems & equipment													
Electronic	30.00%	24-Aug-18	3,812	971	852	596	418	365	228	143	89	56	35
Ventilating plant													
Ventilation plant - fans only	18.75%	24-Aug-18	840	158	256	160	100	63	39	24	15	10	6
\$300 items													
	100.00%	24-Aug-18	1,401	1,401									
Pooled Plant Total				675	1,598	2,043	1,644	1,743	1,756	1,417	886	863	539
Effective Life Plant Total				8,232	6,141	4,036	3,076	2,028	1,356	977	809	507	429
Total Division 40			45,015	8,907	7,739	6,079	4,720	3,771	3,111	2,394	1,694	1,370	968

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%	24-Aug-18	217,182	4,613	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432
Structural Improvements - Completed 2018	2.50%	24-Aug-18	3,984	85	100	100	100	100	100	100	100	100	100
Total Division 43			221,166	4,698	5,532	5,532	5,532	5,532	5,532	5,532	5,532	5,532	5,532
Total Depreciation			266,181	13,605	13,271	11,611	10,252	9,303	8,643	7,926	7,226	6,902	6,500

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-Aug-18	9,499	807	950	950	950	950	950	950	950	950	950
Blinds Residential													
	10.00%	24-Aug-18	1,488	126	149	149	149	149	149	149	149	149	149
Computer systems													
General	18.75%	24-Aug-18	693	130	211	132	82	52	32	20	13	8	5
Building management system	20.00%	24-Aug-18	609	103	122	122	122	122	17				
Door closers													
	18.75%	24-Aug-18	435	82	133	83	52	32	20	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	24-Aug-18	871	163	265	166	104	65	40	25	16	10	6
Detection & alarm systems, fire indicator panel	18.75%	24-Aug-18	761	143	232	145	91	57	35	22	14	9	5
Floor coverings (removable without damage)													
Carpets	10.00%	24-Aug-18	4,736	402	474	474	474	474	474	474	474	474	474
Furniture													
	7.50%	24-Aug-18	1,906	121	143	143	143	143	143	143	143	143	143
Hot water systems (excluding piping)													
Gas or electric	8.33%	24-Aug-18	1,644	116	137	137	137	137	137	137	137	137	137
Kitchen assets													
Cooktops	8.33%	24-Aug-18	1,880	133	157	157	157	157	157	157	157	157	157
Dishwashers	10.00%	24-Aug-18	2,672	227	267	267	267	267	267	267	267	267	267
Ovens	8.33%	24-Aug-18	2,474	175	206	206	206	206	206	206	206	206	206
Rangehoods	8.33%	24-Aug-18	1,088	77	91	91	91	91	91	91	91	91	91
Laundry assets													
Clothes dryers	10.00%	24-Aug-18	1,286	109	129	129	129	129	129	129	129	129	129
Lifts (including hydraulic & tractions lifts)													
	3.33%	24-Aug-18	4,545	129	152	152	152	152	152	152	152	152	152
Lights													
Fittings (excluding hardwired)	20.00%	24-Aug-18	2,376	404	475	475	475	475	72				
Security systems & equipment													
Electronic	15.00%	24-Aug-18	3,812	486	572	572	572	572	572	466			
Ventilating plant													
Ventilation plant - fans only	18.75%	24-Aug-18	840	158	256	160	100	63	39	24	15	10	6
\$300 items													
	100.00%	24-Aug-18	1,401	1,401									
Pooled Plant Total				675	1,097	686	428	268	167	105	65	41	26
Effective Life Plant Total				4,817	4,024	4,024	4,024	4,024	3,517	3,321	2,855	2,855	2,855
Total Division 40			45,015	5,492	5,121	4,710	4,452	4,292	3,684	3,426	2,920	2,896	2,881

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%	24-Aug-18	217,182	4,613	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432	5,432
Structural Improvements - Completed 2018	2.50%	24-Aug-18	3,984	85	100	100	100	100	100	100	100	100	100
Total Division 43			221,166	4,698	5,532	5,532	5,532	5,532	5,532	5,532	5,532	5,532	5,532
Total Depreciation			266,181	10,190	10,653	10,242	9,984	9,824	9,216	8,958	8,452	8,428	8,413

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	20 Dec 17 to 17 Aug 18	217,286	2.50%	5,432	217,182
Sub-total		217,286		5,432	217,182

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2018	20 Dec 17 to 17 Aug 18	3,986	2.50%	100	3,984
Sub-total		3,986		100	3,984
Totals		221,272		5,532	221,166

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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LEAD SURVEYOR 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.