



Tax Depreciation Report

6/17-19 Third Ave,
Blacktown NSW 2148

Reena Makkar
6 Popplewell Ave
COLEBEE, NSW 2761

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

Reena Makkar
6 Popplewell Ave
COLEBEE, NSW 2761

April 2020
Job No: RES2148012

Tax Depreciation Report – 6/17-19 Third Ave, Blacktown NSW 2148

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

22 April 2020

Purchaser

Reena Makkar

Property Address

6/17-19 Third Ave, Blacktown NSW 2148

Real Property Description

LOT 6 SP78376

Property Type

Residential Unit

Date of Construction

1 January 2009

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				
<p>Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.</p>					<p>Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.</p>				
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	7 October 16 to 30 June 17	4,288	1,933	6,221	3,904	10,125
2	1 July 17 to 30 June 18	4,263	3,140	7,403	5,357	12,760
3	1 July 18 to 30 June 19	3,033	2,904	5,937	5,357	11,294
4	1 July 19 to 30 June 20	2,597	1,815	4,412	5,357	9,769
5	1 July 20 to 30 June 21	1,727	2,141	3,868	5,357	9,225
6	1 July 21 to 30 June 22	1,520	1,338	2,858	5,357	8,215
7	1 July 22 to 30 June 23	1,216	1,197	2,413	5,357	7,770
8	1 July 23 to 30 June 24	941	1,065	2,006	5,357	7,363
9	1 July 24 to 30 June 25	678	988	1,666	5,357	7,023
10	1 July 25 to 30 June 26	633	617	1,250	5,357	6,607
11	1 July 26 to 30 June 27	591	386	976	5,357	6,333
12	1 July 27 to 30 June 28	551	241	792	5,357	6,149
13	1 July 28 to 30 June 29	515	151	665	5,357	6,022
14	1 July 29 to 30 June 30	480	94	574	5,357	5,931
15	1 July 30 to 30 June 31	448	59	507	5,357	5,864
16	1 July 31 to 30 June 32	418	37	455	5,357	5,812
17	1 July 32 to 30 June 33	390	23	413	5,357	5,770
18	1 July 33 to 30 June 34	364	14	379	5,357	5,736
19	1 July 34 to 30 June 35	340	9	349	5,357	5,706
20	1 July 35 to 30 June 36	317	6	323	5,357	5,680
21	1 July 36 to 30 June 37	296	4	300	5,357	5,657
22	1 July 37 to 30 June 38	277	2	279	5,357	5,636
23	1 July 38 to 30 June 39	258	1	259	5,357	5,616
24	1 July 39 to 30 June 40	241	1	242	5,357	5,599
25	1 July 40 to 30 June 41	225	1	225	5,357	5,582
26	1 July 41 to 30 June 42	210	0	210	5,357	5,567
27	1 July 42 to 30 June 43	196	0	196	5,357	5,553
28	1 July 43 to 30 June 44	183	0	183	5,357	5,540
29	1 July 44 to 30 June 45	171	0	171	5,357	5,528
30	1 July 45 to 30 June 46	159	0	159	5,357	5,516
31	1 July 46 to 30 June 47	149	0	149	5,357	5,506
32	1 July 47 to 30 June 48	139	0	139	5,357	5,496
33	1 July 48 to 30 June 49	129	0	129	2,712	2,841
34	1 July 49 to 30 June 50	121	0	121	92	213
35	1 July 50 to 30 June 51	113	0	113	92	205
36	1 July 51 to 30 June 52	105	0	105	92	197
37	1 July 52 to 30 June 53	98	0	98	92	190
38	1 July 53 to 30 June 54	92	0	92	92	184
39	1 July 54 to 30 June 55	86	0	86	92	178
40	2055+	1,198	0	1,198	94	1,292
Totals		29,755	18,168	47,923	173,329	221,252

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	7 October 16 to 30 June 17	2,522	1,933	4,455	3,904	8,359
2	1 July 17 to 30 June 18	2,424	3,140	5,564	5,357	10,921
3	1 July 18 to 30 June 19	2,424	1,963	4,387	5,357	9,744
4	1 July 19 to 30 June 20	2,424	1,227	3,651	5,357	9,008
5	1 July 20 to 30 June 21	2,424	767	3,191	5,357	8,548
6	1 July 21 to 30 June 22	2,424	479	2,903	5,357	8,260
7	1 July 22 to 30 June 23	2,415	299	2,714	5,357	8,071
8	1 July 23 to 30 June 24	2,229	187	2,416	5,357	7,773
9	1 July 24 to 30 June 25	2,229	117	2,346	5,357	7,703
10	1 July 25 to 30 June 26	2,229	73	2,302	5,357	7,659
11	1 July 26 to 30 June 27	1,487	46	1,533	5,357	6,890
12	1 July 27 to 30 June 28	1,222	29	1,251	5,357	6,608
13	1 July 28 to 30 June 29	858	18	876	5,357	6,233
14	1 July 29 to 30 June 30	723	11	734	5,357	6,091
15	1 July 30 to 30 June 31	723	7	730	5,357	6,087
16	1 July 31 to 30 June 32	622	4	626	5,357	5,983
17	1 July 32 to 30 June 33	578	3	581	5,357	5,938
18	1 July 33 to 30 June 34	578	2	580	5,357	5,937
19	1 July 34 to 30 June 35	578	1	579	5,357	5,936
20	1 July 35 to 30 June 36	578	1	579	5,357	5,936
21	1 July 36 to 30 June 37	578	0	578	5,357	5,935
22	1 July 37 to 30 June 38	578	0	578	5,357	5,935
23	1 July 38 to 30 June 39	578	0	578	5,357	5,935
24	1 July 39 to 30 June 40	578	0	578	5,357	5,935
25	1 July 40 to 30 June 41	578	0	578	5,357	5,935
26	1 July 41 to 30 June 42	578	0	578	5,357	5,935
27	1 July 42 to 30 June 43	578	0	578	5,357	5,935
28	1 July 43 to 30 June 44	578	0	578	5,357	5,935
29	1 July 44 to 30 June 45	578	0	578	5,357	5,935
30	1 July 45 to 30 June 46	578	0	578	5,357	5,935
31	1 July 46 to 30 June 47	144	0	144	5,357	5,501
32	1 July 47 to 30 June 48	0	0	0	5,357	5,357
33	1 July 48 to 30 June 49	0	0	0	2,712	2,712
34	1 July 49 to 30 June 50	0	0	0	92	92
35	1 July 50 to 30 June 51	0	0	0	92	92
36	1 July 51 to 30 June 52	0	0	0	92	92
37	1 July 52 to 30 June 53	0	0	0	92	92
38	1 July 53 to 30 June 54	0	0	0	92	92
39	1 July 54 to 30 June 55	0	0	0	92	92
40	2055+	0	0	0	94	94
Totals		37,615	10,308	47,923	173,329	221,252

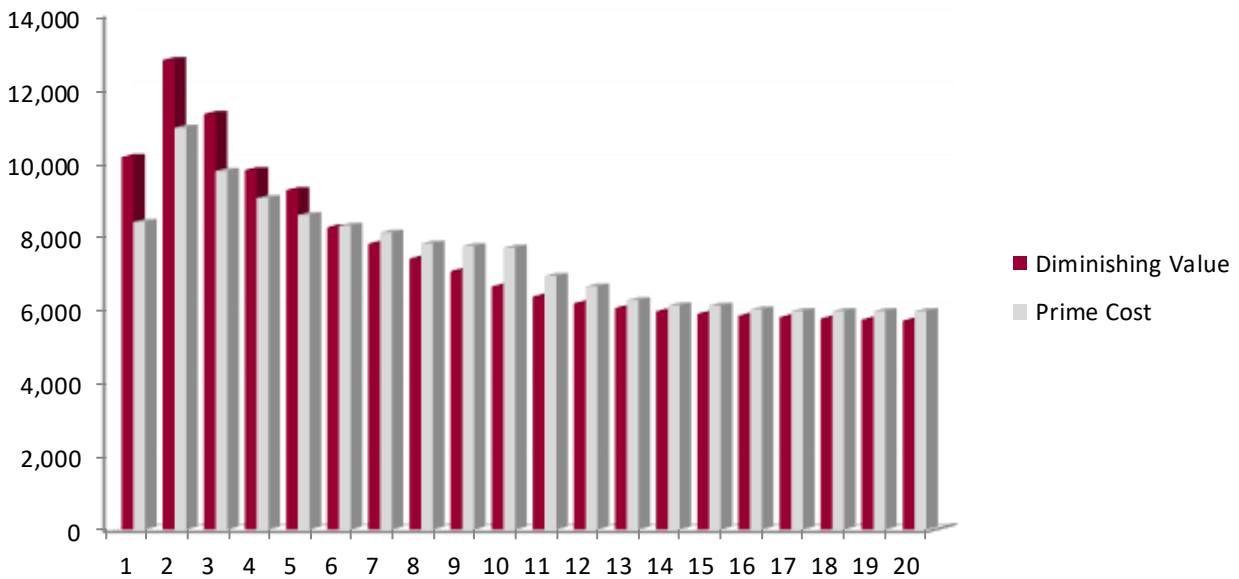
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

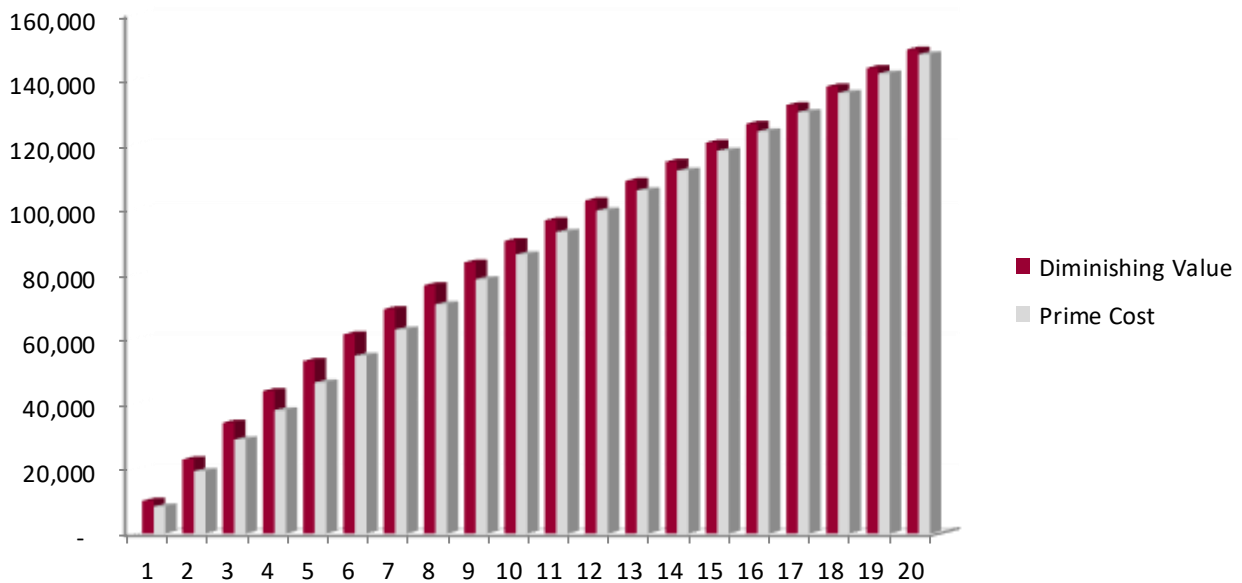
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



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

8. Capital Expenditure Analysed

Purchase Details

Contract Date	3 September 2016
Settlement Date	7 October 2016

Expenditure Analysed

Purchase Price	\$435,000
Stamp Duty	\$14,860
Legals	\$990
Total Expenditure Analysed	\$450,850

Historical Construction Details

Construction Start Date	6 February 2008
Construction Completion Date	1 January 2009
Historical Construction Cost (Estimated)*	\$246,376
Lot Entitlement	1
Overall Lot Entitlement	47

9. Reconciliation of Capital Expenditure

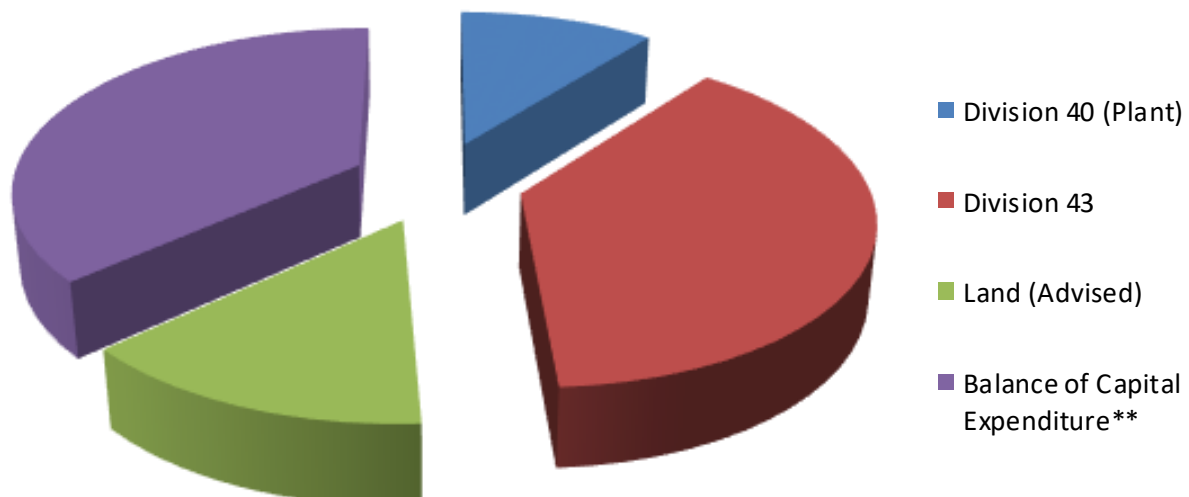
Apportionment of cost relating to:

Division 40 (Plant)	\$47,923
Division 43	\$173,329
Land (Advised)	\$64,030
Balance of Capital Expenditure**	\$165,568
Total Expenditure Analysed	\$450,850

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%	7-Oct-16	4,791	698	818	655	524	419	335	268	215	322	201
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	7-Oct-16	399	75	122	76	48	30	19	12	7	5	3
Blinds Residential													
Blinds Residential	20.00%	7-Oct-16	1,175	171	201	301	188	118	74	46	29	18	11
Blinds Residential	18.75%	7-Oct-16	1,035	194	315	197	123	77	48	30	19	12	7
Curtains and drapes													
Curtains and drapes	18.75%	7-Oct-16	562	105	171	107	67	42	26	16	10	6	4
Door closers													
Door closers	18.75%	7-Oct-16	362	68	110	69	43	27	17	11	7	4	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	7-Oct-16	777	146	237	148	93	58	36	23	14	9	6
Hoses and nozzles	18.75%	7-Oct-16	448	84	137	85	53	33	21	13	8	5	3
Floor coverings (removable without damage)													
Carpets	20.00%	7-Oct-16	2,180	318	372	298	238	358	223	140	87	55	34
Floating timber	13.33%	7-Oct-16	2,180	212	262	227	197	171	148	361	226	141	88
Furniture													
Furniture	18.75%	7-Oct-16	3,274	614	997	623	390	244	152	95	59	37	23
Hot water systems (excluding piping)													
Gas or electric	16.67%	7-Oct-16	2,874	349	421	351	292	244	203	169	317	198	124
Kitchen assets													
Cooktops	16.67%	7-Oct-16	1,357	165	199	373	233	146	91	57	36	22	14
Dishwashers	20.00%	7-Oct-16	1,916	279	327	262	210	314	196	123	77	48	30
Ovens	16.67%	7-Oct-16	1,757	213	257	214	179	335	209	131	82	51	32
Rangehoods	18.75%	7-Oct-16	719	135	219	137	86	53	33	21	13	8	5
Laundry assets													
Clothes dryers	18.75%	7-Oct-16	719	135	219	137	86	53	33	21	13	8	5
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	7-Oct-16	17,327	842	1,099	1,026	957	894	834	778	726	678	633
Lights													
Shades, removable	18.75%	7-Oct-16	908	170	277	173	108	68	42	26	16	10	6
MATV - amplifiers & modulators													
MATV - amplifiers & modulators	18.75%	7-Oct-16	425	80	129	81	51	32	20	12	8	5	3
Security systems & equipment													
Electronic	30.00%	7-Oct-16	1,303	285	305	267	167	104	65	41	25	16	10
Ventilating plant													
Ventilation plant - fans only	18.75%	7-Oct-16	680	127	207	129	81	51	32	20	12	8	5
\$300 items													
\$300 items	100.00%	7-Oct-16	756	756									
Pooled Plant Total				1,933	3,140	2,904	1,815	2,141	1,338	1,197	1,065	988	617
Effective Life Plant Total				4,288	4,263	3,033	2,597	1,727	1,520	1,216	941	678	633
Total Division 40			47,923	6,221	7,403	5,937	4,412	3,868	2,858	2,413	2,006	1,666	1,250

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 2009	2.50%	07-Oct-16	166,485	3,765	5,166	5,166	5,166	5,166	5,166	5,166	5,166	5,166	5,166
Building Works - Completed 2016	2.50%	07-Oct-16	3,657	67	92	92	92	92	92	92	92	92	92
Structural Improvements - Completed 2009	2.50%	07-Oct-16	3,187	72	99	99	99	99	99	99	99	99	99
Total Division 43			173,329	3,904	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357
Total Depreciation			221,252	10,125	12,760	11,294	9,769	9,225	8,215	7,770	7,363	7,023	6,607

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%	07-Oct-16	4,791	349	479	479	479	479	479	479	479	479	479
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	07-Oct-16	399	75	122	76	48	30	19	12	7	5	3
Blinds Residential	10.00%	07-Oct-16	1,175	86	118	118	118	118	118	118	118	118	118
Blinds Residential	18.75%	07-Oct-16	1,035	194	315	197	123	77	48	30	19	12	7
Curtains and drapes	18.75%	07-Oct-16	562	105	171	107	67	42	26	16	10	6	4
Door closers	18.75%	07-Oct-16	362	68	110	69	43	27	17	11	7	4	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	07-Oct-16	777	146	237	148	93	58	36	23	14	9	6
Hoses and nozzles	18.75%	07-Oct-16	448	84	137	85	53	33	21	13	8	5	3
Floor coverings (removable without damage)													
Carpets	10.00%	07-Oct-16	2,180	159	218	218	218	218	218	218	218	218	218
Floating timber	6.67%	07-Oct-16	2,180	106	145	145	145	145	145	145	145	145	145
Furniture	18.75%	07-Oct-16	3,274	614	997	623	390	244	152	95	59	37	23
Hot water systems (excluding piping)													
Gas or electric	8.33%	07-Oct-16	2,874	175	240	240	240	240	240	240	240	240	240
Kitchen assets													
Cooktops	8.33%	07-Oct-16	1,357	82	113	113	113	113	113	113	113	113	113
Dishwashers	10.00%	07-Oct-16	1,916	140	192	192	192	192	192	192	192	192	192
Ovens	8.33%	07-Oct-16	1,757	107	146	146	146	146	146	146	146	146	146
Rangehoods	18.75%	07-Oct-16	719	135	219	137	86	53	33	21	13	8	5
Laundry assets													
Clothes dryers	18.75%	07-Oct-16	719	135	219	137	86	53	33	21	13	8	5
Lifts (including hydraulic & tractions lifts)	3.33%	07-Oct-16	17,327	421	578	578	578	578	578	578	578	578	578
Lights													
Shades, removable	18.75%	07-Oct-16	908	170	277	173	108	68	42	26	16	10	6
MATV - amplifiers & modulators	18.75%	07-Oct-16	425	80	129	81	51	32	20	12	8	5	3
Security systems & equipment													
Electronic	15.00%	07-Oct-16	1,303	142	195	195	195	195	195	186			
Ventilating plant													
Ventilation plant - fans only	18.75%	07-Oct-16	680	127	207	129	81	51	32	20	12	8	5
\$300 items	100.00%	07-Oct-16	756	756									
Pooled Plant Total				1,933	3,140	1,963	1,227	767	479	299	187	117	73
Effective Life Plant Total				2,522	2,424	2,424	2,424	2,424	2,424	2,415	2,229	2,229	2,229
Total Division 40			47,923	4,455	5,564	4,387	3,651	3,191	2,903	2,714	2,416	2,346	2,302

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 2009	2.50%	07-Oct-16	166,485	3,765	5,166	5,166	5,166	5,166	5,166	5,166	5,166	5,166
Building Works - Completed 2016	2.50%	07-Oct-16	3,657	67	92	92	92	92	92	92	92	92
Structural Improvements - Completed 2009	2.50%	07-Oct-16	3,187	72	99	99	99	99	99	99	99	99
Total Division 43			173,329	3,904	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357
Total Depreciation			221,252	8,359	10,921	9,744	9,008	8,548	8,260	8,071	7,773	7,659

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 2009	6 Feb 08 to 1 Jan 09	206,620	2.50%	5,166	166,485
Building Works - Completed 2016	1 Apr 16 to 1 May 16	3,698	2.50%	92	3,657
Sub-total		210,318		5,258	170,142

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2009	6 Feb 08 to 1 Jan 09	3,956	2.50%	99	3,187
Sub-total		3,956		99	3,187
Totals		214,274		5,357	173,329

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.