



## Tax Depreciation Report

14 Raven Street,  
Ripley, QLD 4306

So Hyun Park  
57/38 Kavanagh Street  
SOUTHBANK, VIC 3006

Issue Schedule	
Issue Date:	Issued by:
11 May 2020	Mark Kilroy Bsc (Hons) MRICS

So Hyun Park  
57/38 Kavanagh Street  
SOUTHBANK, VIC 3006

May 2020  
Job No: RES4306036

### **Tax Depreciation Report – 14 Raven Street, Ripley, QLD 4306**

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

11 May 2020

### Purchaser

So Hyun Park

### Property Address

14 Raven Street, Ripley, QLD 4306

### Real Property Description

L110 SP300893

### Property Type

Residential House

### Date of Construction

19 January 2020

### Date Available To Generate Income

19 January 2020

### 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"> <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	Division 40 - Capital Allowance (Eligible)			Division 43 Capital Works	Eligible Total
		Effective Life	Pooled Plant	Total Div 40		
1	19 January 20 to 30 June 20	2,528	1,995	4,523	2,146	6,669
2	1 July 20 to 30 June 21	4,287	3,242	7,529	4,819	12,348
3	1 July 21 to 30 June 22	3,302	2,350	5,652	4,819	10,471
4	1 July 22 to 30 June 23	2,121	2,461	4,582	4,819	9,401
5	1 July 23 to 30 June 24	1,722	1,538	3,260	4,819	8,079
6	1 July 24 to 30 June 25	1,404	961	2,365	4,819	7,184
7	1 July 25 to 30 June 26	924	937	1,861	4,819	6,680
8	1 July 26 to 30 June 27	775	586	1,361	4,819	6,180
9	1 July 27 to 30 June 28	651	366	1,017	4,819	5,836
10	1 July 28 to 30 June 29	190	964	1,154	4,819	5,973
11	1 July 29 to 30 June 30	171	603	773	4,819	5,592
12	1 July 30 to 30 June 31	154	377	530	4,819	5,349
13	1 July 31 to 30 June 32	138	235	374	4,819	5,193
14	1 July 32 to 30 June 33	125	147	272	4,819	5,091
15	1 July 33 to 30 June 34	112	92	204	4,819	5,023
16	1 July 34 to 30 June 35	101	57	158	4,819	4,977
17	1 July 35 to 30 June 36	0	376	376	4,819	5,195
18	1 July 36 to 30 June 37	0	235	235	4,819	5,054
19	1 July 37 to 30 June 38	0	147	147	4,819	4,966
20	1 July 38 to 30 June 39	0	92	92	4,819	4,911
21	1 July 39 to 30 June 40	0	57	57	4,819	4,876
22	1 July 40 to 30 June 41	0	36	36	4,819	4,855
23	1 July 41 to 30 June 42	0	22	22	4,819	4,841
24	1 July 42 to 30 June 43	0	14	14	4,819	4,833
25	1 July 43 to 30 June 44	0	9	9	4,819	4,828
26	1 July 44 to 30 June 45	0	5	5	4,819	4,824
27	1 July 45 to 30 June 46	0	3	3	4,819	4,822
28	1 July 46 to 30 June 47	0	2	2	4,819	4,821
29	1 July 47 to 30 June 48	0	1	1	4,819	4,820
30	1 July 48 to 30 June 49	0	1	1	4,819	4,820
31	1 July 49 to 30 June 50	0	1	1	4,819	4,820
32	1 July 50 to 30 June 51	0	0	0	4,819	4,819
33	1 July 51 to 30 June 52	0	0	0	4,819	4,819
34	1 July 52 to 30 June 53	0	0	0	4,819	4,819
35	1 July 53 to 30 June 54	0	0	0	4,819	4,819
36	1 July 54 to 30 June 55	0	0	0	4,819	4,819
37	1 July 55 to 30 June 56	0	0	0	4,819	4,819
38	1 July 56 to 30 June 57	0	0	0	4,819	4,819
39	1 July 57 to 30 June 58	0	0	0	4,819	4,819
40	2058+	0	0	0	7,479	7,479
<b>Totals</b>		<b>18,704</b>	<b>17,915</b>	<b>36,619</b>	<b>192,747</b>	<b>229,366</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	Division 40 - Capital Allowance (Eligible)			Division 43 Capital Works	Eligible Total
		Effective Life	Pooled Plant	Total Div 40		
1	19 January 20 to 30 June 20	1,481	1,995	3,476	2,146	5,622
2	1 July 20 to 30 June 21	2,350	3,242	5,592	4,819	10,411
3	1 July 21 to 30 June 22	2,350	2,026	4,376	4,819	9,195
4	1 July 22 to 30 June 23	2,350	1,266	3,616	4,819	8,435
5	1 July 23 to 30 June 24	2,350	791	3,141	4,819	7,960
6	1 July 24 to 30 June 25	2,350	495	2,845	4,819	7,664
7	1 July 25 to 30 June 26	2,350	309	2,659	4,819	7,478
8	1 July 26 to 30 June 27	2,350	193	2,543	4,819	7,362
9	1 July 27 to 30 June 28	2,027	121	2,148	4,819	6,967
10	1 July 28 to 30 June 29	1,621	75	1,696	4,819	6,515
11	1 July 29 to 30 June 30	1,269	47	1,316	4,819	6,135
12	1 July 30 to 30 June 31	830	29	859	4,819	5,678
13	1 July 31 to 30 June 32	561	18	579	4,819	5,398
14	1 July 32 to 30 June 33	231	12	243	4,819	5,062
15	1 July 33 to 30 June 34	231	7	238	4,819	5,057
16	1 July 34 to 30 June 35	231	4	235	4,819	5,054
17	1 July 35 to 30 June 36	231	3	234	4,819	5,053
18	1 July 36 to 30 June 37	231	2	233	4,819	5,052
19	1 July 37 to 30 June 38	231	1	232	4,819	5,051
20	1 July 38 to 30 June 39	231	1	232	4,819	5,051
21	1 July 39 to 30 June 40	123	0	123	4,819	4,942
22	1 July 40 to 30 June 41	0	0	0	4,819	4,819
23	1 July 41 to 30 June 42	0	0	0	4,819	4,819
24	1 July 42 to 30 June 43	0	0	0	4,819	4,819
25	1 July 43 to 30 June 44	0	0	0	4,819	4,819
26	1 July 44 to 30 June 45	0	0	0	4,819	4,819
27	1 July 45 to 30 June 46	0	0	0	4,819	4,819
28	1 July 46 to 30 June 47	0	0	0	4,819	4,819
29	1 July 47 to 30 June 48	0	0	0	4,819	4,819
30	1 July 48 to 30 June 49	0	0	0	4,819	4,819
31	1 July 49 to 30 June 50	0	0	0	4,819	4,819
32	1 July 50 to 30 June 51	0	0	0	4,819	4,819
33	1 July 51 to 30 June 52	0	0	0	4,819	4,819
34	1 July 52 to 30 June 53	0	0	0	4,819	4,819
35	1 July 53 to 30 June 54	0	0	0	4,819	4,819
36	1 July 54 to 30 June 55	0	0	0	4,819	4,819
37	1 July 55 to 30 June 56	0	0	0	4,819	4,819
38	1 July 56 to 30 June 57	0	0	0	4,819	4,819
39	1 July 57 to 30 June 58	0	0	0	4,819	4,819
40	2058+	0	0	0	7,479	7,479
<b>Totals</b>		<b>25,979</b>	<b>10,640</b>	<b>36,619</b>	<b>192,747</b>	<b>229,366</b>

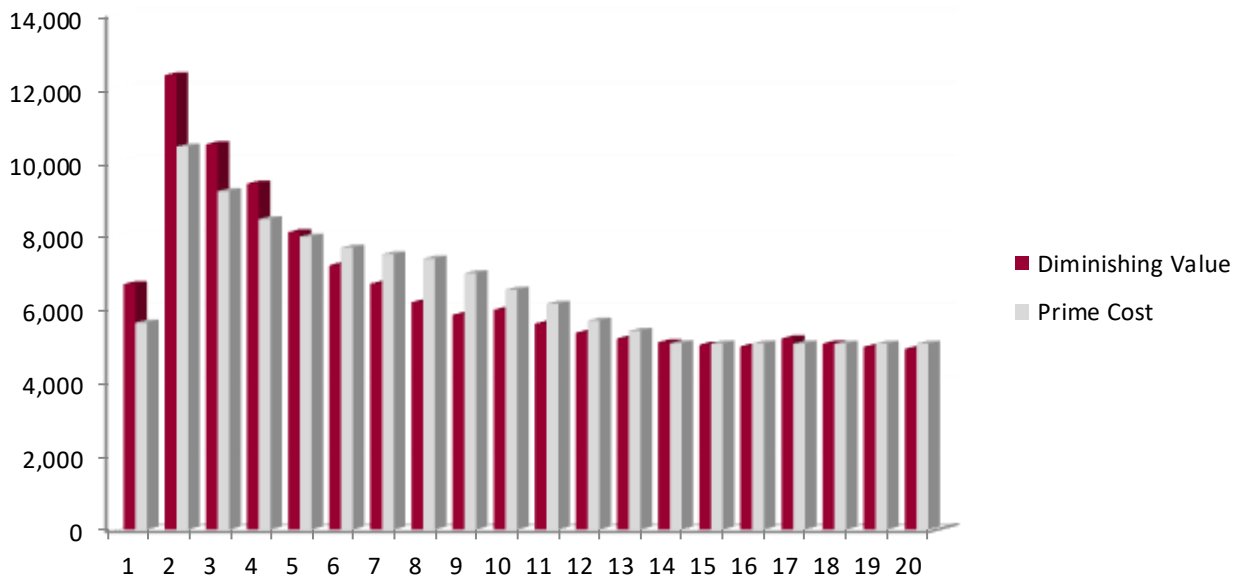
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

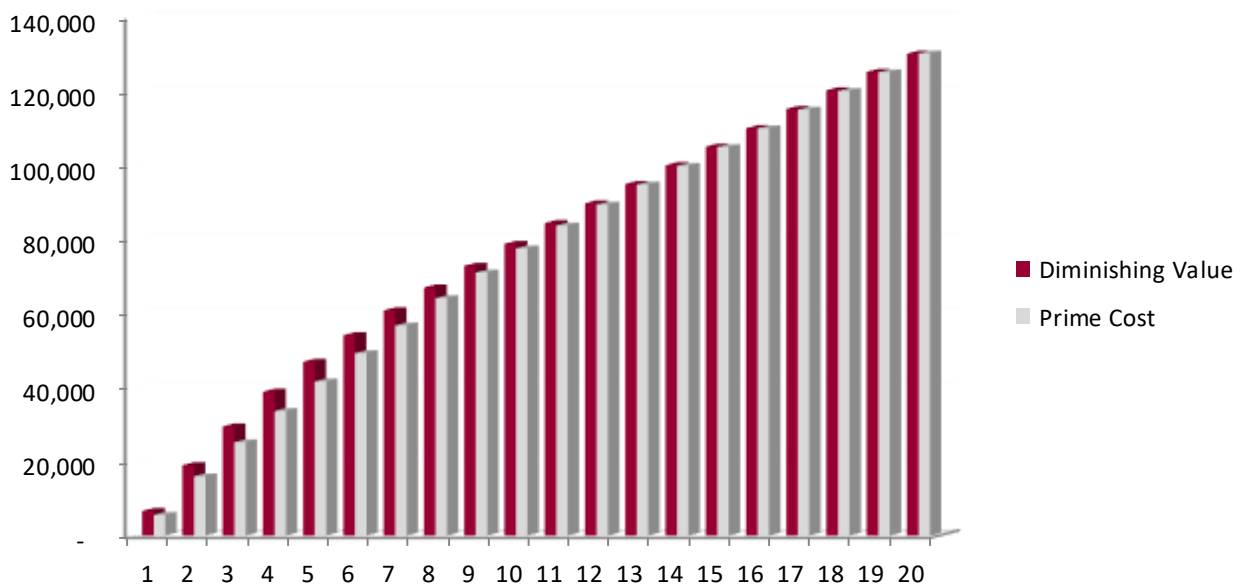
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	23 July 2019
Handover Date	19 January 2020
Available To Generate Income	19 January 2020

Expenditure Analysed	
Construction Cost	\$233,980
<b>Total Expenditure Analysed</b>	<b>\$233,980</b>

Historical Construction Details	
Construction Start Date	23 July 2019
Construction Completion Date	19 January 2020
Historical Construction Cost (Estimated)*	\$233,980

## 9. Reconciliation of Capital Expenditure

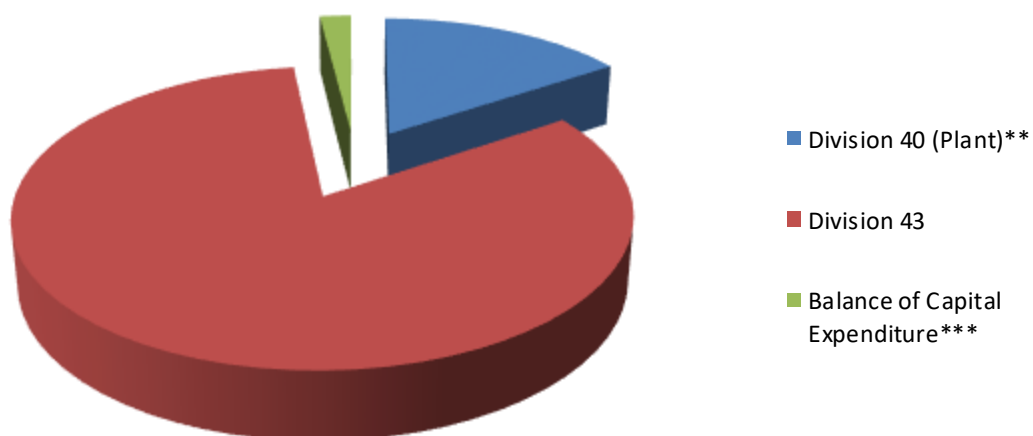
Apportionment of cost relating to:	
Division 40 (Plant)**	\$36,619
Division 43	\$192,747
Balance of Capital Expenditure***	\$4,614
<b>Total Expenditure Analysed</b>	<b>\$233,980</b>

### 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

\*\* Some assets in Division 40 (Plant) may not be eligible for yearly depreciation claim but for capital gain deduction only. Please go to Summary of Entitlements and detailed schedules for more information

\*\*\* 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	Eligibility	Diminishing	Start 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	For Depreciation	Value Rate													
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>															
Mini split system upto 20KW	YES	20.00%	19-Jan-20	6,328	564	1,153	922	738	590	472	378	302	242	363	
<b>Blinds Residential</b>															
	YES	18.75%	19-Jan-20	3,797	712	1,157	723	452	282	177	110	69	43	27	
<b>Ceiling Fans</b>															
	YES	18.75%	19-Jan-20	2,307	433	703	439	275	172	107	67	42	26	16	
<b>Fire control assets</b>															
Detection & alarm systems, detectors	YES	18.75%	19-Jan-20	580	109	177	110	69	43	27	17	11	7	4	
<b>Floor coverings ( removable without damage)</b>															
Carpets	YES	25.00%	19-Jan-20	4,252	473	945	708	531	399	299	336	210	131	82	
<b>Furniture</b>															
	YES	18.75%	19-Jan-20	1,978	371	603	377	235	147	92	57	36	22	14	
<b>Garage doors, automatic</b>															
Motors	YES	20.00%	19-Jan-20	1,582	141	288	231	346	216	135	84	53	33	21	
<b>Hot water systems (excluding piping)</b>															
Gas or electric	YES	16.67%	19-Jan-20	4,614	343	712	593	494	412	343	286	238	199	373	
<b>Kitchen assets</b>															
Cooktops	YES	16.67%	19-Jan-20	1,121	83	173	324	203	127	79	49	31	19	12	
Dishwashers	YES	25.00%	19-Jan-20	1,582	176	351	264	297	185	116	72	45	28	18	
Ovens	YES	16.67%	19-Jan-20	1,450	108	224	186	350	219	137	85	53	33	21	
Rangehoods	YES	18.75%	19-Jan-20	593	111	181	113	71	44	28	17	11	7	4	
<b>Lights</b>															
Shades, removable	YES	18.75%	19-Jan-20	1,384	260	422	264	165	103	64	40	25	16	10	
<b>Solar power generating system assets</b>															
	YES	10.00%	19-Jan-20	4,614	206	441	397	357	321	289	260	234	211	190	
<b>\$300 items</b>															
	YES	100.00%	19-Jan-20	435	435										
<b>Pooled Plant Total</b>						1,995	3,242	2,350	2,461	1,538	961	937	586	366	964
<b>Effective Life Plant Total</b>						2,528	4,287	3,302	2,121	1,722	1,404	924	775	651	190
<b>Total Division 40</b>				36,619	4,523	7,529	5,652	4,582	3,260	2,365	1,861	1,361	1,017	1,154	
<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 2020</b>			181,541	2,021	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539	
<b>Structural Improvements - Completed 2020</b>			11,206	125	280	280	280	280	280	280	280	280	280	280	
<b>Total Division 43</b>				192,747	2,146	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	4,819	

## 11. Prime Cost Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Eligibility For Depreciation	Prime Cost Rate	Start 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	YES	10.00%	19-Jan-20	6,328	282	633	633	633	633	633	633	633	633	633	
<b>Blinds Residential</b>															
	YES	18.75%	19-Jan-20	3,797	712	1,157	723	452	282	177	110	69	43	27	
<b>Ceiling Fans</b>															
	YES	18.75%	19-Jan-20	2,307	433	703	439	275	172	107	67	42	26	16	
<b>Fire control assets</b>															
Detection & alarm systems, detectors	YES	18.75%	19-Jan-20	580	109	177	110	69	43	27	17	11	7	4	
<b>Floor coverings ( removable without damage)</b>															
Carpets	YES	12.50%	19-Jan-20	4,252	237	531	531	531	531	531	531	531	298		
<b>Furniture</b>															
	YES	18.75%	19-Jan-20	1,978	371	603	377	235	147	92	57	36	22	14	
<b>Garage doors, automatic</b>															
Motors	YES	10.00%	19-Jan-20	1,582	70	158	158	158	158	158	158	158	158	158	
<b>Hot water systems (excluding piping)</b>															
Gas or electric	YES	8.33%	19-Jan-20	4,614	171	385	385	385	385	385	385	385	385	385	
<b>Kitchen assets</b>															
Cooktops	YES	8.33%	19-Jan-20	1,121	42	93	93	93	93	93	93	93	93	93	
Dishwashers	YES	12.50%	19-Jan-20	1,582	88	198	198	198	198	198	198	198	108		
Ovens	YES	8.33%	19-Jan-20	1,450	54	121	121	121	121	121	121	121	121	121	
Rangehoods	YES	18.75%	19-Jan-20	593	111	181	113	71	44	28	17	11	7	4	
<b>Lights</b>															
Shades, removable	YES	18.75%	19-Jan-20	1,384	260	422	264	165	103	64	40	25	16	10	
<b>Solar power generating system assets</b>															
	YES	5.00%	19-Jan-20	4,614	103	231	231	231	231	231	231	231	231	231	
<b>\$300 items</b>															
	YES	100.00%	19-Jan-20	435	435										
<b>Pooled Plant Total</b>					1,995	3,242	2,026	1,266	791	495	309	193	121	75	
<b>Effective Life Plant Total</b>					1,481	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,027	1,621	
<b>Total Division 40</b>				36,619	3,476	5,592	4,376	3,616	3,141	2,845	2,659	2,543	2,148	1,696	
<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 2020</b>				2.50%	19-Jan-20	181,541	2,021	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539
<b>Structural Improvements - Completed 2020</b>				2.50%	19-Jan-20	11,206	125	280	280	280	280	280	280	280	280
<b>Total Division 43</b>						192,747	2,146	4,819	4,819	4,819	4,819	4,819	4,819	4,819	

## 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 2020	23 Jul 19 to 19 Jan 20	181,541	2.50%	4,539	181,541
<b>Sub-total</b>		<b>181,541</b>		<b>4,539</b>	<b>181,541</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2020	23 Jul 19 to 19 Jan 20	11,206	2.50%	280	11,206
<b>Sub-total</b>		<b>11,206</b>		<b>280</b>	<b>11,206</b>
<b>Totals</b>		<b>192,747</b>		<b>4,819</b>	<b>192,747</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.