



Tax Depreciation Report – Landlord

261 Victoria Street,
Abbotsford, VIC 3067

A&J Superannuation Fund
261 Victoria Street
ABBOTSFORD, VIC 3067

Issue Schedule	
Issue Date:	Issued by:
17 June 2020	Mark Kilroy Bsc (Hons) MRICS



A&J Superannuation Fund
261 Victoria Street
ABBOTSFORD, VIC 3067

June 2020
Job No: COM3067002

Tax Depreciation Report – 261 Victoria Street, Abbotsford, VIC 3067

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

17 June 2020

Purchaser

A&J Superannuation Fund

Property Address

261 Victoria Street, Abbotsford, VIC 3067

Real Property Description

LOT 1 TP566406

Property Type

Commercial

Date of Construction

Pre 1985

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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
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) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
200 / 10 Years = 20% (Adjusted Value)				
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
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
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.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$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	14 February 18 to 30 June 18	3,574	3,965	7,539	2,446	9,985
2	1 July 18 to 30 June 19	40,783	17,181	57,964	77,703	135,667
3	1 July 19 to 30 June 20	1,806	0	1,806	8,951	10,757
4	1 July 20 to 30 June 21	1,535	0	1,535	8,951	10,486
5	1 July 21 to 30 June 22	1,308	0	1,308	8,951	10,259
6	1 July 22 to 30 June 23	1,117	0	1,117	8,951	10,068
7	1 July 23 to 30 June 24	957	0	957	8,951	9,908
8	1 July 24 to 30 June 25	821	0	821	8,951	9,772
9	1 July 25 to 30 June 26	524	342	866	8,951	9,817
10	1 July 26 to 30 June 27	463	214	676	8,951	9,627
11	1 July 27 to 30 June 28	409	134	542	8,951	9,493
12	1 July 28 to 30 June 29	361	84	445	8,951	9,396
13	1 July 29 to 30 June 30	320	52	372	8,951	9,323
14	1 July 30 to 30 June 31	156	390	546	8,951	9,497
15	1 July 31 to 30 June 32	140	244	384	8,951	9,335
16	1 July 32 to 30 June 33	126	152	278	8,951	9,229
17	1 July 33 to 30 June 34	113	95	209	8,951	9,160
18	1 July 34 to 30 June 35	102	60	162	8,951	9,113
19	1 July 35 to 30 June 36	0	382	382	8,951	9,333
20	1 July 36 to 30 June 37	0	239	239	8,951	9,190
21	1 July 37 to 30 June 38	0	149	149	8,507	8,656
22	1 July 38 to 30 June 39	0	93	93	7,689	7,782
23	1 July 39 to 30 June 40	0	58	58	7,689	7,747
24	1 July 40 to 30 June 41	0	36	36	7,689	7,725
25	1 July 41 to 30 June 42	0	23	23	7,689	7,712
26	1 July 42 to 30 June 43	0	14	14	7,689	7,703
27	1 July 43 to 30 June 44	0	9	9	7,066	7,075
28	1 July 44 to 30 June 45	0	6	6	5,242	5,248
29	1 July 45 to 30 June 46	0	3	3	5,242	5,245
30	1 July 46 to 30 June 47	0	2	2	5,242	5,244
31	1 July 47 to 30 June 48	0	1	1	5,242	5,243
32	1 July 48 to 30 June 49	0	1	1	5,242	5,243
33	1 July 49 to 30 June 50	0	1	1	5,242	5,243
34	1 July 50 to 30 June 51	0	0	0	5,242	5,242
35	1 July 51 to 30 June 52	0	0	0	5,242	5,242
36	1 July 52 to 30 June 53	0	0	0	5,242	5,242
37	1 July 53 to 30 June 54	0	0	0	5,242	5,242
38	1 July 54 to 30 June 55	0	0	0	5,242	5,242
39	1 July 55 to 30 June 56	0	0	0	5,242	5,242
40	2056+	0	0	0	15,317	15,317
Totals		54,615	23,931	78,546	373,506	452,052

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	14 February 18 to 30 June 18	1,787	3,965	5,752	2,446	8,198
2	1 July 18 to 30 June 19	4,815	6,443	11,258	77,703	88,961
3	1 July 19 to 30 June 20	5,045	4,027	9,072	8,951	18,023
4	1 July 20 to 30 June 21	5,045	2,517	7,562	8,951	16,513
5	1 July 21 to 30 June 22	5,045	1,573	6,618	8,951	15,569
6	1 July 22 to 30 June 23	5,045	983	6,028	8,951	14,979
7	1 July 23 to 30 June 24	5,045	614	5,659	8,951	14,610
8	1 July 24 to 30 June 25	5,045	384	5,429	8,951	14,380
9	1 July 25 to 30 June 26	5,045	240	5,285	8,951	14,236
10	1 July 26 to 30 June 27	5,045	150	5,195	8,951	14,146
11	1 July 27 to 30 June 28	3,503	94	3,596	8,951	12,547
12	1 July 28 to 30 June 29	879	59	938	8,951	9,889
13	1 July 29 to 30 June 30	879	37	916	8,951	9,867
14	1 July 30 to 30 June 31	879	23	902	8,951	9,853
15	1 July 31 to 30 June 32	879	14	893	8,951	9,844
16	1 July 32 to 30 June 33	746	9	755	8,951	9,706
17	1 July 33 to 30 June 34	507	6	513	8,951	9,464
18	1 July 34 to 30 June 35	507	3	510	8,951	9,461
19	1 July 35 to 30 June 36	507	2	509	8,951	9,460
20	1 July 36 to 30 June 37	507	1	508	8,951	9,459
21	1 July 37 to 30 June 38	416	1	416	8,507	8,923
22	1 July 38 to 30 June 39	230	1	231	7,689	7,920
23	1 July 39 to 30 June 40	0	0	0	7,689	7,689
24	1 July 40 to 30 June 41	0	0	0	7,689	7,689
25	1 July 41 to 30 June 42	0	0	0	7,689	7,689
26	1 July 42 to 30 June 43	0	0	0	7,689	7,689
27	1 July 43 to 30 June 44	0	0	0	7,066	7,066
28	1 July 44 to 30 June 45	0	0	0	5,242	5,242
29	1 July 45 to 30 June 46	0	0	0	5,242	5,242
30	1 July 46 to 30 June 47	0	0	0	5,242	5,242
31	1 July 47 to 30 June 48	0	0	0	5,242	5,242
32	1 July 48 to 30 June 49	0	0	0	5,242	5,242
33	1 July 49 to 30 June 50	0	0	0	5,242	5,242
34	1 July 50 to 30 June 51	0	0	0	5,242	5,242
35	1 July 51 to 30 June 52	0	0	0	5,242	5,242
36	1 July 52 to 30 June 53	0	0	0	5,242	5,242
37	1 July 53 to 30 June 54	0	0	0	5,242	5,242
38	1 July 54 to 30 June 55	0	0	0	5,242	5,242
39	1 July 55 to 30 June 56	0	0	0	5,242	5,242
40	2056+	0	0	0	15,317	15,317
Totals		57,400	21,146	78,546	373,506	452,052

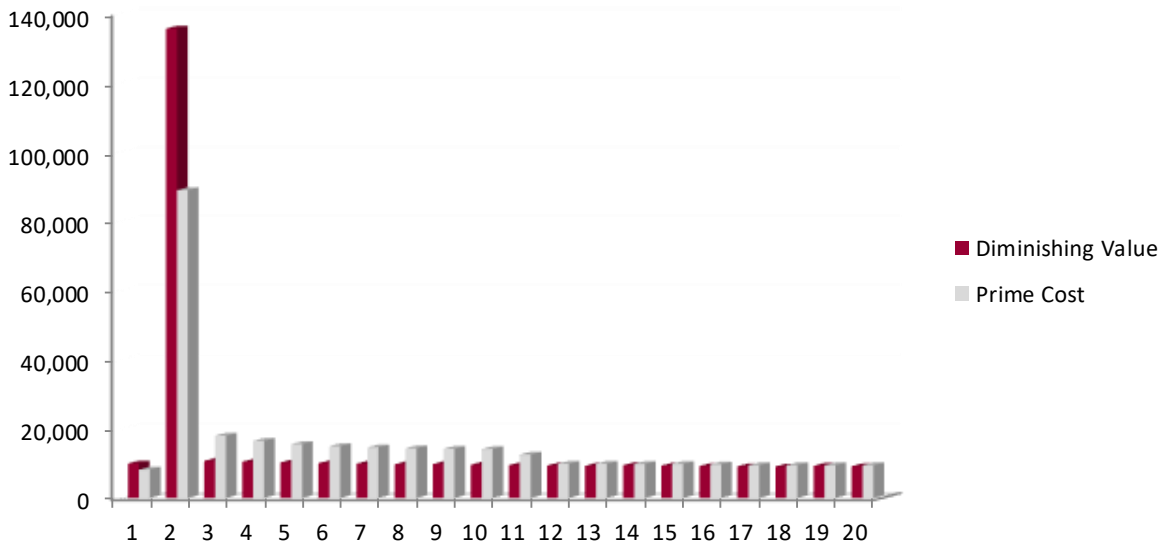
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

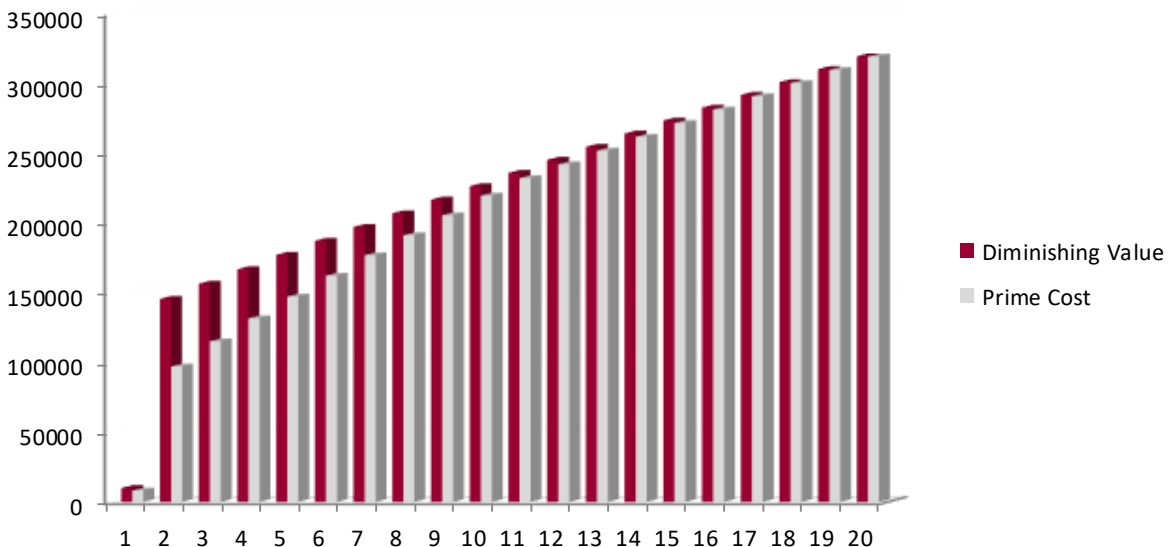
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	14 February 2018
Settlement Date	14 February 2018

Expenditure Analysed - Landlord Portion

Purchase Price	\$3,100,000
Stamp Duty	\$170,500
Legals	\$2,500
Post Expenditure - Office Fitout (Qualifying Capital Works, Excluding GST)	\$214,687
Total Expenditure Analysed	\$3,487,687

Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)	N/A

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$78,546
Division 43	\$373,506
Land	\$1,560,000
Balance of Capital Expenditure**	\$1,389,835
Total Expenditure Analysed	\$3,401,887

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)													
Mini split system upto 20KW	20.00%	14-Feb-18	32,925	2,454	30,471								
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Feb-18	1,543	289	1,254								
Blinds Commercial													
	18.75%	14-Feb-18	7,630	1,431	6,200								
Ceiling Fans													
	18.75%	14-Feb-18	735	138	597								
Door closers													
	18.75%	14-Feb-18	1,058	198	860								
Electrical Machinery & Equipment :													
Switchboard / Distribution	10.00%	14-Feb-18	5,144	192	4,953								
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Feb-18	1,940	364	1,576								
Fire extinguishers	18.75%	14-Feb-18	514	96	418								
Furniture													
	20.00%	14-Feb-18	4,704	351	871	696	557	446	357	285	228	342	214
Hot water systems (excluding piping)													
Solar	13.33%	14-Feb-18	5,585	277	708	613	532	461	399	346	300	260	225
Office furniture, freestanding													
Reception assets (including lobby chairs, desks, lounges, sofas and tables)	20.00%	14-Feb-18	4,042	301	3,741								
Lights													
Emergency	18.75%	14-Feb-18	2,264	424	1,839								
Fittings	18.75%	14-Feb-18	5,460	1,024	4,437								
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Kitchen assets													
Water filters, electrical	10.00%	1-Jun-19	5,000		40	496	446	402	362	325	293	264	237
Pooled Plant Total				3,965	17,181								
Effective Life Plant Total				3,574	40,783	1,806	1,535	1,308	1,117	957	821	524	463
Total Division 40			78,546	7,539	57,964	1,806	1,535	1,308	1,117	957	821	866	676
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1998													
	2.50%	14-Feb-18	32,671	608	32,063								
Building Works - Completed 2012													
	2.50%	14-Feb-18	41,971	456	41,515								
Building Works - Completed 2004													
	2.50%	14-Feb-18	63,911	912	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447
Building Works - Completed 2019													
	2.50%	01-Jun-19	209,687		416	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242
Structural Improvements - Completed 1998													
	2.50%	14-Feb-18	25,266	470	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262
Total Division 43			373,506	2,446	77,703	8,951	8,951	8,951	8,951	8,951	8,951	8,951	8,951
Total Depreciation			452,052	9,985	135,667	10,757	10,486	10,259	10,068	9,908	9,772	9,817	9,627

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%	14-Feb-18	32,925	1,227	3,292	3,292	3,292	3,292	3,292	3,292	3,292	3,292	3,292
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Feb-18	1,543	289	470	294	184	115	72	45	28	18	11
Blinds Commercial	18.75%	14-Feb-18	7,630	1,431	2,325	1,453	908	568	355	222	139	87	54
Ceiling Fans	18.75%	14-Feb-18	735	138	224	140	87	55	34	21	13	8	5
Door closers	18.75%	14-Feb-18	1,058	198	322	202	126	79	49	31	19	12	8
Electrical Machinery & Equipment :													
Switchboard / Distribution	5.00%	14-Feb-18	5,144	96	257	257	257	257	257	257	257	257	257
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Feb-18	1,940	364	591	369	231	144	90	56	35	22	14
Fire extinguishers	18.75%	14-Feb-18	514	96	157	98	61	38	24	15	9	6	4
Furniture	10.00%	14-Feb-18	4,704	175	470	470	470	470	470	470	470	470	470
Hot water systems (excluding piping)													
Solar	6.67%	14-Feb-18	5,585	139	372	372	372	372	372	372	372	372	372
Office furniture, freestanding													
Reception assets (including lobby chairs, desks, lounges, sofas and tables)	10.00%	14-Feb-18	4,042	151	404	404	404	404	404	404	404	404	404
Lights													
Fittings (excluding hardwired)	18.75%	14-Feb-18	2,264	424	690	431	269	168	105	66	41	26	16
Freestanding	18.75%	14-Feb-18	5,460	1,024	1,664	1,040	650	406	254	159	99	62	39
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Kitchen assets													
Water filters, electrical	5.00%	01-Jun-19	5,000		20	250	250	250	250	250	250	250	250
Pooled Plant Total				3,965	6,443	4,027	2,517	1,573	983	614	384	240	150
Effective Life Plant Total				1,787	4,815	5,045	5,045	5,045	5,045	5,045	5,045	5,045	5,045
Total Division 40			78,546	5,752	11,258	9,072	7,562	6,618	6,028	5,659	5,429	5,285	5,195
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1998	2.50%	14-Feb-18	32,671	608	32,063								
Building Works - Completed 2012	2.50%	14-Feb-18	41,971	456	41,515								
Building Works - Completed 2004	2.50%	14-Feb-18	63,911	912	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447	2,447
Building Works - Completed 2019	2.50%	01-Jun-19	209,687		416	5,242	5,242	5,242	5,242	5,242	5,242	5,242	5,242
Structural Improvements - Completed 1998	2.50%	14-Feb-18	25,266	470	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262	1,262
Total Division 43			373,506	2,446	77,703	8,951	8,951	8,951	8,951	8,951	8,951	8,951	8,951
Total Depreciation			452,052	8,198	88,961	18,023	16,513	15,569	14,979	14,610	14,380	14,236	14,146

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 1998	15 Jan 98 to 1 Mar 98	65,254	2.50%	1,631	32,671
Building Works - Completed 2012	22 Apr 12 to 6 Jun 12	48,940	2.50%	1,224	41,971
Building Works - Completed 2004	1 Mar 04 to 1 Apr 04	97,880	2.50%	2,447	63,911
Building Works - Completed 2019	14 Feb 18 to 1 Jun 19	209,687	2.50%	5,242	209,687

Sub-total 421,761 10,544 348,240

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1998	15 Jan 98 to 1 Mar 98	50,463	2.50%	1,262	25,266

Sub-total 50,463 1,262 25,266

Totals 472,224 11,806 373,506

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.