



Tax Depreciation Report

2505/3 Olympic Blvd,
Sydney Olympic Park NSW 2127, Australia

Mei Li
Shop 1/63 Shoreline Dr.
RHODES, NSW 2138

Issue Schedule	
Issue Date:	Issued by:
23 July 2020	Mark Kilroy Bsc (Hons) MRICS

Mei Li
Shop 1/63 Shoreline Dr.
RHODES, NSW 2138

July 2020
Job No: RES2127015

Tax Depreciation Report – 2505/3 Olympic Blvd, Sydney Olympic Park NSW 2127, Australia

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

23 July 2020

Purchaser

Mei Li

Property Address

2505/3 Olympic Blvd, Sydney Olympic Park NSW 2127, Australia

Real Property Description

LOT 144 SP100370

Property Type

Residential Unit

Date of Construction

31 December 2019

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	14 January 20 to 30 June 20	5,042	2,547	7,589	2,898	10,487
2	1 July 20 to 30 June 21	8,465	4,585	13,051	6,315	19,366
3	1 July 21 to 30 June 22	6,999	2,866	9,865	6,315	16,180
4	1 July 22 to 30 June 23	5,484	2,452	7,936	6,315	14,251
5	1 July 23 to 30 June 24	4,572	1,533	6,105	6,315	12,420
6	1 July 24 to 30 June 25	3,473	1,685	5,158	6,315	11,473
7	1 July 25 to 30 June 26	2,634	1,719	4,353	6,315	10,668
8	1 July 26 to 30 June 27	2,038	1,448	3,487	6,315	9,802
9	1 July 27 to 30 June 28	1,752	905	2,658	6,315	8,973
10	1 July 28 to 30 June 29	1,516	566	2,081	6,315	8,396
11	1 July 29 to 30 June 30	1,319	354	1,672	6,315	7,987
12	1 July 30 to 30 June 31	960	584	1,544	6,315	7,859
13	1 July 31 to 30 June 32	861	365	1,226	6,315	7,541
14	1 July 32 to 30 June 33	604	549	1,153	6,315	7,468
15	1 July 33 to 30 June 34	564	343	907	6,315	7,222
16	1 July 34 to 30 June 35	526	214	740	6,315	7,055
17	1 July 35 to 30 June 36	491	134	625	6,315	6,940
18	1 July 36 to 30 June 37	458	84	542	6,315	6,857
19	1 July 37 to 30 June 38	428	52	480	6,315	6,795
20	1 July 38 to 30 June 39	399	33	432	6,315	6,747
21	1 July 39 to 30 June 40	373	20	393	6,315	6,708
22	1 July 40 to 30 June 41	348	13	360	6,315	6,675
23	1 July 41 to 30 June 42	325	8	333	6,315	6,648
24	1 July 42 to 30 June 43	303	5	308	6,315	6,623
25	1 July 43 to 30 June 44	283	3	286	6,315	6,601
26	1 July 44 to 30 June 45	264	2	266	6,315	6,581
27	1 July 45 to 30 June 46	246	1	247	6,315	6,562
28	1 July 46 to 30 June 47	230	1	231	6,315	6,546
29	1 July 47 to 30 June 48	215	0	215	6,315	6,530
30	1 July 48 to 30 June 49	200	0	201	6,315	6,516
31	1 July 49 to 30 June 50	187	0	187	6,315	6,502
32	1 July 50 to 30 June 51	174	0	175	6,315	6,490
33	1 July 51 to 30 June 52	163	0	163	6,315	6,478
34	1 July 52 to 30 June 53	152	0	152	6,315	6,467
35	1 July 53 to 30 June 54	142	0	142	6,315	6,457
36	1 July 54 to 30 June 55	132	0	132	6,315	6,447
37	1 July 55 to 30 June 56	124	0	124	6,315	6,439
38	1 July 56 to 30 June 57	115	0	115	6,315	6,430
39	1 July 57 to 30 June 58	108	0	108	6,315	6,423
40	2058+	1,507	0	1,507	9,499	11,006
Totals		54,173	23,071	77,244	252,367	329,611

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 January 20 to 30 June 20	2,888	2,547	5,435	2,898	8,333
2	1 July 20 to 30 June 21	4,692	4,138	8,830	6,315	15,145
3	1 July 21 to 30 June 22	4,692	2,586	7,278	6,315	13,593
4	1 July 22 to 30 June 23	4,692	1,616	6,308	6,315	12,623
5	1 July 23 to 30 June 24	4,692	1,010	5,702	6,315	12,017
6	1 July 24 to 30 June 25	4,692	631	5,323	6,315	11,638
7	1 July 25 to 30 June 26	4,692	395	5,087	6,315	11,402
8	1 July 26 to 30 June 27	4,692	247	4,939	6,315	11,254
9	1 July 27 to 30 June 28	4,692	154	4,846	6,315	11,161
10	1 July 28 to 30 June 29	4,692	96	4,788	6,315	11,103
11	1 July 29 to 30 June 30	3,226	60	3,286	6,315	9,601
12	1 July 30 to 30 June 31	1,498	38	1,536	6,315	7,851
13	1 July 31 to 30 June 32	1,159	24	1,182	6,315	7,497
14	1 July 32 to 30 June 33	734	15	749	6,315	7,064
15	1 July 33 to 30 June 34	734	9	743	6,315	7,058
16	1 July 34 to 30 June 35	734	6	740	6,315	7,055
17	1 July 35 to 30 June 36	734	4	738	6,315	7,053
18	1 July 36 to 30 June 37	734	2	736	6,315	7,051
19	1 July 37 to 30 June 38	734	1	735	6,315	7,050
20	1 July 38 to 30 June 39	734	1	735	6,315	7,050
21	1 July 39 to 30 June 40	730	1	730	6,315	7,045
22	1 July 40 to 30 June 41	713	0	713	6,315	7,028
23	1 July 41 to 30 June 42	713	0	713	6,315	7,028
24	1 July 42 to 30 June 43	713	0	713	6,315	7,028
25	1 July 43 to 30 June 44	713	0	713	6,315	7,028
26	1 July 44 to 30 June 45	713	0	713	6,315	7,028
27	1 July 45 to 30 June 46	713	0	713	6,315	7,028
28	1 July 46 to 30 June 47	713	0	713	6,315	7,028
29	1 July 47 to 30 June 48	713	0	713	6,315	7,028
30	1 July 48 to 30 June 49	713	0	713	6,315	7,028
31	1 July 49 to 30 June 50	379	0	379	6,315	6,694
32	1 July 50 to 30 June 51	0	0	0	6,315	6,315
33	1 July 51 to 30 June 52	0	0	0	6,315	6,315
34	1 July 52 to 30 June 53	0	0	0	6,315	6,315
35	1 July 53 to 30 June 54	0	0	0	6,315	6,315
36	1 July 54 to 30 June 55	0	0	0	6,315	6,315
37	1 July 55 to 30 June 56	0	0	0	6,315	6,315
38	1 July 56 to 30 June 57	0	0	0	6,315	6,315
39	1 July 57 to 30 June 58	0	0	0	6,315	6,315
40	2058+	0	0	0	9,499	9,499
Totals		63,662	13,582	77,244	252,367	329,611

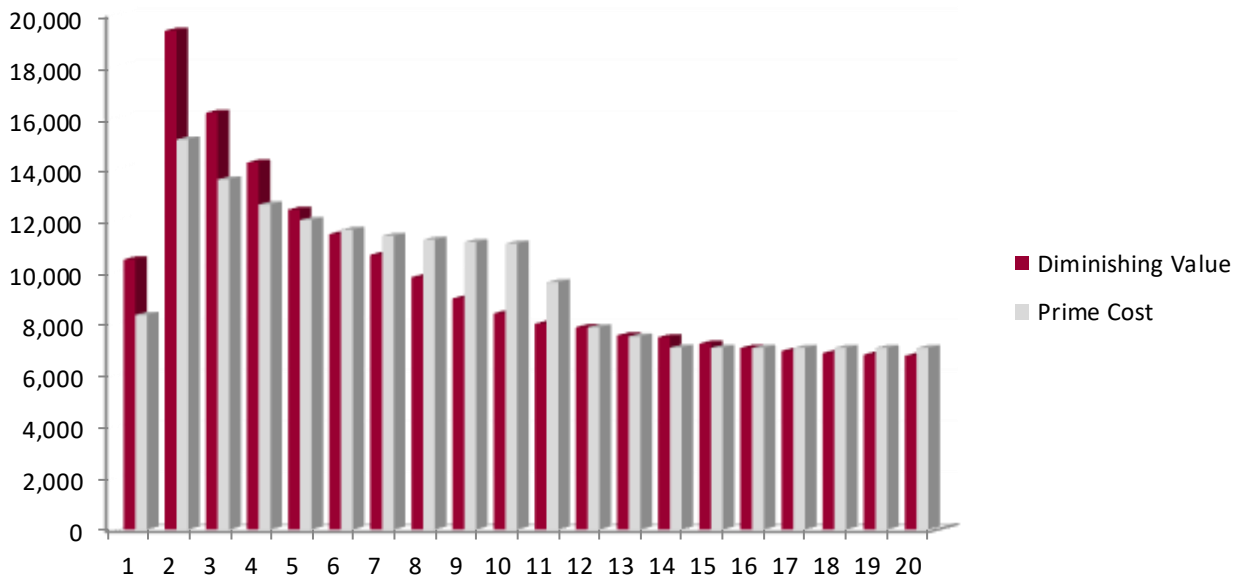
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

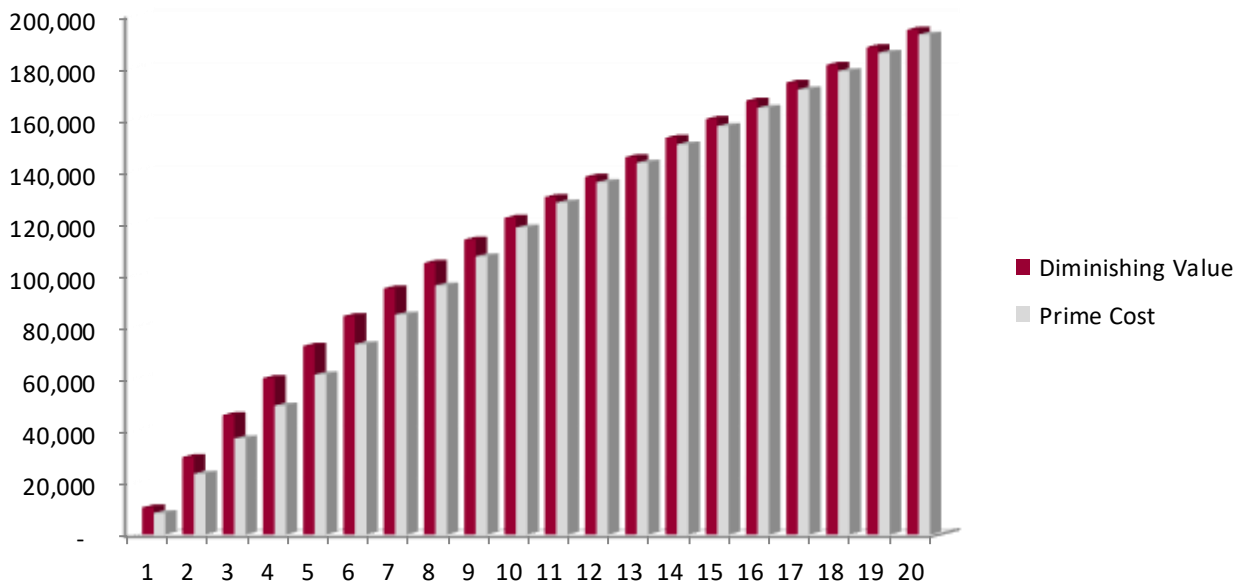
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	17 May 2016
Settlement Date	14 January 2020

Expenditure Analysed

Purchase Price	\$787,000
Stamp Duty	\$30,925
Legals	\$1,683
Total Expenditure Analysed	\$819,608

Historical Construction Details

Construction Start Date	17 May 2016
Construction Completion Date	31 December 2019
Historical Construction Cost (Estimated)*	\$296,049

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$77,244
Division 43	\$252,367
Land (Advised)	\$65,874
Balance of Capital Expenditure**	\$424,123
Total Expenditure Analysed	\$819,608

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-Jan-20	13,703	1,258	2,489	1,991	1,593	1,274	1,020	816	652	522	418
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Jan-20	1,088	204	331	207	129	81	51	32	20	12	8
Blinds Residential													
	20.00%	14-Jan-20	4,187	384	761	608	487	389	312	249	374	234	146
Door closers													
	18.75%	14-Jan-20	467	88	142	89	56	35	22	14	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Jan-20	1,612	302	491	307	192	120	75	47	29	18	11
Emergency warning & intercommunication system	16.67%	14-Jan-20	1,368	105	211	176	329	206	129	80	50	31	20
Stair pressurisation & extraction fans	10.00%	14-Jan-20	426	20	152	95	59	37	23	15	9	6	4
Floor coverings (removable without damage)													
Carpets	20.00%	14-Jan-20	9,917	910	1,801	1,441	1,153	922	738	590	472	378	302
Furniture													
	18.75%	14-Jan-20	3,600	675	1,097	686	428	268	167	105	65	41	26
Hot water systems (excluding piping)													
Gas or electric	16.67%	14-Jan-20	851	65	295	184	115	72	45	28	18	11	7
Kitchen assets													
Cooktops	16.67%	14-Jan-20	2,175	166	335	279	232	194	363	227	142	89	55
Dishwashers	20.00%	14-Jan-20	2,610	240	474	379	303	243	364	228	142	89	56
Ovens	16.67%	14-Jan-20	2,393	183	368	307	256	213	178	333	208	130	81
Rangehoods	16.67%	14-Jan-20	2,393	183	368	307	256	213	178	333	208	130	81
Laundry assets													
Clothes dryers	18.75%	14-Jan-20	979	184	298	186	116	73	46	28	18	11	7
Washing machines	20.00%	14-Jan-20	1,523	140	277	221	332	207	130	81	51	32	20
Lifts (including hydraulic & tractions lifts)													
	6.67%	14-Jan-20	21,383	654	1,382	1,290	1,204	1,124	1,049	979	913	853	796
Lights													
Shades, removable	18.75%	14-Jan-20	4,701	881	1,432	895	559	350	219	137	85	53	33
Ventilating plant													
Ventilation plant - fans only	18.75%	14-Jan-20	1,135	213	346	216	135	84	53	33	21	13	8
\$300 items													
	100.00%	14-Jan-20	734	734									
Pooled Plant Total				2,547	4,585	2,866	2,452	1,533	1,685	1,719	1,448	905	566
Effective Life Plant Total				5,042	8,465	6,999	5,484	4,572	3,473	2,634	2,038	1,752	1,516
Total Division 40			77,244	7,589	13,051	9,865	7,936	6,105	5,158	4,353	3,487	2,658	2,081

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 2019	2.50%	14-Jan-20	251,370	2,887	6,290	6,290	6,290	6,290	6,290	6,290	6,290	6,290	6,290
Structural Improvements - Completed 2019	2.50%	14-Jan-20	997	11	25	25	25	25	25	25	25	25	25
Total Division 43			252,367	2,898	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315
Total Depreciation			329,611	10,487	19,366	16,180	14,251	12,420	11,473	10,668	9,802	8,973	8,396

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-Jan-20	13,703	629	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	14-Jan-20	1,088	204	331	207	129	81	51	32	20	12	8
Blinds Residential													
	10.00%	14-Jan-20	4,187	192	419	419	419	419	419	419	419	419	419
Door closers													
	18.75%	14-Jan-20	467	88	142	89	56	35	22	14	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	14-Jan-20	1,612	302	491	307	192	120	75	47	29	18	11
Emergency warning & intercommunication system	8.33%	14-Jan-20	1,368	52	114	114	114	114	114	114	114	114	114
Stair pressurisation & extraction fans	5.00%	14-Jan-20	426	10	21	21	21	21	21	21	21	21	21
Floor coverings (removable without damage)													
Carpets	10.00%	14-Jan-20	9,917	455	992	992	992	992	992	992	992	992	992
Furniture													
	18.75%	14-Jan-20	3,600	675	1,097	686	428	268	167	105	65	41	26
Hot water systems (excluding piping)													
Gas or electric	8.33%	14-Jan-20	851	33	71	71	71	71	71	71	71	71	71
Kitchen assets													
Cooktops	8.33%	14-Jan-20	2,175	83	181	181	181	181	181	181	181	181	181
Dishwashers	10.00%	14-Jan-20	2,610	120	261	261	261	261	261	261	261	261	261
Ovens	8.33%	14-Jan-20	2,393	92	199	199	199	199	199	199	199	199	199
Rangehoods	8.33%	14-Jan-20	2,393	92	199	199	199	199	199	199	199	199	199
Laundry assets													
Clothes dryers	18.75%	14-Jan-20	979	184	298	186	116	73	46	28	18	11	7
Washing machines	10.00%	14-Jan-20	1,523	70	152	152	152	152	152	152	152	152	152
Lifts (including hydraulic & tractions lifts)													
	3.33%	14-Jan-20	21,383	327	713	713	713	713	713	713	713	713	713
Lights													
Shades, removable	18.75%	14-Jan-20	4,701	881	1,432	895	559	350	219	137	85	53	33
Ventilating plant													
Ventilation plant - fans only	18.75%	14-Jan-20	1,135	213	346	216	135	84	53	33	21	13	8
\$300 items													
	100.00%	14-Jan-20	734	734									
Pooled Plant Total				2,547	4,138	2,586	1,616	1,010	631	395	247	154	96
Effective Life Plant Total				2,888	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692
Total Division 40			77,244	5,435	8,830	7,278	6,308	5,702	5,323	5,087	4,939	4,846	4,788

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 2019	2.50%	14-Jan-20	251,370	2,887	6,290	6,290	6,290	6,290	6,290	6,290	6,290	6,290	6,290
Structural Improvements - Completed 2019	2.50%	14-Jan-20	997	11	25	25	25	25	25	25	25	25	25
Total Division 43			252,367	2,898	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315
Total Depreciation			329,611	8,333	15,145	13,593	12,623	12,017	11,638	11,402	11,254	11,161	11,103

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 2019	17 May 16 to 31 Dec 19	251,612	2.50%	6,290	251,370
Sub-total		251,612		6,290	251,370

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	17 May 16 to 31 Dec 19	998	2.50%	25	997
Sub-total		998		25	997
Totals		252,610		6,315	252,367

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	
Surveyors Name	Mark Kilroy
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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.