



## Tax Depreciation Report

Lot 38/13 Bridge St,  
Redbank, QLD 4301

Acrety Investments Pty Ltd as trustee for Jozy Family Trust  
17 Aster St  
YAMANTO, QLD 4305

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

Acrey Investments Pty Ltd as trustee for Jozy Family Trust  
17 Aster St  
YAMANTO, QLD 4305

September 2020  
Job No: RES4301096

**Tax Depreciation Report – Lot 38/13 Bridge St, Redbank, QLD 4301**

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 September 2020

### Purchaser

Acety Investments Pty Ltd as trustee for Jozy Family Trust

### Property Address

Lot 38/13 Bridge St, Redbank, QLD 4301

### Real Property Description

L38 SP105812

### Property Type

Residential Townhouse

### Date of Construction

18 June 1996

### Date Available To Generate Income

16 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"> <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	Eligible
		Effective Life	Pooled Plant	Total Div 40	Capital Works	Total
1	16 December 19 to 30 June 20	1,918	1,109	3,027	990	4,017
2	1 July 20 to 30 June 21	912	2,520	3,432	1,840	5,272
3	1 July 21 to 30 June 22	470	1,940	2,410	1,840	4,250
4	1 July 22 to 30 June 23	376	1,213	1,589	1,840	3,429
5	1 July 23 to 30 June 24	301	758	1,059	1,840	2,899
6	1 July 24 to 30 June 25	241	474	714	1,840	2,554
7	1 July 25 to 30 June 26	0	657	657	1,840	2,497
8	1 July 26 to 30 June 27	0	411	411	1,840	2,251
9	1 July 27 to 30 June 28	0	257	257	1,840	2,097
10	1 July 28 to 30 June 29	0	160	160	1,840	2,000
11	1 July 29 to 30 June 30	0	100	100	1,840	1,940
12	1 July 30 to 30 June 31	0	63	63	1,840	1,903
13	1 July 31 to 30 June 32	0	39	39	1,840	1,879
14	1 July 32 to 30 June 33	0	24	24	1,840	1,864
15	1 July 33 to 30 June 34	0	15	15	1,840	1,855
16	1 July 34 to 30 June 35	0	10	10	1,840	1,850
17	1 July 35 to 30 June 36	0	6	6	1,791	1,797
18	1 July 36 to 30 June 37	0	4	4	728	732
19	1 July 37 to 30 June 38	0	2	2	728	730
20	1 July 38 to 30 June 39	0	1	1	728	729
21	1 July 39 to 30 June 40	0	1	1	728	729
22	1 July 40 to 30 June 41	0	1	1	728	729
23	1 July 41 to 30 June 42	0	0	0	728	728
24	1 July 42 to 30 June 43	0	0	0	728	728
25	1 July 43 to 30 June 44	0	0	0	728	728
26	1 July 44 to 30 June 45	0	0	0	728	728
27	1 July 45 to 30 June 46	0	0	0	728	728
28	1 July 46 to 30 June 47	0	0	0	576	576
29	1 July 47 to 30 June 48	0	0	0	422	422
30	1 July 48 to 30 June 49	0	0	0	422	422
31	1 July 49 to 30 June 50	0	0	0	422	422
32	1 July 50 to 30 June 51	0	0	0	422	422
33	1 July 51 to 30 June 52	0	0	0	422	422
34	1 July 52 to 30 June 53	0	0	0	422	422
35	1 July 53 to 30 June 54	0	0	0	422	422
36	1 July 54 to 30 June 55	0	0	0	422	422
37	1 July 55 to 30 June 56	0	0	0	422	422
38	1 July 56 to 30 June 57	0	0	0	212	212
39	1 July 57 to 30 June 58	0	0	0	0	0
40	2058+	0	0	0	0	0
<b>Totals</b>		<b>4,218</b>	<b>9,765</b>	<b>13,983</b>	<b>42,247</b>	<b>56,230</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	16 December 19 to 30 June 20	1,535	1,109	2,644	990	3,634
2	1 July 20 to 30 June 21	713	1,802	2,515	1,840	4,355
3	1 July 21 to 30 June 22	713	1,126	1,839	1,840	3,679
4	1 July 22 to 30 June 23	713	704	1,417	1,840	3,257
5	1 July 23 to 30 June 24	713	440	1,153	1,840	2,993
6	1 July 24 to 30 June 25	713	275	988	1,840	2,828
7	1 July 25 to 30 June 26	713	172	885	1,840	2,725
8	1 July 26 to 30 June 27	713	107	820	1,840	2,660
9	1 July 27 to 30 June 28	609	67	676	1,840	2,516
10	1 July 28 to 30 June 29	525	42	567	1,840	2,407
11	1 July 29 to 30 June 30	286	26	312	1,840	2,152
12	1 July 30 to 30 June 31	86	16	102	1,840	1,942
13	1 July 31 to 30 June 32	37	10	47	1,840	1,887
14	1 July 32 to 30 June 33	0	6	6	1,840	1,846
15	1 July 33 to 30 June 34	0	4	4	1,840	1,844
16	1 July 34 to 30 June 35	0	3	3	1,840	1,843
17	1 July 35 to 30 June 36	0	2	2	1,791	1,793
18	1 July 36 to 30 June 37	0	1	1	728	729
19	1 July 37 to 30 June 38	0	1	1	728	729
20	1 July 38 to 30 June 39	0	0	0	728	728
21	1 July 39 to 30 June 40	0	0	0	728	728
22	1 July 40 to 30 June 41	0	0	0	728	728
23	1 July 41 to 30 June 42	0	0	0	728	728
24	1 July 42 to 30 June 43	0	0	0	728	728
25	1 July 43 to 30 June 44	0	0	0	728	728
26	1 July 44 to 30 June 45	0	0	0	728	728
27	1 July 45 to 30 June 46	0	0	0	728	728
28	1 July 46 to 30 June 47	0	0	0	576	576
29	1 July 47 to 30 June 48	0	0	0	422	422
30	1 July 48 to 30 June 49	0	0	0	422	422
31	1 July 49 to 30 June 50	0	0	0	422	422
32	1 July 50 to 30 June 51	0	0	0	422	422
33	1 July 51 to 30 June 52	0	0	0	422	422
34	1 July 52 to 30 June 53	0	0	0	422	422
35	1 July 53 to 30 June 54	0	0	0	422	422
36	1 July 54 to 30 June 55	0	0	0	422	422
37	1 July 55 to 30 June 56	0	0	0	422	422
38	1 July 56 to 30 June 57	0	0	0	212	212
39	1 July 57 to 30 June 58	0	0	0	0	0
40	2058+	0	0	0	0	0
<b>Totals</b>		<b>8,068</b>	<b>5,915</b>	<b>13,983</b>	<b>42,247</b>	<b>56,230</b>

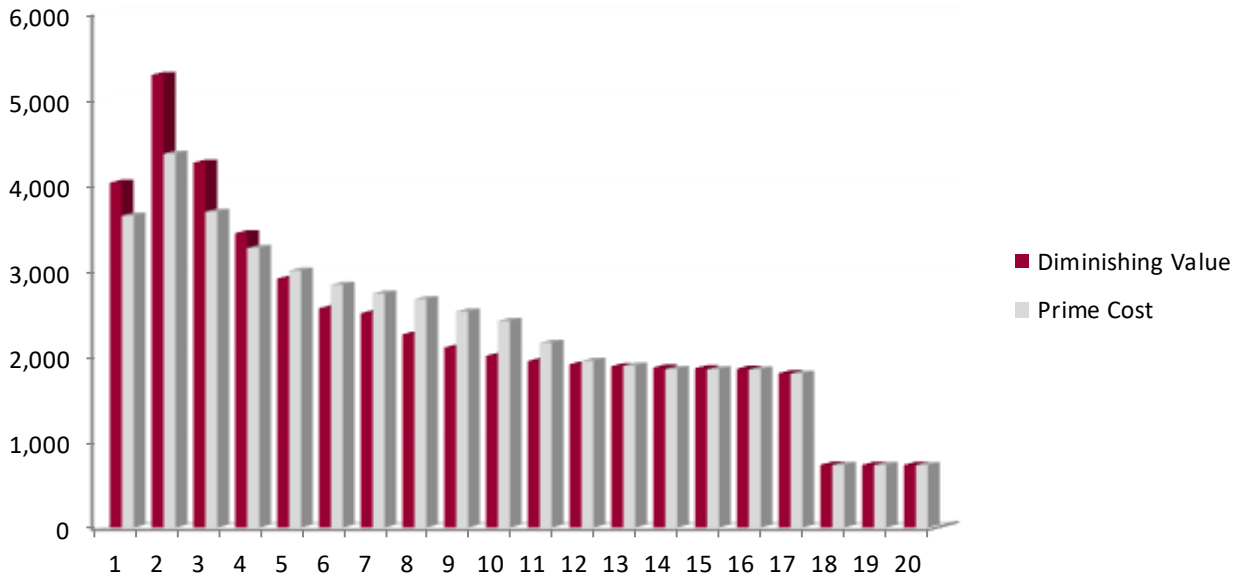
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

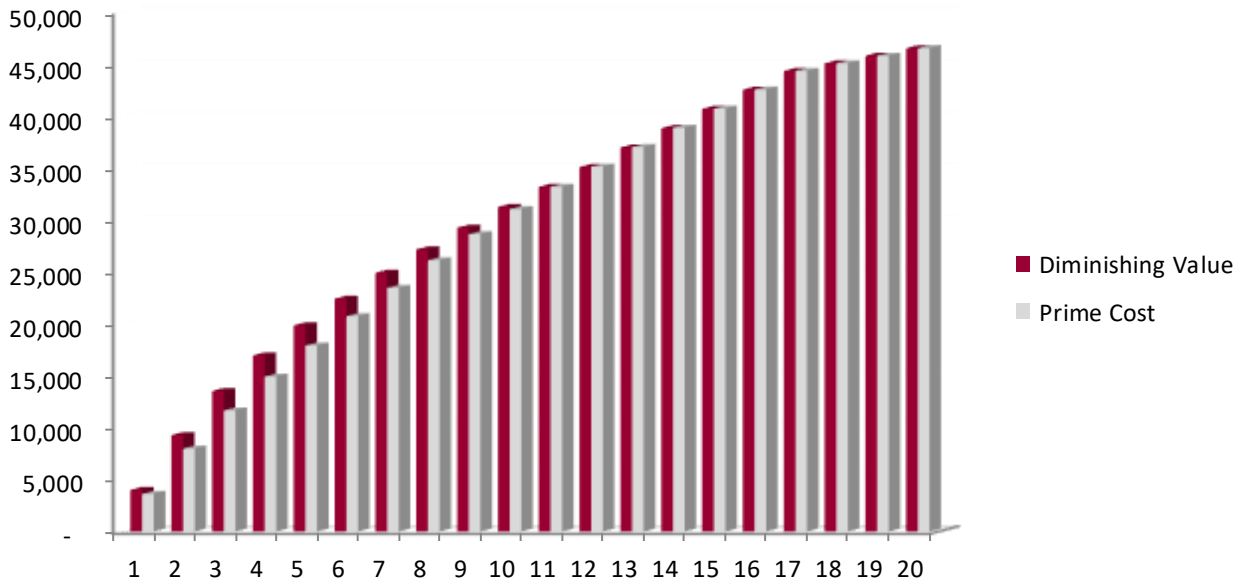
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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

### Purchase Details

Contract Date	12 November 2019
Settlement Date	16 December 2019
Available To Generate Income	16 December 2019

### Expenditure Analysed

Purchase Price	\$165,000
Stamp Duty	\$4,200
Legals	\$1,554
<b>Total Expenditure Analysed</b>	<b>\$170,754</b>

### Historical Construction Details

Construction Start Date	22 September 1995
Construction Completion Date	18 June 1996
Historical Construction Cost (Estimated)*	\$65,742

## 9. Reconciliation of Capital Expenditure

### Apportionment of cost relating to:

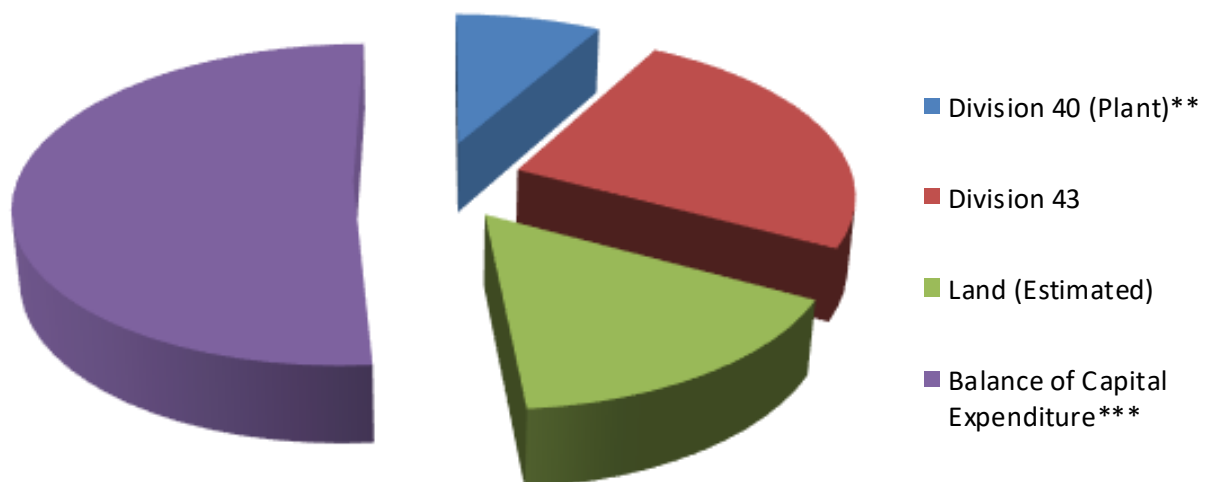
Division 40 (Plant)**	\$13,983
Division 43	\$42,247
Land (Estimated)	\$26,857
Balance of Capital Expenditure***	\$87,667
<b>Total Expenditure Analysed</b>	<b>\$170,754</b>

### 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	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	Value Rate												
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	16-Dec-19	3,292	354	588	470	376	301	241	361	226	141	88
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	16-Dec-19	514	96	157	98	61	38	24	15	9	6	4
<b>Blinds Residential</b>	18.75%	16-Dec-19	827	155	252	158	98	62	38	24	15	9	6
<b>Ceiling Fans</b>	18.75%	16-Dec-19	370	69	113	71	44	28	17	11	7	4	3
<b>Floor coverings ( removable without damage)</b>													
Carpets	25.00%	16-Dec-19	1,501	202	325	365	228	143	89	56	35	22	14
Linoleum & vinyl	20.00%	16-Dec-19	478	51	160	100	62	39	24	15	10	6	4
<b>Furniture</b>	18.75%	16-Dec-19	809	152	246	154	96	60	38	23	15	9	6
<b>Garage doors, automatic</b>													
Motors	20.00%	16-Dec-19	617	66	207	129	81	50	32	20	12	8	5
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	16-Dec-19	1,029	92	351	219	137	86	54	33	21	13	8
<b>Kitchen assets</b>													
Dishwashers	18.75%	16-Dec-19	669	125	204	127	80	50	31	19	12	8	5
Ovens	18.75%	16-Dec-19	772	145	235	147	92	57	36	22	14	9	5
Stoves	18.75%	16-Dec-19	720	135	219	137	86	54	33	21	13	8	5
<b>Laundry assets</b>													
Washing machines	18.75%	16-Dec-19	514	96	157	98	61	38	24	15	9	6	4
<b>Lights</b>													
Shades, removable	18.75%	16-Dec-19	720	135	219	137	86	54	33	21	13	8	5
<b>\$300 items</b>	100.00%	16-Dec-19	1,151	1,151									
<b>Pooled Plant Total</b>				1,109	2,520	1,940	1,213	758	474	657	411	257	160
<b>Effective Life Plant Total</b>				1,918	912	470	376	301	241	361	226	141	88
<b>Total Division 40</b>			13,983	3,027	3,432	2,410	1,589	1,059	714	657	411	257	160
<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 1996</b>	2.50%	16-Dec-19	16,127	526	978	978	978	978	978	978	978	978	978
<b>Building Works - Completed 2006</b>	2.50%	16-Dec-19	8,275	165	306	306	306	306	306	306	306	306	306
<b>Building Works - Completed 2016</b>	2.50%	16-Dec-19	15,631	227	422	422	422	422	422	422	422	422	422
<b>Structural Improvements - Completed 1996</b>	2.50%	16-Dec-19	2,214	72	134	134	134	134	134	134	134	134	134
<b>Total Division 43</b>			42,247	990	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840

## 11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	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	10.00%	16-Dec-19	3,292	177	329	329	329	329	329	329	329	329	329
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	16-Dec-19	514	96	157	98	61	38	24	15	9	6	4
<b>Blinds Residential</b>	18.75%	16-Dec-19	827	155	252	158	98	62	38	24	15	9	6
<b>Ceiling Fans</b>	18.75%	16-Dec-19	370	69	113	71	44	28	17	11	7	4	3
<b>Floor coverings ( removable without damage)</b>													
Carpets	12.50%	16-Dec-19	1,501	101	188	188	188	188	188	188	188	84	
Linoleum & vinyl	10.00%	16-Dec-19	478	26	48	48	48	48	48	48	48	48	48
<b>Furniture</b>	18.75%	16-Dec-19	809	152	246	154	96	60	38	23	15	9	6
<b>Garage doors, automatic</b>													
Motors	10.00%	16-Dec-19	617	33	62	62	62	62	62	62	62	62	62
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	16-Dec-19	1,029	46	86	86	86	86	86	86	86	86	86
<b>Kitchen assets</b>													
Dishwashers	18.75%	16-Dec-19	669	125	204	127	80	50	31	19	12	8	5
Ovens	18.75%	16-Dec-19	772	145	235	147	92	57	36	22	14	9	5
Stoves	18.75%	16-Dec-19	720	135	219	137	86	54	33	21	13	8	5
<b>Laundry assets</b>													
Washing machines	18.75%	16-Dec-19	514	96	157	98	61	38	24	15	9	6	4
<b>Lights</b>													
Shades, removable	18.75%	16-Dec-19	720	135	219	137	86	54	33	21	13	8	5
<b>\$300 items</b>	100.00%	16-Dec-19	1,151	1,151									
<b>Pooled Plant Total</b>				1,109	1,802	1,126	704	440	275	172	107	67	42
<b>Effective Life Plant Total</b>				1,535	713	713	713	713	713	713	713	609	525
<b>Total Division 40</b>			13,983	2,644	2,515	1,839	1,417	1,153	988	885	820	676	567
<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 1996</b>	2.50%	16-Dec-19	16,127	526	978	978	978	978	978	978	978	978	978
<b>Building Works - Completed 2006</b>	2.50%	16-Dec-19	8,275	165	306	306	306	306	306	306	306	306	306
<b>Building Works - Completed 2016</b>	2.50%	16-Dec-19	15,631	227	422	422	422	422	422	422	422	422	422
<b>Structural Improvements - Completed 1996</b>	2.50%	16-Dec-19	2,214	72	134	134	134	134	134	134	134	134	134
<b>Total Division 43</b>			42,247	990	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840	1,840

## 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 1996	22 Sep 95 to 18 Jun 96	39,118	2.50%	978	16,127
Building Works - Completed 2006	1 Jan 06 to 31 Dec 06	12,245	2.50%	306	8,275
Building Works - Completed 2016	1 Jan 16 to 31 Dec 16	16,880	2.50%	422	15,631

**Sub-total** 68,242 1,706 40,033

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1996	22 Sep 95 to 18 Jun 96	5,371	2.50%	134	2,214

**Sub-total** 5,371 134 2,214

**Totals** 73,613 1,840 42,247

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	
<b>Company Name</b>	Koste Pty Ltd
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LEAD SURVEYOR DETAILS	
<b>Surveyors Name</b>	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.