



Tax Depreciation Report

11 Cushing St,
North Ipswich QLD 4305

ACRETY INVESTMENTS PTY LTD
17 Aster St
YAMANTO, QLD 4305

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

ACRETY INVESTMENTS PTY LTD
17 Aster St
YAMANTO, QLD 4305

September 2020
Job No: RES4305032

Tax Depreciation Report – 11 Cushing St, North Ipswich QLD 4305

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



TABLE OF CONTENTS

1. Property Information	2
2. Report Details	3
3. Capital Allowances	4
4. Capital Works	6
5. Summary of Entitlements – Diminishing Value Method	7
6. Summary of Entitlements – Prime Cost Method	8
7. Comparison Graphs	9
8. Capital Expenditure Analysed	10
9. Reconciliation of Capital Expenditure	11
10. Diminishing Value Depreciation Schedule	12
11. Prime Cost Depreciation Schedule	14
12. Division 43 Capital Works Schedule	16
13. Definition of Terms	17
14. Contact Details	18
15. Disclaimer	19

1. Property Information

Date of Report

22 September 2020

Purchaser

ACRETY INVESTMENTS PTY LTD

Property Address

11 Cushing St, North Ipswich QLD 4305

Real Property Description

L2 RP216698

Property Type

Residential House

Date of Construction

Pre 1985

Date Available To Generate Income

11 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								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>	<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p>100 / 10 Years = 10% (Straight Line)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

4. Capital Works

4.1 Entitlement

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

4.2 Method of Depreciation

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

4.3 Method of Depreciation

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Division 40 - Capital Allowance (Eligible)			Division 43	Eligible
		Effective Life	Pooled Plant	Total Div 40	Capital Works	Total
1	11 December 19 to 30 June 20	1,740	2,028	3,768	1,441	5,209
2	1 July 20 to 30 June 21	2,004	3,975	5,979	2,611	8,590
3	1 July 21 to 30 June 22	1,631	2,485	4,116	2,611	6,727
4	1 July 22 to 30 June 23	1,332	1,553	2,885	2,611	5,496
5	1 July 23 to 30 June 24	888	1,275	2,164	2,611	4,775
6	1 July 24 to 30 June 25	745	797	1,542	2,611	4,153
7	1 July 25 to 30 June 26	625	498	1,124	2,611	3,735
8	1 July 26 to 30 June 27	333	673	1,006	2,611	3,617
9	1 July 27 to 30 June 28	289	421	709	2,611	3,320
10	1 July 28 to 30 June 29	0	967	967	2,611	3,578
11	1 July 29 to 30 June 30	0	604	604	2,611	3,215
12	1 July 30 to 30 June 31	0	378	378	2,437	2,815
13	1 July 31 to 30 June 32	0	236	236	2,256	2,492
14	1 July 32 to 30 June 33	0	147	147	2,256	2,403
15	1 July 33 to 30 June 34	0	92	92	2,256	2,348
16	1 July 34 to 30 June 35	0	58	58	2,256	2,314
17	1 July 35 to 30 June 36	0	36	36	2,256	2,292
18	1 July 36 to 30 June 37	0	23	23	2,256	2,279
19	1 July 37 to 30 June 38	0	14	14	2,256	2,270
20	1 July 38 to 30 June 39	0	9	9	2,256	2,265
21	1 July 39 to 30 June 40	0	5	5	2,256	2,261
22	1 July 40 to 30 June 41	0	3	3	2,256	2,259
23	1 July 41 to 30 June 42	0	2	2	2,256	2,258
24	1 July 42 to 30 June 43	0	1	1	2,256	2,257
25	1 July 43 to 30 June 44	0	1	1	2,256	2,257
26	1 July 44 to 30 June 45	0	1	1	1,934	1,935
27	1 July 45 to 30 June 46	0	0	0	1,595	1,595
28	1 July 46 to 30 June 47	0	0	0	1,595	1,595
29	1 July 47 to 30 June 48	0	0	0	1,595	1,595
30	1 July 48 to 30 June 49	0	0	0	1,595	1,595
31	1 July 49 to 30 June 50	0	0	0	1,595	1,595
32	1 July 50 to 30 June 51	0	0	0	1,595	1,595
33	1 July 51 to 30 June 52	0	0	0	1,595	1,595
34	1 July 52 to 30 June 53	0	0	0	1,595	1,595
35	1 July 53 to 30 June 54	0	0	0	1,595	1,595
36	1 July 54 to 30 June 55	0	0	0	1,595	1,595
37	1 July 55 to 30 June 56	0	0	0	1,595	1,595
38	1 July 56 to 30 June 57	0	0	0	1,595	1,595
39	1 July 57 to 30 June 58	0	0	0	1,595	1,595
40	2058+	0	0	0	1,981	1,981
Totals		9,588	16,282	25,870	83,966	109,836

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	11 December 19 to 30 June 20	995	2,028	3,023	1,441	4,464
2	1 July 20 to 30 June 21	1,349	3,296	4,645	2,611	7,256
3	1 July 21 to 30 June 22	1,349	2,060	3,409	2,611	6,020
4	1 July 22 to 30 June 23	1,349	1,288	2,637	2,611	5,248
5	1 July 23 to 30 June 24	1,349	805	2,154	2,611	4,765
6	1 July 24 to 30 June 25	1,349	503	1,852	2,611	4,463
7	1 July 25 to 30 June 26	1,349	314	1,663	2,611	4,274
8	1 July 26 to 30 June 27	1,349	196	1,545	2,611	4,156
9	1 July 27 to 30 June 28	1,129	123	1,252	2,611	3,863
10	1 July 28 to 30 June 29	941	77	1,018	2,611	3,629
11	1 July 29 to 30 June 30	655	48	703	2,611	3,314
12	1 July 30 to 30 June 31	424	30	454	2,437	2,891
13	1 July 31 to 30 June 32	424	19	443	2,256	2,699
14	1 July 32 to 30 June 33	424	12	436	2,256	2,692
15	1 July 33 to 30 June 34	424	7	431	2,256	2,687
16	1 July 34 to 30 June 35	193	5	198	2,256	2,454
17	1 July 35 to 30 June 36	0	3	3	2,256	2,259
18	1 July 36 to 30 June 37	0	2	2	2,256	2,258
19	1 July 37 to 30 June 38	0	1	1	2,256	2,257
20	1 July 38 to 30 June 39	0	1	1	2,256	2,257
21	1 July 39 to 30 June 40	0	0	0	2,256	2,256
22	1 July 40 to 30 June 41	0	0	0	2,256	2,256
23	1 July 41 to 30 June 42	0	0	0	2,256	2,256
24	1 July 42 to 30 June 43	0	0	0	2,256	2,256
25	1 July 43 to 30 June 44	0	0	0	2,256	2,256
26	1 July 44 to 30 June 45	0	0	0	1,934	1,934
27	1 July 45 to 30 June 46	0	0	0	1,595	1,595
28	1 July 46 to 30 June 47	0	0	0	1,595	1,595
29	1 July 47 to 30 June 48	0	0	0	1,595	1,595
30	1 July 48 to 30 June 49	0	0	0	1,595	1,595
31	1 July 49 to 30 June 50	0	0	0	1,595	1,595
32	1 July 50 to 30 June 51	0	0	0	1,595	1,595
33	1 July 51 to 30 June 52	0	0	0	1,595	1,595
34	1 July 52 to 30 June 53	0	0	0	1,595	1,595
35	1 July 53 to 30 June 54	0	0	0	1,595	1,595
36	1 July 54 to 30 June 55	0	0	0	1,595	1,595
37	1 July 55 to 30 June 56	0	0	0	1,595	1,595
38	1 July 56 to 30 June 57	0	0	0	1,595	1,595
39	1 July 57 to 30 June 58	0	0	0	1,595	1,595
40	2058+	0	0	0	1,981	1,981
Totals		15,053	10,818	25,870	83,966	109,836

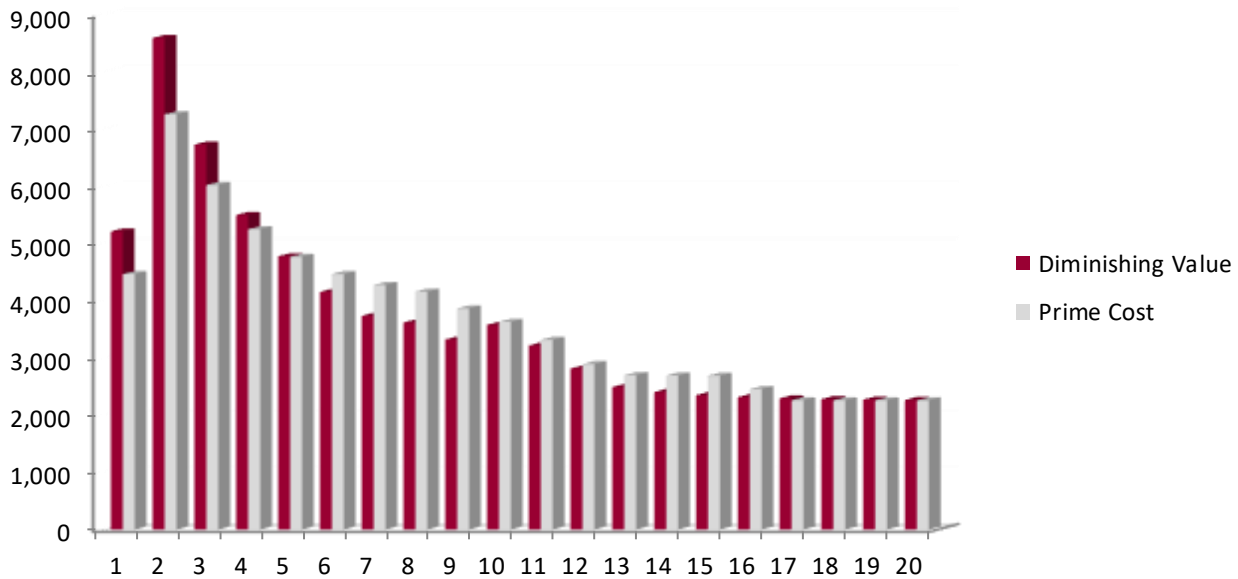
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

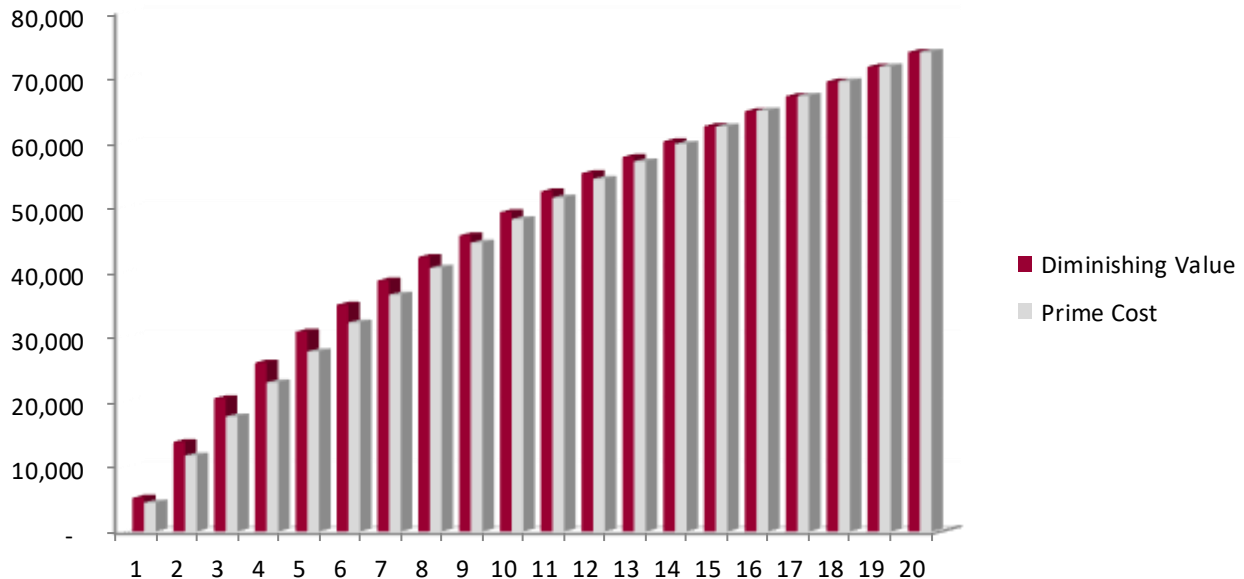
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	11 November 2019
Settlement Date	11 December 2019
Available To Generate Income	11 December 2019

Expenditure Analysed

Purchase Price	\$271,000
Stamp Duty	\$7,910
Legals	\$1,348
Total Expenditure Analysed	\$280,258

Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A
Lot Entitlement	1
Overall Lot Entitlement	1

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

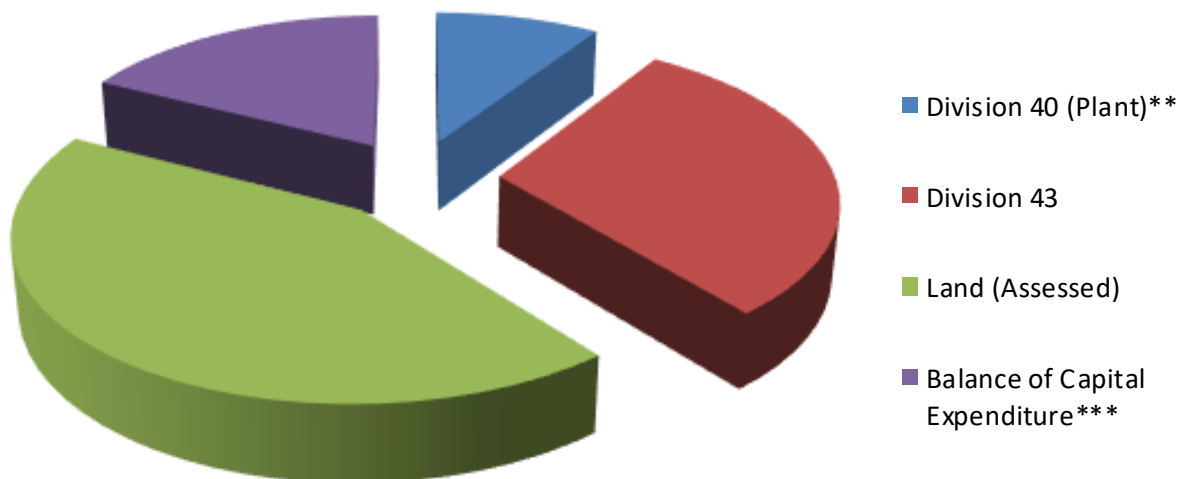
Division 40 (Plant)**	\$25,870
Division 43	\$83,966
Land (Assessed)	\$121,444
Balance of Capital Expenditure***	\$48,977
Total Expenditure Analysed	\$280,257

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 Division 40 - Plant and Equipment	Diminishing Value 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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	11-Dec-19	4,136	456	736	589	471	377	301	241	362	226	141
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	11-Dec-19	603	113	184	115	72	45	28	18	11	7	4
Blinds Residential													
	18.75%	11-Dec-19	1,746	327	532	332	208	130	81	51	32	20	12
Ceiling Fans													
	18.75%	11-Dec-19	905	170	276	172	108	67	42	26	16	10	6
Fire control assets													
Detection & alarm systems, detectors	18.75%	11-Dec-19	569	107	173	108	68	42	26	17	10	6	4
Floor coverings (removable without damage)													
Carpets	25.00%	11-Dec-19	2,236	308	482	361	271	305	191	119	74	47	29
Floating timber	13.33%	11-Dec-19	3,348	246	414	358	311	269	233	202	175	152	370
Furniture													
	18.75%	11-Dec-19	2,972	557	906	566	354	221	138	86	54	34	21
Garage doors, automatic													
Motors	20.00%	11-Dec-19	1,034	114	345	216	135	84	53	33	21	13	8
Hot water systems (excluding piping)													
Solar	13.33%	11-Dec-19	3,016	222	372	323	280	242	210	182	158	137	333
Kitchen assets													
Cooktops	18.75%	11-Dec-19	862	162	263	164	103	64	40	25	16	10	6
Dishwashers	25.00%	11-Dec-19	1,034	143	334	209	131	82	51	32	20	12	8
Ovens	18.75%	11-Dec-19	948	178	289	180	113	70	44	28	17	11	7
Rangehoods	18.75%	11-Dec-19	388	73	118	74	46	29	18	11	7	4	3
Laundry assets													
Washing machines	18.75%	11-Dec-19	560	105	171	107	67	42	26	16	10	6	4
Lights													
Shades, removable	18.75%	11-Dec-19	1,267	237	386	241	151	94	59	37	23	14	9
\$300 items													
	100.00%	11-Dec-19	250	250									
Pooled Plant Total				2,028	3,975	2,485	1,553	1,275	797	498	673	421	967
Effective Life Plant Total				1,740	2,004	1,631	1,332	888	745	625	333	289	
Total Division 40			25,870	3,768	5,979	4,116	2,885	2,164	1,542	1,124	1,006	709	967

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 1990	2.50%	11-Dec-19	2,962	148	268	268	268	268	268	268	268	268	268
Building Works - Completed 2004	2.50%	11-Dec-19	16,568	365	661	661	661	661	661	661	661	661	661
Building Works - Completed 2019	2.50%	11-Dec-19	63,471	880	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
Structural Improvements - Completed 1990	2.50%	11-Dec-19	965	48	87	87	87	87	87	87	87	87	87
Total Division 43			83,966	1,441	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611

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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	11-Dec-19	4,136	228	414	414	414	414	414	414	414	414	414
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	11-Dec-19	603	113	184	115	72	45	28	18	11	7	4
Blinds Residential													
	18.75%	11-Dec-19	1,746	327	532	332	208	130	81	51	32	20	12
Ceiling Fans													
	18.75%	11-Dec-19	905	170	276	172	108	67	42	26	16	10	6
Fire control assets													
Detection & alarm systems, detectors	18.75%	11-Dec-19	569	107	173	108	68	42	26	17	10	6	4
Floor coverings (removable without damage)													
Carpets	12.50%	11-Dec-19	2,236	154	279	279	279	279	279	279	279	129	
Floating timber	6.67%	11-Dec-19	3,348	123	223	223	223	223	223	223	223	223	223
Furniture													
	18.75%	11-Dec-19	2,972	557	906	566	354	221	138	86	54	34	21
Garage doors, automatic													
Motors	10.00%	11-Dec-19	1,034	57	103	103	103	103	103	103	103	103	103
Hot water systems (excluding piping)													
Solar	6.67%	11-Dec-19	3,016	111	201	201	201	201	201	201	201	201	201
Kitchen assets													
Cooktops	18.75%	11-Dec-19	862	162	263	164	103	64	40	25	16	10	6
Dishwashers	12.50%	11-Dec-19	1,034	71	129	129	129	129	129	129	129	60	
Ovens	18.75%	11-Dec-19	948	178	289	180	113	70	44	28	17	11	7
Rangehoods	18.75%	11-Dec-19	388	73	118	74	46	29	18	11	7	4	3
Laundry assets													
Washing machines	18.75%	11-Dec-19	560	105	171	107	67	42	26	16	10	6	4
Lights													
Shades, removable	18.75%	11-Dec-19	1,267	237	386	241	151	94	59	37	23	14	9
\$300 items													
	100.00%	11-Dec-19	250	250									
Pooled Plant Total				2,028	3,296	2,060	1,288	805	503	314	196	123	77
Effective Life Plant Total				995	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,129	941
Total Division 40			25,870	3,023	4,645	3,409	2,637	2,154	1,852	1,663	1,545	1,252	1,018

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 1990	2.50%	11-Dec-19	2,962	148	268	268	268	268	268	268	268	268	268
Building Works - Completed 2004	2.50%	11-Dec-19	16,568	365	661	661	661	661	661	661	661	661	661
Building Works - Completed 2019	2.50%	11-Dec-19	63,471	880	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
Structural Improvements - Completed 1990	2.50%	11-Dec-19	965	48	87	87	87	87	87	87	87	87	87
Total Division 43			83,966	1,441	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611

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 1990	1 Jan 90 to 31 Dec 90	10,735	2.50%	268	2,962
Building Works - Completed 2004	1 Jul 04 to 31 Dec 04	26,459	2.50%	661	16,568
Building Works - Completed 2019	1 Jan 19 to 1 Oct 19	63,781	2.50%	1,595	63,471

Sub-total 100,976 2,524 83,001

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1990	1 Jan 90 to 31 Dec 90	3,496	2.50%	87	965

Sub-total 3,496 87 965

Totals 104,472 2,611 83,966

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.