



Tax Depreciation Report

404/297 Pirie St,
Adelaide SA 5000

Saeed Mofrad

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

Saeed Mofrad

September 2020
Job No: RES5000009

Tax Depreciation Report – 404/297 Pirie St, Adelaide SA 5000

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	10
10. Diminishing Value Depreciation Schedule	11
11. Prime Cost Depreciation Schedule	13
12. Division 43 Capital Works Schedule	15
13. Definition of Terms	16
14. Contact Details	17
15. Disclaimer	18

1. Property Information

Date of Report

29 September 2020

Purchaser

Saeed Mofrad

Property Address

404/297 Pirie St, Adelaide SA 5000

Real Property Description

LOT FL404 C42010

Property Type

Residential Unit

Date of Construction

16 March 2020

Date Available To Generate Income

16 March 2020

Property Photo



2. Report Details

2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

Division 40 (Capital Allowances)

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

Division 40 (Capital Allowances) - Low Value Pool

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

Division 43 (Capital Works)

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

3. Capital Allowances

3.1 Entitlement

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

3.2 Qualifying Expenditure Calculation

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

3.3 Effective Life

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

3.4 Immediate Write-Off Assets

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

3.5 Low Value Pool

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method				
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	Division 40 - Capital Allowance (Eligible)			Division 43	Eligible
		Effective Life	Pooled Plant	Total Div 40	Capital Works	Total
1	16 March 20 to 30 June 20	3,433	1,756	5,189	1,306	6,495
2	1 July 20 to 30 June 21	8,049	3,218	11,267	4,509	15,776
3	1 July 21 to 30 June 22	6,263	3,010	9,272	4,509	13,781
4	1 July 22 to 30 June 23	5,217	2,238	7,455	4,509	11,964
5	1 July 23 to 30 June 24	4,341	1,765	6,106	4,509	10,615
6	1 July 24 to 30 June 25	3,456	1,749	5,205	4,509	9,714
7	1 July 25 to 30 June 26	3,036	1,093	4,129	4,509	8,638
8	1 July 26 to 30 June 27	2,680	683	3,363	4,509	7,872
9	1 July 27 to 30 June 28	2,203	753	2,956	4,509	7,465
10	1 July 28 to 30 June 29	1,979	471	2,449	4,509	6,958
11	1 July 29 to 30 June 30	1,783	294	2,077	4,509	6,586
12	1 July 30 to 30 June 31	1,613	184	1,796	4,509	6,305
13	1 July 31 to 30 June 32	1,281	455	1,736	4,509	6,245
14	1 July 32 to 30 June 33	1,185	284	1,470	4,509	5,979
15	1 July 33 to 30 June 34	978	512	1,490	4,509	5,999
16	1 July 34 to 30 June 35	913	320	1,233	4,509	5,742
17	1 July 35 to 30 June 36	852	200	1,052	4,509	5,561
18	1 July 36 to 30 June 37	795	125	920	4,509	5,429
19	1 July 37 to 30 June 38	742	78	820	4,509	5,329
20	1 July 38 to 30 June 39	693	49	742	4,509	5,251
21	1 July 39 to 30 June 40	647	31	677	4,509	5,186
22	1 July 40 to 30 June 41	604	19	623	4,509	5,132
23	1 July 41 to 30 June 42	563	12	575	4,509	5,084
24	1 July 42 to 30 June 43	526	7	533	4,509	5,042
25	1 July 43 to 30 June 44	491	5	495	4,509	5,004
26	1 July 44 to 30 June 45	458	3	461	4,509	4,970
27	1 July 45 to 30 June 46	427	2	429	4,509	4,938
28	1 July 46 to 30 June 47	399	1	400	4,509	4,909
29	1 July 47 to 30 June 48	372	1	373	4,509	4,882
30	1 July 48 to 30 June 49	348	0	348	4,509	4,857
31	1 July 49 to 30 June 50	324	0	325	4,509	4,834
32	1 July 50 to 30 June 51	303	0	303	4,509	4,812
33	1 July 51 to 30 June 52	283	0	283	4,509	4,792
34	1 July 52 to 30 June 53	264	0	264	4,509	4,773
35	1 July 53 to 30 June 54	246	0	246	4,509	4,755
36	1 July 54 to 30 June 55	230	0	230	4,509	4,739
37	1 July 55 to 30 June 56	214	0	214	4,509	4,723
38	1 July 56 to 30 June 57	200	0	200	4,509	4,709
39	1 July 57 to 30 June 58	187	0	187	4,509	4,696
40	2058+	2,615	0	2,615	7,734	10,349
Totals		61,193	19,319	80,512	180,382	260,894

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 March 20 to 30 June 20	2,199	1,756	3,955	1,306	5,261
2	1 July 20 to 30 June 21	4,263	2,854	7,117	4,509	11,626
3	1 July 21 to 30 June 22	4,263	1,784	6,047	4,509	10,556
4	1 July 22 to 30 June 23	4,263	1,115	5,378	4,509	9,887
5	1 July 23 to 30 June 24	4,263	697	4,960	4,509	9,469
6	1 July 24 to 30 June 25	4,263	435	4,698	4,509	9,207
7	1 July 25 to 30 June 26	4,263	272	4,535	4,509	9,044
8	1 July 26 to 30 June 27	4,131	170	4,301	4,509	8,810
9	1 July 27 to 30 June 28	4,051	106	4,157	4,509	8,666
10	1 July 28 to 30 June 29	4,051	66	4,117	4,509	8,626
11	1 July 29 to 30 June 30	3,542	42	3,584	4,509	8,093
12	1 July 30 to 30 June 31	2,267	26	2,293	4,509	6,802
13	1 July 31 to 30 June 32	2,113	16	2,130	4,509	6,639
14	1 July 32 to 30 June 33	1,754	10	1,764	4,509	6,273
15	1 July 33 to 30 June 34	1,674	6	1,680	4,509	6,189
16	1 July 34 to 30 June 35	1,560	4	1,564	4,509	6,073
17	1 July 35 to 30 June 36	1,273	2	1,275	4,509	5,784
18	1 July 36 to 30 June 37	1,273	2	1,275	4,509	5,784
19	1 July 37 to 30 June 38	1,273	1	1,274	4,509	5,783
20	1 July 38 to 30 June 39	1,273	1	1,274	4,509	5,783
21	1 July 39 to 30 June 40	1,259	0	1,259	4,509	5,768
22	1 July 40 to 30 June 41	1,223	0	1,223	4,509	5,732
23	1 July 41 to 30 June 42	1,223	0	1,223	4,509	5,732
24	1 July 42 to 30 June 43	1,223	0	1,223	4,509	5,732
25	1 July 43 to 30 June 44	1,223	0	1,223	4,509	5,732
26	1 July 44 to 30 June 45	1,223	0	1,223	4,509	5,732
27	1 July 45 to 30 June 46	1,223	0	1,223	4,509	5,732
28	1 July 46 to 30 June 47	1,223	0	1,223	4,509	5,732
29	1 July 47 to 30 June 48	1,223	0	1,223	4,509	5,732
30	1 July 48 to 30 June 49	1,223	0	1,223	4,509	5,732
31	1 July 49 to 30 June 50	868	0	868	4,509	5,377
32	1 July 50 to 30 June 51	0	0	0	4,509	4,509
33	1 July 51 to 30 June 52	0	0	0	4,509	4,509
34	1 July 52 to 30 June 53	0	0	0	4,509	4,509
35	1 July 53 to 30 June 54	0	0	0	4,509	4,509
36	1 July 54 to 30 June 55	0	0	0	4,509	4,509
37	1 July 55 to 30 June 56	0	0	0	4,509	4,509
38	1 July 56 to 30 June 57	0	0	0	4,509	4,509
39	1 July 57 to 30 June 58	0	0	0	4,509	4,509
40	2058+	0	0	0	7,734	7,734
Totals		71,146	9,366	80,512	180,382	260,894

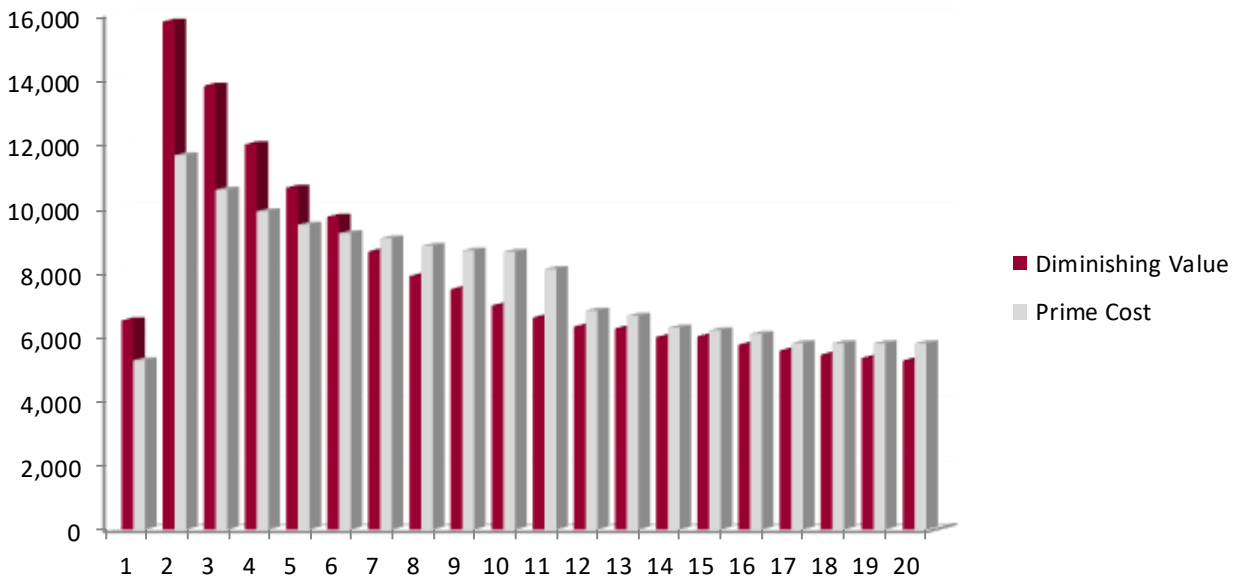
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

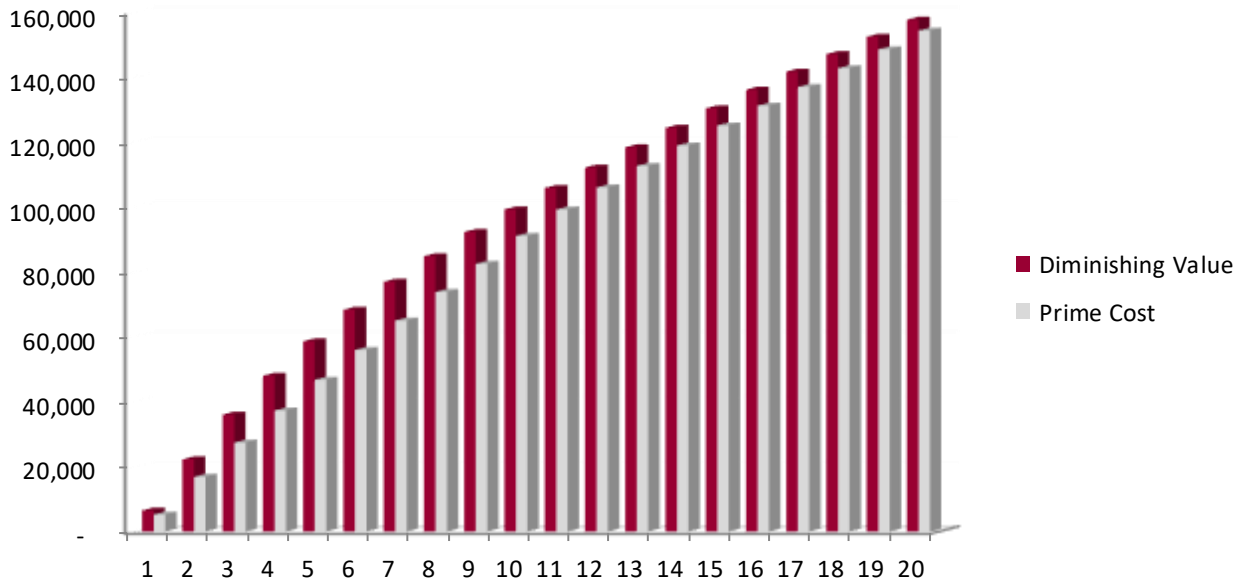
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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 February 2018
Settlement Date	16 March 2020
Available To Generate Income	16 March 2020

Expenditure Analysed

Purchase Price	\$406,000
Stamp Duty	\$16,630
Total Expenditure Analysed	\$422,630

Historical Construction Details

Construction Start Date	1 March 2018
Construction Completion Date	16 March 2020
Historical Construction Cost (Estimated)*	\$232,487

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

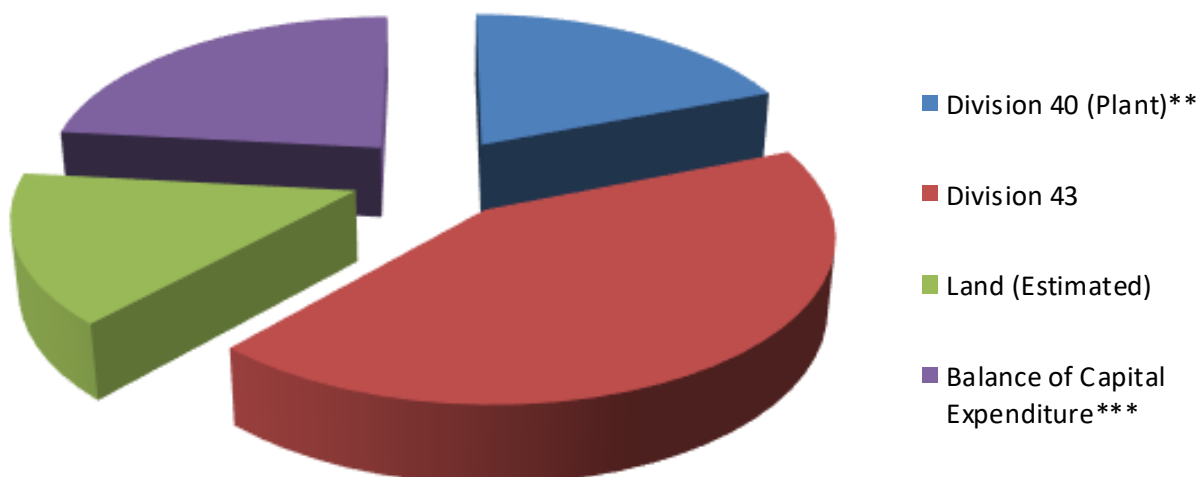
Division 40 (Plant)**	\$80,512
Division 43	\$180,382
Land (Estimated)	\$63,395
Balance of Capital Expenditure***	\$98,342
Total Expenditure Analysed	\$422,631

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%	16-Mar-20	11,203	649	2,111	1,689	1,351	1,081	865	692	553	443	354
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	16-Mar-20	467	88	142	89	56	35	22	14	8	5	3
Ceiling Fans	18.75%	16-Mar-20	840	158	256	160	100	63	39	24	15	10	6
Door closers	18.75%	16-Mar-20	436	82	133	83	52	32	20	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	16-Mar-20	1,276	239	389	243	152	95	59	37	23	14	9
Emergency warning & intercommunication system	16.67%	16-Mar-20	1,069	52	170	318	199	124	78	49	30	19	12
Stair pressurisation & extraction fans	10.00%	16-Mar-20	1,000	29	364	228	142	89	56	35	22	14	8
Floor coverings (removable without damage)													
Carpets	20.00%	16-Mar-20	4,405	255	830	664	531	425	340	272	218	326	204
Floating timber	13.33%	16-Mar-20	5,960	230	764	662	574	497	431	374	324	281	243
Furniture	15.00%	16-Mar-20	1,120	49	161	342	213	133	83	52	33	20	13
Furniture	18.75%	16-Mar-20	1,587	298	484	302	189	118	74	46	29	18	11
Hot water systems (excluding piping)													
Gas or electric	16.67%	16-Mar-20	1,440	70	228	190	357	223	139	87	54	34	21
Kitchen assets													
Cooktops	16.67%	16-Mar-20	1,867	90	296	247	206	171	321	201	126	78	49
Dishwashers	20.00%	16-Mar-20	2,241	130	422	338	270	216	324	203	127	79	49
Ovens	16.67%	16-Mar-20	1,774	86	281	234	195	366	229	143	89	56	35
Rangehoods	18.75%	16-Mar-20	840	158	256	160	100	63	39	24	15	10	6
Lifts (including hydraulic & tractions lifts)	6.67%	16-Mar-20	36,689	708	2,399	2,239	2,090	1,950	1,820	1,699	1,586	1,480	1,381
Lights													
Shades, removable	18.75%	16-Mar-20	3,919	735	1,194	746	466	292	182	114	71	44	28
Security systems & equipment													
Electronic	30.00%	16-Mar-20	1,413	123	387	339	212	132	83	52	32	20	13
\$300 items	100.00%	16-Mar-20	964	964									
Pooled Plant Total				1,756	3,218	3,010	2,238	1,765	1,749	1,093	683	753	471
Effective Life Plant Total				3,433	8,049	6,263	5,217	4,341	3,456	3,036	2,680	2,203	1,979
Total Division 40			80,512	5,189	11,267	9,272	7,455	6,106	5,205	4,129	3,363	2,956	2,449

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 2020	2.50%	16-Mar-20	173,929	1,259	4,348	4,348	4,348	4,348	4,348	4,348	4,348	4,348	4,348
Structural Improvements - Completed 2020	2.50%	16-Mar-20	6,453	47	161	161	161	161	161	161	161	161	161
Total Division 43			180,382	1,306	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509

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%	16-Mar-20	11,203	324	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	16-Mar-20	467	88	142	89	56	35	22	14	8	5	3
Ceiling Fans													
	18.75%	16-Mar-20	840	158	256	160	100	63	39	24	15	10	6
Door closers													
	18.75%	16-Mar-20	436	82	133	83	52	32	20	13	8	5	3
Fire control assets													
Detection & alarm systems, detectors	18.75%	16-Mar-20	1,276	239	389	243	152	95	59	37	23	14	9
Emergency warning & intercommunication system	8.33%	16-Mar-20	1,069	26	89	89	89	89	89	89	89	89	89
Stair pressurisation & extraction fans	5.00%	16-Mar-20	1,000	14	50	50	50	50	50	50	50	50	50
Floor coverings (removable without damage)													
Carpets	10.00%	16-Mar-20	4,405	128	440	440	440	440	440	440	440	440	440
Floating timber	6.67%	16-Mar-20	5,960	115	397	397	397	397	397	397	397	397	397
Furniture													
Furniture	7.50%	16-Mar-20	1,120	24	84	84	84	84	84	84	84	84	84
Furniture	18.75%	16-Mar-20	1,587	298	484	302	189	118	74	46	29	18	11
Hot water systems (excluding piping)													
Gas or electric	8.33%	16-Mar-20	1,440	35	120	120	120	120	120	120	120	120	120
Kitchen assets													
Cooktops	8.33%	16-Mar-20	1,867	45	156	156	156	156	156	156	156	156	156
Dishwashers	10.00%	16-Mar-20	2,241	65	224	224	224	224	224	224	224	224	224
Ovens	8.33%	16-Mar-20	1,774	43	148	148	148	148	148	148	148	148	148
Rangehoods	18.75%	16-Mar-20	840	158	256	160	100	63	39	24	15	10	6
Lifts (including hydraulic & tractions lifts)													
	3.33%	16-Mar-20	36,689	354	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
Lights													
Shades, removable	18.75%	16-Mar-20	3,919	735	1,194	746	466	292	182	114	71	44	28
Security systems & equipment													
Electronic	15.00%	16-Mar-20	1,413	61	212	212	212	212	212	212	80		
\$300 items													
	100.00%	16-Mar-20	964	964									
Pooled Plant Total				1,756	2,854	1,784	1,115	697	435	272	170	106	66
Effective Life Plant Total				2,199	4,263	4,263	4,263	4,263	4,263	4,263	4,131	4,051	4,051
Total Division 40			80,512	3,955	7,117	6,047	5,378	4,960	4,698	4,535	4,301	4,157	4,117

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 2020	2.50%	16-Mar-20	173,929	1,259	4,348	4,348	4,348	4,348	4,348	4,348	4,348	4,348	4,348
Structural Improvements - Completed 2020	2.50%	16-Mar-20	6,453	47	161	161	161	161	161	161	161	161	161
Total Division 43			180,382	1,306	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509	4,509

12. Division 43 Capital Works Schedule

The table below outlines the amount of Division 43 building write-off available for this property. The building write-off is claimed over forty years from the construction date of the works completed and is the remaining value after plant and equipment has been taken out.

Qualifying Building Allowance

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Building Works - Completed 2020	1 Mar 18 to 16 Mar 20	173,929	2.50%	4,348	173,929
Sub-total		173,929		4,348	173,929

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2020	1 Mar 18 to 16 Mar 20	6,453	2.50%	161	6,453
Sub-total		6,453		161	6,453
Totals		180,382		4,509	180,382

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	
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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.