



Tax Depreciation Report

10302/405 Montague Road,
West End, QLD 4101

Amber Hall & Kate Teske
5 Tuttumbarra Ct
FERNY HILLS, QLD 4055

Issue Schedule	
Issue Date:	Issued by:
07 October 2020	Mark Kilroy Bsc (Hons) MRICS

Amber Hall & Kate Teske
5 Tuttumburra Ct
FERNY HILLS, QLD 4055

October 2020
Job No: RES4101091

Tax Depreciation Report – 10302/405 Montague Road, West End, QLD 4101

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

7 October 2020

Purchaser

Amber Hall & Kate Teske

Property Address

10302/405 Montague Road, West End, QLD 4101

Real Property Description

LOT 10302 SP302178

Property Type

Residential House

Date of Construction

14 September 2020

Date Available To Generate Income

28 September 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	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	28 September 20 to 30 June 21	7,637	2,534	10,171	6,558	16,729
2	1 July 21 to 30 June 22	6,484	4,118	10,602	8,704	19,306
3	1 July 22 to 30 June 23	5,205	2,574	7,779	8,704	16,483
4	1 July 23 to 30 June 24	3,527	2,664	6,191	8,704	14,895
5	1 July 24 to 30 June 25	2,735	2,039	4,774	8,704	13,478
6	1 July 25 to 30 June 26	2,030	1,614	3,644	8,704	12,348
7	1 July 26 to 30 June 27	1,505	1,372	2,878	8,704	11,582
8	1 July 27 to 30 June 28	1,272	858	2,130	8,704	10,834
9	1 July 28 to 30 June 29	942	880	1,822	8,704	10,526
10	1 July 29 to 30 June 30	803	550	1,353	8,704	10,057
11	1 July 30 to 30 June 31	687	344	1,031	8,704	9,735
12	1 July 31 to 30 June 32	475	542	1,017	8,704	9,721
13	1 July 32 to 30 June 33	212	710	922	8,704	9,626
14	1 July 33 to 30 June 34	198	444	642	8,704	9,346
15	1 July 34 to 30 June 35	185	277	462	8,704	9,166
16	1 July 35 to 30 June 36	173	173	346	8,704	9,050
17	1 July 36 to 30 June 37	161	108	269	8,704	8,973
18	1 July 37 to 30 June 38	150	68	218	8,704	8,922
19	1 July 38 to 30 June 39	140	42	183	8,704	8,887
20	1 July 39 to 30 June 40	131	26	157	8,704	8,861
21	1 July 40 to 30 June 41	122	17	139	8,704	8,843
22	1 July 41 to 30 June 42	114	10	124	8,704	8,828
23	1 July 42 to 30 June 43	106	6	113	8,704	8,817
24	1 July 43 to 30 June 44	99	4	103	8,704	8,807
25	1 July 44 to 30 June 45	93	3	95	8,704	8,799
26	1 July 45 to 30 June 46	87	2	88	8,704	8,792
27	1 July 46 to 30 June 47	81	1	82	8,704	8,786
28	1 July 47 to 30 June 48	75	1	76	8,704	8,780
29	1 July 48 to 30 June 49	70	0	71	8,704	8,775
30	1 July 49 to 30 June 50	0	370	370	8,704	9,074
31	1 July 50 to 30 June 51	0	231	231	8,704	8,935
32	1 July 51 to 30 June 52	0	144	144	8,704	8,848
33	1 July 52 to 30 June 53	0	90	90	8,704	8,794
34	1 July 53 to 30 June 54	0	56	56	8,704	8,760
35	1 July 54 to 30 June 55	0	35	35	8,704	8,739
36	1 July 55 to 30 June 56	0	22	22	8,704	8,726
37	1 July 56 to 30 June 57	0	14	14	8,704	8,718
38	1 July 57 to 30 June 58	0	9	9	8,704	8,713
39	1 July 58 to 30 June 59	0	5	5	8,704	8,709
40	2059+	0	9	9	10,496	10,505
Totals		35,502	22,968	58,470	347,806	406,276

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	28 September 20 to 30 June 21	4,761	2,534	7,295	6,558	13,853
2	1 July 21 to 30 June 22	3,817	4,118	7,935	8,704	16,639
3	1 July 22 to 30 June 23	3,817	2,574	6,391	8,704	15,095
4	1 July 23 to 30 June 24	3,817	1,609	5,426	8,704	14,130
5	1 July 24 to 30 June 25	3,817	1,005	4,822	8,704	13,526
6	1 July 25 to 30 June 26	3,817	628	4,445	8,704	13,149
7	1 July 26 to 30 June 27	3,783	393	4,176	8,704	12,880
8	1 July 27 to 30 June 28	3,458	245	3,703	8,704	12,407
9	1 July 28 to 30 June 29	2,924	153	3,078	8,704	11,782
10	1 July 29 to 30 June 30	2,749	96	2,845	8,704	11,549
11	1 July 30 to 30 June 31	1,460	60	1,520	8,704	10,224
12	1 July 31 to 30 June 32	1,042	37	1,079	8,704	9,783
13	1 July 32 to 30 June 33	826	23	850	8,704	9,554
14	1 July 33 to 30 June 34	650	15	664	8,704	9,368
15	1 July 34 to 30 June 35	509	9	518	8,704	9,222
16	1 July 35 to 30 June 36	309	6	315	8,704	9,019
17	1 July 36 to 30 June 37	239	4	243	8,704	8,947
18	1 July 37 to 30 June 38	239	2	241	8,704	8,945
19	1 July 38 to 30 June 39	239	1	240	8,704	8,944
20	1 July 39 to 30 June 40	239	1	240	8,704	8,944
21	1 July 40 to 30 June 41	239	1	240	8,704	8,944
22	1 July 41 to 30 June 42	239	0	239	8,704	8,943
23	1 July 42 to 30 June 43	239	0	239	8,704	8,943
24	1 July 43 to 30 June 44	239	0	239	8,704	8,943
25	1 July 44 to 30 June 45	239	0	239	8,704	8,943
26	1 July 45 to 30 June 46	239	0	239	8,704	8,943
27	1 July 46 to 30 June 47	239	0	239	8,704	8,943
28	1 July 47 to 30 June 48	239	0	239	8,704	8,943
29	1 July 48 to 30 June 49	239	0	239	8,704	8,943
30	1 July 49 to 30 June 50	239	0	239	8,704	8,943
31	1 July 50 to 30 June 51	51	0	51	8,704	8,755
32	1 July 51 to 30 June 52	0	0	0	8,704	8,704
33	1 July 52 to 30 June 53	0	0	0	8,704	8,704
34	1 July 53 to 30 June 54	0	0	0	8,704	8,704
35	1 July 54 to 30 June 55	0	0	0	8,704	8,704
36	1 July 55 to 30 June 56	0	0	0	8,704	8,704
37	1 July 56 to 30 June 57	0	0	0	8,704	8,704
38	1 July 57 to 30 June 58	0	0	0	8,704	8,704
39	1 July 58 to 30 June 59	0	0	0	8,704	8,704
40	2059+	0	0	0	10,496	10,496
Totals		44,953	13,517	58,470	347,806	406,276

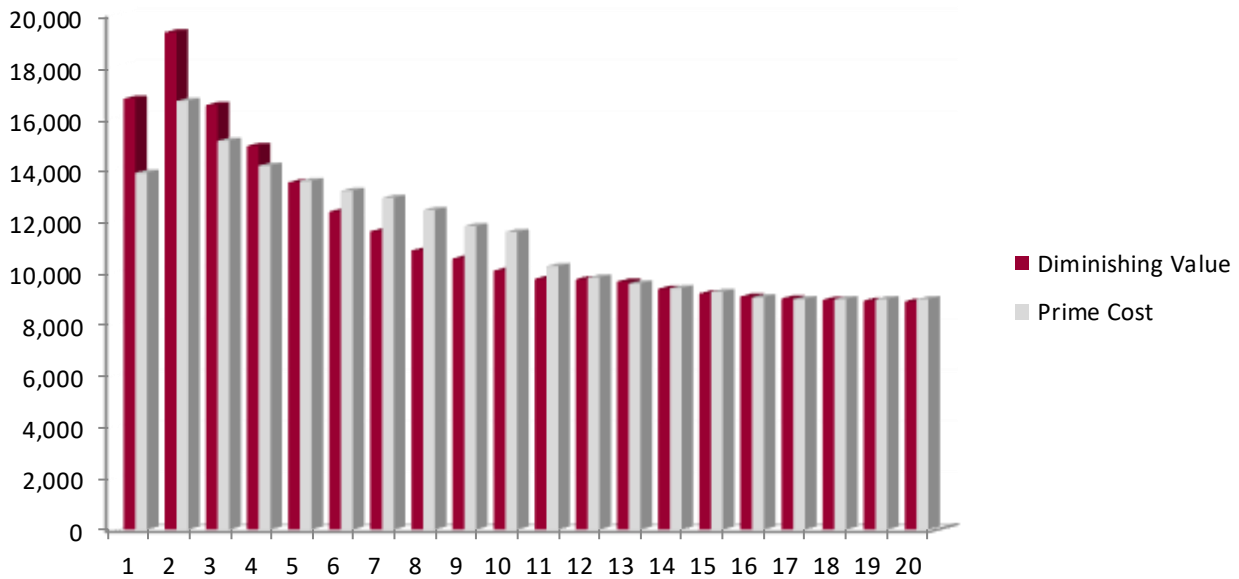
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

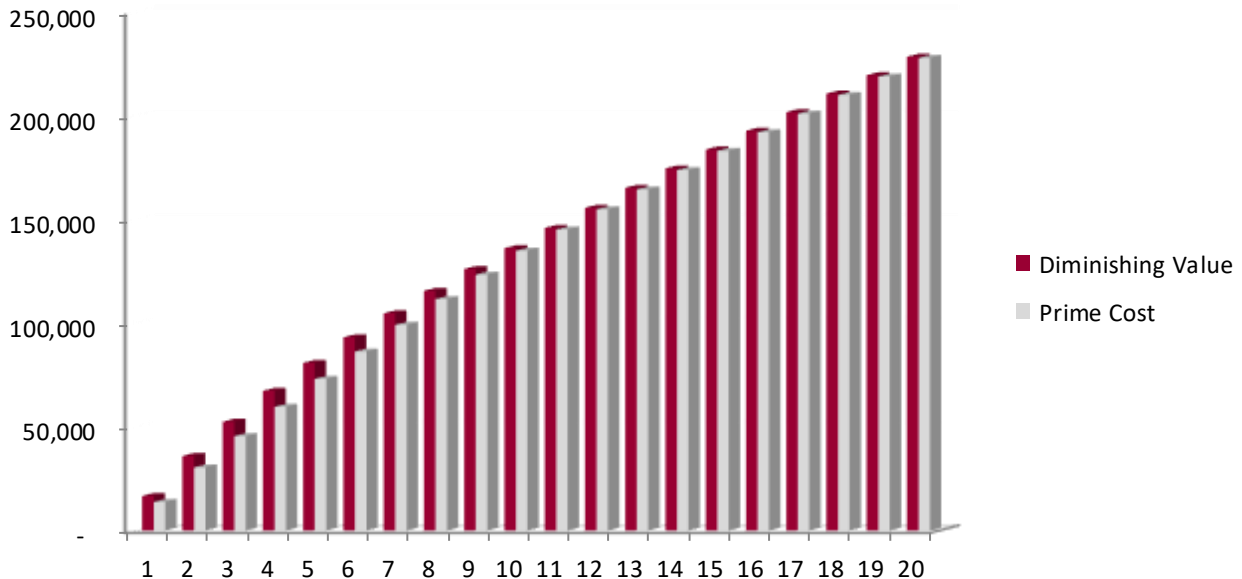
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	5 June 2020
Settlement Date	28 September 2020
Available To Generate Income	28 September 2020

Expenditure Analysed

Purchase Price	\$662,000
Stamp Duty	\$22,000
Total Expenditure Analysed	\$684,000

Historical Construction Details

Construction Start Date	23 January 2019
Construction Completion Date	14 September 2020
Historical Construction Cost (Estimated)*	\$388,316

9. Reconciliation of Capital Expenditure

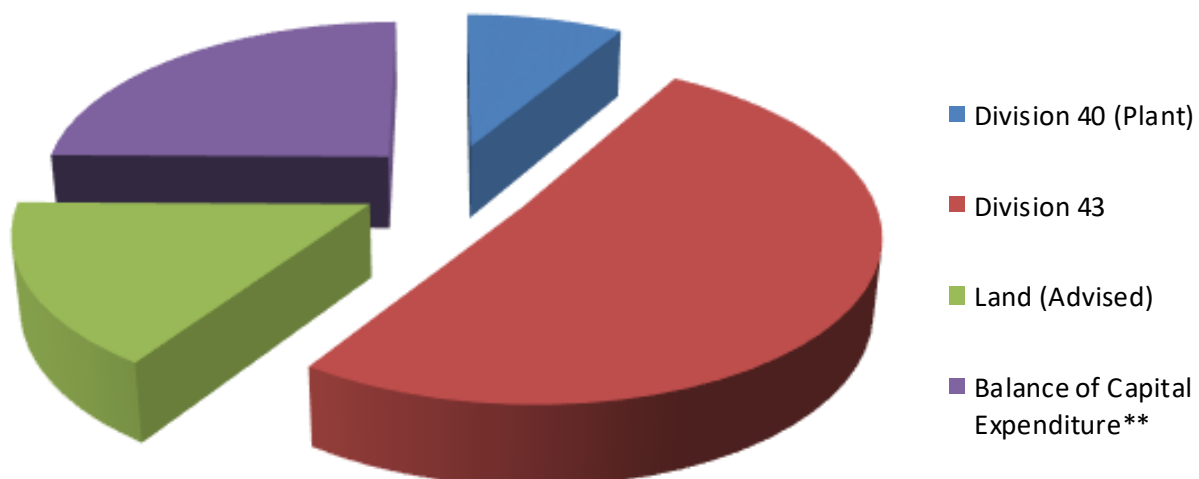
Apportionment of cost relating to:

Division 40 (Plant)	\$58,470
Division 43	\$347,806
Land (Advised)	\$107,901
Balance of Capital Expenditure**	\$169,823
Total Expenditure Analysed	\$684,000

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 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%	28-Sep-20	13,582	2,047	2,307	1,846	1,477	1,181	945	756	605	484	387
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	28-Sep-20	896	168	273	171	107	67	42	26	16	10	6
Blinds Residential													
Blinds Residential	20.00%	28-Sep-20	3,485	525	592	474	379	303	242	364	227	142	89
Blinds Residential	18.75%	28-Sep-20	1,743	327	531	332	207	130	81	51	32	20	12
Door closers													
Door closers	18.75%	28-Sep-20	555	104	169	106	66	41	26	16	10	6	4
Fire control assets													
Detection & alarm systems, detectors	18.75%	28-Sep-20	1,685	316	513	321	201	125	78	49	31	19	12
Emergency warning & intercommunication system	18.75%	28-Sep-20	838	157	255	160	100	62	39	24	15	10	6
Floor coverings (removable without damage)													
Carpets	25.00%	28-Sep-20	3,521	663	714	536	402	301	339	212	132	83	52
Floating timber	13.33%	28-Sep-20	4,053	407	486	421	365	316	274	238	206	179	155
Furniture													
Furniture	15.00%	28-Sep-20	3,227	365	429	365	310	264	224	191	162	344	215
Furniture	18.75%	28-Sep-20	2,569	482	783	489	306	191	119	75	47	29	18
Hot water systems (excluding piping)													
Gas or electric	18.75%	28-Sep-20	408	77	124	78	49	30	19	12	7	5	3
Kitchen assets													
Cooktops	16.67%	28-Sep-20	1,524	191	222	185	347	217	136	85	53	33	21
Dishwashers	25.00%	28-Sep-20	2,151	405	437	327	368	230	144	90	56	35	22
Ovens	16.67%	28-Sep-20	1,972	248	287	240	200	374	234	146	91	57	36
Rangehoods	18.75%	28-Sep-20	807	151	246	154	96	60	38	23	15	9	6
Lifts (including hydraulic & tractions lifts)													
Lifts (including hydraulic & tractions lifts)	6.67%	28-Sep-20	7,162	360	453	423	395	369	344	321	300	280	261
Lights													
Shades, removable	18.75%	28-Sep-20	4,016	753	1,224	765	478	299	187	117	73	46	28
Security systems & equipment													
Electronic	30.00%	28-Sep-20	2,390	540	555	388	340	212	133	83	52	32	20
\$300 items													
\$300 items	100.00%	28-Sep-20	1,885	1,885									
Pooled Plant Total				2,534	4,118	2,574	2,664	2,039	1,614	1,372	858	880	550
Effective Life Plant Total				7,637	6,484	5,205	3,527	2,735	2,030	1,505	1,272	942	803
Total Division 40			58,470	10,171	10,602	7,779	6,191	4,774	3,644	2,878	2,130	1,822	1,353

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%	28-Sep-20	345,896	6,522	8,656	8,656	8,656	8,656	8,656	8,656	8,656	8,656	8,656
Structural Improvements - Completed 2020	2.50%	28-Sep-20	1,910	36	48	48	48	48	48	48	48	48	48
Total Division 43			347,806	6,558	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704

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%	28-Sep-20	13,582	1,023	1,358	1,358	1,358	1,358	1,358	1,358	1,358	1,358	1,358	
Bathroom assets														
Exhaust fans (including light/heating)	18.75%	28-Sep-20	896	168	273	171	107	67	42	26	16	10	6	
Blinds Residential														
Blinds Residential	10.00%	28-Sep-20	3,485	263	349	349	349	349	349	349	349	349	349	
Blinds Residential	18.75%	28-Sep-20	1,743	327	531	332	207	130	81	51	32	20	12	
Door closers														
Door closers	18.75%	28-Sep-20	555	104	169	106	66	41	26	16	10	6	4	
Fire control assets														
Detection & alarm systems, detectors	18.75%	28-Sep-20	1,685	316	513	321	201	125	78	49	31	19	12	
Emergency warning & intercommunication system	18.75%	28-Sep-20	838	157	255	160	100	62	39	24	15	10	6	
Floor coverings (removable without damage)														
Carpets	12.50%	28-Sep-20	3,521	332	440	440	440	440	440	440	440	109		
Floating timber	6.67%	28-Sep-20	4,053	204	270	270	270	270	270	270	270	270	270	
Furniture														
Furniture	7.50%	28-Sep-20	3,227	182	242	242	242	242	242	242	242	242	242	
Furniture	18.75%	28-Sep-20	2,569	482	783	489	306	191	119	75	47	29	18	
Hot water systems (excluding piping)														
Gas or electric	18.75%	28-Sep-20	408	77	124	78	49	30	19	12	7	5	3	
Kitchen assets														
Cooktops	8.33%	28-Sep-20	1,524	96	127	127	127	127	127	127	127	127	127	
Dishwashers	12.50%	28-Sep-20	2,151	203	269	269	269	269	269	269	269	66		
Ovens	8.33%	28-Sep-20	1,972	124	164	164	164	164	164	164	164	164	164	
Rangehoods	18.75%	28-Sep-20	807	151	246	154	96	60	38	23	15	9	6	
Lifts (including hydraulic & tractions lifts)														
Lifts (including hydraulic & tractions lifts)	3.33%	28-Sep-20	7,162	180	239	239	239	239	239	239	239	239	239	
Lights														
Shades, removable	18.75%	28-Sep-20	4,016	753	1,224	765	478	299	187	117	73	46	28	
Security systems & equipment														
Electronic	15.00%	28-Sep-20	2,390	270	359	359	359	359	359	325				
\$300 items														
\$300 items	100.00%	28-Sep-20	1,885	1,885										
Pooled Plant Total				2,534	4,118	2,574	1,609	1,005	628	393	245	153	96	
Effective Life Plant Total				4,761	3,817	3,817	3,817	3,817	3,817	3,783	3,458	2,924	2,749	
Total Division 40			58,470	7,295	7,935	6,391	5,426	4,822	4,445	4,176	3,703	3,078	2,845	

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%	28-Sep-20	345,896	6,522	8,656	8,656	8,656	8,656	8,656	8,656	8,656	8,656	8,656
Structural Improvements - Completed 2020	2.50%	28-Sep-20	1,910	36	48	48	48	48	48	48	48	48	48
Total Division 43			347,806	6,558	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704

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	23 Jan 19 to 14 Sep 20	346,228	2.50%	8,656	345,896
Sub-total		346,228		8,656	345,896

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2020	23 Jan 19 to 14 Sep 20	1,912	2.50%	48	1,910
Sub-total		1,912		48	1,910
Totals		348,140		8,704	347,806

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.