



## Tax Depreciation Report

306/868 Blackburn Road,  
Clayton VIC 3168

Chun Lok Chan  
606/139 Bourke Street  
MELBOURNE, VICTORIA 3000

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

Chun Lok Chan  
606/139 Bourke Street  
MELBOURNE, VICTORIA 3000

October 2020  
Job No: RES3168008

**Tax Depreciation Report – 306/868 Blackburn Road, Clayton VIC 3168**

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

12 October 2020

### Purchaser

Chun Lok Chan

### Property Address

306/868 Blackburn Road, Clayton VIC 3168

### Real Property Description

LOTS 48C,49ST,1306 PS639839

### Property Type

Residential Unit

### Date of Construction

1 May 2020

### Date Available To Generate Income

29 June 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"> <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

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	29 June 20 to 30 June 20	1,482	2,476	3,958	15	3,973
2	1 July 20 to 30 June 21	4,340	4,024	8,364	5,358	13,722
3	1 July 21 to 30 June 22	4,340	2,515	6,855	5,358	12,213
4	1 July 22 to 30 June 23	4,340	1,572	5,912	5,358	11,270
5	1 July 23 to 30 June 24	4,340	982	5,322	5,358	10,680
6	1 July 24 to 30 June 25	4,340	614	4,954	5,358	10,312
7	1 July 25 to 30 June 26	4,340	384	4,724	5,358	10,082
8	1 July 26 to 30 June 27	4,239	240	4,479	5,358	9,837
9	1 July 27 to 30 June 28	4,040	150	4,190	5,358	9,548
10	1 July 28 to 30 June 29	4,040	94	4,134	5,358	9,492
11	1 July 29 to 30 June 30	4,026	59	4,085	5,358	9,443
12	1 July 30 to 30 June 31	1,537	37	1,574	5,358	6,932
13	1 July 31 to 30 June 32	1,522	23	1,545	5,358	6,903
14	1 July 32 to 30 June 33	963	14	977	5,358	6,335
15	1 July 33 to 30 June 34	826	9	835	5,358	6,193
16	1 July 34 to 30 June 35	760	6	766	5,358	6,124
17	1 July 35 to 30 June 36	327	3	330	5,358	5,688
18	1 July 36 to 30 June 37	326	2	328	5,358	5,686
19	1 July 37 to 30 June 38	326	1	327	5,358	5,685
20	1 July 38 to 30 June 39	326	1	327	5,358	5,685
21	1 July 39 to 30 June 40	323	1	323	5,358	5,681
22	1 July 40 to 30 June 41	290	0	290	5,358	5,648
23	1 July 41 to 30 June 42	290	0	290	5,358	5,648
24	1 July 42 to 30 June 43	290	0	290	5,358	5,648
25	1 July 43 to 30 June 44	290	0	290	5,358	5,648
26	1 July 44 to 30 June 45	290	0	290	5,358	5,648
27	1 July 45 to 30 June 46	290	0	290	5,358	5,648
28	1 July 46 to 30 June 47	290	0	290	5,358	5,648
29	1 July 47 to 30 June 48	290	0	290	5,358	5,648
30	1 July 48 to 30 June 49	290	0	290	5,358	5,648
31	1 July 49 to 30 June 50	289	0	289	5,358	5,647
32	1 July 50 to 30 June 51	0	0	0	5,358	5,358
33	1 July 51 to 30 June 52	0	0	0	5,358	5,358
34	1 July 52 to 30 June 53	0	0	0	5,358	5,358
35	1 July 53 to 30 June 54	0	0	0	5,358	5,358
36	1 July 54 to 30 June 55	0	0	0	5,358	5,358
37	1 July 55 to 30 June 56	0	0	0	5,358	5,358
38	1 July 56 to 30 June 57	0	0	0	5,358	5,358
39	1 July 57 to 30 June 58	0	0	0	5,358	5,358
40	2058+	0	0	0	12,026	12,026
<b>Totals</b>		<b>54,002</b>	<b>13,205</b>	<b>67,208</b>	<b>215,645</b>	<b>282,853</b>

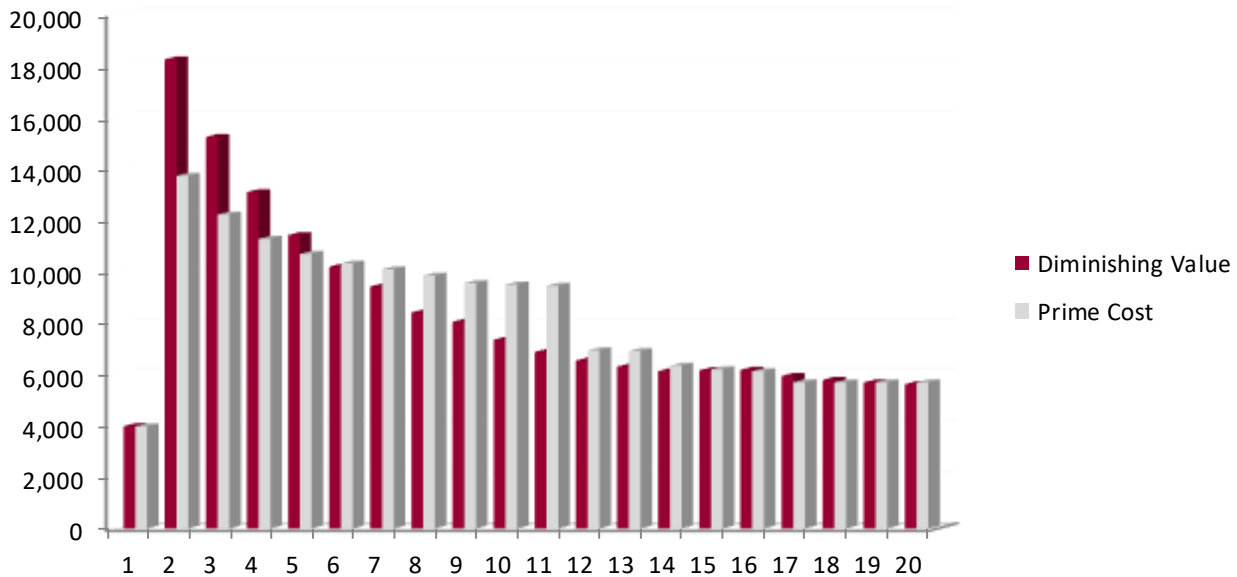
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

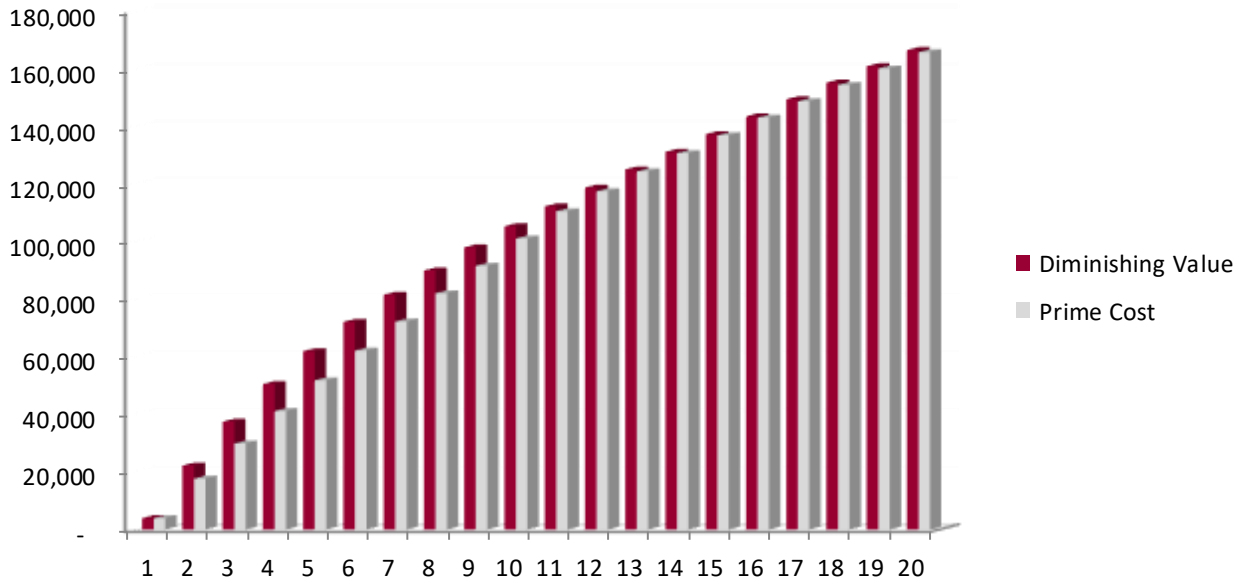
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	7 July 2017
Settlement Date	29 June 2020
Available To Generate Income	29 June 2020

Expenditure Analysed	
Purchase Price	\$531,650
Stamp Duty	\$23,869
<b>Total Expenditure Analysed</b>	<b>\$555,519</b>

Historical Construction Details	
Construction Start Date	22 April 2018
Construction Completion Date	1 May 2020
Historical Construction Cost (Estimated)*	\$253,049
Lot Entitlement	147
Overall Lot Entitlement	34,671

## 9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:	
Division 40 (Plant)**	\$67,208
Division 43	\$215,645
Land (Estimated)	\$83,328
Balance of Capital Expenditure***	\$189,339
<b>Total Expenditure Analysed</b>	<b>\$555,520</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 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
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	29-Jun-20	16,912	9	3,380	2,704	2,163	1,731	1,385	1,108	886	709	567
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	29-Jun-20	1,578	296	481	301	188	117	73	46	29	18	11
<b>Blinds Residential</b>													
Blinds Residential	20.00%	29-Jun-20	1,389	1	278	222	333	208	130	81	51	32	20
Blinds Residential	18.75%	29-Jun-20	974	183	297	185	116	72	45	28	18	11	7
<b>Door closers</b>													
Door closers	18.75%	29-Jun-20	541	101	165	103	64	40	25	16	10	6	4
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	29-Jun-20	1,333	250	406	254	159	99	62	39	24	15	9
Stair pressurisation & extraction fans	10.00%	29-Jun-20	717	0	269	168	105	66	41	26	16	10	6
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	29-Jun-20	4,016	2	803	642	514	411	329	263	210	316	197
Floating timber	13.33%	29-Jun-20	6,512	2	868	752	652	565	490	424	368	319	276
<b>Furniture</b>													
Furniture	15.00%	29-Jun-20	2,706	1	406	345	293	249	212	180	153	325	203
Furniture	18.75%	29-Jun-20	3,119	585	950	594	371	232	145	91	57	35	22
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	29-Jun-20	1,463	1	244	203	169	317	198	124	77	48	30
<b>Kitchen assets</b>													
Cooktops	16.67%	29-Jun-20	1,917	1	319	266	222	185	346	217	135	85	53
Dishwashers	20.00%	29-Jun-20	2,706	1	541	433	346	277	222	332	208	130	81
Ovens	16.67%	29-Jun-20	2,480	1	413	344	287	239	199	374	234	146	91
Rangehoods	16.67%	29-Jun-20	1,015	0	169	317	198	124	77	48	30	19	12
<b>Lifts (including hydraulic &amp; tractions lifts)</b>													
Lifts (including hydraulic & tractions lifts)	6.67%	29-Jun-20	8,700	2	580	541	505	471	440	411	383	358	334
<b>Lights</b>													
Shades, removable	18.75%	29-Jun-20	4,407	826	1,343	839	524	328	205	128	80	50	31
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	29-Jun-20	2,000	2	600	420	367	230	143	90	56	35	22
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	29-Jun-20	1,254	235	382	239	149	93	58	36	23	14	9
<b>\$300 items</b>													
\$300 items	100.00%	29-Jun-20	1,470	1,470									
<b>Pooled Plant Total</b>				<b>2,476</b>	<b>4,292</b>	<b>3,000</b>	<b>2,575</b>	<b>1,927</b>	<b>1,551</b>	<b>1,675</b>	<b>1,047</b>	<b>1,295</b>	<b>809</b>
<b>Effective Life Plant Total</b>				<b>1,493</b>	<b>8,600</b>	<b>6,873</b>	<b>5,152</b>	<b>4,128</b>	<b>3,276</b>	<b>2,386</b>	<b>2,001</b>	<b>1,385</b>	<b>1,177</b>
<b>Total Division 40</b>			<b>67,208</b>	<b>3,969</b>	<b>12,893</b>	<b>9,873</b>	<b>7,727</b>	<b>6,055</b>	<b>4,827</b>	<b>4,061</b>	<b>3,048</b>	<b>2,681</b>	<b>1,987</b>

## 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
<b>Building Works - Completed 2020</b>	2.50%	29-Jun-20	213,435	15	5,358	5,358	5,358	5,358	5,358	5,358	5,358	5,358	5,358
<b>Structural Improvements - Completed 2020</b>	2.50%	29-Jun-20	2,210										
<b>Total Division 43</b>			<b>215,645</b>	<b>15</b>	<b>5,358</b>	<b>5,358</b>	<b>5,358</b>	<b>5,358</b>	<b>5,358</b>	<b>5,358</b>	<b>5,358</b>	<b>5,358</b>	<b>5,358</b>

## 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%	29-Jun-20	16,912	5	1,691	1,691	1,691	1,691	1,691	1,691	1,691	1,691	1,691	1,691
<b>Bathroom assets</b>														
Exhaust fans (including light/heating)	18.75%	29-Jun-20	1,578	296	481	301	188	117	73	46	29	18	11	
<b>Blinds Residential</b>														
Blinds Residential	10.00%	29-Jun-20	1,389	0	139	139	139	139	139	139	139	139	139	139
Blinds Residential	18.75%	29-Jun-20	974	183	297	185	116	72	45	28	18	11	7	
<b>Door closers</b>														
Door closers	18.75%	29-Jun-20	541	101	165	103	64	40	25	16	10	6	4	
<b>Fire control assets</b>														
Detection & alarm systems, detectors	18.75%	29-Jun-20	1,333	250	406	254	159	99	62	39	24	15	9	
Stair pressurisation & extraction fans	5.00%	29-Jun-20	717	0	36	36	36	36	36	36	36	36	36	36
<b>Floor coverings ( removable without damage)</b>														
Carpets	10.00%	29-Jun-20	4,016	1	402	402	402	402	402	402	402	402	402	402
Floating timber	6.67%	29-Jun-20	6,512	1	434	434	434	434	434	434	434	434	434	434
<b>Furniture</b>														
Furniture	7.50%	29-Jun-20	2,706	1	203	203	203	203	203	203	203	203	203	203
Furniture	18.75%	29-Jun-20	3,119	585	950	594	371	232	145	91	57	35	22	
<b>Hot water systems (excluding piping)</b>														
Gas or electric	8.33%	29-Jun-20	1,463	0	122	122	122	122	122	122	122	122	122	122
<b>Kitchen assets</b>														
Cooktops	8.33%	29-Jun-20	1,917	0	160	160	160	160	160	160	160	160	160	160
Dishwashers	10.00%	29-Jun-20	2,706	1	271	271	271	271	271	271	271	271	271	271
Ovens	8.33%	29-Jun-20	2,480	1	207	207	207	207	207	207	207	207	207	207
Rangehoods	8.33%	29-Jun-20	1,015	0	85	85	85	85	85	85	85	85	85	85
<b>Lifts (including hydraulic &amp; tractions lifts)</b>														
Lifts (including hydraulic & tractions lifts)	3.33%	29-Jun-20	8,700	1	290	290	290	290	290	290	290	290	290	290
<b>Lights</b>														
Shades, removable	18.75%	29-Jun-20	4,407	826	1,343	839	524	328	205	128	80	50	31	
<b>Security systems &amp; equipment</b>														
Electronic	15.00%	29-Jun-20	2,000	1	300	300	300	300	300	300	199			
<b>Ventilating plant</b>														
Ventilation plant - fans only	18.75%	29-Jun-20	1,254	235	382	239	149	93	58	36	23	14	9	
<b>\$300 items</b>														
\$300 items	100.00%	29-Jun-20	1,470	1,470										
<b>Pooled Plant Total</b>				<b>2,476</b>	<b>4,024</b>	<b>2,515</b>	<b>1,572</b>	<b>982</b>	<b>614</b>	<b>384</b>	<b>240</b>	<b>150</b>	<b>94</b>	
<b>Effective Life Plant Total</b>				<b>1,482</b>	<b>4,340</b>	<b>4,340</b>	<b>4,340</b>	<b>4,340</b>	<b>4,340</b>	<b>4,340</b>	<b>4,239</b>	<b>4,040</b>	<b>4,040</b>	
<b>Total Division 40</b>			<b>67,208</b>	<b>3,958</b>	<b>8,364</b>	<b>6,855</b>	<b>5,912</b>	<b>5,322</b>	<b>4,954</b>	<b>4,724</b>	<b>4,479</b>	<b>4,190</b>	<b>4,134</b>	

## 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
<b>Building Works - Completed 2020</b>	2.50%	29-Jun-20	213,435	15	5,358	5,358	5,358	5,358	5,358	5,358	5,358	5,358	5,358
<b>Structural Improvements - Completed 2020</b>	2.50%	29-Jun-20	2,210										
<b>Total Division 43</b>			215,645	15	5,358	5,358	5,358	5,358	5,358	5,358	5,358	5,358	5,358



## 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	22 Apr 18 to 1 May 20	214,301	2.50%	5,358	213,435
<b>Sub-total</b>		<b>214,301</b>		<b>5,358</b>	<b>213,435</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2020	22 Apr 18 to 1 May 20	2,219	2.50%	55	2,210
<b>Sub-total</b>		<b>2,219</b>		<b>55</b>	<b>2,210</b>
<b>Totals</b>		<b>216,520</b>		<b>5,413</b>	<b>215,645</b>

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.