



Tax Depreciation Report

901/11-19 Cohen Pl,
Melbourne VIC 3000, Australia

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

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October 2020
Job No: RES3000059

Tax Depreciation Report – 901/11-19 Cohen Pl, Melbourne VIC 3000, Australia

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

29 October 2020

Purchaser

Kak Kheng Foo

Property Address

901/11-19 Cohen Pl, Melbourne VIC 3000, Australia

Real Property Description

LOT 901 PS427416

Property Type

Residential Unit

Date of Construction

22 March 2000

Date Available To Generate Income

22 March 2010

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 Capital Works	Eligible Total
		Effective Life	Pooled Plant	Total Div 40		
1	22 March 10 to 30 June 10	3,706	0	3,706	934	4,640
2	1 July 10 to 30 June 11	8,895	0	8,895	3,409	12,304
3	1 July 11 to 30 June 12	6,859	0	6,859	3,409	10,268
4	1 July 12 to 30 June 13	5,359	0	5,359	3,409	8,768
5	1 July 13 to 30 June 14	4,242	0	4,242	3,409	7,651
6	1 July 14 to 30 June 15	3,400	0	3,400	3,409	6,809
7	1 July 15 to 30 June 16	2,759	0	2,759	3,409	6,168
8	1 July 16 to 30 June 17	2,265	0	2,265	3,409	5,674
9	1 July 17 to 30 June 18	1,879	0	1,879	3,409	5,288
10	1 July 18 to 30 June 19	997	1,466	2,463	3,409	5,872
11	1 July 19 to 30 June 20	678	1,262	1,940	3,409	5,349
12	1 July 20 to 30 June 21	343	1,460	1,802	3,409	5,211
13	1 July 21 to 30 June 22	320	912	1,232	3,409	4,641
14	1 July 22 to 30 June 23	299	570	869	3,409	4,278
15	1 July 23 to 30 June 24	279	356	635	3,409	4,044
16	1 July 24 to 30 June 25	260	223	483	3,409	3,892
17	1 July 25 to 30 June 26	243	139	382	3,409	3,791
18	1 July 26 to 30 June 27	227	87	314	3,409	3,723
19	1 July 27 to 30 June 28	211	54	266	3,409	3,675
20	1 July 28 to 30 June 29	197	34	231	3,409	3,640
21	1 July 29 to 30 June 30	184	21	205	3,409	3,614
22	1 July 30 to 30 June 31	172	13	185	3,409	3,594
23	1 July 31 to 30 June 32	160	8	169	3,409	3,578
24	1 July 32 to 30 June 33	150	5	155	3,409	3,564
25	1 July 33 to 30 June 34	140	3	143	3,409	3,552
26	1 July 34 to 30 June 35	130	2	132	3,409	3,541
27	1 July 35 to 30 June 36	122	1	123	3,409	3,532
28	1 July 36 to 30 June 37	114	1	114	3,409	3,523
29	1 July 37 to 30 June 38	106	0	107	3,409	3,516
30	1 July 38 to 30 June 39	99	0	99	3,409	3,508
31	1 July 39 to 30 June 40	92	0	93	2,466	2,559
32	1 July 40 to 30 June 41	86	0	86	4	90
33	1 July 41 to 30 June 42	80	0	81	0	81
34	1 July 42 to 30 June 43	75	0	75	0	75
35	1 July 43 to 30 June 44	70	0	70	0	70
36	1 July 44 to 30 June 45	0	368	368	0	368
37	1 July 45 to 30 June 46	0	230	230	0	230
38	1 July 46 to 30 June 47	0	144	144	0	144
39	1 July 47 to 30 June 48	0	90	90	0	90
40	2048+	0	150	150	0	150
Totals		45,198	7,602	52,800	102,265	155,065

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	22 March 10 to 30 June 10	2,529	0	2,529	934	3,463
2	1 July 10 to 30 June 11	5,110	0	5,110	3,409	8,519
3	1 July 11 to 30 June 12	4,803	0	4,803	3,409	8,212
4	1 July 12 to 30 June 13	4,612	0	4,612	3,409	8,021
5	1 July 13 to 30 June 14	4,492	0	4,492	3,409	7,901
6	1 July 14 to 30 June 15	4,418	0	4,418	3,409	7,827
7	1 July 15 to 30 June 16	4,371	0	4,371	3,409	7,780
8	1 July 16 to 30 June 17	3,312	0	3,312	3,409	6,721
9	1 July 17 to 30 June 18	2,627	0	2,627	3,409	6,036
10	1 July 18 to 30 June 19	2,616	0	2,616	3,409	6,025
11	1 July 19 to 30 June 20	2,183	0	2,183	3,409	5,592
12	1 July 20 to 30 June 21	1,036	0	1,036	3,409	4,445
13	1 July 21 to 30 June 22	1,034	0	1,034	3,409	4,443
14	1 July 22 to 30 June 23	1,032	0	1,032	3,409	4,441
15	1 July 23 to 30 June 24	780	0	780	3,409	4,189
16	1 July 24 to 30 June 25	764	0	764	3,409	4,173
17	1 July 25 to 30 June 26	764	0	764	3,409	4,173
18	1 July 26 to 30 June 27	763	0	763	3,409	4,172
19	1 July 27 to 30 June 28	763	0	763	3,409	4,172
20	1 July 28 to 30 June 29	763	0	763	3,409	4,172
21	1 July 29 to 30 June 30	641	0	641	3,409	4,050
22	1 July 30 to 30 June 31	348	0	348	3,409	3,757
23	1 July 31 to 30 June 32	348	0	348	3,409	3,757
24	1 July 32 to 30 June 33	348	0	348	3,409	3,757
25	1 July 33 to 30 June 34	348	0	348	3,409	3,757
26	1 July 34 to 30 June 35	348	0	348	3,409	3,757
27	1 July 35 to 30 June 36	348	0	348	3,409	3,757
28	1 July 36 to 30 June 37	348	0	348	3,409	3,757
29	1 July 37 to 30 June 38	348	0	348	3,409	3,757
30	1 July 38 to 30 June 39	348	0	348	3,409	3,757
31	1 July 39 to 30 June 40	253	0	253	2,466	2,719
32	1 July 40 to 30 June 41	0	0	0	4	4
33	1 July 41 to 30 June 42	0	0	0	0	0
34	1 July 42 to 30 June 43	0	0	0	0	0
35	1 July 43 to 30 June 44	0	0	0	0	0
36	1 July 44 to 30 June 45	0	0	0	0	0
37	1 July 45 to 30 June 46	0	0	0	0	0
38	1 July 46 to 30 June 47	0	0	0	0	0
39	1 July 47 to 30 June 48	0	0	0	0	0
40	2048+	0	0	0	0	0
Totals		52,800	0	52,800	102,265	155,065

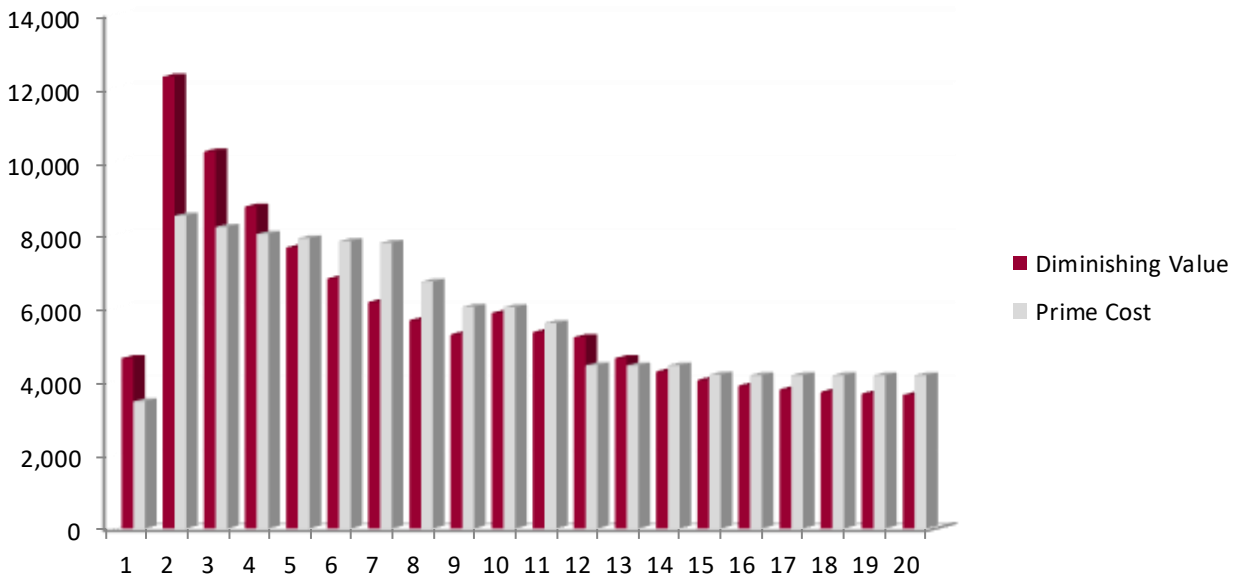
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

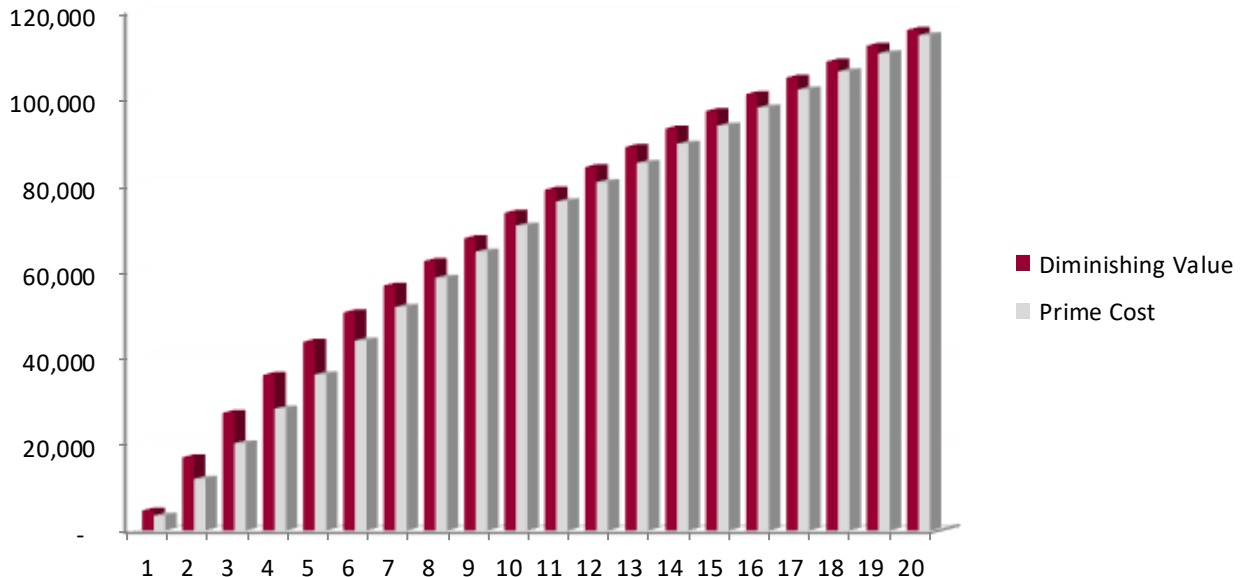
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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 February 2010
Settlement Date	22 March 2010
Available To Generate Income	22 March 2010

Expenditure Analysed

Purchase Price	\$494,800
Stamp Duty	\$24,578
Legals	\$1,725
Post Expenditure	\$1,785
Total Expenditure Analysed	\$522,888

Historical Construction Details

Construction Start Date	22 April 1998
Construction Completion Date	22 March 2000
Historical Construction Cost (Estimated)*	\$154,118

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

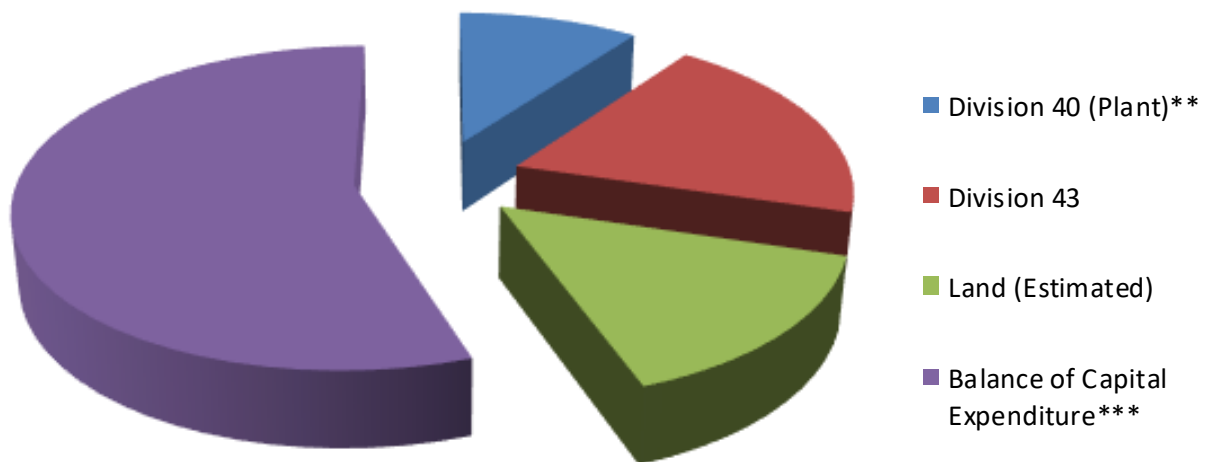
Division 40 (Plant)**	\$52,800
Division 43	\$102,265
Land (Estimated)	\$77,907
Balance of Capital Expenditure***	\$289,917
Total Expenditure Analysed	\$522,889

Notes

* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

** Some assets in Division 40 (Plant) may not be eligible for yearly depreciation claim but for capital gain deduction only. Please go to Summary of Entitlements and detailed schedules for more information

*** Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



10. Diminishing Value Depreciation Schedule

Assets Generally	Diminishing	Start Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment	Value Rate												
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	22-Mar-10	7,268	398	1,374	1,099	879	703	563	450	360	288	231
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	22-Mar-10	491	27	93	74	59	48	38	30	24	19	29
Blinds Residential													
	30.00%	22-Mar-10	6,804	559	1,874	1,311	918	643	450	315	220	154	135
Fire control assets													
Detection & alarm systems, detectors	18.75%	22-Mar-10	654	123	199	125	78	49	30	19	12	7	5
Emergency warning & intercommunication system	18.75%	22-Mar-10	526	99	160	100	63	39	24	15	10	6	4
Stair pressurisation & extraction fans	10.00%	22-Mar-10	652	18	63	57	51	46	42	37	34	30	102
Floor coverings (removable without damage)													
Carpets	20.00%	22-Mar-10	7,925	434	1,498	1,198	959	767	614	491	393	314	251
Furniture													
	15.00%	22-Mar-10	3,546	146	510	434	368	313	266	226	192	164	347
Hot water systems (excluding piping)													
Gas or electric	10.00%	22-Mar-10	2,903	80	282	254	229	206	185	167	150	135	122
Kitchen assets													
Cooktops	10.00%	22-Mar-10	1,277	35	124	112	101	91	81	73	66	59	200
Dishwashers	30.00%	22-Mar-10	1,473	121	406	284	199	139	97	68	48	33	29
Ovens	10.00%	22-Mar-10	1,709	47	166	150	135	121	109	98	88	80	268
Lifts (including hydraulic & tractions lifts)													
	6.67%	22-Mar-10	10,441	191	683	638	595	556	519	484	452	422	393
Lights													
Shades, removable	10.00%	22-Mar-10	1,160	32	113	102	91	82	74	67	60	54	182
Security systems & equipment													
Electronic	30.00%	22-Mar-10	3,029	249	834	584	409	286	200	140	98	69	60
Ventilating plant													
Ventilation plant - fans only	10.00%	22-Mar-10	591	16	57	52	47	42	38	34	31	27	93
\$300 items													
	100.00%	22-Mar-10	566	566									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Laundry assets													
Clothes dryers	18.75%	22-Mar-10	900	169	274	171	107	67	42	26	16	10	6
Washing machines	18.75%	22-Mar-10	600	113	183	114	71	45	28	17	11	7	4
\$300 items													
	100.00%	22-Mar-10	285	285									
Pooled Plant Total													1,466
Effective Life Plant Total													997
Total Division 40			52,800	3,706	8,895	6,859	5,359	4,242	3,400	2,759	2,265	1,879	2,463

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 2000	2.50%	22-Mar-10	101,867	930	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396
Structural Improvements - Completed 2000	2.50%	22-Mar-10	398	4	13	13	13	13	13	13	13	13	13
Total Division 43			102,265	934	3,409	3,409	3,409	3,409	3,409	3,409	3,409	3,409	3,409

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%	22-Mar-10	7,268	199	727	727	727	727	727	727	727	727	727	727
Bathroom assets														
Exhaust fans (including light/heating)	10.00%	22-Mar-10	491	13	49	49	49	49	49	49	49	49	49	49
Blinds Residential														
	15.00%	22-Mar-10	6,804	280	1,021	1,021	1,021	1,021	1,021	1,021	399			
Fire control assets														
Detection & alarm systems, detectors	18.75%	22-Mar-10	654	123	199	125	78	49	30	19	12	7	5	
Emergency warning & intercommunication system	18.75%	22-Mar-10	526	99	160	100	63	39	24	15	10	6	4	
Stair pressurisation & extraction fans	5.00%	22-Mar-10	652	9	33	33	33	33	33	33	33	33	33	
Floor coverings (removable without damage)														
Carpets	10.00%	22-Mar-10	7,925	217	792	792	792	792	792	792	792	792	792	792
Furniture														
	7.50%	22-Mar-10	3,546	73	266	266	266	266	266	266	266	266	266	266
Hot water systems (excluding piping)														
Gas or electric	5.00%	22-Mar-10	2,903	40	145	145	145	145	145	145	145	145	145	145
Kitchen assets														
Cooktops	5.00%	22-Mar-10	1,277	17	64	64	64	64	64	64	64	64	64	64
Dishwashers	15.00%	22-Mar-10	1,473	61	221	221	221	221	221	221	87			
Ovens	5.00%	22-Mar-10	1,709	23	85	85	85	85	85	85	85	85	85	85
Lifts (including hydraulic & tractions lifts)														
	3.33%	22-Mar-10	10,441	95	348	348	348	348	348	348	348	348	348	348
Lights														
Shades, removable	5.00%	22-Mar-10	1,160	16	58	58	58	58	58	58	58	58	58	58
Security systems & equipment														
Electronic	15.00%	22-Mar-10	3,029	124	454	454	454	454	454	454	181			
Ventilating plant														
Ventilation plant - fans only	5.00%	22-Mar-10	591	8	30	30	30	30	30	30	30	30	30	30
\$300 items														
	100.00%	22-Mar-10	566	566										
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Laundry assets														
Clothes dryers	18.75%	22-Mar-10	900	169	274	171	107	67	42	26	16	10	6	
Washing machines	18.75%	22-Mar-10	600	113	183	114	71	45	28	17	11	7	4	
\$300 items														
	100.00%	22-Mar-10	285	285										
Pooled Plant Total														
Effective Life Plant Total				2,529	5,110	4,803	4,612	4,492	4,418	4,371	3,312	2,627	2,616	
Total Division 40				52,800	2,529	5,110	4,803	4,612	4,492	4,418	4,371	3,312	2,627	2,616

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 2000	2.50%	22-Mar-10	101,867	930	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396
Structural Improvements - Completed 2000	2.50%	22-Mar-10	398	4	13	13	13	13	13	13	13	13	13
Total Division 43			102,265	934	3,409	3,409	3,409	3,409	3,409	3,409	3,409	3,409	3,409

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 2000	22 Apr 98 to 22 Mar 00	135,848	2.50%	3,396	101,867
Sub-total		135,848		3,396	101,867

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2000	22 Apr 98 to 22 Mar 00	531	2.50%	13	398
Sub-total		531		13	398
Totals		136,378		3,409	102,265

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.