



## Tax Depreciation Report

9 Karen Court,  
Redbank Plains QLD 4301



Issue Schedule	
Issue Date:	Issued by:
May 2016	Mark Kilroy Bsc (Hons) MRICS

Mr Ali Murtaza and Sarosi Murtaza  
34 Speers Crescent,  
Oakhurst NSW 2761

23 May 2016  
Job No: RES4301010

**Tax Depreciation Report – 9 Karen Court, Redbank Plains QLD 4301**

Dear Ali and Sarosi,

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 EXECUTIVE SUMMARY

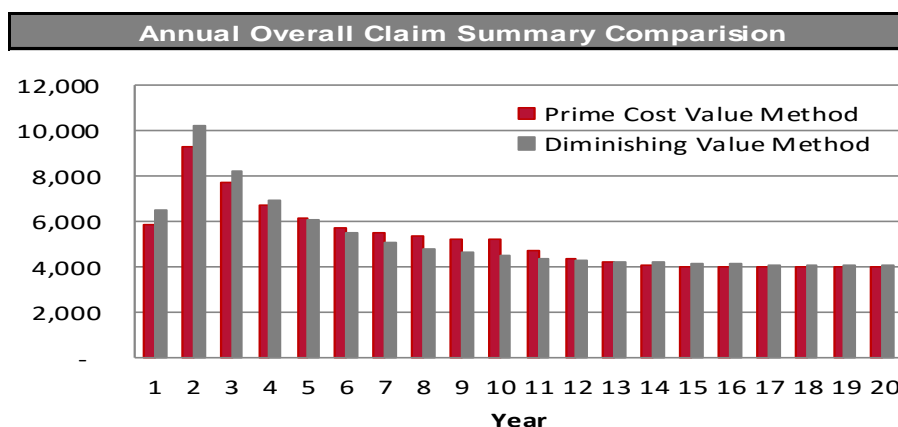
## 1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	26,176	8%
Div 43 Capital Works	134,674	40%
Repairs and Maintenance	-	0%
Capital Non Eligible	43,128	13%
Land Value	129,000	39%
<b>Total Purchase Cost</b>	<b>332,978</b>	<b>100%</b>

## 1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/16		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	1,771	1,196
Div 40 - Low Value Pool	2,600	2,600
Div 43 - Capital Works	2,108	2,108
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
<b>Total - Year 1</b>	<b>6,479</b>	<b>5,904</b>

## 1.3 OVERALL CLAIM SUMMARY CHART



## 2 PROPERTY INFORMATION

<b>Client</b>	Mr Ali Murtaza and Sarosi Murtaza
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<b>Property</b>	9 Karen Court, Redbank Plains QLD
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<b>Property Type</b>	Residential House
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<b>Date of Building Completion</b>	01/08/2009
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<b>Date of first let</b>	21/12/2015
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**Property Photo**



## 3 REPORT DETAILS

### 3.1 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.

## 4 CAPITAL ALLOWANCES

### 4.1 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.

### 4.2 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 as detailed below:

$$\text{Qualifying Plant} = \frac{\text{Purchase Price} \times \text{Replacement Cost of Plant}}{\text{Land Value} + \text{Replacement Cost of Plant} + \text{Replacement Cost of Building}}$$

### 4.3 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.

### 4.4 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.

### 4.5 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.

## 4.6 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"> <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>				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
<b>200 / 10 Years = 20% (Adjusted Value)</b>				
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"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
<b>100 / 10 Years = 10% (Straight Line)</b>				
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



# 5 CAPITAL WORKS

## 5.1 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.

## 5.2 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.

## 5.3 STRUCTURAL IMPROVEMENTS

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.

## 5.4 CAPITAL WORKS DEPRECIATION RATES

The following table demonstrates the various property types and depreciation rates for Capital Works 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

## 6 SUMMARY ANALYSIS

PROPERTY DETAILS	
<b>Property Address</b>	9 Karen Court, Redbank Plains QLD 4301

PURCHASE DETAILS			
<b>Exchange Date</b>	18/11/2015	<b>Settlement Date</b>	21/12/2015
<b>Purchase Price (Incl Fees)</b>	\$332,978	<b>Land Value (Est)</b>	\$129,000

CONSTRUCTION DETAILS			
<b>Construction Start Date</b>	01/02/2009	<b>Construction End Date</b>	01/08/2009
<b>Historic Construction Cost</b>	\$186,444		

EXPENDITURE ANALYSED		
<b>Div 40 (Capital Allowances)</b>	\$26,176	This Tax Depreciation Schedule has been prepared based on the information provided for the construction or purchase of the said property. The apportionment of capital expenditure is based on this information.
<b>Div 43 (Capital Works)</b>	\$134,674	
<b>Capital Non Deductable</b>	\$43,128	
<b>Land Non Deductable</b>	\$129,000	
<b>Total Expenditure Analysed</b>	\$332,978	

Notes	
<b>Opening Values</b>	This is based on the original construction costs incurred including variations
<b>Effective Lives</b>	Used In accordance with the Commissioner of Taxation Rates
<b>Site Inspection</b>	The site inspection includes the measurement, photographic records, and identification of depreciating assets.
<b>Disclaimer</b>	This schedule is provided for the sole use of the tax payer and may not be used by a third party without the permission of Koste Pty Ltd.

# 7 TAX SUMMARY

The following tables outline the depreciation entitlements for the remaining life of the property. **Note: First Year Allowances are for YE 30/06/16**

## 7.1 DIMINISHING VALUE METHOD

Diminishing Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 192 Days	160,851	1,771	2,600	2,108	6,479	154,371
Year 2 - YE 30/06/2017	154,371	1,970	4,225	4,007	10,202	144,169
Year 3 - YE 30/06/2018	144,169	1,598	2,641	4,007	8,246	135,924
Year 4 - YE 30/06/2019	135,924	1,297	1,650	4,007	6,954	128,970
Year 5 - YE 30/06/2020	128,970	1,053	1,031	4,007	6,091	122,878
Year 6 - YE 30/06/2021	122,878	856	645	4,007	5,507	117,371
Year 7 - YE 30/06/2022	117,371	695	403	4,007	5,105	112,266
Year 8 - YE 30/06/2023	112,266	566	252	4,007	4,824	107,442
Year 9 - YE 30/06/2024	107,442	460	157	4,007	4,624	102,818
Year 10 - YE 30/06/2025	102,818	375	98	4,007	4,480	98,338
Year 11 - YE 30/06/2026	98,338	305	61	4,007	4,373	93,965
Year 12 - YE 30/06/2027	93,965	249	38	4,007	4,294	89,671
Year 13 - YE 30/06/2028	89,671	203	24	4,007	4,233	85,437
Year 14 - YE 30/06/2029	85,437	165	15	4,007	4,187	81,250
Year 15 - YE 30/06/2030	81,250	135	9	4,007	4,151	77,099
Year 16 - YE 30/06/2031	77,099	110	6	4,007	4,123	72,976
Year 17 - YE 30/06/2032	72,976	90	4	4,007	4,100	68,876
Year 18 - YE 30/06/2033	68,876	74	2	4,007	4,083	64,793
Year 19 - YE 30/06/2034	64,793	60	1	4,007	4,068	60,725
Year 20 - YE 30/06/2035	60,725	49	1	4,007	4,057	56,668
Year 21 +	56,668	227	1	56,439	56,668	
<b>Totals</b>		<b>12,310</b>	<b>13,866</b>	<b>134,674</b>	<b>160,851</b>	

## 7.2 PRIME COST METHOD

Prime Cost Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 192 Days	160,851	1,196	2,600	2,108	5,904	154,947
Year 2 - YE 30/06/2017	154,947	1,094	4,225	4,007	9,326	145,621
Year 3 - YE 30/06/2018	145,621	1,094	2,641	4,007	7,741	137,880
Year 4 - YE 30/06/2019	137,880	1,094	1,650	4,007	6,751	131,129
Year 5 - YE 30/06/2020	131,129	1,094	1,031	4,007	6,132	124,997
Year 6 - YE 30/06/2021	124,997	1,094	645	4,007	5,745	119,252
Year 7 - YE 30/06/2022	119,252	1,094	403	4,007	5,504	113,748
Year 8 - YE 30/06/2023	113,748	1,094	252	4,007	5,352	108,396
Year 9 - YE 30/06/2024	108,396	1,094	157	4,007	5,258	103,138
Year 10 - YE 30/06/2025	103,138	1,094	98	4,007	5,199	97,939
Year 11 - YE 30/06/2026	97,939	689	61	4,007	4,757	93,182
Year 12 - YE 30/06/2027	93,182	323	38	4,007	4,368	88,814
Year 13 - YE 30/06/2028	88,814	194	24	4,007	4,225	84,589
Year 14 - YE 30/06/2029	84,589	63	15	4,007	4,084	80,505
Year 15 - YE 30/06/2030	80,505	-	9	4,007	4,016	76,489
Year 16 - YE 30/06/2031	76,489	-	6	4,007	4,013	72,476
Year 17 - YE 30/06/2032	72,476	-	4	4,007	4,010	68,466
Year 18 - YE 30/06/2033	68,466	-	2	4,007	4,009	64,457
Year 19 - YE 30/06/2034	64,457	-	1	4,007	4,008	60,449
Year 20 - YE 30/06/2035	60,449	-	1	4,007	4,008	56,441
Year 21 +	56,441	-	1	56,439	56,441	
<b>Totals</b>		<b>12,310</b>	<b>13,866</b>	<b>134,674</b>	<b>160,851</b>	

# 8 DIMINISHING VALUE (DV)

						OV as at 21-Dec-2015	First Year 21-Dec-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Method	Effective Life	Dim Rate(%)	Opening Value		Year 1 (192 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
<b>Air Conditioning</b>												
ACMS	Air Conditioning - Split System	DV	10.00	20.00	2,327		245	2,083	417	333	267	213
<b>Floor Finishes</b>												
FFCA	Carpet Floor Coverings	DV	10.00	20.00	4,370		460	3,911	782	626	501	400
<b>Internal Fittings and Furnishings</b>												
FUFR	Furniture - Freestanding	DV	13.33	15.00	1,034		82	953	143	121	103	88
<b>Kitchen Equipment</b>												
KEDI	Dishwasher	DV	10.00	20.00	1,009		106	902	180	144	116	92
KEOV	Oven	DV	12.00	16.67	1,009		88	920	153	128	106	89
<b>Water Supply</b>												
WSHG	Hot Water Unit - Gas	DV	12.00	16.67	1,940		170	1,769	295	246	205	171
<b>Total Immediate Writeoff Items less than \$300</b>												
DSME	Door Closer - Surface Mounted	DV	1.00	100.00	233		233	-	-	-	-	-
IDSCO	Automatic-Remote Garage Door - Controls	DV	1.00	100.00	207		207	-	-	-	-	-
IGDGB	Garbage Bins	DV	1.00	100.00	181		181	-	-	-	-	-
<b>Total</b>					<b>12,310</b>		<b>1,771</b>	<b>10,538</b>	<b>1,970</b>	<b>1,598</b>	<b>1,297</b>	<b>1,053</b>

# 9 DV - LOW VALUE POOL

					OV as at 21-Dec-2015	First Year 21-Dec-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Method	Effective Life	Rate(%)	Opening Value	Year 1 (192 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
<b>Doors and Screens</b>											
DSMO	Automatic-Remote Garage Door - Motor	LVP	10.00	37.50	840	158	683	256	160	100	63
<b>Fire Protection</b>											
FPDE	Fire Detection - Detectors	LVP	20.00	37.50	569	107	462	173	108	68	42
<b>Internal Fittings and Furnishings</b>											
FUBT	Bathroom Accessories, freestanding	LVP	5.00	37.50	1,422	267	1,156	433	271	169	106
FUFR	Furniture - Freestanding	LVP	13.33	37.50	2,586	485	2,101	788	492	308	192
FUMR	Mirrors - Freestanding	LVP	15.00	37.50	323	61	263	98	62	38	24
<b>Kitchen Equipment</b>											
KECT	Cooktop	LVP	12.00	37.50	582	109	473	177	111	69	43
<b>Light &amp; Power</b>											
LPLF	Fittings (Excluding hardwired)	LVP	5.00	37.50	711	133	578	217	135	85	53
LPCF	Ceiling Fan	LVP	5.00	37.50	2,017	378	1,639	615	384	240	150
<b>Outdoor Furniture &amp; Equipment</b>											
OFFR	Furniture - Freestanding	LVP	5.00	37.50	517	97	420	158	98	62	38
<b>Ventilation</b>											
VEEF	Ventilation Fans	LVP	20.00	37.50	905	170	735	276	172	108	67
KEER	Rangehood	LVP	12.00	37.50	453	85	368	138	86	54	34
<b>Water Supply</b>											
WSGW	Gardening Watering Devices	LVP	5.00	37.50	840	158	683	256	160	100	63
<b>Windows</b>											
WWBR	Window Blinds Internal	LVP	10.00	37.50	2,100	394	1,706	640	400	250	156
<b>Total</b>					<b>13,866</b>	<b>2,600</b>	<b>11,266</b>	<b>4,225</b>	<b>2,641</b>	<b>1,650</b>	<b>1,031</b>

The Low Value Pool Items are depreciated at 18.75% based on their opening value in the first year, and 37.5% each subsequent year on a diminishing basis.

# 10 PRIME COST (PC)

						OV as at 21-Dec-2015	First Year 21-Dec-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Method	Effective Life	Prime Rate(%)	Opening Value		Year 1 (192 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
<b>Air Conditioning</b>												
ACMS	Air Conditioning - Split System	PC	10.00	10.00	2,327		122	2,205	233	233	233	233
<b>Floor Finishes</b>												
FFCA	Carpet Floor Coverings	PC	10.00	10.00	4,370		230	4,141	437	437	437	437
<b>Internal Fittings and Furnishings</b>												
FUFR	Furniture - Freestanding	PC	13.33	7.50	1,034		41	994	78	78	78	78
<b>Kitchen Equipment</b>												
KEDI	Dishwasher	PC	10.00	10.00	1,009		53	956	101	101	101	101
KEOV	Oven	PC	12.00	8.33	1,009		44	964	84	84	84	84
<b>Water Supply</b>												
WSHG	Hot Water Unit - Gas	PC	12.00	8.33	1,940		85	1,855	162	162	162	162
<b>Total Immediate Writeoff Items less than \$300</b>												
DSME	Door Closer - Surface Mounted	PC	1.00	100.00	233		233	-	-	-	-	-
IDSCO	Automatic-Remote Garage Door - Controls	PC	1.00	100.00	207		207	-	-	-	-	-
IGDGB	Garbage Bins	PC	1.00	100.00	181		181	-	-	-	-	-
<b>Total</b>					<b>12,310</b>		<b>1,196</b>	<b>11,114</b>	<b>1,094</b>	<b>1,094</b>	<b>1,094</b>	<b>1,094</b>

# 11 PC – LOW VALUE POOL

					OV as at 21-Dec-2015	First Year 21-Dec-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Method	Effective Life	Rate(%)	Opening Value	Year 1 (192 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
<b>Doors and Screens</b>											
DSMO	Automatic-Remote Garage Door - Motor	LVP	10.00	37.50	840	158	683	256	160	100	63
<b>Fire Protection</b>											
FPDE	Fire Detection - Detectors	LVP	20.00	37.50	569	107	462	173	108	68	42
<b>Internal Fittings and Furnishings</b>											
FUBT	Bathroom Accessories, freestanding	LVP	5.00	37.50	1,422	267	1,156	433	271	169	106
FUFR	Furniture - Freestanding	LVP	13.33	37.50	2,586	485	2,101	788	492	308	192
FUMR	Mirrors - Freestanding	LVP	15.00	37.50	323	61	263	98	62	38	24
<b>Kitchen Equipment</b>											
KECT	Cooktop	LVP	12.00	37.50	582	109	473	177	111	69	43
<b>Light &amp; Power</b>											
LPLF	Fittings (Excluding hardwired)	LVP	5.00	37.50	711	133	578	217	135	85	53
LPCF	Ceiling Fan	LVP	5.00	37.50	2,017	378	1,639	615	384	240	150
<b>Outdoor Furniture &amp; Equipment</b>											
OFFR	Furniture - Freestanding	LVP	5.00	37.50	517	97	420	158	98	62	38
<b>Ventilation</b>											
VEEF	Ventilation Fans	LVP	20.00	37.50	905	170	735	276	172	108	67
KEER	Rangehood	LVP	12.00	37.50	453	85	368	138	86	54	34
<b>Water Supply</b>											
WSGW	Gardening Watering Devices	LVP	5.00	37.50	840	158	683	256	160	100	63
<b>Windows</b>											
WWBR	Window Blinds Internal	LVP	10.00	37.50	2,100	394	1,706	640	400	250	156
<b>Total</b>					<b>13,866</b>	<b>2,600</b>	<b>11,266</b>	<b>4,225</b>	<b>2,641</b>	<b>1,650</b>	<b>1,031</b>

The Low Value Pool Items are depreciated at 18.75% based on their opening value in the first year, and 37.5% each subsequent year on a diminishing basis.

# 12 CAPITAL WORKS (DIV 43)

							Opening Value as at 21-Dec-2015	First Year 21-Dec-2015 to 30-Jun-2016	C.W.D.V 30-Jun-2016				
Code	Assets	Completion Date	Original Cost	Rate(%)	Annual Claim	Opening Value (\$)	Year 1 (192 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5	
<b>Division 43 - Capital Works</b>													
BZ1	Div 43 - Capital Works - Original House	1-Aug-09	150,528	2.50%	3,763	126,490	1,980	124,510	3,763	3,763	3,763	3,763	
<b>Division 43 - Structural Works</b>													
SZ1	Div 43 - Structural Works - Driveway and Fencing	1-Aug-09	4,740	2.50%	119	3,983	62	3,921	119	119	119	119	
SZ2	Div 43 - Structural Works - Water Tank	1-Aug-09	5,000	2.50%	125	4,202	66	4,136	125	125	125	125	
<b>Total Division 43 Works</b>			<b>160,268</b>		<b>4,007</b>	<b>134,674</b>	<b>2,108</b>	<b>132,567</b>	<b>4,007</b>	<b>4,007</b>	<b>4,007</b>	<b>4,007</b>	

The property is estimated to have been built in August 2009 and therefore does not qualify for Div 43 capital works allowances charged at 2.5% annually.



## 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.

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