

Tax Depreciation Report

39 Albion Street,
Harris Park NSW 2150



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

Bunty Raheja
6 Garrard Street,
Granville NSW 2142

18 October 2016
Job No: RES2150001

Tax Depreciation Report – 39 Albion Street, Harris Park NSW 2150

Dear Bunty,

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

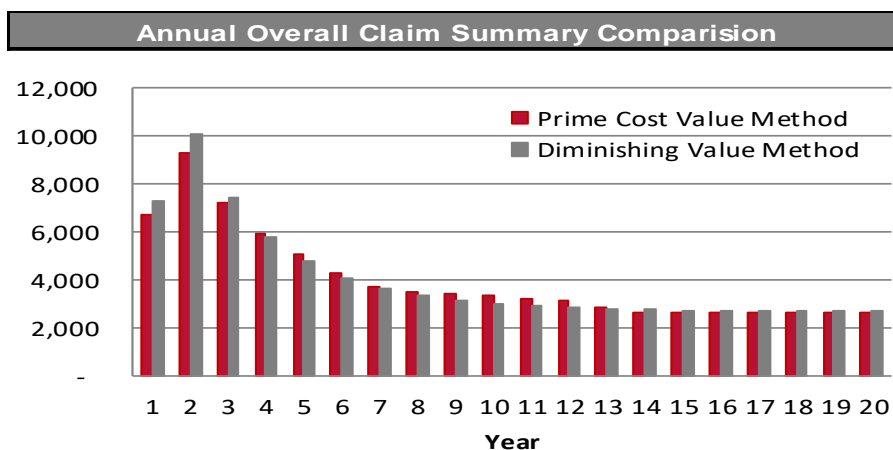
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	28,725	4%
Div 43 Capital Works	69,698	9%
Repairs and Maintenance	-	0%
Capital Non Eligible	365,892	49%
Land Value	290,000	38%
Total Purchase Cost	754,315	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/15		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	3,284	2,283
Div 40 - Low Value Pool	1,744	1,744
Div 43 - Capital Works	1,409	1,409
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	6,437	5,436

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	Bunty Raheja
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Property	39 Albion Street, Harris Park NSW
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Property Type	Residential House
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Date of Building Completion	1920s
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Date of first let	18/12/2014
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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"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
200 / 10 Years = 20% (Adjusted Value)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
100 / 10 Years = 10% (Straight Line)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

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	
Property Address	39 Albion Street, Harris Park NSW 2150

PURCHASE DETAILS			
Exchange Date	10/11/2014	Settlement Date	18/12/2014
Purchase Price (Incl Fees)	\$754,315	Land Value (Est)	\$290,000

CONSTRUCTION DETAILS			
Construction Start Date	1920s	Construction End Date	1920s
Historic Construction Cost	N/A		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$28,725	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.
Div 43 (Capital Works)	\$69,698	
Capital Non Deductable	\$365,892	
Land Non Deductable	\$290,000	
Total Expenditure Analysed	\$754,315	

Notes	
Opening Values	This is based on the original construction costs incurred including variations
Effective Lives	Used In accordance with the Commissioner of Taxation Rates
Site Inspection	The site inspection includes the measurement, photographic records, and identification of depreciating assets.
Disclaimer	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

7.1 DIMINISHING VALUE METHOD

The following table outlines the depreciation entitlements for the remaining life of the property. **Note: First Year Allowances are for YE 30/06/15.**

Diminishing Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 194 Days	98,423	3,284	1,744	1,409	6,437	91,986
Year 2 - YE 30/06/2016	91,986	3,286	2,834	2,651	8,771	83,214
Year 3 - YE 30/06/2017	83,214	2,516	1,772	2,651	6,938	76,277
Year 4 - YE 30/06/2018	76,277	1,958	1,107	2,651	5,715	70,562
Year 5 - YE 30/06/2019	70,562	1,545	692	2,651	4,887	65,674
Year 6 - YE 30/06/2020	65,674	1,232	432	2,651	4,315	61,359
Year 7 - YE 30/06/2021	61,359	992	270	2,651	3,913	57,446
Year 8 - YE 30/06/2022	57,446	804	169	2,651	3,624	53,823
Year 9 - YE 30/06/2023	53,823	656	106	2,651	3,412	50,411
Year 10 - YE 30/06/2024	50,411	537	66	2,651	3,254	47,157
Year 11 - YE 30/06/2025	47,157	441	41	2,651	3,133	44,024
Year 12 - YE 30/06/2026	44,024	364	26	2,651	3,040	40,984
Year 13 - YE 30/06/2027	40,984	301	16	2,651	2,967	38,017
Year 14 - YE 30/06/2028	38,017	249	10	2,651	2,910	35,107
Year 15 - YE 30/06/2029	35,107	207	6	2,651	2,863	32,244
Year 16 - YE 30/06/2030	32,244	172	4	2,651	2,826	29,418
Year 17 - YE 30/06/2031	29,418	143	2	2,651	2,796	26,622
Year 18 - YE 30/06/2032	26,622	119	2	2,651	2,771	23,851
Year 19 - YE 30/06/2033	23,851	99	1	2,651	2,751	21,101
Year 20 - YE 30/06/2034	21,101	83	1	2,651	2,734	18,367
Year 21 - YE 30/06/2035	18,367	69	0	2,651	2,720	15,647
Year 22 - YE 30/06/2036	15,647	58	0	1,390	1,448	14,199
Year 23 - YE 30/06/2037	14,199	49	0	1,270	1,318	12,881
Year 24 - YE 30/06/2038	12,881	41	0	1,270	1,310	11,571
Year 25 - YE 30/06/2039	11,571	34	0	1,270	1,304	10,267
Year 26 - YE 30/06/2040	10,267	29	0	1,270	1,298	8,969
Year 27 - YE 30/06/2041	8,969	24	0	1,270	1,294	7,675
Year 28 - YE 30/06/2042	7,675	20	0	1,270	1,290	6,385
Year 29 - YE 30/06/2043	6,385	17	0	1,270	1,287	5,099
Year 30 - YE 30/06/2044	5,099	14	0	1,270	1,284	3,815
Year 31 - YE 30/06/2045	3,815	12	0	1,270	1,282	2,533
Year 32 - YE 30/06/2046	2,533	10	0	350	360	2,173
Year 33 - YE 30/06/2047	2,173	9	0	261	270	1,903
Year 34 - YE 30/06/2048	1,903	7	0	261	269	1,634
Year 35 - YE 30/06/2049	1,634	6	0	261	268	1,366
Year 36 - YE 30/06/2050	1,366	5	0	261	267	1,100
Year 37 - YE 30/06/2051	1,100	4	0	261	266	834
Year 38 - YE 30/06/2052	834	4	0	261	265	569
Year 39 - YE 30/06/2053	569	3	0	261	265	304
Year 40 - YE 30/06/2054	304	3	0	261	264	40
Year 41+ - YE 30/06/2055	40	16	0	23	39	1
Totals		19,422	9,302	69,698	98,422	

7.2 PRIME COST METHOD

The following table outlines the depreciation entitlements for the remaining life of the property. **Note: First Year Allowances are for YE 30/06/15**

Prime Cost Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 194 Days	98,423	2,283	1,744	1,409	5,436	92,987
Year 2 - YE 30/06/2016	92,987	1,884	2,834	2,651	7,369	85,618
Year 3 - YE 30/06/2017	85,618	1,884	1,772	2,651	6,306	79,312
Year 4 - YE 30/06/2018	79,312	1,884	1,107	2,651	5,642	73,670
Year 5 - YE 30/06/2019	73,670	1,884	692	2,651	5,227	68,443
Year 6 - YE 30/06/2020	68,443	1,603	432	2,651	4,686	63,757
Year 7 - YE 30/06/2021	63,757	1,355	270	2,651	4,276	59,480
Year 8 - YE 30/06/2022	59,480	1,355	169	2,651	4,175	55,305
Year 9 - YE 30/06/2023	55,305	1,355	106	2,651	4,111	51,194
Year 10 - YE 30/06/2024	51,194	1,355	66	2,651	4,072	47,122
Year 11 - YE 30/06/2025	47,122	984	41	2,651	3,676	43,446
Year 12 - YE 30/06/2026	43,446	657	26	2,651	3,333	40,113
Year 13 - YE 30/06/2027	40,113	419	16	2,651	3,086	37,027
Year 14 - YE 30/06/2028	37,027	209	10	2,651	2,870	34,157
Year 15 - YE 30/06/2029	34,157	209	6	2,651	2,866	31,291
Year 16 - YE 30/06/2030	31,291	98	4	2,651	2,753	28,538
Year 17 - YE 30/06/2031	28,538	-	2	2,651	2,653	25,886
Year 18 - YE 30/06/2032	25,886	-	2	2,651	2,652	23,233
Year 19 - YE 30/06/2033	23,233	-	1	2,651	2,651	20,582
Year 20 - YE 30/06/2034	20,582	-	1	2,651	2,651	17,931
Year 21 - YE 30/06/2035	17,931	-	0	2,651	2,651	15,280
Year 22 - YE 30/06/2036	15,280	-	0	1,390	1,390	13,890
Year 23 - YE 30/06/2037	13,890	-	0	1,270	1,270	12,620
Year 24 - YE 30/06/2038	12,620	-	0	1,270	1,270	11,350
Year 25 - YE 30/06/2039	11,350	-	0	1,270	1,270	10,081
Year 26 - YE 30/06/2040	10,081	-	0	1,270	1,270	8,811
Year 27 - YE 30/06/2041	8,811	-	0	1,270	1,270	7,542
Year 28 - YE 30/06/2042	7,542	-	0	1,270	1,270	6,272
Year 29 - YE 30/06/2043	6,272	-	0	1,270	1,270	5,003
Year 30 - YE 30/06/2044	5,003	-	0	1,270	1,270	3,733
Year 31 - YE 30/06/2045	3,733	-	0	1,270	1,270	2,464
Year 32 - YE 30/06/2046	2,464	-	0	350	350	2,114
Year 33 - YE 30/06/2047	2,114	-	0	261	261	1,853
Year 34 - YE 30/06/2048	1,853	-	0	261	261	1,591
Year 35 - YE 30/06/2049	1,591	-	0	261	261	1,330
Year 36 - YE 30/06/2050	1,330	-	0	261	261	1,068
Year 37 - YE 30/06/2051	1,068	-	0	261	261	807
Year 38 - YE 30/06/2052	807	-	0	261	261	546
Year 39 - YE 30/06/2053	546	-	0	261	261	284
Year 40 - YE 30/06/2054	284	-	0	261	261	23
Year 41+ - YE 30/06/2055	23	-	0	23	23	0
Totals		19,422	9,303	69,698	98,423	

8 DIMINISHING VALUE (DV)

					OV as at 18-Dec-2014	First Year 18-Dec-2014 to 30-Jun-2015	C.W.D.V 30-Jun-2015				
Code	Assets	Method	Effective Life	Dim Rate(%)	Opening Value	Year 1 (194 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
Air Conditioning											
ACRU	Air Conditioning - Room Wall Unit	DV	10.00	20.00	1,074	114	960	192	154	123	98
Floor Finishes											
FFCA	Carpet Floor Coverings	DV	10.00	20.00	5,909	628	5,281	1,056	845	676	541
FFTF	Timber Floating Floor System	DV	15.00	13.33	3,141	223	2,918	389	337	292	253
Kitchen Equipment											
KEST	Upright Stove - Cooktop & Oven Single Unit	DV	12.00	16.67	1,405	124	1,281	213	178	148	124
Security											
SCCN	Security Systems - Control Panels	DV	5.00	40.00	1,405	299	1,106	443	266	159	96
SCNM	Noise makers (Including Bells and sirens)	DV	5.00	40.00	1,240	264	976	390	234	141	84
Water Supply											
WSHE	Hot Water Unit - Electric	DV	12.00	16.67	3,967	351	3,616	603	502	418	349
Total Immediate Writeoff Items less than \$300											
DSME	Door Closer - Surface Mounted	DV	1.00	100.00	240	240	-	-	-	-	-
ISHEF	Heaters - Electric (Ducted or Individual ?)	DV	1.00	100.00	140	140	-	-	-	-	-
IFUMR	Mirrors - Freestanding	DV	1.00	100.00	124	124	-	-	-	-	-
IOFFR	Furniture - Freestanding	DV	1.00	100.00	273	273	-	-	-	-	-
IGDGB	Garbage Bins	DV	1.00	100.00	231	231	-	-	-	-	-
KEER	Rangehood	DV	1.00	100.00	273	273	-	-	-	-	-
Total					19,422	3,284	16,138	3,286	2,516	1,958	1,545

9 PRIME COST (PC)

					OV as at 18-Dec-2014	First Year 18-Dec-2014 to 30-Jun-2015	C.W.D.V 30-Jun-2015				
Code	Assets	Method	Effective Life	Prime Rate(%)	Opening Value	Year 1 (194 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
Air Conditioning											
ACRU	Air Conditioning - Room Wall Unit	PC	10.00	10.00	1,074	57	1,017	107	107	107	107
Floor Finishes											
FFCA	Carpet Floor Coverings	PC	10.00	10.00	5,909	314	5,595	591	591	591	591
FFTF	Timber Floating Floor System	PC	15.00	6.67	3,141	111	3,029	209	209	209	209
Kitchen Equipment											
KEST	Upright Stove - Cooktop & Oven Single Unit	PC	12.00	8.33	1,405	62	1,343	117	117	117	117
Security											
SCCN	Security Systems - Control Panels	PC	5.00	20.00	1,405	149	1,256	281	281	281	281
SCNM	Noise makers (Including Bells and sirens)	PC	5.00	20.00	1,240	132	1,108	248	248	248	248
Water Supply											
WSHE	Hot Water Unit - Electric	PC	12.00	8.33	3,967	176	3,791	331	331	331	331
Total Immediate Writeoff Items less than \$300											
DSME	Door Closer - Surface Mounted	PC	1.00	100.00	240	240	-	-	-	-	-
ISHEF	Heaters - Electric (Ducted or Individual ?)	PC	1.00	100.00	140	140	-	-	-	-	-
IFUMR	Mirrors - Freestanding	PC	1.00	100.00	124	124	-	-	-	-	-
IOFFR	Furniture - Freestanding	PC	1.00	100.00	273	273	-	-	-	-	-
IGDGB	Garbage Bins	PC	1.00	100.00	231	231	-	-	-	-	-
KEER	Rangehood	PC	1.00	100.00	273	273	-	-	-	-	-
Total					19,422	2,283	17,139	1,884	1,884	1,884	1,884

10 LOW VALUE POOL

					OV as at 18-Dec-2014	First Year 18-Dec-2014 to 30-Jun-2015	C.W.D.V 30-Jun-2015				
Code	Assets	Method	Effective Life	Rate(%)	Opening Value	Year 1 (194 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5
Fire Protection											
FPDE	Fire Detection - Detectors	LVP	20.00	37.50	364	68	295	111	69	43	27
Internal Fittings and Furnishings											
FUBT	Bathroom Accessories, freestanding	LVP	5.00	37.50	397	74	322	121	76	47	30
FUFR	Furniture - Freestanding	LVP	13.33	37.50	2,479	465	2,015	755	472	295	184
Light & Power											
LPLF	Fittings (Excluding hardwired)	LVP	5.00	37.50	3,570	669	2,901	1,088	680	425	266
Security											
SCDE	Security Systems - Detectors	LVP	5.00	37.50	843	158	685	257	161	100	63
Ventilation											
VEEF	Ventilation Fans	LVP	20.00	37.50	579	108	470	176	110	69	43
Windows											
WWBR	Window Blinds Internal	LVP	10.00	37.50	1,071	201	870	326	204	127	80
Total					9,303	1,744	7,558	2,834	1,772	1,107	692

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.

11 CAPITAL WORKS (DIV 43)

							Opening Value as at 18-Dec-2014	First Year 18-Dec-2014 to 30-Jun-2015	C.W.D.V 30-Jun-2015						
Code	Assets	Completion Date	Original Cost	Additions	Rate(%)	Annual Claim	Opening Value (\$)	Year 1 (194 Days)	Closing Value	Year 2	Year 3	Year 4	Year 5		
Division 43 - Capital Works															
BZ 1	Div 43 - Capital Works - Original House	1/10/1921		Non Eligible Expenditure											
BZ 2	Div 43 - Capital Works - Allowance for Property improvements - 1995	1-Aug-95		46,740	2.50%	1,169	24,093	621	23,472	1,169	1,169	1,169	1,169		
BZ 3	Div 43 - Capital Works - Allowance for Property improvements - 2005	1-Aug-05		33,825	2.50%	846	25,892	449	25,443	846	846	846	846		
BZ 4	Div 43 - Capital Works - Allowance for Property improvements - 2014	1-Aug-14		10,455	2.50%	261	10,355	139	10,217	261	261	261	261		
Division 43 - Structural Works															
SZ 1	Div 43 - Structural Works - Allowance for Structural Improvements - 1995	1-Aug-95		8,500	2.50%	213	4,382	113	4,269	213	213	213	213		
SZ 2	Div 43 - Structural Works - Allowance for Structural Improvements - 2005	1-Aug-05		6,500	2.50%	163	4,976	86	4,889	163	163	163	163		
Total Division 43 Works				-			106,020	2,651	69,698	1,409	68,289	2,651	2,651	2,651	2,651

The property is estimated to have been built in the 1920s and therefore does not qualify for Div 43 capital works allowances charged at 2.5% annually. The additional works carried out to the main house has however been included within our calculation.

12 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.

CONTACT DETAILS

COMPANY DETAILS	
Company Name	Koste Pty Ltd
Postal Address	Central Plaza One Level 21, 345 Queen St Brisbane QLD 4000
Office Number	1300 669 400
Office Email	info@koste.com.au

LEAD SURVEYOR DETAILS	
Surveyors Name	Mark Kilroy
Tax Agent Number	24370523
Contact Number	0468 849 299
Email	mark@koste.com.au

koste.com.au
info@koste.com.au
phone 1300 669 400

