



## Tax Depreciation Report

Shop 4-5 Woolworths Marketplace, University Way,  
Chancellor Park QLD 4556

IPG Chancellor Park

Issue Schedule	
Issue Date:	Issued by:
24 July 2017	Mark Kilroy Bsc (Hons) MRICS

IPG Chancellor Park

July 2017  
Job No: COM4556002

**Tax Depreciation Report – Shop 4-5 Woolworths Marketplace, University Way,  
Chancellor Park QLD 4556**

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

24 July 2017

### Purchaser

IPG Chancellor Park

### Property Address

Shop 4-5 Woolworths Marketplace, University Way

### Property Type

Commercial

### Date of Construction

12 June 2017

### 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				
Under Diminishing Value method, the effective life is dividing by 200.					Under Prime Cost method, the effective life is dividing by 100.				
<b>200 / 10 Years = 20% (Adjusted Value)</b>					<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.					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	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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	12 June 17 to 30 June 17	6,168	18,984	25,152	120	25,272
2	1 July 17 to 30 June 18	58,396	30,849	89,245	2,425	91,670
3	1 July 18 to 30 June 19	45,129	19,603	64,732	2,425	67,157
4	1 July 19 to 30 June 20	34,982	12,580	47,562	2,425	49,987
5	1 July 20 to 30 June 21	27,493	7,863	35,356	2,425	37,781
6	1 July 21 to 30 June 22	21,701	4,914	26,615	2,425	29,040
7	1 July 22 to 30 June 23	16,899	3,397	20,296	2,425	22,721
8	1 July 23 to 30 June 24	13,193	2,372	15,564	2,425	17,989
9	1 July 24 to 30 June 25	10,577	1,482	12,059	2,425	14,484
10	1 July 25 to 30 June 26	8,480	927	9,407	2,425	11,832
11	1 July 26 to 30 June 27	6,800	579	7,379	2,425	9,804
12	1 July 27 to 30 June 28	5,453	362	5,815	2,425	8,240
13	1 July 28 to 30 June 29	4,374	226	4,600	2,425	7,025
14	1 July 29 to 30 June 30	3,508	141	3,649	2,425	6,074
15	1 July 30 to 30 June 31	2,814	88	2,902	2,425	5,327
16	1 July 31 to 30 June 32	2,099	412	2,511	2,425	4,936
17	1 July 32 to 30 June 33	1,679	258	1,937	2,425	4,362
18	1 July 33 to 30 June 34	1,343	161	1,504	2,425	3,929
19	1 July 34 to 30 June 35	1,075	101	1,175	2,425	3,600
20	1 July 35 to 30 June 36	860	63	923	2,425	3,348
21	1 July 36 to 30 June 37	688	39	727	2,425	3,152
22	1 July 37 to 30 June 38	550	25	575	2,425	3,000
23	1 July 38 to 30 June 39	440	15	456	2,425	2,881
24	1 July 39 to 30 June 40	0	670	670	2,425	3,095
25	1 July 40 to 30 June 41	0	419	419	2,425	2,844
26	1 July 41 to 30 June 42	0	262	262	2,425	2,687
27	1 July 42 to 30 June 43	0	164	164	2,425	2,589
28	1 July 43 to 30 June 44	0	102	102	2,425	2,527
29	1 July 44 to 30 June 45	0	64	64	2,425	2,489
30	1 July 45 to 30 June 46	0	40	40	2,425	2,465
31	1 July 46 to 30 June 47	0	25	25	2,425	2,450
32	1 July 47 to 30 June 48	0	16	16	2,425	2,441
33	1 July 48 to 30 June 49	0	10	10	2,425	2,435
34	1 July 49 to 30 June 50	0	6	6	2,425	2,431
35	1 July 50 to 30 June 51	0	4	4	2,425	2,429
36	1 July 51 to 30 June 52	0	2	2	2,425	2,427
37	1 July 52 to 30 June 53	0	1	1	2,425	2,426
38	1 July 53 to 30 June 54	0	1	1	2,425	2,426
39	1 July 54 to 30 June 55	0	1	1	2,425	2,426
40	2055+	0	0	1	4,731	4,731
<b>Totals</b>		<b>274,700</b>	<b>107,228</b>	<b>381,928</b>	<b>97,001</b>	<b>478,928</b>

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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	12 June 17 to 30 June 17	4,712	18,984	23,696	120	23,816
2	1 July 17 to 30 June 18	29,525	30,849	60,374	2,425	62,799
3	1 July 18 to 30 June 19	29,525	19,280	48,805	2,425	51,230
4	1 July 19 to 30 June 20	29,525	12,050	41,575	2,425	44,000
5	1 July 20 to 30 June 21	29,525	7,531	37,056	2,425	39,481
6	1 July 21 to 30 June 22	29,383	4,707	34,090	2,425	36,515
7	1 July 22 to 30 June 23	26,568	2,942	29,510	2,425	31,935
8	1 July 23 to 30 June 24	25,402	1,839	27,241	2,425	29,666
9	1 July 24 to 30 June 25	25,235	1,149	26,384	2,425	28,809
10	1 July 25 to 30 June 26	25,235	718	25,953	2,425	28,378
11	1 July 26 to 30 June 27	24,040	449	24,489	2,425	26,914
12	1 July 27 to 30 June 28	1,027	281	1,308	2,425	3,733
13	1 July 28 to 30 June 29	978	175	1,153	2,425	3,578
14	1 July 29 to 30 June 30	0	110	110	2,425	2,535
15	1 July 30 to 30 June 31	0	68	68	2,425	2,493
16	1 July 31 to 30 June 32	0	43	43	2,425	2,468
17	1 July 32 to 30 June 33	0	27	27	2,425	2,452
18	1 July 33 to 30 June 34	0	17	17	2,425	2,442
19	1 July 34 to 30 June 35	0	10	10	2,425	2,435
20	1 July 35 to 30 June 36	0	7	7	2,425	2,432
21	1 July 36 to 30 June 37	0	4	4	2,425	2,429
22	1 July 37 to 30 June 38	0	3	3	2,425	2,428
23	1 July 38 to 30 June 39	0	2	2	2,425	2,427
24	1 July 39 to 30 June 40	0	1	1	2,425	2,426
25	1 July 40 to 30 June 41	0	1	1	2,425	2,426
26	1 July 41 to 30 June 42	0	0	0	2,425	2,425
27	1 July 42 to 30 June 43	0	0	0	2,425	2,425
28	1 July 43 to 30 June 44	0	0	0	2,425	2,425
29	1 July 44 to 30 June 45	0	0	0	2,425	2,425
30	1 July 45 to 30 June 46	0	0	0	2,425	2,425
31	1 July 46 to 30 June 47	0	0	0	2,425	2,425
32	1 July 47 to 30 June 48	0	0	0	2,425	2,425
33	1 July 48 to 30 June 49	0	0	0	2,425	2,425
34	1 July 49 to 30 June 50	0	0	0	2,425	2,425
35	1 July 50 to 30 June 51	0	0	0	2,425	2,425
36	1 July 51 to 30 June 52	0	0	0	2,425	2,425
37	1 July 52 to 30 June 53	0	0	0	2,425	2,425
38	1 July 53 to 30 June 54	0	0	0	2,425	2,425
39	1 July 54 to 30 June 55	0	0	0	2,425	2,425
40	2055+	0	0	0	4,731	4,731
<b>Totals</b>		<b>280,681</b>	<b>101,247</b>	<b>381,928</b>	<b>97,001</b>	<b>478,929</b>

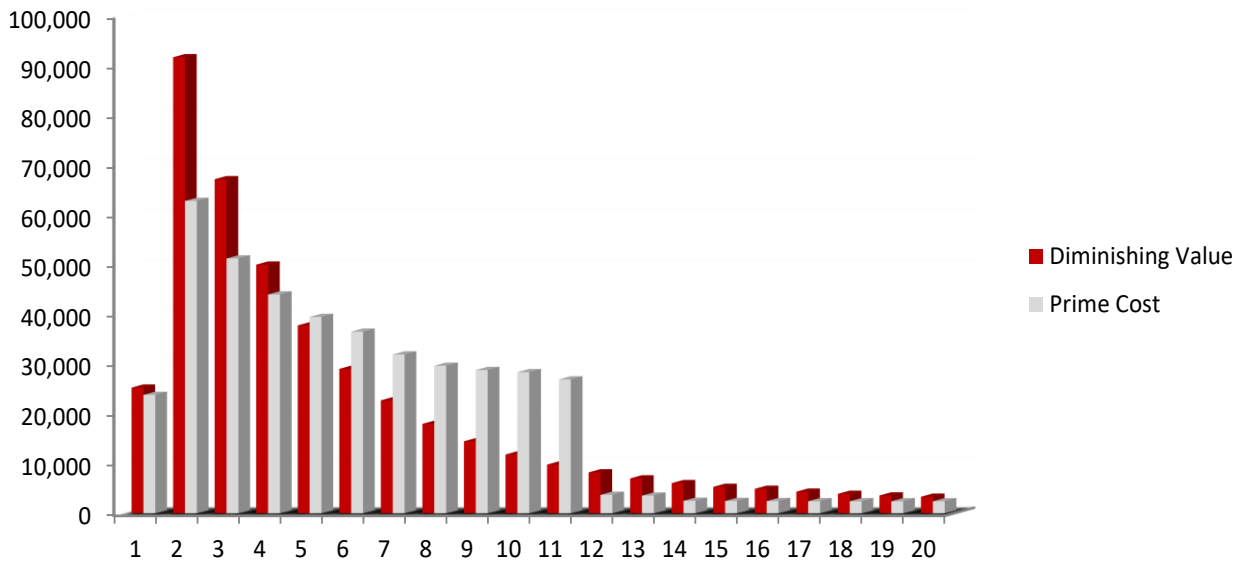
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

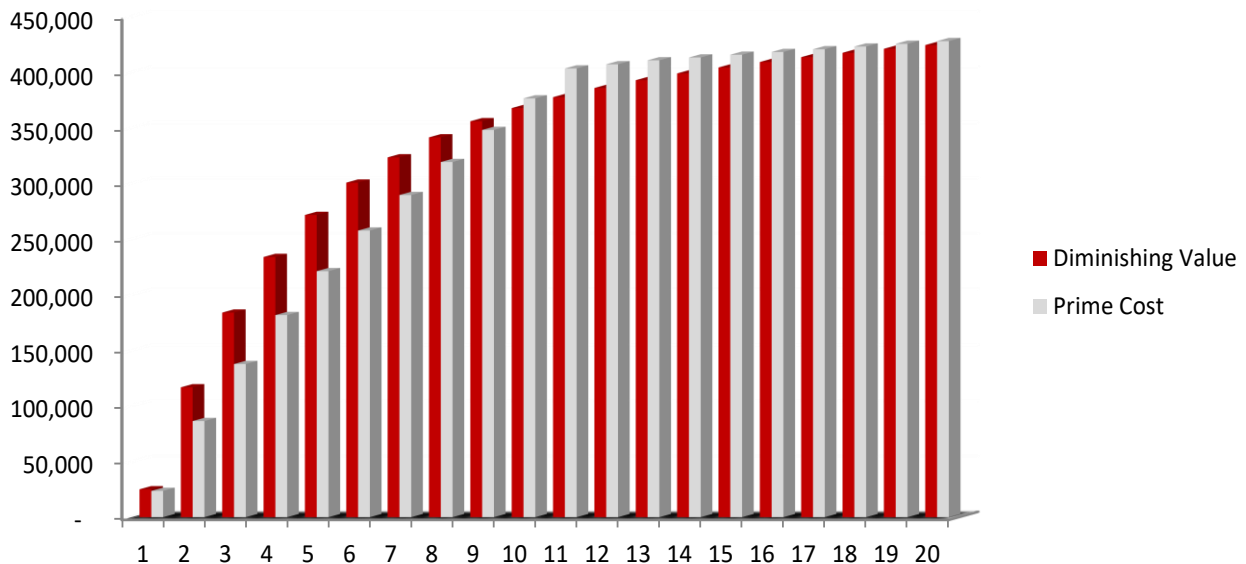
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	27 April 2017
Settlement Date	12 June 2017

### Expenditure Analysed

Renovation Contract Price	\$474,001
Variations	\$4,927
<b>Total Expenditure Analysed</b>	<b>\$478,928</b>

### Historical Construction Details

Construction Start Date	27 April 2017
Construction Completion Date	12 June 2017
Historical Construction Cost (Estimated)*	\$474,001

## 9. Reconciliation of Capital Expenditure

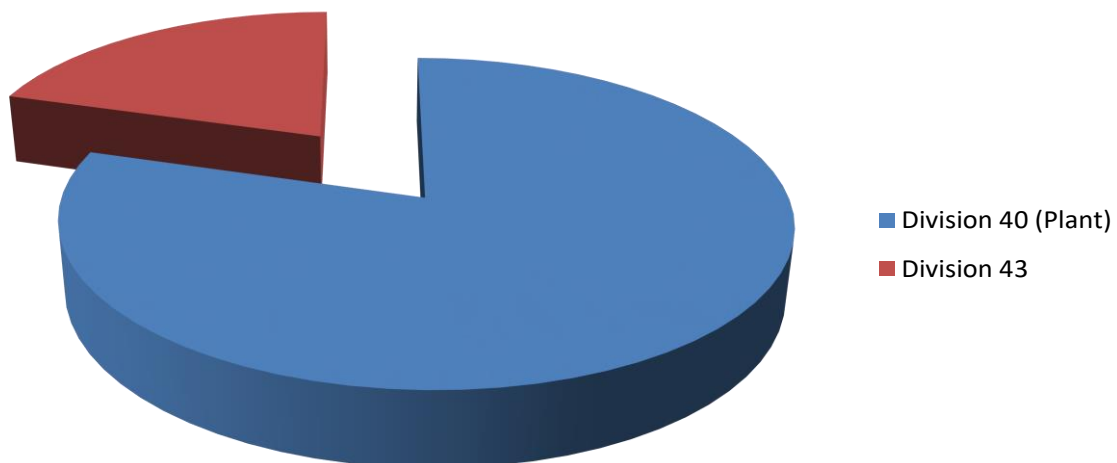
### Apportionment of cost relating to:

Division 40 (Plant)	\$381,928
Division 43	\$97,001
<b>Total Expenditure Analysed</b>	<b>\$478,929</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

\*\* 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 Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Division 40 - Plant and Equipment</b>													
<b>Audio visual equipment</b>													
Surround sound systems	20.00%	12-Jun-17	1,088	11	215	323	202	126	79	49	31	19	12
<b>Computer systems</b>													
General	40.00%	12-Jun-17	14,501	286	5,686	3,412	2,047	1,228	737	442	249	155	97
General	18.75%	12-Jun-17	3,263	612	994	621	388	243	152	95	59	37	23
<b>Fire control assets</b>													
Fire extinguishers	18.75%	12-Jun-17	423	79	129	81	50	31	20	12	8	5	3
<b>Floor coverings ( removable without damage)</b>													
Linoleum & vinyl	20.00%	12-Jun-17	126,882	1,251	25,126	20,101	16,081	12,865	10,292	8,233	6,587	5,269	4,215
Furniture	18.75%	12-Jun-17	96,051	18,010	29,266	18,291	11,432	7,145	4,466	2,791	1,744	1,090	681
<b>Kitchen assets</b>													
Refrigerators	16.67%	12-Jun-17	12,326	101	2,037	1,698	1,415	1,179	983	819	682	569	474
Ladders (including stepladders, work platforms extension ladders, trestles and planks)	18.75%	12-Jun-17	471	88	144	90	56	35	22	14	9	5	3
Point of sale assets	33.33%	12-Jun-17	6,707	110	2,199	1,466	977	651	434	326	204	127	80
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	12-Jun-17	1,813	27	536	375	328	205	128	80	50	31	20
Shelving	20.00%	12-Jun-17	114,109	1,125	22,597	18,077	14,462	11,570	9,256	7,405	5,924	4,739	3,791
Signage	18.75%	12-Jun-17	1,039	195	317	198	124	77	48	30	19	12	7
\$300 items	100.00%	12-Jun-17	3,257	3,257									
<b>Pooled Plant Total</b>				<b>18,984</b>	<b>30,849</b>	<b>19,603</b>	<b>12,580</b>	<b>7,863</b>	<b>4,914</b>	<b>3,397</b>	<b>2,372</b>	<b>1,482</b>	<b>927</b>
<b>Effective Life Plant Total</b>				<b>6,168</b>	<b>58,396</b>	<b>45,129</b>	<b>34,982</b>	<b>27,493</b>	<b>21,701</b>	<b>16,899</b>	<b>13,193</b>	<b>10,577</b>	<b>8,480</b>
<b>Total Division 40</b>			<b>381,928</b>	<b>25,152</b>	<b>89,245</b>	<b>64,732</b>	<b>47,562</b>	<b>35,356</b>	<b>26,615</b>	<b>20,296</b>	<b>15,564</b>	<b>12,059</b>	<b>9,407</b>
<b>Division 43 - Capital Works Allowance</b>													
	<b>Rate</b>		<b>Opening Value</b>	<b>Year 1</b>	<b>Year2</b>	<b>Year 3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Year8</b>	<b>Year9</b>	<b>Year10</b>
<b>Building Works - Completed 2017</b>	2.50%	12-Jun-17	97,000	120	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425
<b>Total Division 43</b>			<b>97,000</b>	<b>120</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>	<b>2,425</b>
<b>Total Depreciation</b>			<b>478,928</b>	<b>25,272</b>	<b>91,670</b>	<b>67,157</b>	<b>49,987</b>	<b>37,781</b>	<b>29,040</b>	<b>22,721</b>	<b>17,989</b>	<b>14,484</b>	<b>11,832</b>

## 11. Prime Cost Depreciation Schedule

Assets Generally													
Division 40 - Plant and Equipment	Prime Cost Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Audio visual equipment</b>													
Surround sound systems	10.00%	12-Jun-17	1,088	5	109	109	109	109	109	109	109	109	109
<b>Computer systems</b>													
General	20.00%	12-Jun-17	14,501	143	2,900	2,900	2,900	2,900	2,758				
General	18.75%	12-Jun-17	3,263	612	994	621	388	243	152	95	59	37	23
<b>Fire control assets</b>													
Fire extinguishers	18.75%	12-Jun-17	423	79	129	81	50	31	20	12	8	5	3
<b>Floor coverings ( removable without damage)</b>													
Linoleum & vinyl	10.00%	12-Jun-17	126,882	626	12,688	12,688	12,688	12,688	12,688	12,688	12,688	12,688	12,688
<b>Furniture</b>	18.75%	12-Jun-17	96,051	18,010	29,266	18,291	11,432	7,145	4,466	2,791	1,744	1,090	681
<b>Kitchen assets</b>													
Refrigerators	8.33%	12-Jun-17	12,326	51	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027
<b>Ladders (including stepladders, work platforms extension ladders, trestles and planks)</b>	18.75%	12-Jun-17	471	88	144	90	56	35	22	14	9	5	3
<b>Point of sale assets</b>	16.67%	12-Jun-17	6,707	55	1,118	1,118	1,118	1,118	1,118	1,061			
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	12-Jun-17	1,813	13	272	272	272	272	272	272	167		
<b>Shelving</b>	10.00%	12-Jun-17	114,109	563	11,411	11,411	11,411	11,411	11,411	11,411	11,411	11,411	11,411
<b>Signage</b>	18.75%	12-Jun-17	1,039	195	317	198	124	77	48	30	19	12	7
<b>\$300 items</b>	100.00%	12-Jun-17	3,257	3,257									
<b>Pooled Plant Total</b>				18,984	30,849	19,280	12,050	7,531	4,707	2,942	1,839	1,149	718
<b>Effective Life Plant Total</b>				4,712	29,525	29,525	29,525	29,525	29,383	26,568	25,402	25,235	25,235
<b>Total Division 40</b>			381,928	23,696	60,374	48,805	41,575	37,056	34,090	29,510	27,241	26,384	25,953
<b>Division 43 - Capital Works Allowance</b>													
<b>Building Works - Completed 2017</b>	2.50%	12-Jun-17	97,000	120	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425
<b>Total Division 43</b>			97,000	120	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425	2,425
<b>Total Depreciation</b>			478,928	23,816	62,799	51,230	44,000	39,481	36,515	31,935	29,666	28,809	28,378

## 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 2017	27 Apr 17 to 12 Jun 17	97,000	2.50%	2,425	97,000
Sub-total		97,000		2,425	97,000

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Sub-total					
<b>Totals</b>		<b>97,000</b>		<b>2,425</b>	<b>97,000</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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<b>Office Number</b>	1300 669 400
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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.