



## Tax Depreciation Report

123 Cranwell Street,  
Braybrook VIC 3019

Brian Tran  
463 Woollooware Rd  
BURRANEER, NSW 2230

Issue Schedule	
Issue Date:	Issued by:
01 November 2018	Mark Kilroy Bsc (Hons) MRICS

Brian Tran  
463 Woollooware Rd  
BURRANEER, NSW 2230

November 2018  
Job No: COM3019006

### **Tax Depreciation Report – 123 Cranwell Street, Braybrook VIC 3019**

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

1 November 2018

### Purchaser

Brian Tran

### Property Address

123 Cranwell Street, Braybrook VIC 3019

### Real Property Description

LOT 49 LP16403

### Property Type

Commercial

### Date of Construction

3 May 2014

### 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				
<p>Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.</p>					<p>Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.</p>				
Benefits					Benefits				
<ul style="list-style-type: none"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>					<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example					Calculation Example				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>					<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p><b>100 / 10 Years = 10% (Straight Line)</b></p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>				
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

## **4. Capital Works**

### **4.1 Entitlement**

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

### **4.2 Method of Depreciation**

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

### **4.3 Method of Depreciation**

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	23 May 14 to 30 June 14	287	1,077	1,364	627	1,991
2	1 July 14 to 30 June 15	2,691	1,750	4,442	6,017	10,459
3	1 July 15 to 30 June 16	1,912	1,425	3,337	6,017	9,354
4	1 July 16 to 30 June 17	1,212	1,147	2,359	6,017	8,376
5	1 July 17 to 30 June 18	867	1,041	1,908	6,017	7,925
6	1 July 18 to 30 June 19	726	651	1,376	6,017	7,393
7	1 July 19 to 30 June 20	609	407	1,016	6,017	7,033
8	1 July 20 to 30 June 21	513	254	768	6,017	6,785
9	1 July 21 to 30 June 22	434	159	593	6,017	6,610
10	1 July 22 to 30 June 23	189	435	624	6,017	6,641
11	1 July 23 to 30 June 24	170	272	442	6,017	6,459
12	1 July 24 to 30 June 25	153	170	323	6,017	6,340
13	1 July 25 to 30 June 26	138	106	244	6,017	6,261
14	1 July 26 to 30 June 27	124	66	190	6,017	6,207
15	1 July 27 to 30 June 28	112	42	153	6,017	6,170
16	1 July 28 to 30 June 29	100	26	126	6,017	6,143
17	1 July 29 to 30 June 30	0	355	355	6,017	6,372
18	1 July 30 to 30 June 31	0	222	222	6,017	6,239
19	1 July 31 to 30 June 32	0	139	139	6,017	6,156
20	1 July 32 to 30 June 33	0	87	87	6,017	6,104
21	1 July 33 to 30 June 34	0	54	54	6,017	6,071
22	1 July 34 to 30 June 35	0	34	34	6,017	6,051
23	1 July 35 to 30 June 36	0	21	21	6,017	6,038
24	1 July 36 to 30 June 37	0	13	13	6,017	6,030
25	1 July 37 to 30 June 38	0	8	8	6,017	6,025
26	1 July 38 to 30 June 39	0	5	5	6,017	6,022
27	1 July 39 to 30 June 40	0	3	3	6,017	6,020
28	1 July 40 to 30 June 41	0	2	2	6,017	6,019
29	1 July 41 to 30 June 42	0	1	1	6,017	6,018
30	1 July 42 to 30 June 43	0	1	1	6,017	6,018
31	1 July 43 to 30 June 44	0	0	0	6,017	6,017
32	1 July 44 to 30 June 45	0	0	0	6,017	6,017
33	1 July 45 to 30 June 46	0	0	0	6,017	6,017
34	1 July 46 to 30 June 47	0	0	0	6,017	6,017
35	1 July 47 to 30 June 48	0	0	0	6,017	6,017
36	1 July 48 to 30 June 49	0	0	0	6,017	6,017
37	1 July 49 to 30 June 50	0	0	0	6,017	6,017
38	1 July 50 to 30 June 51	0	0	0	6,017	6,017
39	1 July 51 to 30 June 52	0	0	0	6,017	6,017
40	2052+	0	0	0	11,086	11,086
<b>Totals</b>		<b>10,239</b>	<b>9,975</b>	<b>20,214</b>	<b>240,359</b>	<b>260,573</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	23 May 14 to 30 June 14	144	1,077	1,221	627	1,848
2	1 July 14 to 30 June 15	1,380	1,750	3,130	6,017	9,147
3	1 July 15 to 30 June 16	1,380	1,094	2,474	6,017	8,491
4	1 July 16 to 30 June 17	1,380	684	2,064	6,017	8,081
5	1 July 17 to 30 June 18	1,380	427	1,807	6,017	7,824
6	1 July 18 to 30 June 19	1,337	267	1,604	6,017	7,621
7	1 July 19 to 30 June 20	984	167	1,151	6,017	7,168
8	1 July 20 to 30 June 21	984	104	1,088	6,017	7,105
9	1 July 21 to 30 June 22	984	65	1,049	6,017	7,066
10	1 July 22 to 30 June 23	984	41	1,025	6,017	7,042
11	1 July 23 to 30 June 24	930	25	956	6,017	6,973
12	1 July 24 to 30 June 25	439	16	455	6,017	6,472
13	1 July 25 to 30 June 26	412	10	422	6,017	6,439
14	1 July 26 to 30 June 27	222	6	228	6,017	6,245
15	1 July 27 to 30 June 28	222	4	226	6,017	6,243
16	1 July 28 to 30 June 29	222	2	224	6,017	6,241
17	1 July 29 to 30 June 30	222	2	224	6,017	6,241
18	1 July 30 to 30 June 31	222	1	223	6,017	6,240
19	1 July 31 to 30 June 32	222	1	223	6,017	6,240
20	1 July 32 to 30 June 33	222	0	222	6,017	6,239
21	1 July 33 to 30 June 34	197	0	198	6,017	6,215
22	1 July 34 to 30 June 35	0	0	0	6,017	6,017
23	1 July 35 to 30 June 36	0	0	0	6,017	6,017
24	1 July 36 to 30 June 37	0	0	0	6,017	6,017
25	1 July 37 to 30 June 38	0	0	0	6,017	6,017
26	1 July 38 to 30 June 39	0	0	0	6,017	6,017
27	1 July 39 to 30 June 40	0	0	0	6,017	6,017
28	1 July 40 to 30 June 41	0	0	0	6,017	6,017
29	1 July 41 to 30 June 42	0	0	0	6,017	6,017
30	1 July 42 to 30 June 43	0	0	0	6,017	6,017
31	1 July 43 to 30 June 44	0	0	0	6,017	6,017
32	1 July 44 to 30 June 45	0	0	0	6,017	6,017
33	1 July 45 to 30 June 46	0	0	0	6,017	6,017
34	1 July 46 to 30 June 47	0	0	0	6,017	6,017
35	1 July 47 to 30 June 48	0	0	0	6,017	6,017
36	1 July 48 to 30 June 49	0	0	0	6,017	6,017
37	1 July 49 to 30 June 50	0	0	0	6,017	6,017
38	1 July 50 to 30 June 51	0	0	0	6,017	6,017
39	1 July 51 to 30 June 52	0	0	0	6,017	6,017
40	2052+	0	0	0	11,086	11,086
<b>Totals</b>		<b>14,469</b>	<b>5,744</b>	<b>20,214</b>	<b>240,359</b>	<b>260,573</b>

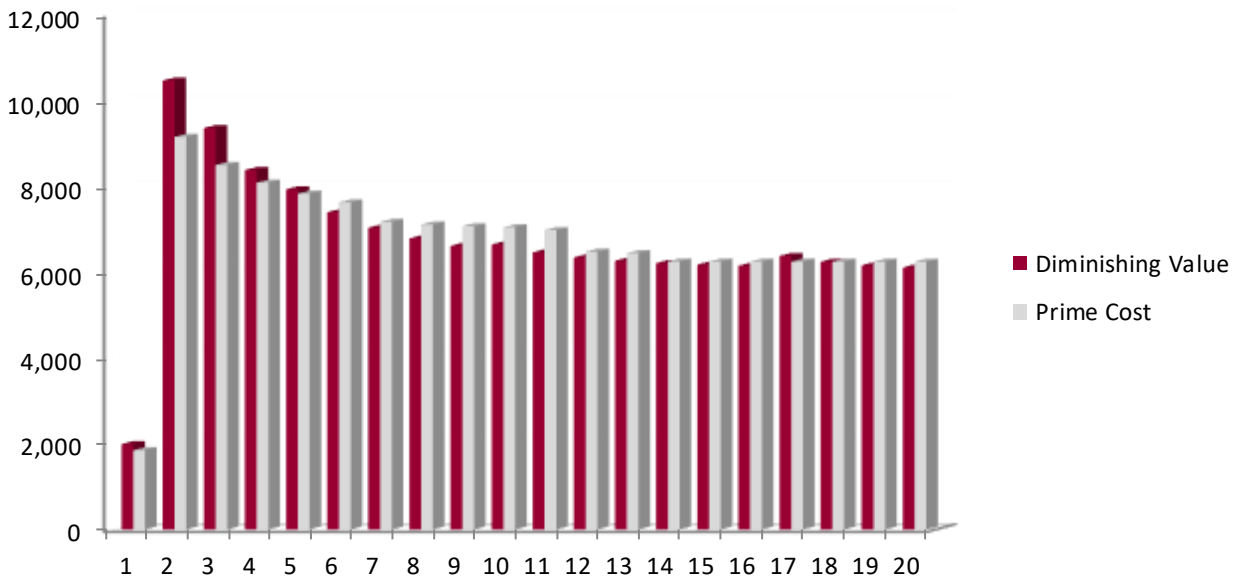
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

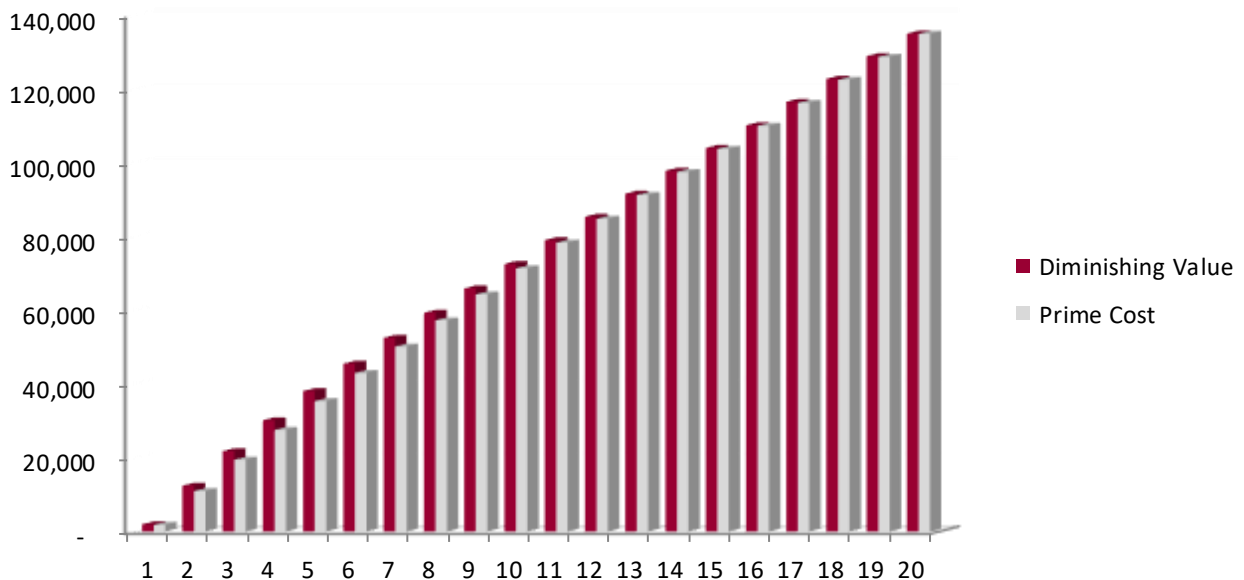
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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	3 May 2014
Settlement Date	23 May 2014

### Expenditure Analysed

Purchase Price	\$340,000
Stamp Duty	\$15,470
Legals	\$968
<b>Total Expenditure Analysed</b>	<b>\$356,438</b>

### Historical Construction Details

Construction Start Date	4 December 2013
Construction Completion Date	3 May 2014
Historical Construction Cost (Estimated)*	\$259,951

## 9. Reconciliation of Capital Expenditure

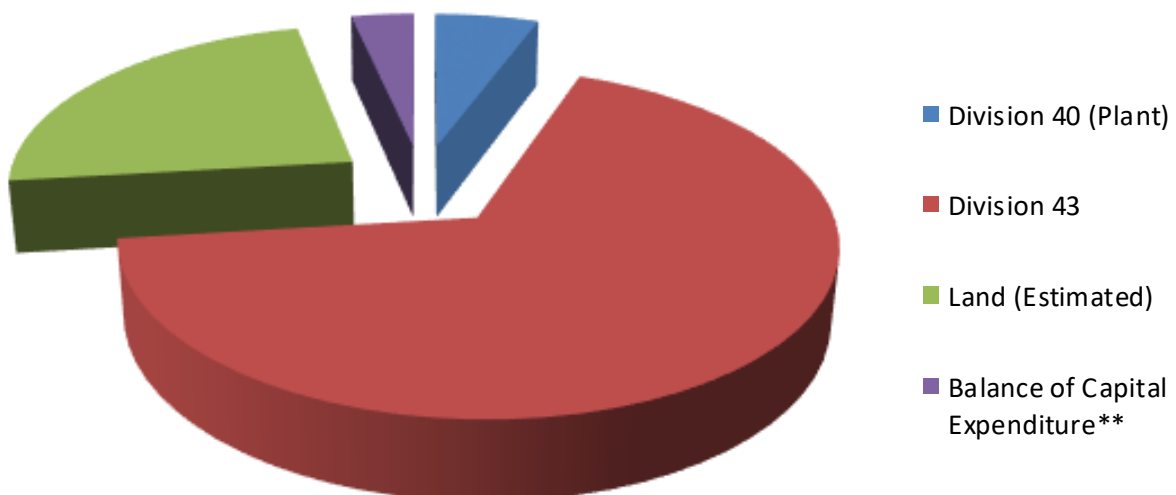
### Apportionment of cost relating to:

Division 40 (Plant)	\$20,214
Division 43	\$240,359
Land (Estimated)	\$83,640
Balance of Capital Expenditure**	\$12,225
<b>Total Expenditure Analysed</b>	<b>\$356,438</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	Install 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												
<b>Electrical Machinery &amp; Equipment :</b>													
Switchboards	10.00%	23-May-14	4,438	46	439	395	356	320	288	259	233	210	189
Motors	20.00%	23-May-14	5,453	114	1,068	854	683	547	437	350	280	224	336
<b>Floor coverings ( removable without damage)</b>													
Carpets	40.00%	23-May-14	1,978	82	758	455	256	160	100	62	39	24	15
Furniture	18.75%	23-May-14	190	36	58	36	23	14	9	6	3	2	1
<b>Kitchen assets</b>													
Cooktops	16.67%	23-May-14	1,078	19	177	331	207	129	81	51	32	20	12
Ovens	16.67%	23-May-14	1,522	26	249	208	173	325	203	127	79	50	31
Rangehoods	18.75%	23-May-14	697	131	213	133	83	52	32	20	13	8	5
<b>Lights</b>													
Emergency	18.75%	23-May-14	558	105	170	106	66	42	26	16	10	6	4
Fittings	18.75%	23-May-14	3,665	687	1,117	698	436	273	170	106	67	42	26
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	23-May-14	634	119	193	121	75	47	29	18	12	7	4
<b>Pooled Plant Total</b>				<b>1,077</b>	<b>1,750</b>	<b>1,425</b>	<b>1,147</b>	<b>1,041</b>	<b>651</b>	<b>407</b>	<b>254</b>	<b>159</b>	<b>435</b>
<b>Effective Life Plant Total</b>				<b>287</b>	<b>2,691</b>	<b>1,912</b>	<b>1,212</b>	<b>867</b>	<b>726</b>	<b>609</b>	<b>513</b>	<b>434</b>	<b>189</b>
<b>Total Division 40</b>			<b>20,214</b>	<b>1,364</b>	<b>4,442</b>	<b>3,337</b>	<b>2,359</b>	<b>1,908</b>	<b>1,376</b>	<b>1,016</b>	<b>768</b>	<b>593</b>	<b>624</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 2014</b>	2.50%	23-May-14	232,032	605	5,809	5,809	5,809	5,809	5,809	5,809	5,809	5,809	5,809
<b>Structural Improvements - Completed 2014</b>	2.50%	23-May-14	8,327	22	208	208	208	208	208	208	208	208	208
<b>Total Division 43</b>			<b>240,359</b>	<b>627</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>
<b>Total Depreciation</b>			<b>260,573</b>	<b>1,991</b>	<b>10,459</b>	<b>9,354</b>	<b>8,376</b>	<b>7,925</b>	<b>7,393</b>	<b>7,033</b>	<b>6,785</b>	<b>6,610</b>	<b>6,641</b>

## 11. Prime Cost Depreciation Schedule

Assets Generally		Prime Cost											
Division 40 - Plant and Equipment	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>Electrical Machinery &amp; Equipment :</b>													
Switchboards	5.00%	23-May-14	4,438	23	222	222	222	222	222	222	222	222	222
Motors	10.00%	23-May-14	5,453	57	545	545	545	545	545	545	545	545	545
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	23-May-14	1,978	41	396	396	396	396	353				
<b>Furniture</b>													
	18.75%	23-May-14	190	36	58	36	23	14	9	6	3	2	1
<b>Kitchen assets</b>													
Cooktops	8.33%	23-May-14	1,078	9	90	90	90	90	90	90	90	90	90
Ovens	8.33%	23-May-14	1,522	13	127	127	127	127	127	127	127	127	127
Rangehoods	18.75%	23-May-14	697	131	213	133	83	52	32	20	13	8	5
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	23-May-14	558	105	170	106	66	42	26	16	10	6	4
Freestanding	18.75%	23-May-14	3,665	687	1,117	698	436	273	170	106	67	42	26
<b>Ventilating plant</b>													
Ventilation plant - fans only	18.75%	23-May-14	634	119	193	121	75	47	29	18	12	7	4
<b>Pooled Plant Total</b>				<b>1,077</b>	<b>1,750</b>	<b>1,094</b>	<b>684</b>	<b>427</b>	<b>267</b>	<b>167</b>	<b>104</b>	<b>65</b>	<b>41</b>
<b>Effective Life Plant Total</b>				<b>144</b>	<b>1,380</b>	<b>1,380</b>	<b>1,380</b>	<b>1,380</b>	<b>1,337</b>	<b>984</b>	<b>984</b>	<b>984</b>	<b>984</b>
<b>Total Division 40</b>			<b>20,214</b>	<b>1,221</b>	<b>3,130</b>	<b>2,474</b>	<b>2,064</b>	<b>1,807</b>	<b>1,604</b>	<b>1,151</b>	<b>1,088</b>	<b>1,049</b>	<b>1,025</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2014</b>		2.50%	23-May-14	232,032	605	5,809	5,809	5,809	5,809	5,809	5,809	5,809	5,809
<b>Structural Improvements - Completed 2014</b>		2.50%	23-May-14	8,327	22	208	208	208	208	208	208	208	208
<b>Total Division 43</b>			<b>240,359</b>	<b>627</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>	<b>6,017</b>
<b>Total Depreciation</b>			<b>260,573</b>	<b>1,848</b>	<b>9,147</b>	<b>8,491</b>	<b>8,081</b>	<b>7,824</b>	<b>7,621</b>	<b>7,168</b>	<b>7,105</b>	<b>7,066</b>	<b>7,042</b>

## 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 2014	4 Dec 13 to 3 May 14	232,351	2.50%	5,809	232,032
<b>Sub-total</b>		<b>232,351</b>		<b>5,809</b>	<b>232,032</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2014	4 Dec 13 to 3 May 14	8,338	2.50%	208	8,327
<b>Sub-total</b>		<b>8,338</b>		<b>208</b>	<b>8,327</b>
<b>Totals</b>		<b>240,689</b>		<b>6,017</b>	<b>240,359</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 Email</b>	info@koste.com.au

LEAD SURVEYOR DETAILS	
<b>Surveyors Name</b>	Mark Kilroy
<b>Tax Agent Number</b>	24370523
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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.