



Tax Depreciation Report

13 Tarndale Way,
South Lake WA 6164

Steven Rinaldi
91 Bolderwood Drive
SOUTH LAKE, WA 6164

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

Steven Rinaldi
91 Bolderwood Drive
SOUTH LAKE, WA 6164

November 2018
Job No: RES6164005

Tax Depreciation Report – 13 Tarndale Way, South Lake WA 6164

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



TABLE OF CONTENTS

1. Property Information	2
2. Report Details	3
3. Capital Allowances	4
4. Capital Works	6
5. Summary of Entitlements – Diminishing Value Method	7
6. Summary of Entitlements – Prime Cost Method.....	8
7. Comparison Graphs.....	9
8. Capital Expenditure Analysed	10
9. Reconciliation of Capital Expenditure	10
10. Diminishing Value Depreciation Schedule.....	11
11. Prime Cost Depreciation Schedule	13
12. Division 43 Capital Works Schedule	15
13. Definition of Terms	16
14. Contact Details	17
15. Disclaimer.....	18

1. Property Information

Date of Report

22 November 2018

Purchaser

Steven Rinaldi

Property Address

13 Tarndale Way, South Lake WA 6164

Real Property Description

LOT 190 P014344

Property Type

Residential House

Date of Construction

Pre 1987

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				
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

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	31 August 05 to 30 June 06	4,594	0	4,594	887	5,481
2	1 July 06 to 30 June 07	5,080	0	5,080	1,069	6,149
3	1 July 07 to 30 June 08	4,362	0	4,362	1,069	5,431
4	1 July 08 to 30 June 09	3,507	0	3,507	1,069	4,576
5	1 July 09 to 30 June 10	2,943	0	2,943	1,069	4,012
6	1 July 10 to 30 June 11	2,151	0	2,151	1,069	3,220
7	1 July 11 to 30 June 12	1,705	0	1,705	1,069	2,774
8	1 July 12 to 30 June 13	1,379	0	1,379	1,069	2,448
9	1 July 13 to 30 June 14	997	0	997	1,069	2,066
10	1 July 14 to 30 June 15	1,617	804	2,421	1,540	3,961
11	1 July 15 to 30 June 16	1,150	703	1,853	1,586	3,439
12	1 July 16 to 30 June 17	945	439	1,384	1,586	2,970
13	1 July 17 to 30 June 18	644	608	1,253	1,586	2,839
14	1 July 18 to 30 June 19	528	380	908	1,586	2,494
15	1 July 19 to 30 June 20	321	610	931	1,586	2,517
16	1 July 20 to 30 June 21	257	381	638	1,586	2,224
17	1 July 21 to 30 June 22	206	238	444	1,586	2,030
18	1 July 22 to 30 June 23	0	457	457	1,586	2,043
19	1 July 23 to 30 June 24	0	286	286	1,586	1,872
20	1 July 24 to 30 June 25	0	179	179	1,586	1,765
21	1 July 25 to 30 June 26	0	112	112	1,586	1,698
22	1 July 26 to 30 June 27	0	70	70	1,586	1,656
23	1 July 27 to 30 June 28	0	44	44	1,586	1,630
24	1 July 28 to 30 June 29	0	27	27	1,586	1,613
25	1 July 29 to 30 June 30	0	17	17	1,586	1,603
26	1 July 30 to 30 June 31	0	11	11	1,586	1,597
27	1 July 31 to 30 June 32	0	7	7	1,586	1,593
28	1 July 32 to 30 June 33	0	4	4	1,360	1,364
29	1 July 33 to 30 June 34	0	3	3	1,281	1,284
30	1 July 34 to 30 June 35	0	2	2	1,281	1,283
31	1 July 35 to 30 June 36	0	1	1	1,281	1,282
32	1 July 36 to 30 June 37	0	1	1	1,281	1,282
33	1 July 37 to 30 June 38	0	0	0	1,281	1,281
34	1 July 38 to 30 June 39	0	0	0	1,281	1,281
35	1 July 39 to 30 June 40	0	0	0	1,281	1,281
36	1 July 40 to 30 June 41	0	0	0	656	656
37	1 July 41 to 30 June 42	0	0	0	517	517
38	1 July 42 to 30 June 43	0	0	0	517	517
39	1 July 43 to 30 June 44	0	0	0	517	517
40	2044+	0	0	0	5,198	5,198
Totals		32,386	5,385	37,770	55,673	93,443

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	31 August 05 to 30 June 06	3,063	0	3,063	887	3,950
2	1 July 06 to 30 June 07	3,690	0	3,690	1,069	4,759
3	1 July 07 to 30 June 08	3,690	0	3,690	1,069	4,759
4	1 July 08 to 30 June 09	3,690	0	3,690	1,069	4,759
5	1 July 09 to 30 June 10	3,690	0	3,690	1,069	4,759
6	1 July 10 to 30 June 11	3,156	0	3,156	1,069	4,225
7	1 July 11 to 30 June 12	2,335	0	2,335	1,069	3,404
8	1 July 12 to 30 June 13	1,634	0	1,634	1,069	2,703
9	1 July 13 to 30 June 14	1,634	0	1,634	1,069	2,703
10	1 July 14 to 30 June 15	2,305	251	2,556	1,540	4,096
11	1 July 15 to 30 June 16	1,439	157	1,596	1,586	3,182
12	1 July 16 to 30 June 17	1,268	98	1,366	1,586	2,952
13	1 July 17 to 30 June 18	1,110	61	1,171	1,586	2,757
14	1 July 18 to 30 June 19	878	38	916	1,586	2,502
15	1 July 19 to 30 June 20	688	24	712	1,586	2,298
16	1 July 20 to 30 June 21	609	15	624	1,586	2,210
17	1 July 21 to 30 June 22	594	9	603	1,586	2,189
18	1 July 22 to 30 June 23	594	6	600	1,586	2,186
19	1 July 23 to 30 June 24	594	4	598	1,586	2,184
20	1 July 24 to 30 June 25	156	2	158	1,586	1,744
21	1 July 25 to 30 June 26	102	1	104	1,586	1,690
22	1 July 26 to 30 June 27	27	1	28	1,586	1,614
23	1 July 27 to 30 June 28	22	1	23	1,586	1,609
24	1 July 28 to 30 June 29	22	0	22	1,586	1,608
25	1 July 29 to 30 June 30	22	0	22	1,586	1,608
26	1 July 30 to 30 June 31	22	0	22	1,586	1,608
27	1 July 31 to 30 June 32	22	0	22	1,586	1,608
28	1 July 32 to 30 June 33	22	0	22	1,360	1,382
29	1 July 33 to 30 June 34	22	0	22	1,281	1,303
30	1 July 34 to 30 June 35	2	0	2	1,281	1,283
31	1 July 35 to 30 June 36	0	0	0	1,281	1,281
32	1 July 36 to 30 June 37	0	0	0	1,281	1,281
33	1 July 37 to 30 June 38	0	0	0	1,281	1,281
34	1 July 38 to 30 June 39	0	0	0	1,281	1,281
35	1 July 39 to 30 June 40	0	0	0	1,281	1,281
36	1 July 40 to 30 June 41	0	0	0	656	656
37	1 July 41 to 30 June 42	0	0	0	517	517
38	1 July 42 to 30 June 43	0	0	0	517	517
39	1 July 43 to 30 June 44	0	0	0	517	517
40	2044+	0	0	0	5,198	5,198
Totals		37,100	670	37,770	55,673	93,443

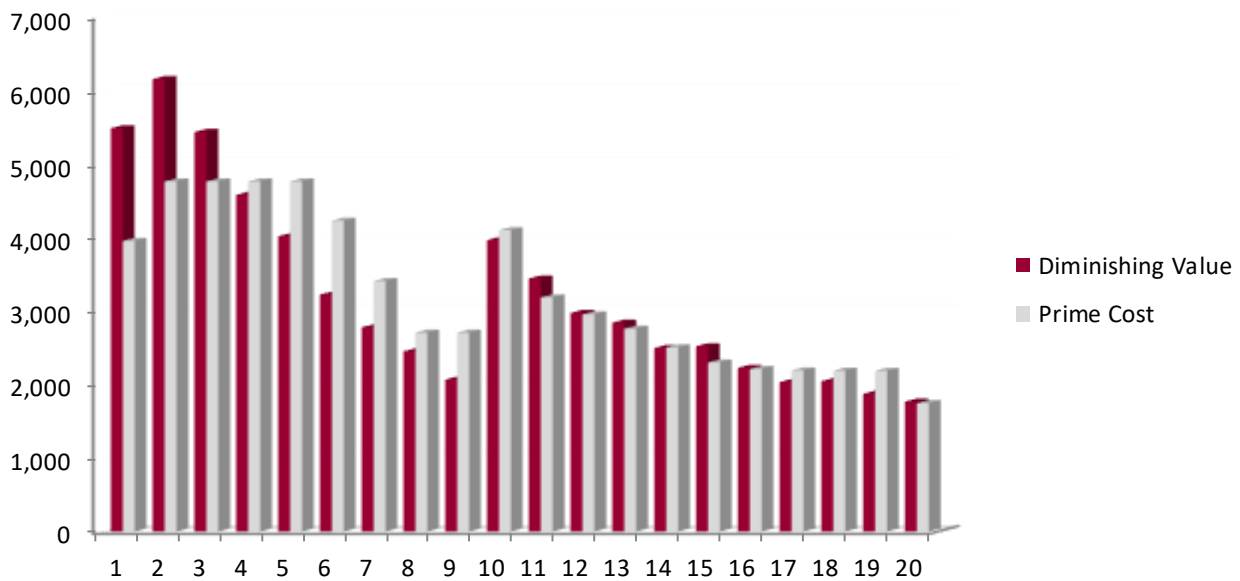
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

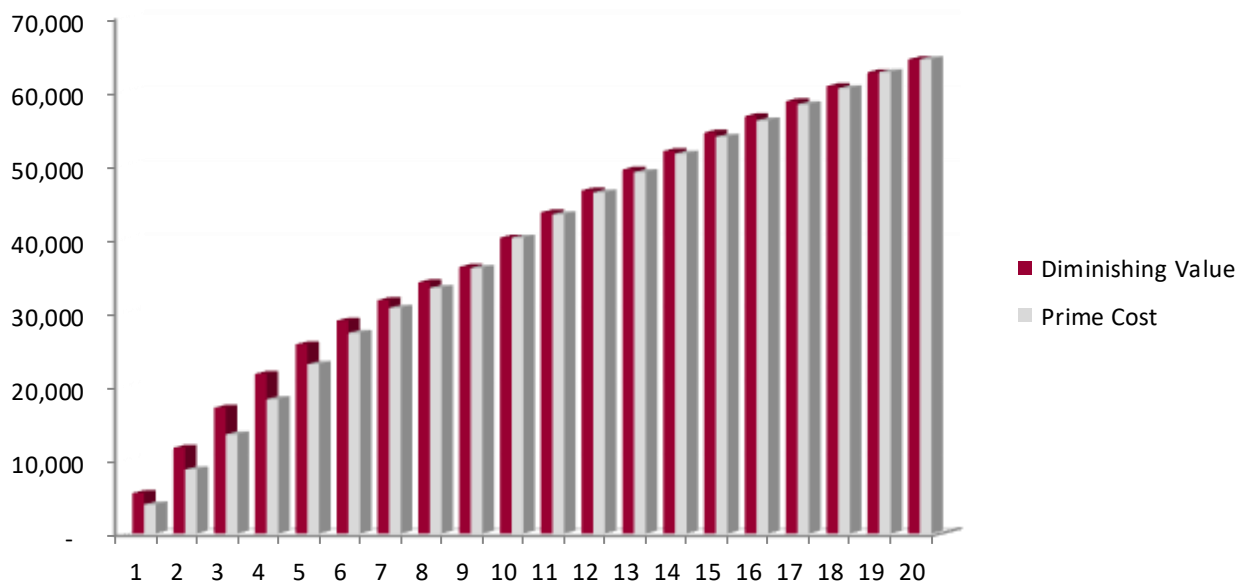
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	1 August 2005
Settlement Date	31 August 2005

Expenditure Analysed

Purchase Price	\$225,000
Stamp Duty	\$5,985
Post Expenditure	\$27,607
Total Expenditure Analysed	\$258,592

Historical Construction Details

Construction Start Date	Pre 1987
Construction Completion Date	Pre 1987
Historical Construction Cost (Estimated)*	N/A

9. Reconciliation of Capital Expenditure

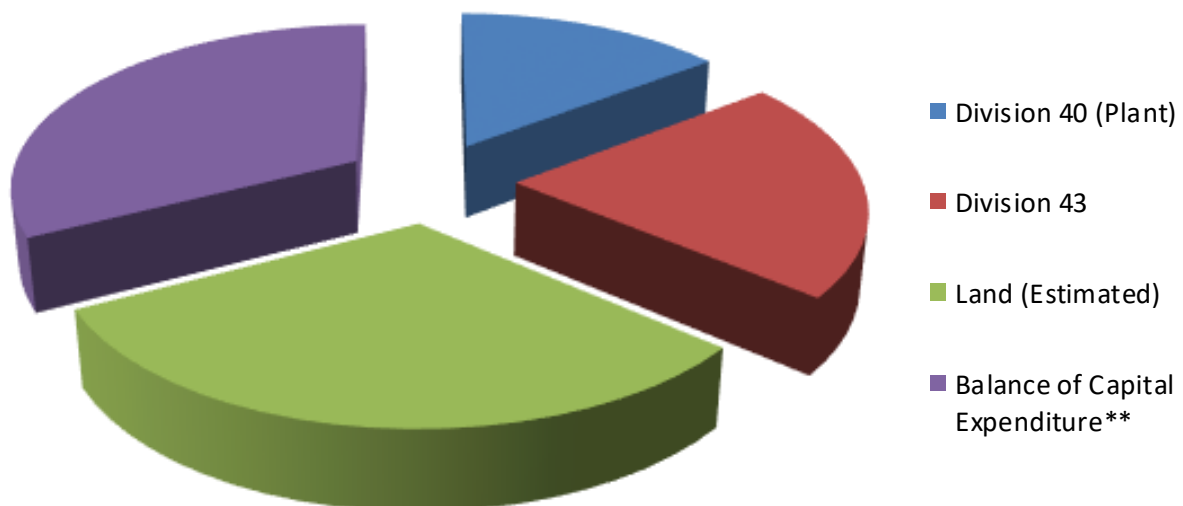
Apportionment of cost relating to:

Division 40 (Plant)	\$37,770
Division 43	\$55,673
Land (Estimated)	\$80,845
Balance of Capital Expenditure**	\$84,304
Total Expenditure Analysed	\$258,592

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 Division 40 - Plant and Equipment	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
Bathroom assets													
Exhaust fans (including light/heating)	15.00%	31-Aug-05	1,153	144	151	322	201	126	79	49	31	19	12
Curtains and drapes													
	25.00%	31-Aug-05	4,329	898	858	643	482	362	271	305	191	119	75
Fire control assets													
Detection & alarm systems, detectors	7.50%	31-Aug-05	384	24	135	84	53	33	21	13	8	5	3
Floor coverings (removable without damage)													
Carpets	15.00%	31-Aug-05	6,077	757	798	678	577	490	417	354	301	256	217
Furniture													
	11.25%	31-Aug-05	5,167	483	527	468	415	368	327	290	258	229	203
Garage doors, automatic													
Motors	15.00%	31-Aug-05	1,537	191	202	172	365	228	142	89	56	35	22
Garbage disposal													
Garbage bins	22.50%	31-Aug-05	4,610	861	844	654	507	393	304	236	305	190	119
Garden sheds, freestanding													
	15.00%	31-Aug-05	640	80	210	131	82	51	32	20	13	8	5
Hot water systems (excluding piping)													
Gas or electric	12.50%	31-Aug-05	1,217	126	136	358	224	140	87	55	34	21	13
Kitchen assets													
Rangehoods	12.50%	31-Aug-05	1,089	113	366	229	143	89	56	35	22	14	9
Stoves	10.00%	31-Aug-05	1,409	117	129	116	105	353	221	138	86	54	34
Lights													
Shades, removable	30.00%	31-Aug-05	3,214	801	724	507	355	310	194	121	76	47	30
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	1-Aug-14	4,800										876
Fire control assets													
Detection & alarm systems, detectors	10.00%	1-Aug-14	440										165
Hot water systems (excluding piping)													
Gas or electric	16.67%	1-Aug-14	875										328
Kitchen assets													
Ovens	18.75%	1-Aug-14	670										251
\$300 items													
	100.00%	1-Aug-14	160										60
Pooled Plant Total													804
Effective Life Plant Total													1,617
Total Division 40			37,770	4,594	5,080	4,362	3,507	2,943	2,151	1,705	1,379	997	2,421

Diminishing Value Depreciation Schedule (cont.)

Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1992	2.50%	31-Aug-05	5,399	165	199	199	199	199	199	199	199	199	199
Building Works - Completed 2000	2.50%	31-Aug-05	20,934	496	598	598	598	598	598	598	598	598	598
Building Works - Completed 2014	2.50%	01-Aug-14	6,162										140
Structural Improvements - Completed 1992	2.50%	31-Aug-05	2,863	88	106	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2000	2.50%	31-Aug-05	5,815	138	166	166	166	166	166	166	166	166	166
Structural Improvements - Completed 2014	2.50%	01-Aug-14	14,500										331
Total Division 43			55,673	887	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,540
Total Depreciation			93,443	5,481	6,149	5,431	4,576	4,012	3,220	2,774	2,448	2,066	3,961

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
Bathroom assets													
Exhaust fans (including light/heating)	10.00%	31-Aug-05	1,153	96	115	115	115	115	115	115	115	115	115
Curtains and drapes													
	16.67%	31-Aug-05	4,329	599	721	721	721	721	721	125			
Fire control assets													
Detection & alarm systems, detectors	5.00%	31-Aug-05	384	16	19	19	19	19	19	19	19	19	19
Floor coverings (removable without damage)													
Carpets	10.00%	31-Aug-05	6,077	504	608	608	608	608	608	608	608	608	608
Furniture													
	7.50%	31-Aug-05	5,167	322	388	388	388	388	388	388	388	388	388
Garage doors, automatic													
Motors	10.00%	31-Aug-05	1,537	128	154	154	154	154	154	154	154	154	154
Garbage disposal													
Garbage bins	15.00%	31-Aug-05	4,610	574	692	692	692	692	692	576			
Garden sheds, freestanding													
	10.00%	31-Aug-05	640	53	64	64	64	64	64	64	64	64	64
Hot water systems (excluding piping)													
Gas or electric	8.33%	31-Aug-05	1,217	84	101	101	101	101	101	101	101	101	101
Kitchen assets													
Rangehoods	8.33%	31-Aug-05	1,089	75	91	91	91	91	91	91	91	91	91
Stoves	6.67%	31-Aug-05	1,409	78	94	94	94	94	94	94	94	94	94
Lights													
Shades, removable	20.00%	31-Aug-05	3,214	534	643	643	643	643	109				
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	01-Aug-14	4,800										438
Fire control assets													
Detection & alarm systems, detectors	5.00%	01-Aug-14	440										20
Hot water systems (excluding piping)													
Gas or electric	8.33%	01-Aug-14	875										67
Kitchen assets													
Ovens	18.75%	01-Aug-14	670										251
\$300 items													
	100.00%	01-Aug-14	160										146
Pooled Plant Total													
													251
Effective Life Plant Total													
				3,063	3,690	3,690	3,690	3,690	3,156	2,335	1,634	1,634	2,305
Total Division 40													
			37,770	3,063	3,690	3,690	3,690	3,690	3,156	2,335	1,634	1,634	2,556

Prime Cost Depreciation Schedule (cont.)

Division 43 - Capital Works Allowance												
	Rate	Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1992	2.50%	31-Aug-05	5,399	165	199	199	199	199	199	199	199	199
Building Works - Completed 2000	2.50%	31-Aug-05	20,934	496	598	598	598	598	598	598	598	598
Building Works - Completed 2014	2.50%	01-Aug-14	6,162									140
Structural Improvements - Completed 1992	2.50%	31-Aug-05	2,863	88	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2000	2.50%	31-Aug-05	5,815	138	166	166	166	166	166	166	166	166
Structural Improvements - Completed 2014	2.50%	01-Aug-14	14,500									331
Total Division 43			55,673	887	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,540
Total Depreciation			93,443	3,950	4,759	4,759	4,759	4,759	4,225	3,404	2,703	4,096

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 1992	1 Sep 92 to 1 Oct 92	7,975	2.50%	199	5,399
Building Works - Completed 2000	1 Aug 00 to 31 Aug 00	23,926	2.50%	598	20,934
Building Works - Completed 2014	2 Jul 14 to 1 Aug 14	6,162	2.50%	154	6,162
Sub-total		38,064		951	32,495

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1992	1 Sep 92 to 1 Oct 92	4,229	2.50%	106	2,863
Structural Improvements - Completed 2000	1 Aug 00 to 31 Aug 00	6,646	2.50%	166	5,815
Structural Improvements - Completed 2014	2 Jul 14 to 1 Aug 14	14,500	2.50%	363	14,500
Sub-total		25,376		635	23,178
Totals		63,439		1,586	55,673

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

13. Definition of Terms

Adjusted Value	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
Balancing Adjustment	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
Decline in Value	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
Depreciating Assets	Assets with limited effective life that are reasonably expected to decline in value.
Diminishing Value Method	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
Effective Life	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
Immediate WriteOff	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
Installed Costs	This is the total cost of installing the asset inclusive of fees and labour etc.
Low Value Pool	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
Low Cost Asset	A depreciable asset with an installed cost of less than \$1000.
Low Value Asset	A depreciable asset that has an adjusted value of less than \$1000.
Non Eligible	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
Prime Cost Method	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.

14. Contact Details

COMPANY DETAILS	
Company Name	Koste Pty Ltd
Postal Address	Suite 1, L12/133 Mary Street, 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	1300 669 400
Email	mark@koste.com.au

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.