



Tax Depreciation Report

56 Harvest Court,
Doncaster VIC 3018

ANG Kean Liang & ANG Kean Loon
12A Jalan Tasik 4 Lake Fields
Sungai Besi
KUALA LUMPUR, MALAYSIA 57000

Issue Schedule	
Issue Date:	Issued by:
30 January 2019	Mark Kilroy Bsc (Hons) MRICS

ANG Kean Liang & ANG Kean Loon
12A Jalan Tasik 4 Lake Fields
Sungai Besi
KUALA LUMPUR, MALAYSIA 57000

January 2019
Job No: RES3108004

Tax Depreciation Report – 56 Harvest Court, Doncaster VIC 3018

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

30 January 2019

Purchaser

ANG Kean Liang & ANG Kean Loon

Property Address

56 Harvest Court, Doncaster VIC 3018

Real Property Description

L31 PS735064

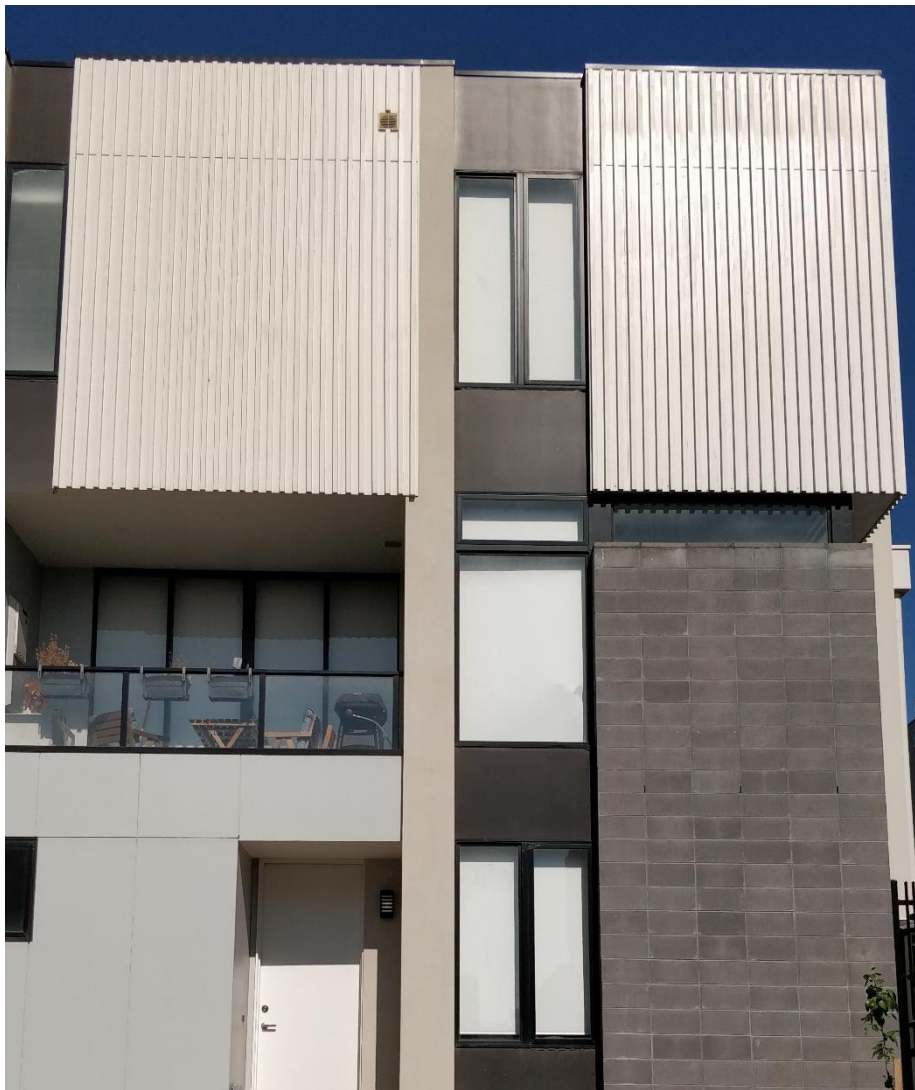
Property Type

Residential Townhouse

Date of Construction

13 December 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				
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	12 January 18 to 30 June 18	4,504	3,093	7,597	3,571	11,168
2	1 July 18 to 30 June 19	8,525	5,397	13,922	7,713	21,635
3	1 July 19 to 30 June 20	6,950	3,724	10,674	7,713	18,387
4	1 July 20 to 30 June 21	5,742	2,327	8,070	7,713	15,783
5	1 July 21 to 30 June 22	4,750	1,455	6,205	7,713	13,918
6	1 July 22 to 30 June 23	3,740	1,273	5,013	7,713	12,726
7	1 July 23 to 30 June 24	3,107	796	3,903	7,713	11,616
8	1 July 24 to 30 June 25	2,158	1,524	3,682	7,713	11,395
9	1 July 25 to 30 June 26	1,516	1,619	3,135	7,713	10,848
10	1 July 26 to 30 June 27	959	1,632	2,591	7,713	10,304
11	1 July 27 to 30 June 28	662	1,341	2,003	7,713	9,716
12	1 July 28 to 30 June 29	556	838	1,395	7,713	9,108
13	1 July 29 to 30 June 30	306	829	1,135	7,713	8,848
14	1 July 30 to 30 June 31	265	518	783	7,713	8,496
15	1 July 31 to 30 June 32	230	324	554	7,713	8,267
16	1 July 32 to 30 June 33	199	203	401	7,713	8,114
17	1 July 33 to 30 June 34	172	127	299	7,713	8,012
18	1 July 34 to 30 June 35	149	79	229	7,713	7,942
19	1 July 35 to 30 June 36	0	414	414	7,713	8,127
20	1 July 36 to 30 June 37	0	259	259	7,713	7,972
21	1 July 37 to 30 June 38	0	162	162	7,713	7,875
22	1 July 38 to 30 June 39	0	101	101	7,713	7,814
23	1 July 39 to 30 June 40	0	63	63	7,713	7,776
24	1 July 40 to 30 June 41	0	39	39	7,713	7,752
25	1 July 41 to 30 June 42	0	25	25	7,713	7,738
26	1 July 42 to 30 June 43	0	15	15	7,713	7,728
27	1 July 43 to 30 June 44	0	10	10	7,713	7,723
28	1 July 44 to 30 June 45	0	6	6	7,713	7,719
29	1 July 45 to 30 June 46	0	4	4	7,713	7,717
30	1 July 46 to 30 June 47	0	2	2	7,713	7,715
31	1 July 47 to 30 June 48	0	1	1	7,713	7,714
32	1 July 48 to 30 June 49	0	1	1	7,713	7,714
33	1 July 49 to 30 June 50	0	1	1	7,713	7,714
34	1 July 50 to 30 June 51	0	0	0	7,713	7,713
35	1 July 51 to 30 June 52	0	0	0	7,713	7,713
36	1 July 52 to 30 June 53	0	0	0	7,713	7,713
37	1 July 53 to 30 June 54	0	0	0	7,713	7,713
38	1 July 54 to 30 June 55	0	0	0	7,713	7,713
39	1 July 55 to 30 June 56	0	0	0	7,713	7,713
40	2056+	0	0	0	11,214	11,214
Totals		44,490	28,203	72,693	307,879	380,572

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 January 18 to 30 June 18	2,306	3,093	5,399	3,571	8,970
2	1 July 18 to 30 June 19	4,744	5,027	9,771	7,713	17,484
3	1 July 19 to 30 June 20	4,744	3,142	7,886	7,713	15,599
4	1 July 20 to 30 June 21	4,744	1,964	6,708	7,713	14,421
5	1 July 21 to 30 June 22	4,744	1,227	5,971	7,713	13,684
6	1 July 22 to 30 June 23	4,744	767	5,511	7,713	13,224
7	1 July 23 to 30 June 24	4,744	479	5,223	7,713	12,936
8	1 July 24 to 30 June 25	4,744	300	5,044	7,713	12,757
9	1 July 25 to 30 June 26	4,744	187	4,931	7,713	12,644
10	1 July 26 to 30 June 27	4,744	117	4,861	7,713	12,574
11	1 July 27 to 30 June 28	3,661	73	3,734	7,713	11,447
12	1 July 28 to 30 June 29	2,393	46	2,439	7,713	10,152
13	1 July 29 to 30 June 30	1,828	29	1,856	7,713	9,569
14	1 July 30 to 30 June 31	1,140	18	1,158	7,713	8,871
15	1 July 31 to 30 June 32	933	11	944	7,713	8,657
16	1 July 32 to 30 June 33	571	7	578	7,713	8,291
17	1 July 33 to 30 June 34	147	4	151	7,713	7,864
18	1 July 34 to 30 June 35	147	3	150	7,713	7,863
19	1 July 35 to 30 June 36	147	2	149	7,713	7,862
20	1 July 36 to 30 June 37	147	1	148	7,713	7,861
21	1 July 37 to 30 June 38	79	1	80	7,713	7,793
22	1 July 38 to 30 June 39	0	0	0	7,713	7,713
23	1 July 39 to 30 June 40	0	0	0	7,713	7,713
24	1 July 40 to 30 June 41	0	0	0	7,713	7,713
25	1 July 41 to 30 June 42	0	0	0	7,713	7,713
26	1 July 42 to 30 June 43	0	0	0	7,713	7,713
27	1 July 43 to 30 June 44	0	0	0	7,713	7,713
28	1 July 44 to 30 June 45	0	0	0	7,713	7,713
29	1 July 45 to 30 June 46	0	0	0	7,713	7,713
30	1 July 46 to 30 June 47	0	0	0	7,713	7,713
31	1 July 47 to 30 June 48	0	0	0	7,713	7,713
32	1 July 48 to 30 June 49	0	0	0	7,713	7,713
33	1 July 49 to 30 June 50	0	0	0	7,713	7,713
34	1 July 50 to 30 June 51	0	0	0	7,713	7,713
35	1 July 51 to 30 June 52	0	0	0	7,713	7,713
36	1 July 52 to 30 June 53	0	0	0	7,713	7,713
37	1 July 53 to 30 June 54	0	0	0	7,713	7,713
38	1 July 54 to 30 June 55	0	0	0	7,713	7,713
39	1 July 55 to 30 June 56	0	0	0	7,713	7,713
40	2056+	0	0	0	11,214	11,214
Totals		56,195	16,498	72,693	307,879	380,572

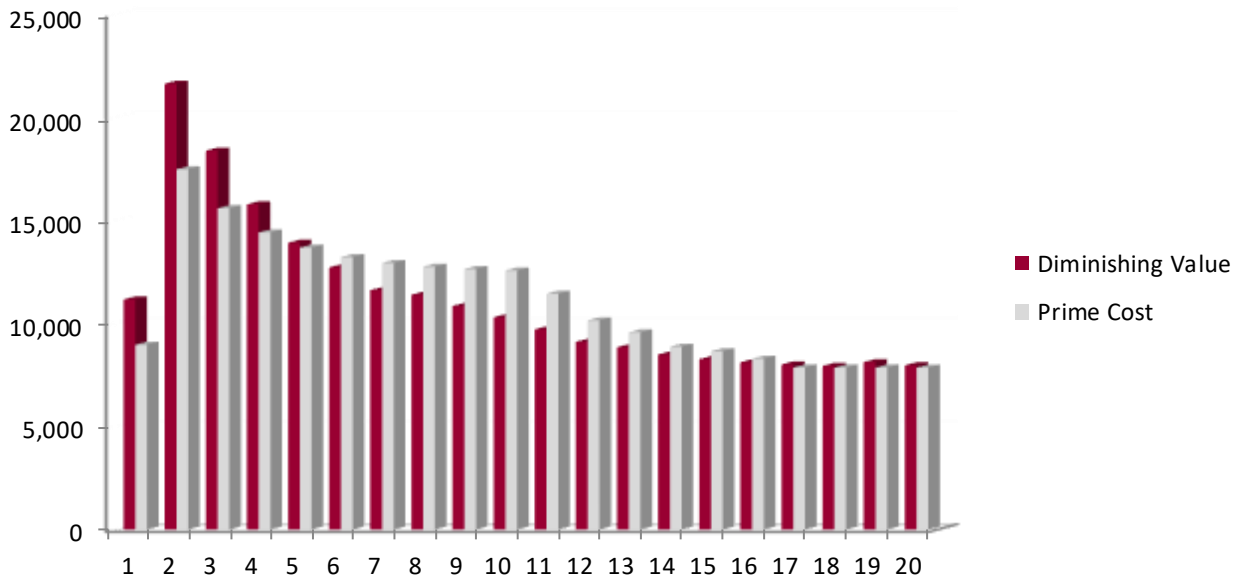
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

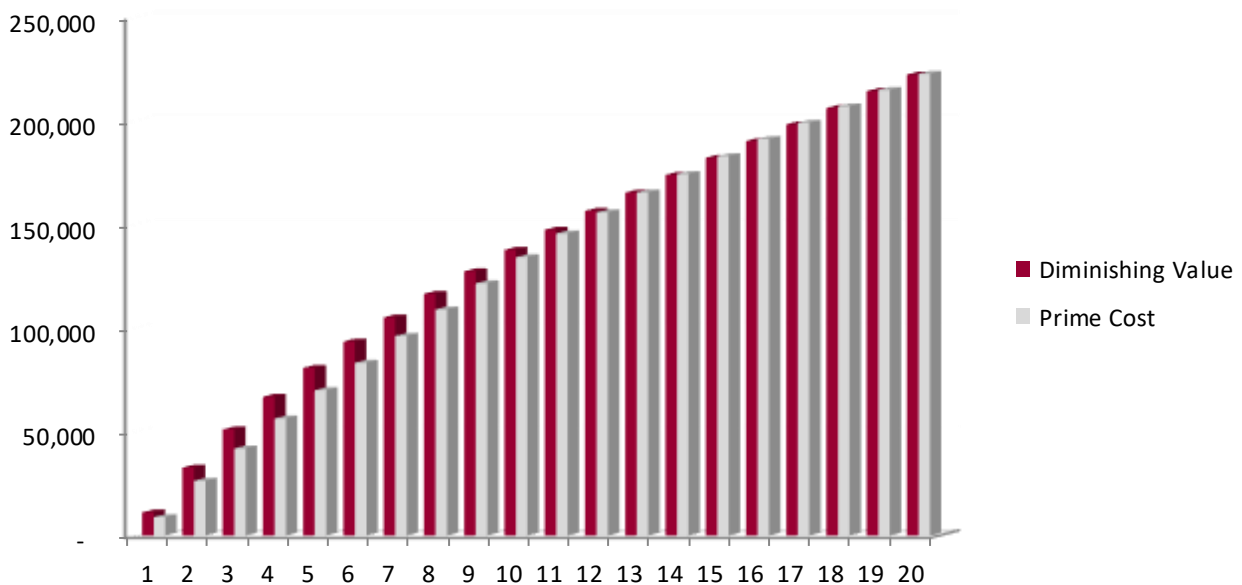
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	26 May 2015
Settlement Date	12 January 2018

Expenditure Analysed

Purchase Price	\$795,000
Stamp Duty	\$42,770
Legals	\$1,160
Total Expenditure Analysed	\$838,930

Historical Construction Details

Construction Start Date	17 April 2017
Construction Completion Date	13 December 2017
Historical Construction Cost (Estimated)*	\$351,260
Lot Entitlement	800
Overall Lot Entitlement	80,202

9. Reconciliation of Capital Expenditure

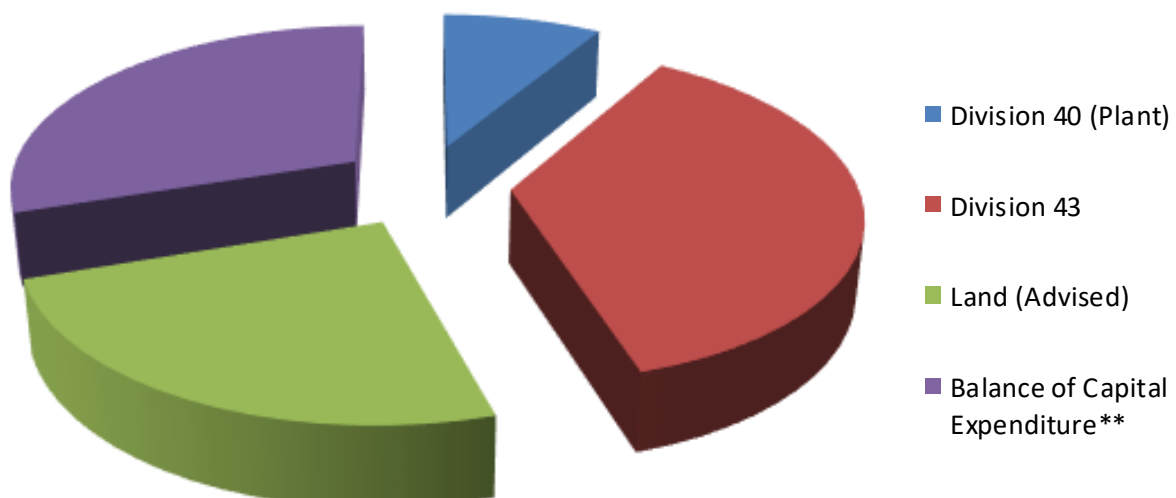
Apportionment of cost relating to:

Division 40 (Plant)	\$72,693
Division 43	\$307,879
Land (Advised)	\$205,814
Balance of Capital Expenditure**	\$252,544
Total Expenditure Analysed	\$838,930

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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	12-Jan-18	10,455	968	1,897	1,518	1,214	971	777	622	497	398	318
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	12-Jan-18	1,089	204	332	207	130	81	51	32	20	12	8
Blinds Residential	20.00%	12-Jan-18	1,089	101	371	232	145	90	57	35	22	14	9
Blinds Residential	18.75%	12-Jan-18	2,657	498	810	506	316	198	124	77	48	30	19
Computer systems													
General	18.75%	12-Jan-18	762	143	232	145	91	57	35	22	14	9	5
Fire control assets													
Detection & alarm systems, detectors	18.75%	12-Jan-18	1,438	270	438	274	171	107	67	42	26	16	10
Floor coverings (removable without damage)													
Carpets	20.00%	12-Jan-18	5,329	493	967	774	619	495	396	317	254	203	304
Floating timber	13.33%	12-Jan-18	11,792	728	1,475	1,279	1,108	960	832	721	625	542	470
Furniture	15.00%	12-Jan-18	3,136	218	438	372	316	269	229	194	165	351	219
Furniture	18.75%	12-Jan-18	4,291	805	1,307	817	511	319	199	125	78	49	30
Garage doors, automatic													
Motors	20.00%	12-Jan-18	2,614	242	474	379	304	243	364	228	142	89	56
Garbage disposal													
Garbage bins	18.75%	12-Jan-18	348	65	106	66	41	26	16	10	6	4	2
Garden watering system	10.00%	12-Jan-18	1,851	86	177	159	143	129	116	104	352	220	137
Hot water systems (excluding piping)													
Gas or electric	16.67%	12-Jan-18	3,267	252	502	419	349	291	242	202	168	316	197
Kitchen assets													
Cooktops	16.67%	12-Jan-18	3,920	303	603	502	419	349	291	242	202	168	316
Dishwashers	20.00%	12-Jan-18	4,029	373	731	585	468	374	300	240	359	225	140
Ovens	16.67%	12-Jan-18	4,792	370	737	614	512	426	355	296	247	206	171
Rangehoods	16.67%	12-Jan-18	2,723	210	419	349	291	242	202	168	316	197	123
Lights													
Shades, removable	18.75%	12-Jan-18	5,913	1,109	1,802	1,126	704	440	275	172	107	67	42
Pumps	10.00%	12-Jan-18	1,089	50	104	351	219	137	86	53	33	21	13
\$300 items	100.00%	12-Jan-18	109	109									
Pooled Plant Total				3,093	5,397	3,724	2,327	1,455	1,273	796	1,524	1,619	1,632
Effective Life Plant Total				4,504	8,525	6,950	5,742	4,750	3,740	3,107	2,158	1,516	959
Total Division 40			72,693	7,597	13,922	10,674	8,070	6,205	5,013	3,903	3,682	3,135	2,591

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 2017	2.50%	12-Jan-18	299,178	3,470	7,495	7,495	7,495	7,495	7,495	7,495	7,495	7,495	7,495
Structural Improvements - Completed 2017	2.50%	12-Jan-18	8,701	101	218	218	218	218	218	218	218	218	218
Total Division 43			307,879	3,571	7,713	7,713	7,713	7,713	7,713	7,713	7,713	7,713	7,713
Total Depreciation			380,572	11,168	21,635	18,387	15,783	13,918	12,726	11,616	11,395	10,848	10,304

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
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	12-Jan-18	10,455	484	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	12-Jan-18	1,089	204	332	207	130	81	51	32	20	12	8
Blinds Residential	10.00%	12-Jan-18	1,089	50	109	109	109	109	109	109	109	109	109
Blinds Residential	18.75%	12-Jan-18	2,657	498	810	506	316	198	124	77	48	30	19
Computer systems													
General	18.75%	12-Jan-18	762	143	232	145	91	57	35	22	14	9	5
Fire control assets													
Detection & alarm systems, detectors	18.75%	12-Jan-18	1,438	270	438	274	171	107	67	42	26	16	10
Floor coverings (removable without damage)													
Carpets	10.00%	12-Jan-18	5,329	247	533	533	533	533	533	533	533	533	533
Floating timber	6.67%	12-Jan-18	11,792	364	786	786	786	786	786	786	786	786	786
Furniture	7.50%	12-Jan-18	3,136	109	235	235	235	235	235	235	235	235	235
Furniture	18.75%	12-Jan-18	4,291	805	1,307	817	511	319	199	125	78	49	30
Garage doors, automatic													
Motors	10.00%	12-Jan-18	2,614	121	261	261	261	261	261	261	261	261	261
Garbage disposal													
Garbage bins	18.75%	12-Jan-18	348	65	106	66	41	26	16	10	6	4	2
Garden watering system													
	5.00%	12-Jan-18	1,851	43	93	93	93	93	93	93	93	93	93
Hot water systems (excluding piping)													
Gas or electric	8.33%	12-Jan-18	3,267	126	272	272	272	272	272	272	272	272	272
Kitchen assets													
Cooktops	8.33%	12-Jan-18	3,920	151	327	327	327	327	327	327	327	327	327
Dishwashers	10.00%	12-Jan-18	4,029	187	403	403	403	403	403	403	403	403	403
Ovens	8.33%	12-Jan-18	4,792	185	399	399	399	399	399	399	399	399	399
Rangehoods	8.33%	12-Jan-18	2,723	105	227	227	227	227	227	227	227	227	227
Lights													
Shades, removable	18.75%	12-Jan-18	5,913	1,109	1,802	1,126	704	440	275	172	107	67	42
Pumps													
	5.00%	12-Jan-18	1,089	25	54	54	54	54	54	54	54	54	54
\$300 items													
	100.00%	12-Jan-18	109	109									
Pooled Plant Total				3,093	5,027	3,142	1,964	1,227	767	479	300	187	117
Effective Life Plant Total				2,306	4,744	4,744	4,744	4,744	4,744	4,744	4,744	4,744	4,744
Total Division 40			72,693	5,399	9,771	7,886	6,708	5,971	5,511	5,223	5,044	4,931	4,861

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 2017	2.50%	12-Jan-18	299,178	3,470	7,495	7,495	7,495	7,495	7,495	7,495	7,495	7,495	7,495
Structural Improvements - Completed 2017	2.50%	12-Jan-18	8,701	101	218	218	218	218	218	218	218	218	218
Total Division 43			307,879	3,571	7,713	7,713	7,713	7,713	7,713	7,713	7,713	7,713	7,713
Total Depreciation			380,572	8,970	17,484	15,599	14,421	13,684	13,224	12,936	12,757	12,644	12,574

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	17 Apr 17 to 13 Dec 17	299,794	2.50%	7,495	299,178
Sub-total		299,794		7,495	299,178

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2017	17 Apr 17 to 13 Dec 17	8,719	2.50%	218	8,701
Sub-total		8,719		218	8,701
Totals		308,513		7,713	307,879

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
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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.