



Tax Depreciation Report

Lot 2, 17 Gledson Street,
Zillmere QLD 4034

Zhongsheng Luo & Min Yang
205/232 Wellington Road
KANGAROO POINT, QLD 4169

Issue Schedule	
Issue Date:	Issued by:
21 February 2019	Mark Kilroy Bsc (Hons) MRICS

Zhongsheng Luo & Min Yang
205/232 Wellington Road
KANGAROO POINT, QLD 4169

February 2019
Job No: RES4034005

Tax Depreciation Report – Lot 2, 17 Gledson Street, Zillmere QLD 4034

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

21 February 2019

Purchaser

Zhongsheng Luo & Min Yang

Property Address

Lot 2, 17 Gledson Street, Zillmere QLD 4034

Real Property Description

L2 SP155419

Property Type

Residential Townhouse

Date of Construction

9 July 2003

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"> • 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) 					<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example					Calculation Example				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</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>100 / 10 Years = 10% (Straight Line)</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	Original Assets ** - Non-Eligible			Post Expenditure			Division 43	Grand Total
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40		
1	23 October 08 to 30 June 09	5,406	0	5,406	0	0	0	2,270	2,270
2	1 July 09 to 30 June 10	6,577	0	6,577	0	0	0	3,467	3,467
3	1 July 10 to 30 June 11	7,038	0	7,038	97	0	97	3,529	3,626
4	1 July 11 to 30 June 12	3,479	0	3,479	694	0	694	3,529	4,223
5	1 July 12 to 30 June 13	2,713	0	2,713	596	0	596	3,529	4,125
6	1 July 13 to 30 June 14	3,094	0	3,094	512	0	512	3,531	4,043
7	1 July 14 to 30 June 15	1,511	0	1,511	440	0	440	3,549	3,989
8	1 July 15 to 30 June 16	1,585	0	1,585	690	0	690	3,549	4,239
9	1 July 16 to 30 June 17	916	0	916	634	0	634	3,549	4,183
10	1 July 17 to 30 June 18	743	0	743	510	0	510	3,549	4,059
11	1 July 18 to 30 June 19	605	0	605	414	0	414	3,570	3,984
12	1 July 19 to 30 June 20	0	1,111	1,111	195	232	427	3,587	4,014
13	1 July 20 to 30 June 21	0	695	695	169	145	314	3,587	3,901
14	1 July 21 to 30 June 22	0	434	434	146	91	237	3,587	3,824
15	1 July 22 to 30 June 23	0	271	271	0	413	413	3,587	4,000
16	1 July 23 to 30 June 24	0	170	170	0	258	258	3,587	3,845
17	1 July 24 to 30 June 25	0	106	106	0	161	161	3,587	3,748
18	1 July 25 to 30 June 26	0	66	66	0	101	101	3,587	3,688
19	1 July 26 to 30 June 27	0	41	41	0	63	63	3,587	3,650
20	1 July 27 to 30 June 28	0	26	26	0	39	39	3,587	3,626
21	1 July 28 to 30 June 29	0	16	16	0	25	25	3,587	3,612
22	1 July 29 to 30 June 30	0	10	10	0	15	15	3,587	3,602
23	1 July 30 to 30 June 31	0	6	6	0	10	10	3,587	3,597
24	1 July 31 to 30 June 32	0	4	4	0	6	6	3,587	3,593
25	1 July 32 to 30 June 33	0	2	2	0	4	4	3,587	3,591
26	1 July 33 to 30 June 34	0	2	2	0	2	2	3,587	3,589
27	1 July 34 to 30 June 35	0	1	1	0	1	1	3,587	3,588
28	1 July 35 to 30 June 36	0	1	1	0	1	1	3,587	3,588
29	1 July 36 to 30 June 37	0	0	0	0	1	1	3,587	3,588
30	1 July 37 to 30 June 38	0	0	0	0	0	0	3,587	3,587
31	1 July 38 to 30 June 39	0	0	0	0	0	0	3,587	3,587
32	1 July 39 to 30 June 40	0	0	0	0	0	0	3,587	3,587
33	1 July 40 to 30 June 41	0	0	0	0	0	0	3,587	3,587
34	1 July 41 to 30 June 42	0	0	0	0	0	0	3,587	3,587
35	1 July 42 to 30 June 43	0	0	0	0	0	0	3,585	3,585
36	1 July 43 to 30 June 44	0	0	0	0	0	0	346	346
37	1 July 44 to 30 June 45	0	0	0	0	0	0	274	274
38	1 July 45 to 30 June 46	0	0	0	0	0	0	274	274
39	1 July 46 to 30 June 47	0	0	0	0	0	0	274	274
40	2047+	0	0	0	0	0	0	1,080	1,080
Totals		33,667	2,964	36,631	5,097	1,569	6,666	125,955	132,621

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	Original Assets ** - Non-Eligible			Post Expenditure			Division 43	Grand Total
		Effective Life	Pooled Plant	Total Div 40	Effective Life	Pooled Plant	Total Div 40		
1	23 October 08 to 30 June 09	2,703	0	2,703	0	0	0	2,270	2,270
2	1 July 09 to 30 June 10	3,947	0	3,947	0	0	0	3,467	3,467
3	1 July 10 to 30 June 11	6,620	0	6,620	49	0	49	3,529	3,578
4	1 July 11 to 30 June 12	3,582	0	3,582	357	0	357	3,529	3,886
5	1 July 12 to 30 June 13	3,582	0	3,582	357	0	357	3,529	3,886
6	1 July 13 to 30 June 14	4,570	0	4,570	357	0	357	3,531	3,888
7	1 July 14 to 30 June 15	2,184	0	2,184	357	0	357	3,549	3,906
8	1 July 15 to 30 June 16	2,523	0	2,523	513	0	513	3,549	4,062
9	1 July 16 to 30 June 17	1,852	0	1,852	554	0	554	3,549	4,103
10	1 July 17 to 30 June 18	1,852	0	1,852	554	0	554	3,549	4,103
11	1 July 18 to 30 June 19	1,130	0	1,130	554	0	554	3,570	4,124
12	1 July 19 to 30 June 20	812	0	812	554	0	554	3,587	4,141
13	1 July 20 to 30 June 21	575	0	575	505	0	505	3,587	4,092
14	1 July 21 to 30 June 22	322	0	322	469	0	469	3,587	4,056
15	1 July 22 to 30 June 23	61	0	61	385	0	385	3,587	3,972
16	1 July 23 to 30 June 24	61	0	61	385	0	385	3,587	3,972
17	1 July 24 to 30 June 25	61	0	61	385	0	385	3,587	3,972
18	1 July 25 to 30 June 26	61	0	61	332	0	332	3,587	3,919
19	1 July 26 to 30 June 27	61	0	61	0	0	0	3,587	3,587
20	1 July 27 to 30 June 28	61	0	61	0	0	0	3,587	3,587
21	1 July 28 to 30 June 29	11	0	11	0	0	0	3,587	3,587
22	1 July 29 to 30 June 30	0	0	0	0	0	0	3,587	3,587
23	1 July 30 to 30 June 31	0	0	0	0	0	0	3,587	3,587
24	1 July 31 to 30 June 32	0	0	0	0	0	0	3,587	3,587
25	1 July 32 to 30 June 33	0	0	0	0	0	0	3,587	3,587
26	1 July 33 to 30 June 34	0	0	0	0	0	0	3,587	3,587
27	1 July 34 to 30 June 35	0	0	0	0	0	0	3,587	3,587
28	1 July 35 to 30 June 36	0	0	0	0	0	0	3,587	3,587
29	1 July 36 to 30 June 37	0	0	0	0	0	0	3,587	3,587
30	1 July 37 to 30 June 38	0	0	0	0	0	0	3,587	3,587
31	1 July 38 to 30 June 39	0	0	0	0	0	0	3,587	3,587
32	1 July 39 to 30 June 40	0	0	0	0	0	0	3,587	3,587
33	1 July 40 to 30 June 41	0	0	0	0	0	0	3,587	3,587
34	1 July 41 to 30 June 42	0	0	0	0	0	0	3,587	3,587
35	1 July 42 to 30 June 43	0	0	0	0	0	0	3,585	3,585
36	1 July 43 to 30 June 44	0	0	0	0	0	0	346	346
37	1 July 44 to 30 June 45	0	0	0	0	0	0	274	274
38	1 July 45 to 30 June 46	0	0	0	0	0	0	274	274
39	1 July 46 to 30 June 47	0	0	0	0	0	0	274	274
40	2047+	0	0	0	0	0	0	1,080	1,080
Totals		36,631	0	36,631	6,666	0	6,666	125,955	132,621

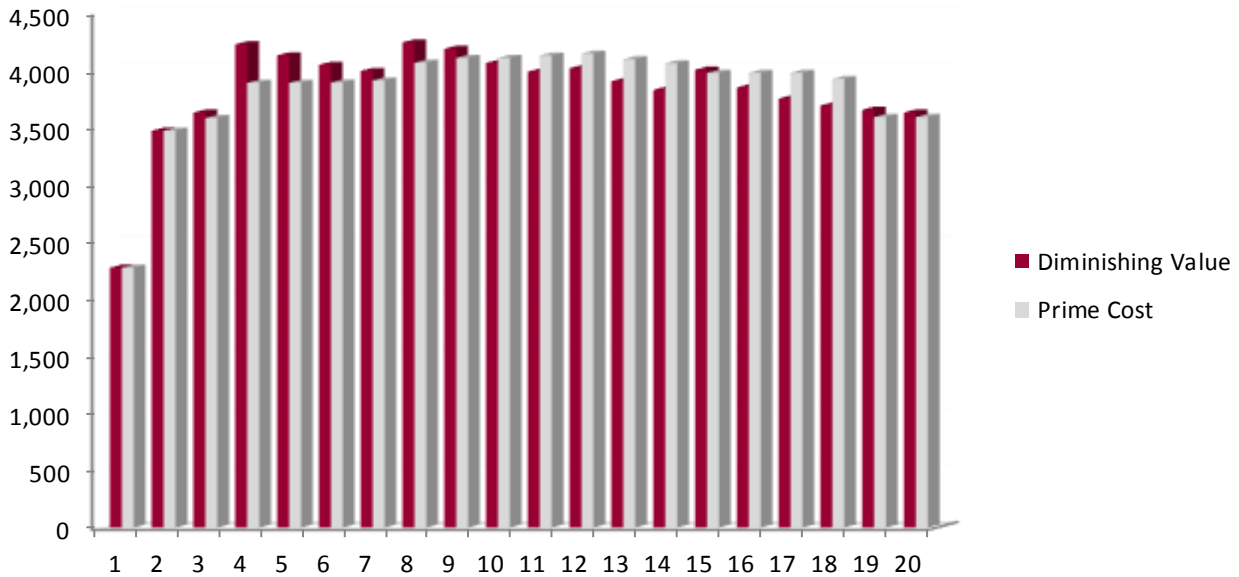
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

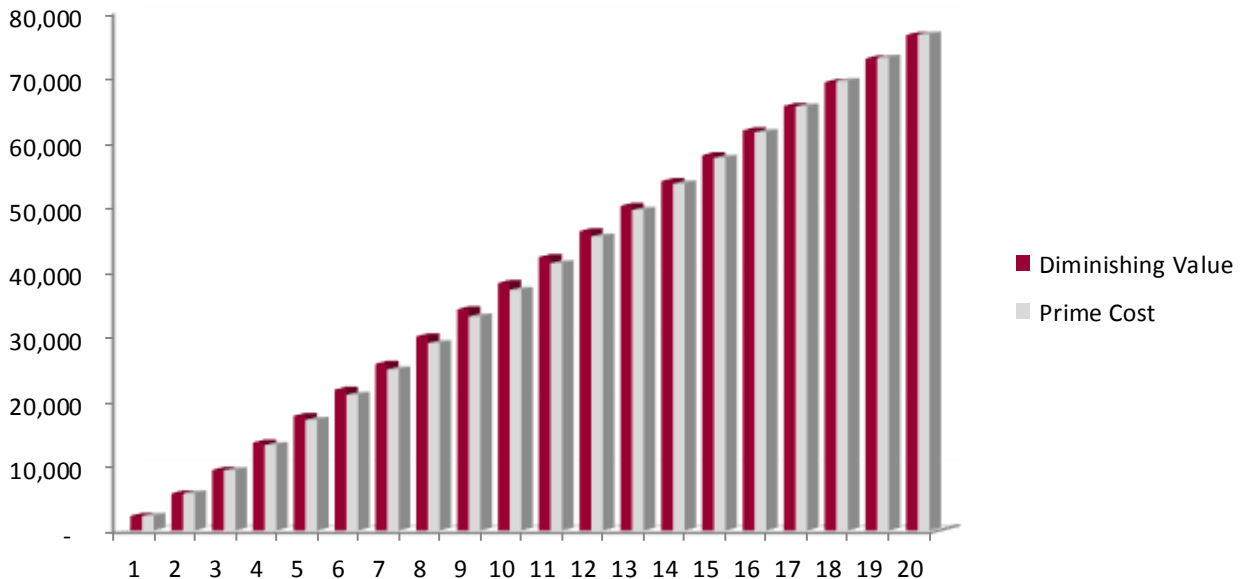
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	23 September 2008
Settlement Date	23 October 2008

Expenditure Analysed

Purchase Price	\$355,000
Legals	\$850
Post Expenditure	\$11,821
Total Expenditure Analysed	\$367,671

Historical Construction Details

Construction Start Date	10 January 2003
Construction Completion Date	9 July 2003
Historical Construction Cost (Estimated)*	\$160,811

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

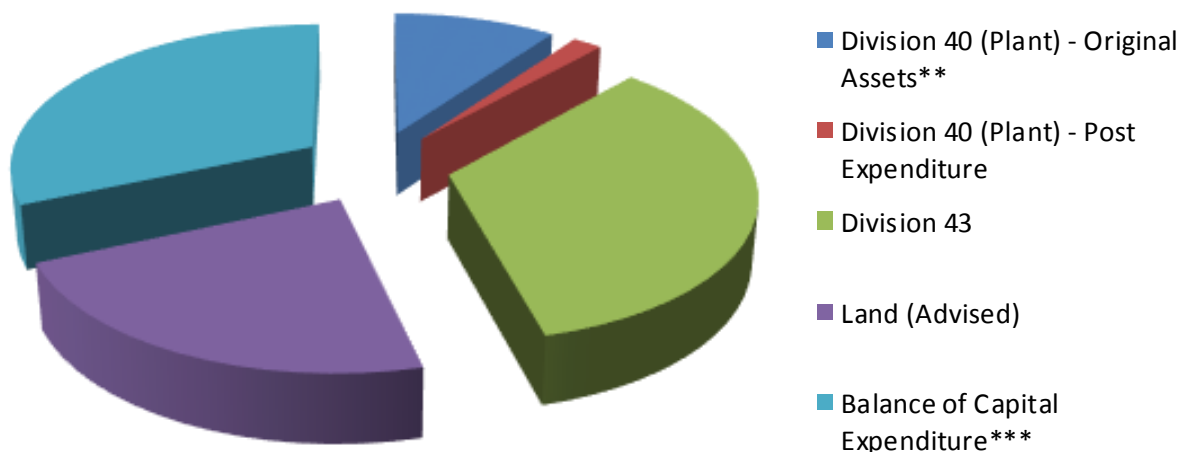
Division 40 (Plant) - Original Assets**	\$36,631
Division 40 (Plant) - Post Expenditure	\$6,666
Division 43	\$125,955
Land (Advised)	\$82,500
Balance of Capital Expenditure***	\$115,919
Total Expenditure Analysed	\$367,671

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

** Division 40 (Plant) - Original Assets has been excluded as the property was purchased post 9 May 2017 or as the property was available for rent after 1 July 2017

*** 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%	23-Oct-08	6,606	905	1,140	912	730	584	467	374	299	239	191
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	23-Oct-08	688	94	119	95	76	61	49	39	31	25	20
Blinds Residential													
	20.00%	23-Oct-08	950	130	164	131	105	84	67	54	43	34	27
Ceiling Fans													
	40.00%	23-Oct-08	1,927	528	560	336	201	121	73	44	26	16	9
Curtains and drapes													
	33.33%	23-Oct-08	3,317	757	853	569	379	253	169	112	75	50	33
Door closers													
	20.00%	23-Oct-08	495	68	86	68	55	44	35	28	22	18	14
Fire control assets													
Detection & alarm systems, detectors	10.00%	23-Oct-08	1,211	83	113	102	91	82	74	67	60	54	49
Floor coverings (removable without damage)													
Carpets	20.00%	23-Oct-08	3,653	500	631	2,522							
Carpets	20.00%	23-Oct-08	3,376	462	583	466	373	298	1,193				
Furniture													
	15.00%	23-Oct-08	5,285	543	711	605	514	437	371	316	268	228	194
Garbage disposal													
Garbage bins	30.00%	23-Oct-08	220	45	52	37	26	18	13	9	6	4	3
Hot water systems (excluding piping)													
Gas or electric	16.67%	23-Oct-08	2,477	283	366	305	254	212	176	147	122	102	85
Kitchen assets													
Cooktops	16.67%	23-Oct-08	1,170	134	173	144	120	100	83	69	58	48	40
Dishwashers	20.00%	23-Oct-08	1,651	226	285	228	182	146	117	93	75	60	48
Ovens	16.67%	23-Oct-08	1,514	173	223	186	155	129	108	90	449		
Rangehoods	16.67%	23-Oct-08	619	71	91	76	63	53	44	37	31	26	21
Lights													
Shades, removable	40.00%	23-Oct-08	1,473	403	428	257	154	92	55	33	20	12	7
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Floor coverings (removable without damage)													
Floating timber	13.33%	24-Jun-11	4,600			10	612	530	460	398	345	299	259
Garage doors, automatic													
Motors	20.00%	13-Aug-10	495			87	82	65	52	42	33	27	21
		Carried forward	41,726	5,406	6,577	7,135	4,172	3,309	3,606	1,951	1,964	1,242	1,023

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%	23-Oct-08	6,606	452	661	661	661	661	661	661	661	661	661
Bathroom assets													
Exhaust fans (including light/heating)	10.00%	23-Oct-08	688	47	69	69	69	69	69	69	69	69	69
Blinds Residential													
	10.00%	23-Oct-08	950	65	95	95	95	95	95	95	95	95	95
Ceiling Fans													
	20.00%	23-Oct-08	1,927	264	385	385	385	385	123				
Curtains and drapes													
	16.67%	23-Oct-08	3,317	379	553	553	553	553	553	173			
Door closers													
	10.00%	23-Oct-08	495	34	50	50	50	50	50	50	50	50	50
Fire control assets													
Detection & alarm systems, detectors	5.00%	23-Oct-08	1,211	41	61	61	61	61	61	61	61	61	61
Floor coverings (removable without damage)													
Carpets	10.00%	23-Oct-08	3,653	250	365	3,038							
Carpets	10.00%	23-Oct-08	3,376	231	338	338	338	338	1,793				
Furniture													
	7.50%	23-Oct-08	5,285	272	396	396	396	396	396	396	396	396	396
Garbage disposal													
Garbage bins	15.00%	23-Oct-08	220	23	33	33	33	33	33	33			
Hot water systems (excluding piping)													
Gas or electric	8.33%	23-Oct-08	2,477	141	206	206	206	206	206	206	206	206	206
Kitchen assets													
Cooktops	8.33%	23-Oct-08	1,170	67	97	97	97	97	97	97	97	97	97
Dishwashers	10.00%	23-Oct-08	1,651	113	165	165	165	165	165	165	165	165	165
Ovens	8.33%	23-Oct-08	1,514	86	126	126	126	126	126	126	671		
Rangehoods	8.33%	23-Oct-08	619	35	52	52	52	52	52	52	52	52	52
Lights													
Shades, removable	20.00%	23-Oct-08	1,473	202	295	295	295	295	91				
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Floor coverings (removable without damage)													
Floating timber	6.67%	24-Jun-11	4,600			5	307	307	307	307	307	307	307
Garage doors, automatic													
Motors	10.00%	13-Aug-10	495			44	50	50	50	50	50	50	50
		Carried forward	41,726	2,703	3,947	6,669	3,939	3,939	4,927	2,541	2,880	2,209	2,209

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 2003	10 Jan 03 to 9 Jul 03	121,697	2.50%	3,042	105,584
Building Works - Completed 2009	2 Jul 09 to 3 Dec 09	5,818	2.50%	145	5,818
Building Works - Completed 2009	27 Jun 09 to 2 Jul 09	2,825	2.50%	71	2,825
Building Works - Completed 2014	17 May 14 to 22 May 14	795	2.50%	20	795
Building Works - Completed 2018	5 Dec 18 to 10 Dec 18	1,535	2.50%	38	1,535
Sub-total		132,670		3,316	116,557

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2003	10 Jan 03 to 9 Jul 03	10,832	2.50%	271	9,398
Sub-total		10,832		271	9,398
Totals		143,502		3,587	125,955

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.