



Tax Depreciation Report

14 St Davids Street,
Kuraby QLD 4112

Melissa Francoise Ovet
12 Burrabirra Street
MOUNT GRAVATT EAST, QLD 4122

Issue Schedule	
Issue Date:	Issued by:
03 July 2019	Mark Kilroy Bsc (Hons) MRICS

Melissa Francoise Ovet
12 Burrabirra Street
MOUNT GRAVATT EAST, QLD 4122

July 2019
Job No: RES4112002

Tax Depreciation Report – 14 St Davids Street, Kuraby QLD 4112

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

3 July 2019

Purchaser

Melissa Francoise Ovet

Property Address

14 St Davids Street, Kuraby QLD 4112

Real Property Description

L8 RP37393

Property Type

Residential House

Date of Construction

Pre 1985

2. Report Details

2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

Division 40 (Capital Allowances)

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

Division 40 (Capital Allowances) - Low Value Pool

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

Division 43 (Capital Works)

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

3. Capital Allowances

3.1 Entitlement

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

3.2 Qualifying Expenditure Calculation

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

3.3 Effective Life

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

3.4 Immediate Write-Off Assets

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

3.5 Low Value Pool

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method	Prime Cost Method								
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.	Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.								
Benefits	Benefits								
<ul style="list-style-type: none"> • 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	15 January 03 to 30 June 03	1,144	0	1,144	0	0	0	232	232
2	1 July 03 to 30 June 04	2,367	0	2,367	0	0	0	510	510
3	1 July 04 to 30 June 05	2,061	0	2,061	0	0	0	510	510
4	1 July 05 to 30 June 06	1,805	0	1,805	0	0	0	510	510
5	1 July 06 to 30 June 07	1,589	0	1,589	0	0	0	510	510
6	1 July 07 to 30 June 08	1,406	0	1,406	0	0	0	510	510
7	1 July 08 to 30 June 09	10,156	0	10,156	1,720	0	1,720	2,323	4,043
8	1 July 09 to 30 June 10	347	0	347	2,790	0	2,790	3,785	6,575
9	1 July 10 to 30 June 11	312	0	312	2,186	0	2,186	3,785	5,971
10	1 July 11 to 30 June 12	281	0	281	1,743	0	1,743	3,785	5,528
11	1 July 12 to 30 June 13	253	0	253	1,409	0	1,409	3,785	5,194
12	1 July 13 to 30 June 14	228	0	228	1,152	0	1,152	3,785	4,937
13	1 July 14 to 30 June 15	206	0	206	951	0	951	3,785	4,736
14	1 July 15 to 30 June 16	186	0	186	790	0	790	3,785	4,575
15	1 July 16 to 30 June 17	169	0	169	661	0	661	3,785	4,446
16	1 July 17 to 30 June 18	0	655	655	183	912	1,094	3,853	4,947
17	1 July 18 to 30 June 19	0	410	410	158	570	728	3,910	4,638
18	1 July 19 to 30 June 20	0	256	256	137	356	493	3,910	4,403
19	1 July 20 to 30 June 21	0	160	160	0	557	557	3,910	4,467
20	1 July 21 to 30 June 22	0	100	100	0	348	348	3,910	4,258
21	1 July 22 to 30 June 23	0	62	62	0	218	218	3,910	4,128
22	1 July 23 to 30 June 24	0	39	39	0	136	136	3,910	4,046
23	1 July 24 to 30 June 25	0	24	24	0	85	85	3,910	3,995
24	1 July 25 to 30 June 26	0	15	15	0	53	53	3,910	3,963
25	1 July 26 to 30 June 27	0	10	10	0	33	33	3,910	3,943
26	1 July 27 to 30 June 28	0	6	6	0	21	21	3,891	3,912
27	1 July 28 to 30 June 29	0	4	4	0	13	13	3,698	3,711
28	1 July 29 to 30 June 30	0	2	2	0	8	8	3,698	3,706
29	1 July 30 to 30 June 31	0	1	1	0	5	5	3,698	3,703
30	1 July 31 to 30 June 32	0	1	1	0	3	3	3,698	3,701
31	1 July 32 to 30 June 33	0	1	1	0	2	2	3,698	3,700
32	1 July 33 to 30 June 34	0	0	0	0	1	1	3,698	3,699
33	1 July 34 to 30 June 35	0	0	0	0	1	1	3,698	3,699
34	1 July 35 to 30 June 36	0	0	0	0	0	0	3,698	3,698
35	1 July 36 to 30 June 37	0	0	0	0	0	0	3,698	3,698
36	1 July 37 to 30 June 38	0	0	0	0	0	0	3,698	3,698
37	1 July 38 to 30 June 39	0	0	0	0	0	0	3,698	3,698
38	1 July 39 to 30 June 40	0	0	0	0	0	0	3,698	3,698
39	1 July 40 to 30 June 41	0	0	0	0	0	0	3,698	3,698
40	2041+	0	0	0	0	0	0	26,747	26,747
Totals		22,510	1,748	24,258	13,881	3,323	17,204	153,140	170,344

***Melissa Françoise Ovettt can claim Grand Total (Post Expenditure and Division 43) until December 2012. After partly sold to Adam Scott Lynch, Since December 2012, Melissa Françoise Ovettt can claim part of (50%) the Grand Total (Post Expenditure and Division 43).**

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	15 January 03 to 30 June 03	763	0	763	0	0	0	232	232
2	1 July 03 to 30 June 04	1,677	0	1,677	0	0	0	510	510
3	1 July 04 to 30 June 05	1,677	0	1,677	0	0	0	510	510
4	1 July 05 to 30 June 06	1,677	0	1,677	0	0	0	510	510
5	1 July 06 to 30 June 07	1,677	0	1,677	0	0	0	510	510
6	1 July 07 to 30 June 08	1,677	0	1,677	0	0	0	510	510
7	1 July 08 to 30 June 09	11,024	0	11,024	649	0	649	2,323	2,972
8	1 July 09 to 30 June 10	455	0	455	1,206	0	1,206	3,785	4,991
9	1 July 10 to 30 June 11	447	0	447	1,206	0	1,206	3,785	4,991
10	1 July 11 to 30 June 12	447	0	447	1,206	0	1,206	3,785	4,991
11	1 July 12 to 30 June 13	405	0	405	1,206	0	1,206	3,785	4,991
12	1 July 13 to 30 June 14	359	0	359	1,206	0	1,206	3,785	4,991
13	1 July 14 to 30 June 15	359	0	359	1,206	0	1,206	3,785	4,991
14	1 July 15 to 30 June 16	331	0	331	923	0	923	3,785	4,708
15	1 July 16 to 30 June 17	196	0	196	884	0	884	3,785	4,669
16	1 July 17 to 30 June 18	196	0	196	884	0	884	3,853	4,737
17	1 July 18 to 30 June 19	196	0	196	781	0	781	3,910	4,691
18	1 July 19 to 30 June 20	196	0	196	664	0	664	3,910	4,574
19	1 July 20 to 30 June 21	196	0	196	664	0	664	3,910	4,574
20	1 July 21 to 30 June 22	196	0	196	645	0	645	3,910	4,555
21	1 July 22 to 30 June 23	107	0	107	563	0	563	3,910	4,473
22	1 July 23 to 30 June 24	0	0	0	563	0	563	3,910	4,473
23	1 July 24 to 30 June 25	0	0	0	563	0	563	3,910	4,473
24	1 July 25 to 30 June 26	0	0	0	563	0	563	3,910	4,473
25	1 July 26 to 30 June 27	0	0	0	563	0	563	3,910	4,473
26	1 July 27 to 30 June 28	0	0	0	563	0	563	3,891	4,454
27	1 July 28 to 30 June 29	0	0	0	228	0	228	3,698	3,926
28	1 July 29 to 30 June 30	0	0	0	4	0	4	3,698	3,702
29	1 July 30 to 30 June 31	0	0	0	4	0	4	3,698	3,702
30	1 July 31 to 30 June 32	0	0	0	4	0	4	3,698	3,702
31	1 July 32 to 30 June 33	0	0	0	4	0	4	3,698	3,702
32	1 July 33 to 30 June 34	0	0	0	4	0	4	3,698	3,702
33	1 July 34 to 30 June 35	0	0	0	4	0	4	3,698	3,702
34	1 July 35 to 30 June 36	0	0	0	4	0	4	3,698	3,702
35	1 July 36 to 30 June 37	0	0	0	4	0	4	3,698	3,702
36	1 July 37 to 30 June 38	0	0	0	4	0	4	3,698	3,702
37	1 July 38 to 30 June 39	0	0	0	4	0	4	3,698	3,702
38	1 July 39 to 30 June 40	0	0	0	4	0	4	3,698	3,702
39	1 July 40 to 30 June 41	0	0	0	4	0	4	3,698	3,702
40	2041+	220	0	220	0	0	0	26,747	26,747
Totals		24,478	0	24,478	16,984	0	16,984	153,140	170,124

***Melissa Françoise Ovett can claim Grand Total (Post Expenditure and Division 43) until Year December 2012. After partly sold to Adam Scott Lynch, Since December 2012, Melissa Françoise Ovett can claim part of (50%) the Grand Total (Post Expenditure and Division 43).**

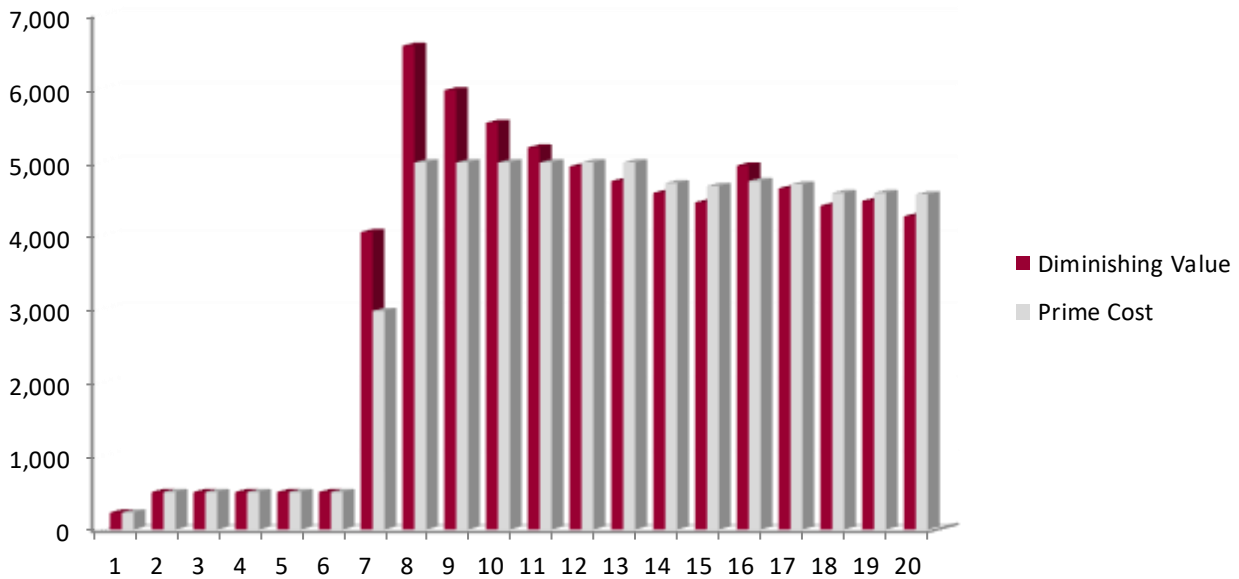
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

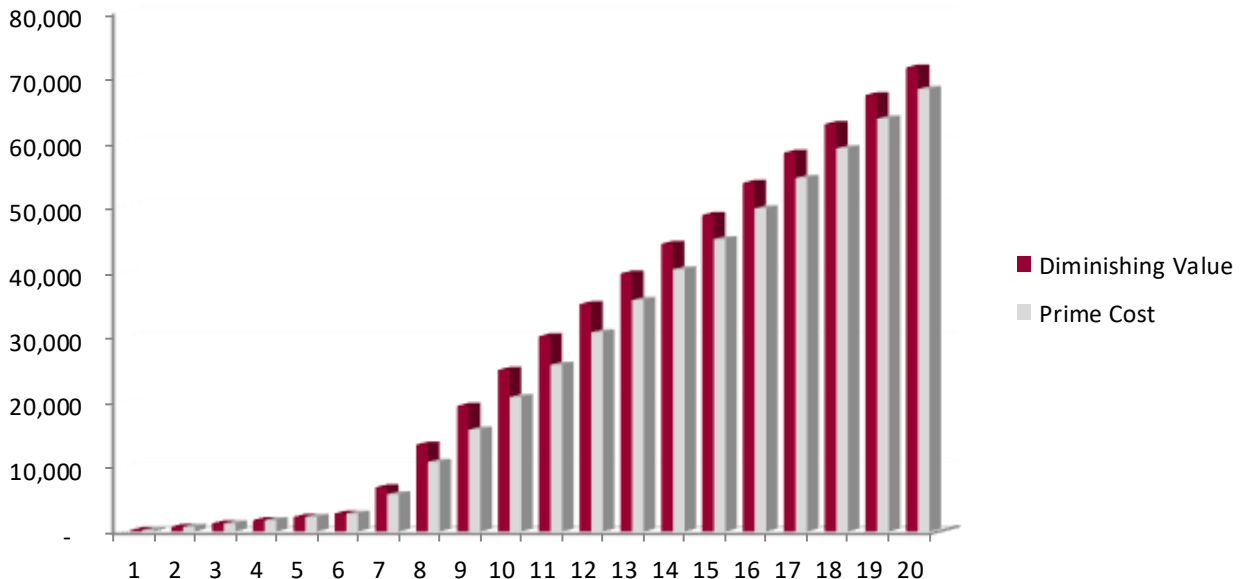
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	6 December 2002
Settlement Date	15 January 2003

Expenditure Analysed

Purchase Price	\$140,000
Stamp Duty	\$3,600
Legals	\$1,200
Post Expenditure	\$153,204
Total Expenditure Analysed	\$298,004

Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

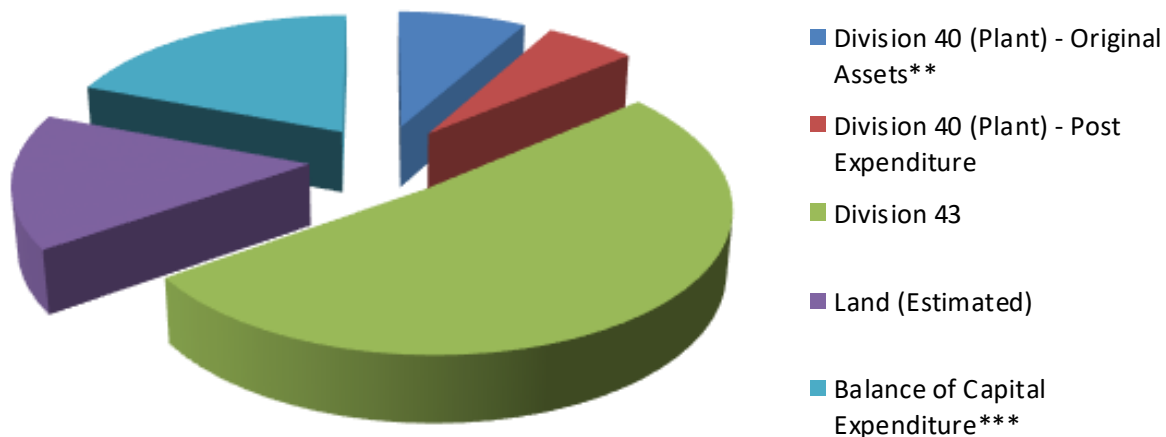
Division 40 (Plant) - Original Assets**	\$24,258
Division 40 (Plant) - Post Expenditure	\$17,204
Division 43	\$153,140
Land (Estimated)	\$46,157
Balance of Capital Expenditure***	\$57,245
Total Expenditure Analysed	\$298,004

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	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												
Bathroom assets													
Exhaust fans (including light/heating)	1.50%	15-Jan-03	512	3	8	8	7	7	7	471			
Curtains and drapes													
	22.50%	15-Jan-03	1,389	142	281	217	169	131	101	349			
Door closers													
	11.25%	15-Jan-03	263	13	28	25	22	20	17	15	14	12	11
Fire control assets													
Detection & alarm systems, detectors	7.50%	15-Jan-03	1,287	44	93	86	80	74	68	63	58	54	50
Floor coverings (removable without damage)													
Floating timber	7.50%	15-Jan-03	6,793	232	492	455	421	389	360	4,443			
Furniture													
	11.25%	15-Jan-03	1,902	97	203	180	160	142	126	112	99	88	78
	11.25%	15-Jan-03	1,975	101	211	187	166	147	131	1,032			
Garbage disposal													
Garbage bins	22.50%	15-Jan-03	234	24	47	37	28	22	17	13	10	8	6
Garden sheds, freestanding													
	15.00%	15-Jan-03	878	60	123	104	89	75	64	54	46	39	33
Hot water systems (excluding piping)													
Gas or electric	7.50%	15-Jan-03	2,633	90	191	176	163	151	140	129	119	111	102
Kitchen assets													
Cooktops	7.50%	15-Jan-03	1,243	42	90	83	77	71	66	813			
Dishwashers	22.50%	15-Jan-03	1,755	180	355	275	213	165	128	441			
Ovens	7.50%	15-Jan-03	1,609	55	117	108	100	92	85	1,052			
Rangehoods	7.50%	15-Jan-03	658	22	48	44	41	38	35	431			
Lights													
Shades, removable	7.50%	15-Jan-03	1,126	38	82	75	70	65	60	737			
Additional Items (Post Expenditure)				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%	10-Jan-09	2,200							206	399	319	255
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	10-Dec-08	350							39	62	50	40
Blinds Residential													
	20.00%	10-Dec-08	950							105	169	135	108
Floor coverings (removable without damage)													
Floating timber	13.33%	10-Dec-08	4,644							343	574	497	431
Carried forward			32,402	1,144	2,367	2,061	1,805	1,589	1,406	10,848	1,551	1,313	1,115

11. Prime Cost Depreciation Schedule

Assets Generally		Prime Cost	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	Rate													
Bathroom assets														
Exhaust fans (including light/heating)	1.00%	15-Jan-03	512	2	5	5	5	5	5	5	485			
Curtains and drapes														
	15.00%	15-Jan-03	1,389	95	208	208	208	208	208	208	254			
Door closers														
	7.50%	15-Jan-03	263	9	20	20	20	20	20	20	20	20	20	20
Fire control assets														
Detection & alarm systems, detectors	5.00%	15-Jan-03	1,287	29	64	64	64	64	64	64	64	64	64	64
Floor coverings (removable without damage)														
Floating timber	5.00%	15-Jan-03	6,793	154	340	340	340	340	340	340	4,939			
Furniture														
	7.50%	15-Jan-03	1,902	65	143	143	143	143	143	143	143	143	143	143
	7.50%	15-Jan-03	1,975	67	148	148	148	148	148	148	1,167			
Garbage disposal														
Garbage bins	15.00%	15-Jan-03	234	16	35	35	35	35	35	35	35	8		
Garden sheds, freestanding														
	10.00%	15-Jan-03	878	40	88	88	88	88	88	88	88	88	88	88
Hot water systems (excluding piping)														
Gas or electric	5.00%	15-Jan-03	2,633	60	132	132	132	132	132	132	132	132	132	132
Kitchen assets														
Cooktops	5.00%	15-Jan-03	1,243	28	62	62	62	62	62	62	905			
Dishwashers	15.00%	15-Jan-03	1,755	120	263	263	263	263	263	263	321			
Ovens	5.00%	15-Jan-03	1,609	37	80	80	80	80	80	80	1,172			
Rangehoods	5.00%	15-Jan-03	658	15	33	33	33	33	33	33	478			
Lights														
Shades, removable	5.00%	15-Jan-03	1,126	26	56	56	56	56	56	56	821			
Additional Items (Post Expenditure)					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%	10-Jan-09	2,200								103	220	220	220
Bathroom assets														
Exhaust fans (including light/heating)	1.00%	10-Dec-08	350								2	4	4	4
Blinds Residential														
	15.00%	10-Dec-08	950								79	142	142	142
Floor coverings (removable without damage)														
Floating timber	5.00%	10-Dec-08	4,644								128	232	232	232
		Carried forward	32,402	763	1,677	1,677	1,677	1,677	1,677	1,677	11,336	1,053	1,045	1,045

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 1988	6 Jun 88 to 9 Jun 88	6,235	2.50%	156	3,958
Building Works - Completed 2002	11 Jul 02 to 14 Jul 02	8,833	2.50%	221	8,721
Building Works - Completed 2008	20 Nov 08 to 10 Dec 08	15,000	2.50%	375	15,000
Building Works - Completed 2017	7 Dec 17 to 12 Dec 17	3,000	2.50%	75	3,000

Sub-total 33,069 827 30,679

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1988	6 Jun 88 to 9 Jun 88	2,236	2.50%	56	1,419
Structural Improvements - Completed 2002	11 Jul 02 to 14 Jul 02	3,081	2.50%	77	3,042
Structural Improvements - Completed 2008	20 Nov 08 to 10 Dec 08	116,000	2.50%	2,900	116,000
Structural Improvements - Completed 2017	7 Dec 17 to 12 Dec 17	2,000	2.50%	50	2,000

Sub-total 123,317 3,083 122,461

Totals 156,386 3,910 153,140

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.