



Tax Depreciation Report

27 Cole Dr,
Highfields QLD 4352

Liang Liang
PO BOX 3756
SUNNYBANK SOUTH, QLD 4109

Issue Schedule	
Issue Date:	Issued by:
09 September 2019	Mark Kilroy Bsc (Hons) MRICS

Liang Liang
PO BOX 3756
SUNNYBANK SOUTH, QLD 4109

September 2019
Job No: RES4352003

Tax Depreciation Report – 27 Cole Dr, Highfields QLD 4352

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

9 September 2019

Purchaser

Liang Liang

Property Address

27 Cole Dr, Highfields QLD 4352

Real Property Description

L56 SP173978

Property Type

Residential House

Date of Construction

28 March 2005

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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	29 September 15 to 30 June 16	7,313	0	7,313	3,398	10,711
2	1 July 16 to 30 June 17	7,422	1,517	8,939	4,521	13,460
3	1 July 17 to 30 June 18	5,532	1,268	6,799	4,521	11,320
4	1 July 18 to 30 June 19	4,164	1,412	5,575	4,521	10,096
5	1 July 19 to 30 June 20	3,361	882	4,243	4,521	8,764
6	1 July 20 to 30 June 21	2,556	907	3,463	4,521	7,984
7	1 July 21 to 30 June 22	1,894	881	2,774	4,521	7,295
8	1 July 22 to 30 June 23	1,167	1,229	2,396	4,521	6,917
9	1 July 23 to 30 June 24	945	768	1,713	4,521	6,234
10	1 July 24 to 30 June 25	766	480	1,246	4,521	5,767
11	1 July 25 to 30 June 26	316	961	1,277	4,521	5,798
12	1 July 26 to 30 June 27	253	601	854	4,521	5,375
13	1 July 27 to 30 June 28	202	375	578	4,521	5,099
14	1 July 28 to 30 June 29	0	538	538	4,521	5,059
15	1 July 29 to 30 June 30	0	336	336	4,521	4,857
16	1 July 30 to 30 June 31	0	210	210	4,521	4,731
17	1 July 31 to 30 June 32	0	131	131	4,521	4,652
18	1 July 32 to 30 June 33	0	82	82	4,521	4,603
19	1 July 33 to 30 June 34	0	51	51	4,521	4,572
20	1 July 34 to 30 June 35	0	32	32	4,521	4,553
21	1 July 35 to 30 June 36	0	20	20	4,521	4,541
22	1 July 36 to 30 June 37	0	13	13	4,521	4,534
23	1 July 37 to 30 June 38	0	8	8	4,521	4,529
24	1 July 38 to 30 June 39	0	5	5	4,521	4,526
25	1 July 39 to 30 June 40	0	3	3	4,521	4,524
26	1 July 40 to 30 June 41	0	2	2	4,521	4,523
27	1 July 41 to 30 June 42	0	1	1	4,521	4,522
28	1 July 42 to 30 June 43	0	1	1	4,521	4,522
29	1 July 43 to 30 June 44	0	0	0	4,521	4,521
30	1 July 44 to 30 June 45	0	0	0	3,637	3,637
31	1 July 45 to 30 June 46	0	0	0	1,176	1,176
32	1 July 46 to 30 June 47	0	0	0	1,176	1,176
33	1 July 47 to 30 June 48	0	0	0	1,176	1,176
34	1 July 48 to 30 June 49	0	0	0	1,176	1,176
35	1 July 49 to 30 June 50	0	0	0	1,176	1,176
36	1 July 50 to 30 June 51	0	0	0	1,176	1,176
37	1 July 51 to 30 June 52	0	0	0	1,176	1,176
38	1 July 52 to 30 June 53	0	0	0	1,176	1,176
39	1 July 53 to 30 June 54	0	0	0	1,176	1,176
40	2054+	0	0	0	1,242	1,242
Totals		35,890	12,716	48,606	145,449	194,055

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	29 September 15 to 30 June 16	3,657	0	3,657	3,398	7,055
2	1 July 16 to 30 June 17	4,866	0	4,866	4,521	9,387
3	1 July 17 to 30 June 18	4,866	0	4,866	4,521	9,387
4	1 July 18 to 30 June 19	4,866	0	4,866	4,521	9,387
5	1 July 19 to 30 June 20	4,866	0	4,866	4,521	9,387
6	1 July 20 to 30 June 21	4,499	0	4,499	4,521	9,020
7	1 July 21 to 30 June 22	4,323	0	4,323	4,521	8,844
8	1 July 22 to 30 June 23	4,279	0	4,279	4,521	8,800
9	1 July 23 to 30 June 24	4,279	0	4,279	4,521	8,800
10	1 July 24 to 30 June 25	4,279	0	4,279	4,521	8,800
11	1 July 25 to 30 June 26	1,719	0	1,719	4,521	6,240
12	1 July 26 to 30 June 27	859	0	859	4,521	5,380
13	1 July 27 to 30 June 28	514	0	514	4,521	5,035
14	1 July 28 to 30 June 29	274	0	274	4,521	4,795
15	1 July 29 to 30 June 30	72	0	72	4,521	4,593
16	1 July 30 to 30 June 31	72	0	72	4,521	4,593
17	1 July 31 to 30 June 32	72	0	72	4,521	4,593
18	1 July 32 to 30 June 33	72	0	72	4,521	4,593
19	1 July 33 to 30 June 34	72	0	72	4,521	4,593
20	1 July 34 to 30 June 35	72	0	72	4,521	4,593
21	1 July 35 to 30 June 36	28	0	28	4,521	4,549
22	1 July 36 to 30 June 37	0	0	0	4,521	4,521
23	1 July 37 to 30 June 38	0	0	0	4,521	4,521
24	1 July 38 to 30 June 39	0	0	0	4,521	4,521
25	1 July 39 to 30 June 40	0	0	0	4,521	4,521
26	1 July 40 to 30 June 41	0	0	0	4,521	4,521
27	1 July 41 to 30 June 42	0	0	0	4,521	4,521
28	1 July 42 to 30 June 43	0	0	0	4,521	4,521
29	1 July 43 to 30 June 44	0	0	0	4,521	4,521
30	1 July 44 to 30 June 45	0	0	0	3,637	3,637
31	1 July 45 to 30 June 46	0	0	0	1,176	1,176
32	1 July 46 to 30 June 47	0	0	0	1,176	1,176
33	1 July 47 to 30 June 48	0	0	0	1,176	1,176
34	1 July 48 to 30 June 49	0	0	0	1,176	1,176
35	1 July 49 to 30 June 50	0	0	0	1,176	1,176
36	1 July 50 to 30 June 51	0	0	0	1,176	1,176
37	1 July 51 to 30 June 52	0	0	0	1,176	1,176
38	1 July 52 to 30 June 53	0	0	0	1,176	1,176
39	1 July 53 to 30 June 54	0	0	0	1,176	1,176
40	2054+	0	0	0	1,242	1,242
Totals		48,606	0	48,606	145,449	194,055

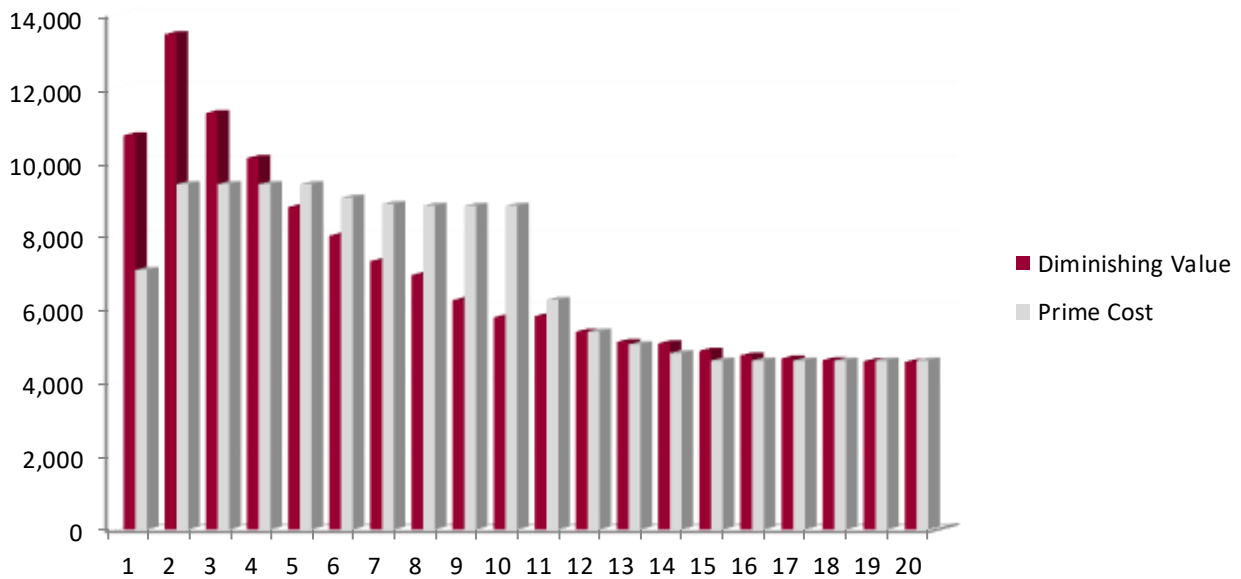
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

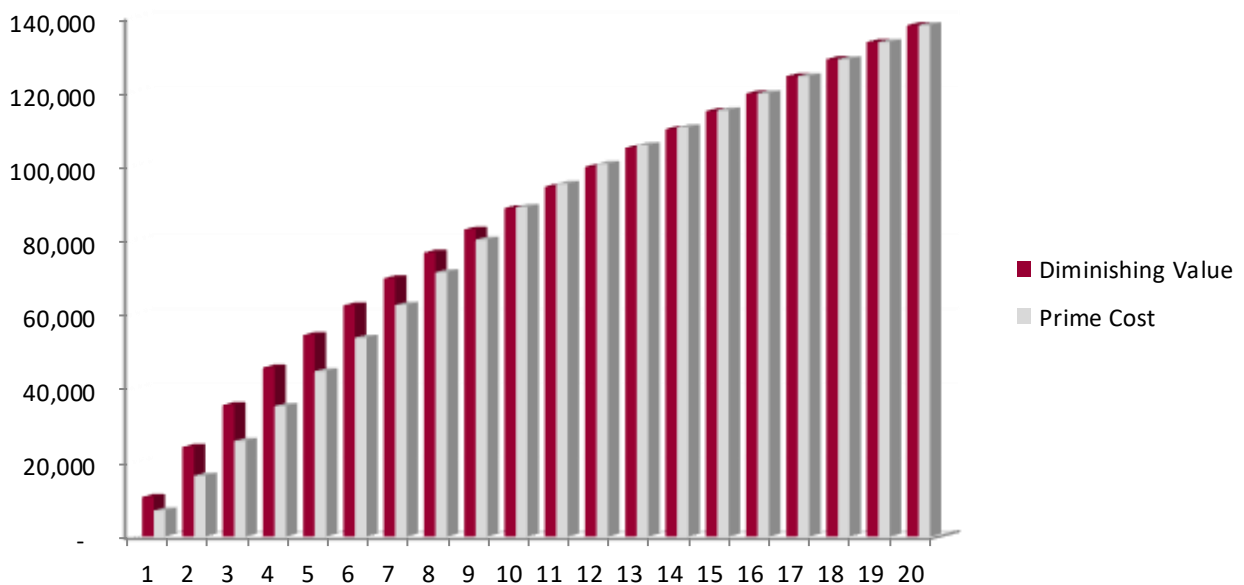
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	18 August 2015
Settlement Date	29 September 2015

Expenditure Analysed

Purchase Price	\$480,000
Stamp Duty	\$15,225
Legals	\$1,200
Total Expenditure Analysed	\$496,425

Historical Construction Details

Construction Start Date	29 September 2004
Construction Completion Date	28 March 2005
Historical Construction Cost (Estimated)*	\$209,808

9. Reconciliation of Capital Expenditure

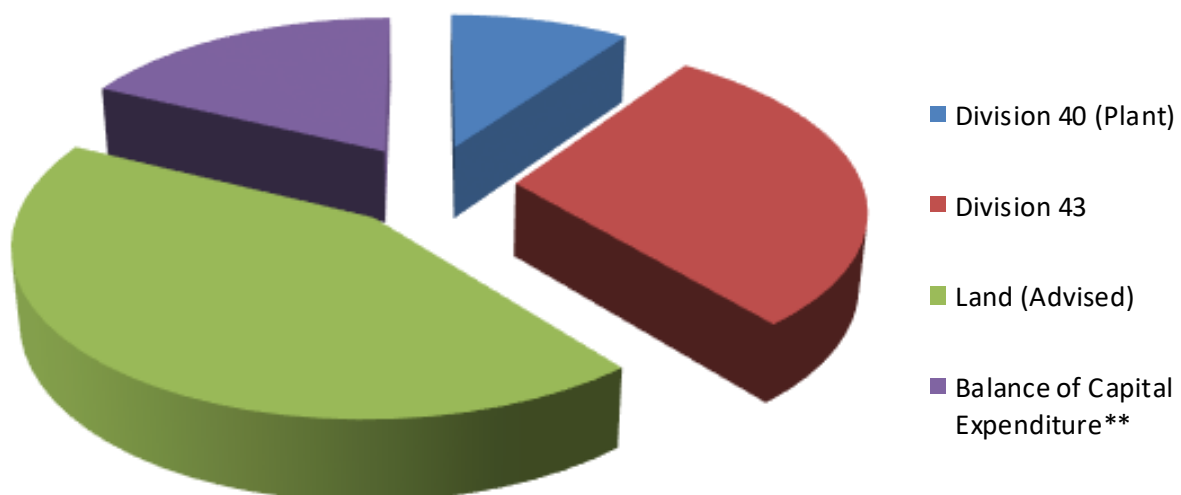
Apportionment of cost relating to:

Division 40 (Plant)	\$48,606
Division 43	\$145,449
Land (Advised)	\$214,082
Balance of Capital Expenditure**	\$88,288
Total Expenditure Analysed	\$496,425

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%	29-Sep-15	3,751	564	638	510	408	326	261	209	313	196	122
Bathroom assets													
Exhaust fans (including light/heating)	20.00%	29-Sep-15	625	94	199	125	78	49	30	19	12	7	5
Blinds Residential													
	20.00%	29-Sep-15	4,374	657	743	595	476	381	304	244	365	228	143
Curtains and drapes													
	33.33%	29-Sep-15	396	99	111	70	43	27	17	11	7	4	3
Fire control assets													
Detection & alarm systems, detectors	10.00%	29-Sep-15	825	62	286	179	112	70	44	27	17	11	7
Floor coverings (removable without damage)													
Carpets	20.00%	29-Sep-15	7,104	1,068	1,207	966	773	618	494	396	316	253	203
Furniture													
	15.00%	29-Sep-15	4,639	523	618	525	446	379	322	274	233	198	168
Garage doors, automatic													
Controls	40.00%	29-Sep-15	425	128	112	70	44	27	17	11	7	4	3
Motors	20.00%	29-Sep-15	3,001	451	510	408	326	261	209	313	196	122	77
Garbage disposal													
Garbage bins	30.00%	29-Sep-15	200	45	58	36	23	14	9	6	3	2	1
Garden sheds, freestanding													
	20.00%	29-Sep-15	13,855	2,082	2,355	1,884	1,507	1,206	964	772	617	494	395
Hot water systems (excluding piping)													
Gas or electric	16.67%	29-Sep-15	2,251	282	328	273	228	190	356	223	139	87	54
Kitchen assets													
Cooktops	16.67%	29-Sep-15	1,063	133	349	218	136	85	53	33	21	13	8
Dishwashers	20.00%	29-Sep-15	1,501	225	255	204	306	191	120	75	47	29	18
Ovens	16.67%	29-Sep-15	1,375	172	201	167	313	196	122	76	48	30	19
Rangehoods	16.67%	29-Sep-15	563	70	185	115	72	45	28	18	11	7	4
Lights													
Fittings (excluding hardwired)	40.00%	29-Sep-15	2,032	611	569	320	200	125	78	49	30	19	12
Pumps													
	10.00%	29-Sep-15	625	47	217	136	85	53	33	21	13	8	5
Pooled Plant Total					1,517	1,268	1,412	882	907	881	1,229	768	480
Effective Life Plant Total				7,313	7,422	5,532	4,164	3,361	2,556	1,894	1,167	945	766
Total Division 40			48,606	7,313	8,939	6,799	5,575	4,243	3,463	2,774	2,396	1,713	1,246

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 2005	2.50%	29-Sep-15	84,719	2,159	2,873	2,873	2,873	2,873	2,873	2,873	2,873	2,873	2,873
Building Works - Completed 2015	2.50%	29-Sep-15	38,962	736	979	979	979	979	979	979	979	979	979
Structural Improvements - Completed 2005	2.50%	29-Sep-15	13,916	355	472	472	472	472	472	472	472	472	472
Structural Improvements - Completed 2015	2.50%	29-Sep-15	7,852	148	197	197	197	197	197	197	197	197	197
Total Division 43			145,449	3,398	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521
Total Depreciation			194,055	10,711	13,460	11,320	10,096	8,764	7,984	7,295	6,917	6,234	5,767

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%	29-Sep-15	3,751	282	375	375	375	375	375	375	375	375	375
Bathroom assets													
Exhaust fans (including light/heating)	10.00%	29-Sep-15	625	47	63	63	63	63	63	63	63	63	63
Blinds Residential													
	10.00%	29-Sep-15	4,374	329	437	437	437	437	437	437	437	437	437
Curtains and drapes													
	16.67%	29-Sep-15	396	50	66	66	66	66	66	17			
Fire control assets													
Detection & alarm systems, detectors	5.00%	29-Sep-15	825	31	41	41	41	41	41	41	41	41	41
Floor coverings (removable without damage)													
Carpets	10.00%	29-Sep-15	7,104	534	710	710	710	710	710	710	710	710	710
Furniture													
	7.50%	29-Sep-15	4,639	261	348	348	348	348	348	348	348	348	348
Garage doors, automatic													
Controls	20.00%	29-Sep-15	425	64	85	85	85	85	21				
Motors	10.00%	29-Sep-15	3,001	225	300	300	300	300	300	300	300	300	300
Garbage disposal													
Garbage bins	15.00%	29-Sep-15	200	23	30	30	30	30	30	28			
Garden sheds, freestanding													
	10.00%	29-Sep-15	13,855	1,041	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385
Hot water systems (excluding piping)													
Gas or electric	8.33%	29-Sep-15	2,251	141	188	188	188	188	188	188	188	188	188
Kitchen assets													
Cooktops	8.33%	29-Sep-15	1,063	67	89	89	89	89	89	89	89	89	89
Dishwashers	10.00%	29-Sep-15	1,501	113	150	150	150	150	150	150	150	150	150
Ovens	8.33%	29-Sep-15	1,375	86	115	115	115	115	115	115	115	115	115
Rangehoods	8.33%	29-Sep-15	563	35	47	47	47	47	47	47	47	47	47
Lights													
Fittings (excluding hardwired)	20.00%	29-Sep-15	2,032	305	406	406	406	406	103				
Pumps													
	5.00%	29-Sep-15	625	23	31	31	31	31	31	31	31	31	31
Pooled Plant Total													
Effective Life Plant Total				3,657	4,866	4,866	4,866	4,866	4,499	4,323	4,279	4,279	4,279
Total Division 40			48,606	3,657	4,866	4,866	4,866	4,866	4,499	4,323	4,279	4,279	4,279

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 2005	2.50%	29-Sep-15	84,719	2,159	2,873	2,873	2,873	2,873	2,873	2,873	2,873	2,873	2,873
Building Works - Completed 2015	2.50%	29-Sep-15	38,962	736	979	979	979	979	979	979	979	979	979
Structural Improvements - Completed 2005	2.50%	29-Sep-15	13,916	355	472	472	472	472	472	472	472	472	472
Structural Improvements - Completed 2015	2.50%	29-Sep-15	7,852	148	197	197	197	197	197	197	197	197	197
Total Division 43			145,449	3,398	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521
Total Depreciation			194,055	7,055	9,387	9,387	9,387	9,387	9,020	8,844	8,800	8,800	8,800

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 2005	29 Sep 04 to 28 Mar 05	114,921	2.50%	2,873	84,719
Building Works - Completed 2015	15 Jul 15 to 20 Jul 15	39,152	2.50%	979	38,962
Sub-total		154,074		3,852	123,681

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2005	29 Sep 04 to 28 Mar 05	18,878	2.50%	472	13,916
Structural Improvements - Completed 2015	15 Jul 15 to 20 Jul 15	7,891	2.50%	197	7,852
Sub-total		26,768		669	21,768
Totals		180,842		4,521	145,449

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	
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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.