



## Tax Depreciation Report

Eli Waters Shopping Centre, 14/2 Ibis Blvd,  
Eli Waters QLD 4655

IPG Eli Waters Pty Ltd  
87 Oxlade Drive  
NEW FARM, QLD 4005

Issue Schedule	
Issue Date:	Issued by:
01 October 2019	Mark Kilroy Bsc (Hons) MRICS



IPG Eli Waters Pty Ltd  
87 Oxlade Drive  
NEW FARM, QLD 4005

October 2019  
Job No: COM4655007

**Tax Depreciation Report – Eli Waters Shopping Centre, 14/2 Ibis Blvd, Eli Waters QLD 4655**

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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## 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

1 October 2019

### Purchaser

IPG Eli Waters Pty Ltd

### Property Address

Eli Waters Shopping Centre, 14/2 Ibis Blvd, Eli Waters QLD 4655

### Property Type

Commercial

### Date of Construction

20 May 2019

### 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"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>					<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example					Calculation Example				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></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><b>100 / 10 Years = 10% (Straight Line)</b></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	20 May 19 to 30 June 19	5,047	8,203	13,250	666	13,916
2	1 July 19 to 30 June 20	43,805	13,414	57,219	5,932	63,151
3	1 July 20 to 30 June 21	34,306	8,752	43,057	5,932	48,989
4	1 July 21 to 30 June 22	26,978	5,790	32,768	5,932	38,700
5	1 July 22 to 30 June 23	20,970	4,252	25,221	5,932	31,153
6	1 July 23 to 30 June 24	16,317	3,005	19,322	5,932	25,254
7	1 July 24 to 30 June 25	13,086	1,878	14,964	5,932	20,896
8	1 July 25 to 30 June 26	10,308	1,530	11,838	5,932	17,770
9	1 July 26 to 30 June 27	8,273	956	9,229	5,932	15,161
10	1 July 27 to 30 June 28	6,642	597	7,239	5,932	13,171
11	1 July 28 to 30 June 29	5,335	373	5,708	5,932	11,640
12	1 July 29 to 30 June 30	4,287	233	4,520	5,932	10,452
13	1 July 30 to 30 June 31	3,447	146	3,593	5,932	9,525
14	1 July 31 to 30 June 32	2,591	433	3,023	5,932	8,955
15	1 July 32 to 30 June 33	2,087	270	2,357	5,932	8,289
16	1 July 33 to 30 June 34	1,682	169	1,851	5,932	7,783
17	1 July 34 to 30 June 35	1,357	106	1,462	5,932	7,394
18	1 July 35 to 30 June 36	808	777	1,585	5,932	7,517
19	1 July 36 to 30 June 37	472	812	1,285	5,932	7,217
20	1 July 37 to 30 June 38	378	508	885	5,932	6,817
21	1 July 38 to 30 June 39	302	317	620	5,932	6,552
22	1 July 39 to 30 June 40	242	198	440	5,932	6,372
23	1 July 40 to 30 June 41	0	487	487	5,932	6,419
24	1 July 41 to 30 June 42	0	304	304	5,932	6,236
25	1 July 42 to 30 June 43	0	190	190	5,932	6,122
26	1 July 43 to 30 June 44	0	119	119	5,932	6,051
27	1 July 44 to 30 June 45	0	74	74	5,932	6,006
28	1 July 45 to 30 June 46	0	46	46	5,932	5,978
29	1 July 46 to 30 June 47	0	29	29	5,932	5,961
30	1 July 47 to 30 June 48	0	18	18	5,932	5,950
31	1 July 48 to 30 June 49	0	11	11	5,932	5,943
32	1 July 49 to 30 June 50	0	7	7	5,932	5,939
33	1 July 50 to 30 June 51	0	4	4	5,932	5,936
34	1 July 51 to 30 June 52	0	3	3	5,932	5,935
35	1 July 52 to 30 June 53	0	2	2	5,932	5,934
36	1 July 53 to 30 June 54	0	1	1	5,932	5,933
37	1 July 54 to 30 June 55	0	1	1	5,932	5,933
38	1 July 55 to 30 June 56	0	0	0	5,932	5,932
39	1 July 56 to 30 June 57	0	0	0	5,932	5,932
40	2057+	0	0	0	11,183	11,183
<b>Totals</b>		<b>208,718</b>	<b>54,017</b>	<b>262,735</b>	<b>237,265</b>	<b>500,000</b>

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	20 May 19 to 30 June 19	2,523	8,203	10,726	666	11,392
2	1 July 19 to 30 June 20	22,464	13,330	35,794	5,932	41,726
3	1 July 20 to 30 June 21	22,464	8,331	30,795	5,932	36,727
4	1 July 21 to 30 June 22	22,464	5,207	27,671	5,932	33,603
5	1 July 22 to 30 June 23	22,464	3,254	25,718	5,932	31,650
6	1 July 23 to 30 June 24	22,296	2,034	24,330	5,932	30,262
7	1 July 24 to 30 June 25	20,964	1,271	22,235	5,932	28,167
8	1 July 25 to 30 June 26	20,810	795	21,605	5,932	27,537
9	1 July 26 to 30 June 27	20,619	497	21,116	5,932	27,048
10	1 July 27 to 30 June 28	20,619	310	20,929	5,932	26,861
11	1 July 28 to 30 June 29	18,347	194	18,541	5,932	24,473
12	1 July 29 to 30 June 30	440	121	561	5,932	6,493
13	1 July 30 to 30 June 31	429	76	505	5,932	6,437
14	1 July 31 to 30 June 32	340	47	387	5,932	6,319
15	1 July 32 to 30 June 33	270	30	299	5,932	6,231
16	1 July 33 to 30 June 34	250	18	268	5,932	6,200
17	1 July 34 to 30 June 35	250	12	262	5,932	6,194
18	1 July 35 to 30 June 36	250	7	257	5,932	6,189
19	1 July 36 to 30 June 37	250	5	255	5,932	6,187
20	1 July 37 to 30 June 38	250	3	253	5,932	6,185
21	1 July 38 to 30 June 39	222	2	224	5,932	6,156
22	1 July 39 to 30 June 40	0	1	1	5,932	5,933
23	1 July 40 to 30 June 41	0	1	1	5,932	5,933
24	1 July 41 to 30 June 42	0	0	0	5,932	5,932
25	1 July 42 to 30 June 43	0	0	0	5,932	5,932
26	1 July 43 to 30 June 44	0	0	0	5,932	5,932
27	1 July 44 to 30 June 45	0	0	0	5,932	5,932
28	1 July 45 to 30 June 46	0	0	0	5,932	5,932
29	1 July 46 to 30 June 47	0	0	0	5,932	5,932
30	1 July 47 to 30 June 48	0	0	0	5,932	5,932
31	1 July 48 to 30 June 49	0	0	0	5,932	5,932
32	1 July 49 to 30 June 50	0	0	0	5,932	5,932
33	1 July 50 to 30 June 51	0	0	0	5,932	5,932
34	1 July 51 to 30 June 52	0	0	0	5,932	5,932
35	1 July 52 to 30 June 53	0	0	0	5,932	5,932
36	1 July 53 to 30 June 54	0	0	0	5,932	5,932
37	1 July 54 to 30 June 55	0	0	0	5,932	5,932
38	1 July 55 to 30 June 56	0	0	0	5,932	5,932
39	1 July 56 to 30 June 57	0	0	0	5,932	5,932
40	2057+	0	0	0	11,183	11,183
<b>Totals</b>		<b>218,985</b>	<b>43,750</b>	<b>262,735</b>	<b>237,265</b>	<b>500,000</b>

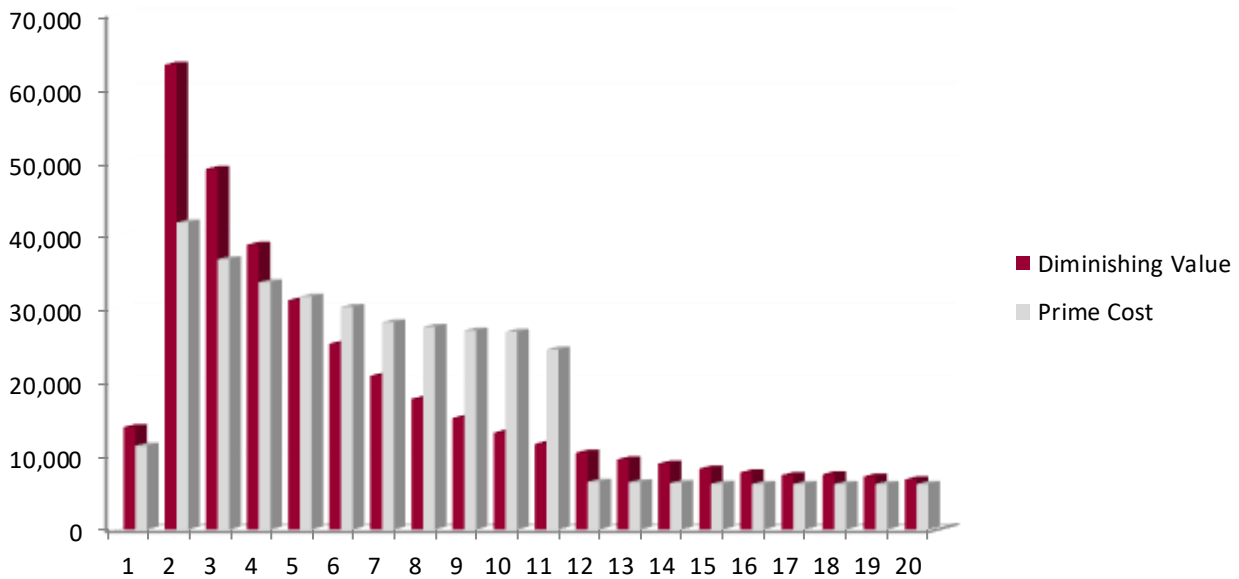
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

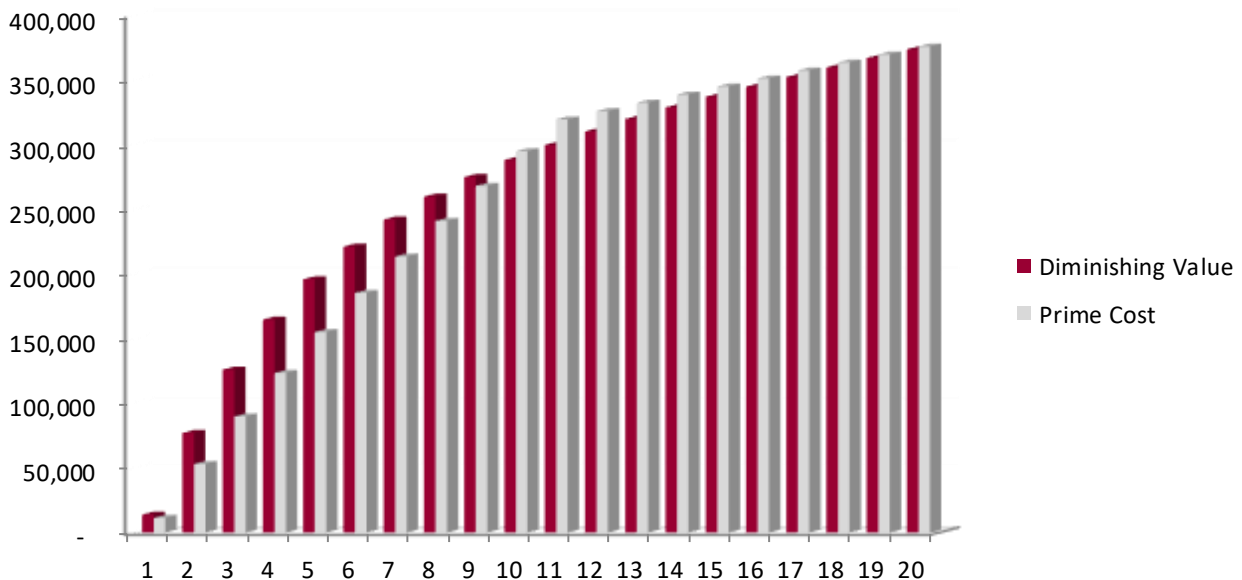
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 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

### Construction Details

Contract Date	20 April 2019
Handover Date	20 May 2019

### Expenditure Analysed

Construction Cost	\$5,200,000
<b>Total Expenditure Analysed</b>	<b>\$5,200,000</b>

### Historical Construction Details

Construction Start Date	20 April 2019
Construction Completion Date	20 May 2019
Historical Construction Cost (Estimated)*	\$5,200,000

## 9. Reconciliation of Capital Expenditure

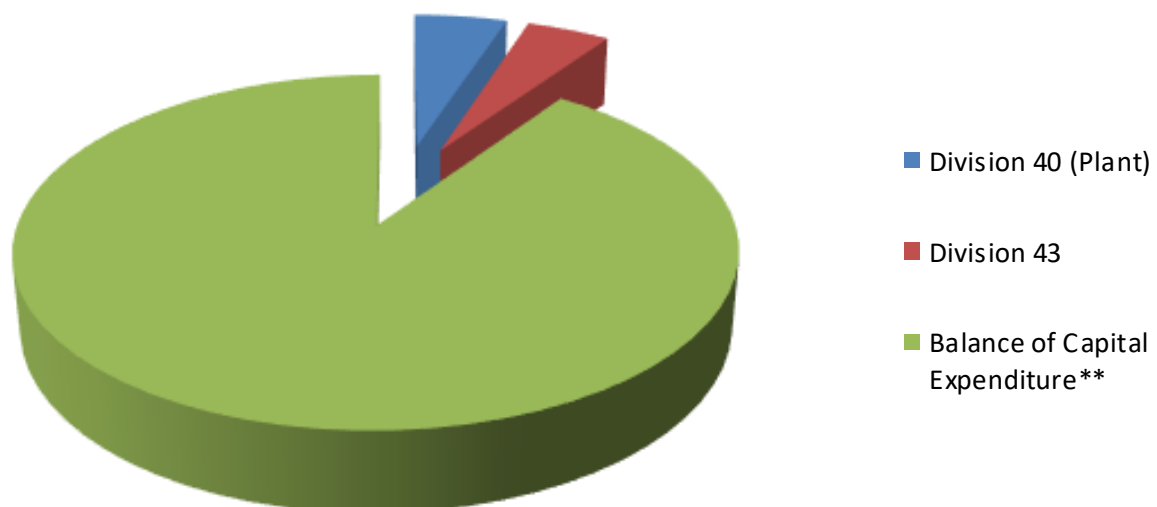
### Apportionment of cost relating to:

Division 40 (Plant)	\$262,735
Division 43	\$237,265
Balance of Capital Expenditure**	\$4,700,000
<b>Total Expenditure Analysed</b>	<b>\$5,200,000</b>

### 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
<b>Counters, freestanding (including check-out and service counters)</b>	20.00%	20-May-19	13,550	304	2,649	2,119	1,695	1,356	1,085	868	694	556	444
<b>Cleaning equipment</b>													
Vacuum cleaner, ducted system, hoses, motors & wands	20.00%	20-May-19	230	5	84	53	33	21	13	8	5	3	2
<b>Computer systems</b>													
General	40.00%	20-May-19	7,500	337	2,865	1,719	1,031	619	348	218	136	85	53
General	18.75%	20-May-19	2,885	541	879	549	343	215	134	84	52	33	20
<b>Electrical Machinery &amp; Equipment :</b>													
Switchboards	10.00%	20-May-19	5,000	56	494	445	400	360	324	292	263	236	213
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	20-May-19	1,320	248	402	251	157	98	61	38	24	15	9
Fire extinguishers	18.75%	20-May-19	900	169	274	171	107	67	42	26	16	10	6
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	20-May-19	39,600	890	7,742	6,194	4,955	3,964	3,171	2,537	2,030	1,624	1,299
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	20.00%	20-May-19	35,575	799	6,955	5,564	4,451	3,561	2,849	2,279	1,823	1,459	1,167
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	18.75%	20-May-19	11,715	2,197	3,569	2,231	1,394	871	545	340	213	133	83
<b>Kitchen assets</b>													
Cooktops	18.75%	20-May-19	170	32	52	32	20	13	8	5	3	2	1
Microwave ovens	18.75%	20-May-19	280	53	85	53	33	21	13	8	5	3	2
Refrigerators	16.67%	20-May-19	1,200	22	196	368	230	144	90	56	35	22	14
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	20-May-19	3,360	630	1,024	640	400	250	156	98	61	38	24
Shades, removable	18.75%	20-May-19	1,200	225	366	229	143	89	56	35	22	14	9
Emergency lighting	18.75%	20-May-19	1,500	281	457	286	179	112	70	44	27	17	11
<b>Point of Sales</b>	20.00%	20-May-19	3,700	83	723	579	463	370	296	237	356	222	139
<b>Refrigeration</b>													
Fridge	20.00%	20-May-19	1,850	42	362	289	231	347	217	136	85	53	33
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	20-May-19	2,300	78	667	467	327	286	179	112	70	44	27
<b>Shelving</b>	20.00%	20-May-19	107,280	2,410	20,974	16,779	13,423	10,739	8,591	6,873	5,498	4,399	3,519
<b>Carried forward</b>			<b>241,115</b>	<b>9,401</b>	<b>50,821</b>	<b>39,018</b>	<b>30,018</b>	<b>23,503</b>	<b>18,248</b>	<b>14,293</b>	<b>11,418</b>	<b>8,967</b>	<b>7,075</b>

## Diminishing Value Depreciation Schedule (cont.)

Assets Generally	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
<b>Division 40 - Plant and Equipment</b>													
Brought forward			241,115	9,401	50,821	39,018	30,018	23,503	18,248	14,293	11,418	8,967	7,075
Signage for business identification (including lighting for signs)	15.00%	20-May-19	1,200	20	177	150	320	200	125	78	49	30	19
Signage for business identification (including lighting for signs)	18.75%	20-May-19	20,420	3,829	6,222	3,889	2,430	1,519	949	593	371	232	145
Pooled Plant Total				8,203	13,414	8,752	5,790	4,252	3,005	1,878	1,530	956	597
Effective Life Plant Total				5,047	43,805	34,306	26,978	20,970	16,317	13,086	10,308	8,273	6,642
Total Division 40			262,735	13,250	57,219	43,057	32,768	25,221	19,322	14,964	11,838	9,229	7,239
<b>Division 43 - Capital Works Allowance</b>													
	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
Building Works - Completed 2019	2.50%	20-May-19	237,265	666	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932
Total Division 43			237,265	666	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932
Total Depreciation			500,000	13,916	63,151	48,989	38,700	31,153	25,254	20,896	17,770	15,161	13,171

## 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												
<b>Counters, freestanding (including check-out and service counters)</b>	10.00%	20-May-19	13,550	152	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355
<b>Cleaning equipment</b>													
Vacuum cleaner, ducted system, hoses, motors & wands	10.00%	20-May-19	230	3	23	23	23	23	23	23	23	23	23
<b>Computer systems</b>													
General	20.00%	20-May-19	7,500	168	1,500	1,500	1,500	1,500	1,332				
General	18.75%	20-May-19	2,885	541	879	549	343	215	134	84	52	33	20
<b>Electrical Machinery &amp; Equipment :</b>													
Switchboards	5.00%	20-May-19	5,000	28	250	250	250	250	250	250	250	250	250
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	20-May-19	1,320	248	402	251	157	98	61	38	24	15	9
Fire extinguishers	18.75%	20-May-19	900	169	274	171	107	67	42	26	16	10	6
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	20-May-19	39,600	445	3,960	3,960	3,960	3,960	3,960	3,960	3,960	3,960	3,960
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	10.00%	20-May-19	35,575	400	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	18.75%	20-May-19	11,715	2,197	3,569	2,231	1,394	871	545	340	213	133	83
<b>Kitchen assets</b>													
Cooktops	18.75%	20-May-19	170	32	52	32	20	13	8	5	3	2	1
Microwave ovens	18.75%	20-May-19	280	53	85	53	33	21	13	8	5	3	2
Refrigerators	8.33%	20-May-19	1,200	11	100	100	100	100	100	100	100	100	100
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	20-May-19	3,360	630	1,024	640	400	250	156	98	61	38	24
Shades, removable	18.75%	20-May-19	1,200	225	366	229	143	89	56	35	22	14	9
Emergency lighting	18.75%	20-May-19	1,500	281	457	286	179	112	70	44	27	17	11
<b>Point of Sales</b>	10.00%	20-May-19	3,700	42	370	370	370	370	370	370	370	370	370
<b>Refrigeration</b>													
Fridge	10.00%	20-May-19	1,850	21	185	185	185	185	185	185	185	185	185
<b>Security systems &amp; equipment</b>													
Electronic	15.00%	20-May-19	2,300	39	345	345	345	345	345	345	191		
<b>Shelving</b>	10.00%	20-May-19	107,280	1,205	10,728	10,728	10,728	10,728	10,728	10,728	10,728	10,728	10,728
<b>Carried forward</b>			<b>241,115</b>	<b>6,888</b>	<b>29,482</b>	<b>26,817</b>	<b>25,151</b>	<b>24,109</b>	<b>23,290</b>	<b>21,552</b>	<b>21,144</b>	<b>20,794</b>	<b>20,695</b>

## Prime Cost Depreciation Schedule (cont.)

Assets Generally	Prime Cost 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
<b>Division 40 - Plant and Equipment</b>													
Brought forward			241,115	6,888	29,482	26,817	25,151	24,109	23,290	21,552	21,144	20,794	20,695
Signage for business identification (including lighting for signs)	7.50%	20-May-19	1,200	10	90	90	90	90	90	90	90	90	90
Signage for business identification (including lighting for signs)	18.75%	20-May-19	20,420	3,829	6,222	3,889	2,430	1,519	949	593	371	232	145
Pooled Plant Total				8,203	13,330	8,331	5,207	3,254	2,034	1,271	795	497	310
Effective Life Plant Total				2,523	22,464	22,464	22,464	22,464	22,296	20,964	20,810	20,619	20,619
Total Division 40			262,735	10,726	35,794	30,795	27,671	25,718	24,330	22,235	21,605	21,116	20,929
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Works - Completed 2019	2.50%	20-May-19	237,265	666	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932
Total Division 43			237,265	666	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932	5,932
Total Depreciation			500,000	11,392	41,726	36,727	33,603	31,650	30,262	28,167	27,537	27,048	26,861



## 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 2019	20 Apr 19 to 20 May 19	237,265	2.50%	5,932	237,265
<b>Sub-total</b>		<b>237,265</b>		<b>5,932</b>	<b>237,265</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
<b>Sub-total</b>					
<b>Totals</b>		<b>237,265</b>		<b>5,932</b>	<b>237,265</b>

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

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	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.
<b>Decline in Value</b>	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.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	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.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	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.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	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.