



Tax Depreciation Report

Logan Hyperdome, 1-2 Bryants Road,
Pacific Highway, Loganholme QLD 4129

Cincotta Discount Chemist
Logan Hyperdome, 1-2 Bryants Road
Pacific Highway
LOGANHOLME, QLD 4129

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



Cincotta Discount Chemist
Logan Hyperdome, 1-2 Bryants Road
Pacific Highway
LOGANHOLME, QLD 4129

October 2019
Job No: COM4129002

Tax Depreciation Report – Logan Hyperdome, 1-2 Bryants Road, Pacific Highway, Loganholme QLD 4129

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

Cincotta Discount Chemist

Property Address

Logan Hyperdome, 1-2 Bryants Road, Pacific Highway, Loganholme QLD 4129

Property Type

Commercial

Date of Construction

1 July 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								
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	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	1 July 19 to 30 June 20	71,773	10,916	82,689	1,416	84,105
2	1 July 20 to 30 June 21	55,164	17,739	72,902	1,420	74,322
3	1 July 21 to 30 June 22	42,642	11,087	53,729	1,420	55,149
4	1 July 22 to 30 June 23	33,220	6,929	40,149	1,420	41,569
5	1 July 23 to 30 June 24	25,855	4,686	30,541	1,420	31,961
6	1 July 24 to 30 June 25	19,831	3,622	23,453	1,420	24,873
7	1 July 25 to 30 June 26	15,331	2,849	18,180	1,420	19,600
8	1 July 26 to 30 June 27	12,265	1,781	14,046	1,420	15,466
9	1 July 27 to 30 June 28	9,364	1,803	11,167	1,420	12,587
10	1 July 28 to 30 June 29	7,535	1,127	8,662	1,420	10,082
11	1 July 29 to 30 June 30	5,819	1,450	7,269	1,420	8,689
12	1 July 30 to 30 June 31	4,672	906	5,579	1,420	6,999
13	1 July 31 to 30 June 32	3,754	566	4,320	1,420	5,740
14	1 July 32 to 30 June 33	2,841	684	3,525	1,420	4,945
15	1 July 33 to 30 June 34	2,286	427	2,713	1,420	4,133
16	1 July 34 to 30 June 35	1,673	580	2,253	1,420	3,673
17	1 July 35 to 30 June 36	1,256	710	1,966	1,420	3,386
18	1 July 36 to 30 June 37	816	798	1,614	1,420	3,034
19	1 July 37 to 30 June 38	653	499	1,151	1,420	2,571
20	1 July 38 to 30 June 39	522	312	834	1,420	2,254
21	1 July 39 to 30 June 40	418	195	613	1,420	2,033
22	1 July 40 to 30 June 41	334	122	456	1,420	1,876
23	1 July 41 to 30 June 42	267	76	343	1,420	1,763
24	1 July 42 to 30 June 43	214	48	261	1,420	1,681
25	1 July 43 to 30 June 44	0	351	351	1,420	1,771
26	1 July 44 to 30 June 45	0	219	219	1,420	1,639
27	1 July 45 to 30 June 46	0	137	137	1,420	1,557
28	1 July 46 to 30 June 47	0	86	86	1,420	1,506
29	1 July 47 to 30 June 48	0	53	53	1,420	1,473
30	1 July 48 to 30 June 49	0	33	33	1,420	1,453
31	1 July 49 to 30 June 50	0	21	21	1,420	1,441
32	1 July 50 to 30 June 51	0	13	13	1,420	1,433
33	1 July 51 to 30 June 52	0	8	8	1,420	1,428
34	1 July 52 to 30 June 53	0	5	5	1,420	1,425
35	1 July 53 to 30 June 54	0	3	3	1,420	1,423
36	1 July 54 to 30 June 55	0	2	2	1,420	1,422
37	1 July 55 to 30 June 56	0	1	1	1,420	1,421
38	1 July 56 to 30 June 57	0	1	1	1,420	1,421
39	1 July 57 to 30 June 58	0	0	0	1,420	1,420
40	2058+	0	1	1	1,404	1,405
Totals		318,504	70,846	389,350	56,780	446,130

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	1 July 19 to 30 June 20	35,887	10,916	46,803	1,416	48,219
2	1 July 20 to 30 June 21	35,987	17,739	53,726	1,420	55,146
3	1 July 21 to 30 June 22	35,987	11,087	47,074	1,420	48,494
4	1 July 22 to 30 June 23	35,987	6,929	42,916	1,420	44,336
5	1 July 23 to 30 June 24	35,987	4,331	40,318	1,420	41,738
6	1 July 24 to 30 June 25	30,711	2,707	33,418	1,420	34,838
7	1 July 25 to 30 June 26	29,913	1,692	31,605	1,420	33,025
8	1 July 26 to 30 June 27	28,334	1,057	29,391	1,420	30,811
9	1 July 27 to 30 June 28	28,334	661	28,995	1,420	30,415
10	1 July 28 to 30 June 29	28,334	413	28,747	1,420	30,167
11	1 July 29 to 30 June 30	1,048	258	1,306	1,420	2,726
12	1 July 30 to 30 June 31	982	161	1,143	1,420	2,563
13	1 July 31 to 30 June 32	773	101	873	1,420	2,293
14	1 July 32 to 30 June 33	517	63	580	1,420	2,000
15	1 July 33 to 30 June 34	393	39	432	1,420	1,852
16	1 July 34 to 30 June 35	393	25	418	1,420	1,838
17	1 July 35 to 30 June 36	393	15	408	1,420	1,828
18	1 July 36 to 30 June 37	393	10	403	1,420	1,823
19	1 July 37 to 30 June 38	393	6	399	1,420	1,819
20	1 July 38 to 30 June 39	384	4	388	1,420	1,808
21	1 July 39 to 30 June 40	1	2	3	1,420	1,423
22	1 July 40 to 30 June 41	0	1	1	1,420	1,421
23	1 July 41 to 30 June 42	0	1	1	1,420	1,421
24	1 July 42 to 30 June 43	0	1	1	1,420	1,421
25	1 July 43 to 30 June 44	0	0	0	1,420	1,420
26	1 July 44 to 30 June 45	0	0	0	1,420	1,420
27	1 July 45 to 30 June 46	0	0	0	1,420	1,420
28	1 July 46 to 30 June 47	0	0	0	1,420	1,420
29	1 July 47 to 30 June 48	0	0	0	1,420	1,420
30	1 July 48 to 30 June 49	0	0	0	1,420	1,420
31	1 July 49 to 30 June 50	0	0	0	1,420	1,420
32	1 July 50 to 30 June 51	0	0	0	1,420	1,420
33	1 July 51 to 30 June 52	0	0	0	1,420	1,420
34	1 July 52 to 30 June 53	0	0	0	1,420	1,420
35	1 July 53 to 30 June 54	0	0	0	1,420	1,420
36	1 July 54 to 30 June 55	0	0	0	1,420	1,420
37	1 July 55 to 30 June 56	0	0	0	1,420	1,420
38	1 July 56 to 30 June 57	0	0	0	1,420	1,420
39	1 July 57 to 30 June 58	0	0	0	1,420	1,420
40	2058+	0	0	0	1,404	1,404
Totals		331,130	58,220	389,350	56,780	446,130

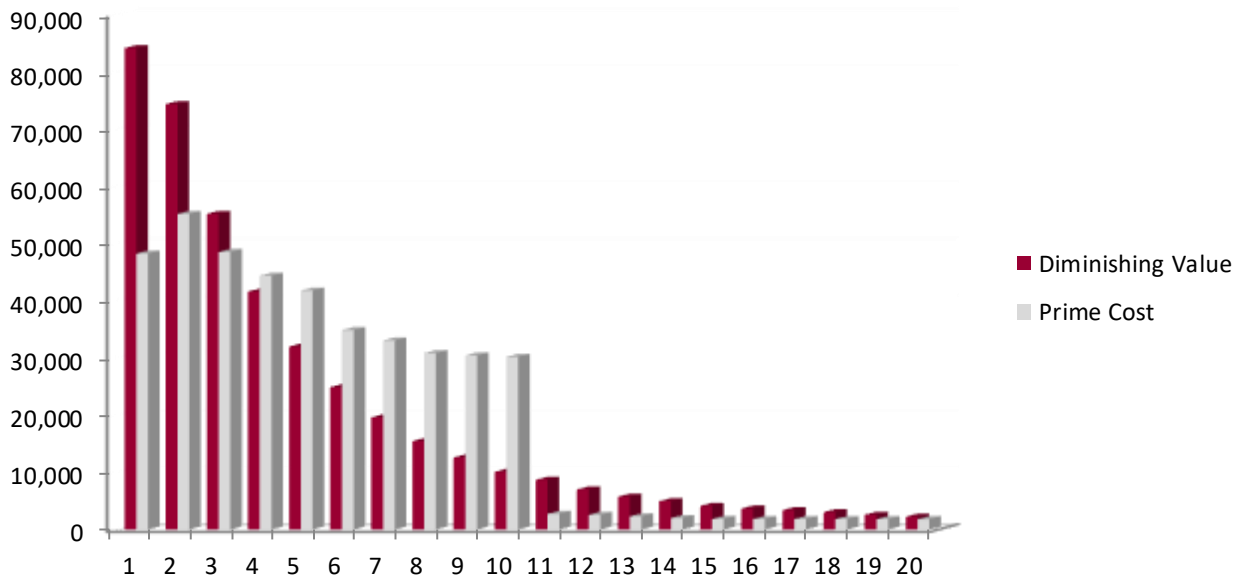
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

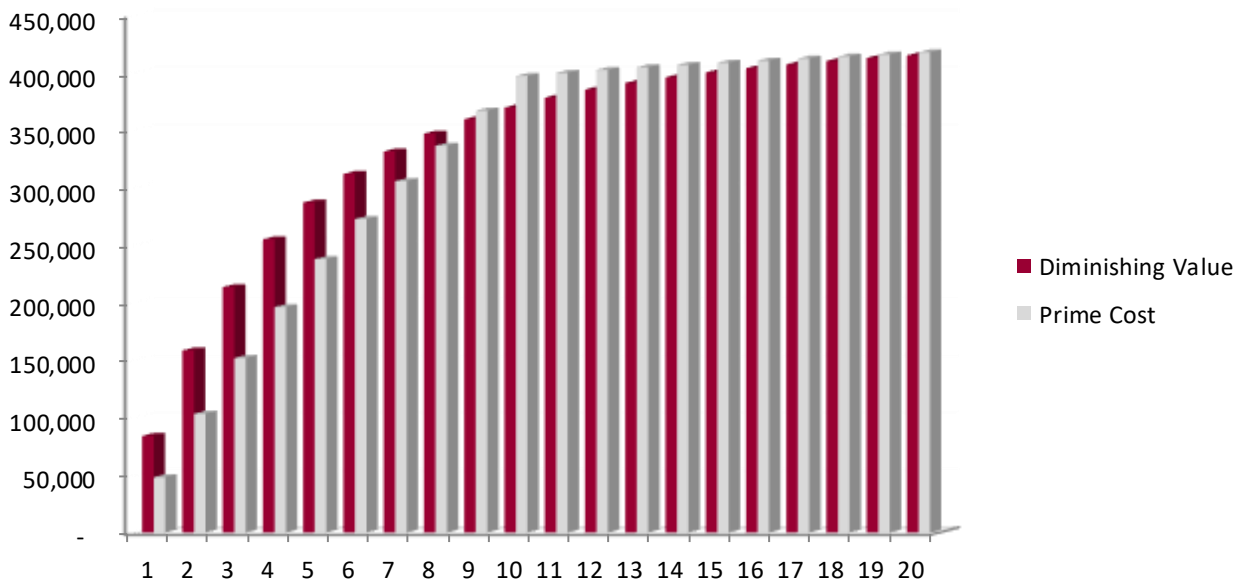
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	1 June 2019
Handover Date	1 July 2019

Expenditure Analysed

Construction Cost	\$446,130
Total Expenditure Analysed	\$446,130

Historical Construction Details

Construction Start Date	1 June 2019
Construction Completion Date	1 July 2019
Historical Construction Cost (Estimated)*	\$446,130

9. Reconciliation of Capital Expenditure

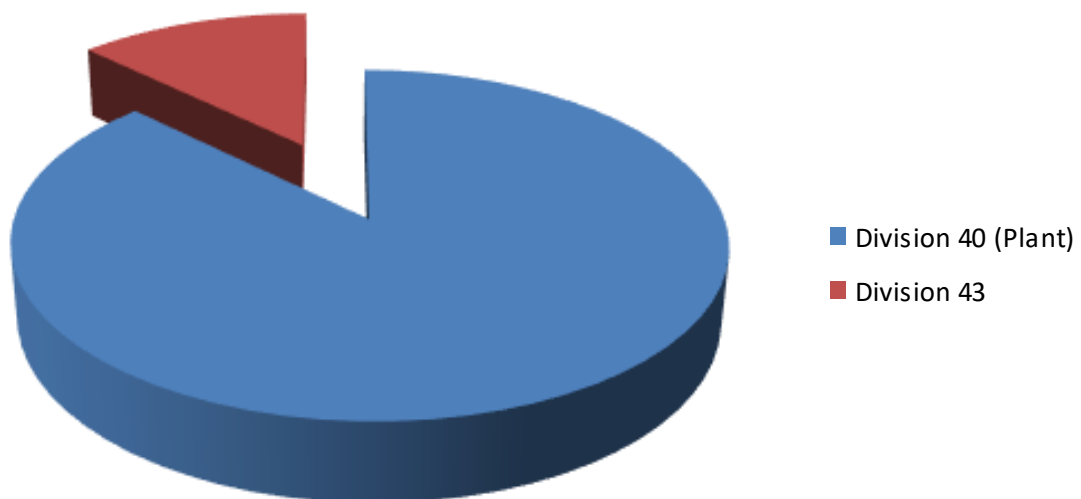
Apportionment of cost relating to:

Division 40 (Plant)	\$389,350
Division 43	\$56,780
Total Expenditure Analysed	\$446,130

Notes

* The historical construction cost has been estimated as above 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 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
Counters, freestanding (including check-out and service counters)	20.00%	1-Jul-19	23,700	4,727	3,795	3,036	2,429	1,943	1,554	1,243	995	796	637
Ceiling Fans	18.75%	1-Jul-19	175	33	53	33	21	13	8	5	3	2	1
Cleaning equipment													
Vacuum cleaner, ducted system, hoses, motors & wands	18.75%	1-Jul-19	420	79	128	80	50	31	20	12	8	5	3
Computer systems													
General	40.00%	1-Jul-19	15,350	6,123	3,691	2,214	1,329	797	478	269	168	105	66
General	18.75%	1-Jul-19	2,185	410	666	416	260	163	102	63	40	25	16
Electrical Machinery & Equipment :													
Switchboards	10.00%	1-Jul-19	5,000	499	450	405	365	328	295	266	239	215	194
Electronic article surveillance system assets													
pedestals, electronic tag release assets, receivers and transmitters	40.00%	1-Jul-19	11,100	4,428	2,669	1,601	961	576	324	203	127	79	49
Fire control assets													
Detection & alarm systems, detectors	18.75%	1-Jul-19	440	83	134	84	52	33	20	13	8	5	3
Emergency warning & intercommunication system	16.67%	1-Jul-19	2,520	419	350	292	243	203	169	317	198	124	77
Fire extinguishers	18.75%	1-Jul-19	600	113	183	114	71	45	28	17	11	7	4
Floor coverings (removable without damage)													
Carpets	20.00%	1-Jul-19	2,310	461	370	296	237	355	222	139	87	54	34
Linoleum & vinyl	20.00%	1-Jul-19	41,895	8,356	6,708	5,366	4,293	3,434	2,748	2,198	1,758	1,407	1,125
Food preparation and service assets:													
Bench top appliances - small portable type (including blenders, fo	18.75%	1-Jul-19	220	41	67	42	26	16	10	6	4	2	2
Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)	20.00%	1-Jul-19	15,975	3,186	2,558	2,046	1,637	1,310	1,048	838	670	536	429
Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)	18.75%	1-Jul-19	11,640	2,183	3,547	2,217	1,385	866	541	338	211	132	83
Furniture, freestanding (Removable partition)	10.00%	1-Jul-19	2,850	284	257	231	208	187	168	152	136	123	110
Garbage disposal													
Garbage bins	18.75%	1-Jul-19	250	47	76	48	30	19	12	7	5	3	2
Kitchen assets													
Cooktops	18.75%	1-Jul-19	220	41	67	42	26	16	10	6	4	2	2
Microwave ovens	18.75%	1-Jul-19	180	34	55	34	21	13	8	5	3	2	1
Carried forward			137,030	31,545	25,822	18,597	13,644	10,348	7,766	6,098	4,675	3,624	2,838

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
Division 40 - Plant and Equipment													
Brought forward			137,030	31,545	25,822	18,597	13,644	10,348	7,766	6,098	4,675	3,624	2,838
Lights													
Fittings (excluding hardwired)	18.75%	1-Jul-19	21,910	4,108	6,676	4,172	2,608	1,630	1,019	637	398	249	155
Shades, removable	18.75%	1-Jul-19	5,625	1,055	1,714	1,071	669	418	262	163	102	64	40
Emergency lighting	18.75%	1-Jul-19	1,000	188	305	190	119	74	46	29	18	11	7
Point of Sales	20.00%	1-Jul-19	5,550	1,107	889	711	569	455	364	291	233	349	218
Refrigeration													
Fridge	20.00%	1-Jul-19	3,000	598	480	384	307	246	369	231	144	90	56
Security systems & equipment													
Electronic	30.00%	1-Jul-19	15,750	4,712	3,311	2,318	1,623	1,136	795	557	390	341	213
Shelving	20.00%	1-Jul-19	181,080	36,117	28,993	23,194	18,555	14,844	11,875	9,500	7,600	6,080	4,864
Signage for business identification (including lighting for signs)	15.00%	1-Jul-19	5,050	755	644	548	465	396	336	286	243	207	176
Signage for business identification (including lighting for signs)	18.75%	1-Jul-19	10,805	2,026	3,292	2,058	1,286	804	502	314	196	123	77
Televisions	18.75%	1-Jul-19	2,550	478	777	486	303	190	119	74	46	29	18
Pooled Plant Total				10,916	17,739	11,087	6,929	4,686	3,622	2,849	1,781	1,803	1,127
Effective Life Plant Total				71,773	55,164	42,642	33,220	25,855	19,831	15,331	12,265	9,364	7,535
Total Division 40			389,350	82,689	72,902	53,729	40,149	30,541	23,453	18,180	14,046	11,167	8,662
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2019	2.50%	01-Jul-19	56,780	1,416	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420
Total Division 43			56,780	1,416	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420
Total Depreciation			446,130	84,105	74,322	55,149	41,569	31,961	24,873	19,600	15,466	12,587	10,082

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	
Counters, freestanding (including check-out and service counters)	10.00%	01-Jul-19	23,700	2,364	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370
Ceiling Fans	18.75%	01-Jul-19	175	33	53	33	21	13	8	5	3	2	1	
Cleaning equipment														
Vacuum cleaner, ducted system, hoses, motors & wands	18.75%	01-Jul-19	420	79	128	80	50	31	20	12	8	5	3	
Computer systems														
General	20.00%	01-Jul-19	15,350	3,062	3,070	3,070	3,070	3,070	8					
General	18.75%	01-Jul-19	2,185	410	666	416	260	163	102	63	40	25	16	
Electrical Machinery & Equipment :														
Switchboards	5.00%	01-Jul-19	5,000	249	250	250	250	250	250	250	250	250	250	250
Electronic article surveillance system assets														
pedestals, electronic tag release assets, receivers and transmitters	20.00%	01-Jul-19	11,100	2,214	2,220	2,220	2,220	2,220	6					
Fire control assets														
Detection & alarm systems, detectors	18.75%	01-Jul-19	440	83	134	84	52	33	20	13	8	5	3	
Emergency warning & intercommunication system	8.33%	01-Jul-19	2,520	209	210	210	210	210	210	210	210	210	210	210
Fire extinguishers	18.75%	01-Jul-19	600	113	183	114	71	45	28	17	11	7	4	
Floor coverings (removable without damage)														
Carpets	10.00%	01-Jul-19	2,310	230	231	231	231	231	231	231	231	231	231	231
Linoleum & vinyl	10.00%	01-Jul-19	41,895	4,178	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190	4,190
Food preparation and service assets:														
Bench top appliances - small portable type (including blenders, fo	18.75%	01-Jul-19	220	41	67	42	26	16	10	6	4	2	2	
Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)														
Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)	10.00%	01-Jul-19	15,975	1,593	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598
Furniture, freestanding (Removable partition)	18.75%	01-Jul-19	11,640	2,183	3,547	2,217	1,385	866	541	338	211	132	83	
Furniture, freestanding (Removable partition)	5.00%	01-Jul-19	2,850	142	143	143	143	143	143	143	143	143	143	143
Garbage disposal														
Garbage bins	18.75%	01-Jul-19	250	47	76	48	30	19	12	7	5	3	2	
Kitchen assets														
Cooktops	18.75%	01-Jul-19	220	41	67	42	26	16	10	6	4	2	2	
Microwave ovens	18.75%	01-Jul-19	180	34	55	34	21	13	8	5	3	2	1	
Carried forward			137,030	17,303	19,258	17,392	16,226	15,497	9,766	9,467	9,289	9,177	9,108	

Prime Cost Depreciation Schedule (cont.)

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												
Brought forward				137,030	17,303	19,258	17,392	16,226	15,497	9,766	9,467	9,289	9,177	9,108
Lights														
Fittings (excluding hardwired)	18.75%	01-Jul-19	21,910	4,108	6,676	4,172	2,608	1,630	1,019	637	398	249	155	
Shades, removable	18.75%	01-Jul-19	5,625	1,055	1,714	1,071	669	418	262	163	102	64	40	
Emergency lighting	18.75%	01-Jul-19	1,000	188	305	190	119	74	46	29	18	11	7	
Point of Sales	10.00%	01-Jul-19	5,550	553	555	555	555	555	555	555	555	555	555	555
Refrigeration														
Fridge	10.00%	01-Jul-19	3,000	299	300	300	300	300	300	300	300	300	300	300
Security systems & equipment														
Electronic	15.00%	01-Jul-19	15,750	2,356	2,363	2,363	2,363	2,363	2,363	2,363	1,579			
Shelving	10.00%	01-Jul-19	181,080	18,059	18,108	18,108	18,108	18,108	18,108	18,108	18,108	18,108	18,108	18,108
Signage for business identification (including lighting for signs)	7.50%	01-Jul-19	5,050	378	379	379	379	379	379	379	379	379	379	379
Signage for business identification (including lighting for signs)	18.75%	01-Jul-19	10,805	2,026	3,292	2,058	1,286	804	502	314	196	123	77	
Televisions	18.75%	01-Jul-19	2,550	478	777	486	303	190	119	74	46	29	18	
Pooled Plant Total					10,916	17,739	11,087	6,929	4,331	2,707	1,692	1,057	661	413
Effective Life Plant Total					35,887	35,987	35,987	35,987	35,987	30,711	29,913	28,334	28,334	28,334
Total Division 40				389,350	46,803	53,726	47,074	42,916	40,318	33,418	31,605	29,391	28,995	28,747
Division 43 - Capital Works Allowance														
		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%	56,780	1,416	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	
Total Division 43			56,780	1,416	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	
Total Depreciation				446,130	48,219	55,146	48,494	44,336	41,738	34,838	33,025	30,811	30,415	30,167

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	1 Jun 19 to 1 Jul 19	56,780	2.50%	1,420	56,780
Sub-total					
		56,780		1,420	56,780

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Sub-total					
		56,780		1,420	56,780
Totals		56,780		1,420	56,780

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.