



Tax Depreciation Report

20/8 Carraway Street,
Kelvin Grove QLD 4059

Prakash Wadhvani
20/8 Carraway Street
KELVIN GROVE, QLD 4059

Issue Schedule	
Issue Date:	Issued by:
19 November 2019	Mark Kilroy Bsc (Hons) MRICS

Prakash Wadhvani
20/8 Carraway Street
KELVIN GROVE, QLD 4059

November 2019
Job No: COM4159001

Tax Depreciation Report – 20/8 Carraway Street, Kelvin Grove QLD 4059

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

19 November 2019

Purchaser

Prakash Wadhvani

Property Address

20/8 Carraway Street, Kelvin Grove QLD 4059

Real Property Description

SP163621

Property Type

Commercial

Date of Construction

1 October 2014

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	31 May 18 to 30 June 18	10,259	6,523	16,782	96	16,878
2	1 July 18 to 30 June 19	56,189	10,843	67,033	1,165	68,198
3	1 July 19 to 30 June 20	41,555	6,777	48,332	1,165	49,497
4	1 July 20 to 30 June 21	30,590	4,554	35,144	1,165	36,309
5	1 July 21 to 30 June 22	23,530	3,075	26,604	1,165	27,769
6	1 July 22 to 30 June 23	18,291	2,190	20,481	1,165	21,646
7	1 July 23 to 30 June 24	13,620	2,659	16,279	1,165	17,444
8	1 July 24 to 30 June 25	10,699	1,956	12,655	1,165	13,820
9	1 July 25 to 30 June 26	8,575	1,569	10,143	1,165	11,308
10	1 July 26 to 30 June 27	6,847	1,343	8,190	1,165	9,355
11	1 July 27 to 30 June 28	5,464	1,172	6,635	1,165	7,800
12	1 July 28 to 30 June 29	4,205	1,439	5,643	1,165	6,808
13	1 July 29 to 30 June 30	3,360	1,223	4,582	1,165	5,747
14	1 July 30 to 30 June 31	2,602	1,126	3,728	1,165	4,893
15	1 July 31 to 30 June 32	2,180	704	2,883	1,165	4,048
16	1 July 32 to 30 June 33	1,509	1,048	2,557	1,165	3,722
17	1 July 33 to 30 June 34	929	1,329	2,258	1,165	3,423
18	1 July 34 to 30 June 35	818	831	1,649	1,165	2,814
19	1 July 35 to 30 June 36	558	829	1,386	1,165	2,551
20	1 July 36 to 30 June 37	508	518	1,026	1,165	2,191
21	1 July 37 to 30 June 38	464	324	788	1,165	1,953
22	1 July 38 to 30 June 39	423	202	626	1,165	1,791
23	1 July 39 to 30 June 40	387	126	513	1,165	1,678
24	1 July 40 to 30 June 41	262	420	682	1,165	1,847
25	1 July 41 to 30 June 42	241	263	503	1,165	1,668
26	1 July 42 to 30 June 43	221	164	385	1,165	1,550
27	1 July 43 to 30 June 44	203	103	306	1,165	1,471
28	1 July 44 to 30 June 45	95	410	505	1,165	1,670
29	1 July 45 to 30 June 46	89	256	345	1,165	1,510
30	1 July 46 to 30 June 47	84	160	244	1,165	1,409
31	1 July 47 to 30 June 48	79	100	179	1,165	1,344
32	1 July 48 to 30 June 49	74	62	137	1,165	1,302
33	1 July 49 to 30 June 50	70	39	109	1,165	1,274
34	1 July 50 to 30 June 51	66	24	90	1,165	1,255
35	1 July 51 to 30 June 52	62	15	77	1,165	1,242
36	1 July 52 to 30 June 53	0	371	371	1,165	1,536
37	1 July 53 to 30 June 54	0	232	232	1,165	1,397
38	1 July 54 to 30 June 55	0	145	145	910	1,055
39	1 July 55 to 30 June 56	0	91	91	815	906
40	2056+	0	151	151	978	1,129
Totals		245,105	55,365	300,470	44,739	345,209

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	31 May 18 to 30 June 18	2,564	6,523	9,087	96	9,183
2	1 July 18 to 30 June 19	31,548	10,843	42,392	1,165	43,557
3	1 July 19 to 30 June 20	31,872	6,777	38,649	1,165	39,814
4	1 July 20 to 30 June 21	29,087	4,236	33,323	1,165	34,488
5	1 July 21 to 30 June 22	26,617	2,647	29,264	1,165	30,429
6	1 July 22 to 30 June 23	26,170	1,655	27,825	1,165	28,990
7	1 July 23 to 30 June 24	21,022	1,034	22,056	1,165	23,221
8	1 July 24 to 30 June 25	19,856	646	20,502	1,165	21,667
9	1 July 25 to 30 June 26	19,328	404	19,732	1,165	20,897
10	1 July 26 to 30 June 27	18,873	252	19,125	1,165	20,290
11	1 July 27 to 30 June 28	17,556	158	17,714	1,165	18,879
12	1 July 28 to 30 June 29	2,573	99	2,672	1,165	3,837
13	1 July 29 to 30 June 30	2,253	62	2,315	1,165	3,480
14	1 July 30 to 30 June 31	2,079	39	2,118	1,165	3,283
15	1 July 31 to 30 June 32	1,789	24	1,813	1,165	2,978
16	1 July 32 to 30 June 33	1,666	15	1,681	1,165	2,846
17	1 July 33 to 30 June 34	1,423	9	1,432	1,165	2,597
18	1 July 34 to 30 June 35	1,423	6	1,429	1,165	2,594
19	1 July 35 to 30 June 36	1,423	4	1,427	1,165	2,592
20	1 July 36 to 30 June 37	1,423	2	1,425	1,165	2,590
21	1 July 37 to 30 June 38	1,317	1	1,318	1,165	2,483
22	1 July 38 to 30 June 39	238	1	239	1,165	1,404
23	1 July 39 to 30 June 40	238	1	239	1,165	1,404
24	1 July 40 to 30 June 41	238	0	238	1,165	1,403
25	1 July 41 to 30 June 42	238	0	238	1,165	1,403
26	1 July 42 to 30 June 43	238	0	238	1,165	1,403
27	1 July 43 to 30 June 44	238	0	238	1,165	1,403
28	1 July 44 to 30 June 45	238	0	238	1,165	1,403
29	1 July 45 to 30 June 46	238	0	238	1,165	1,403
30	1 July 46 to 30 June 47	238	0	238	1,165	1,403
31	1 July 47 to 30 June 48	238	0	238	1,165	1,403
32	1 July 48 to 30 June 49	238	0	238	1,165	1,403
33	1 July 49 to 30 June 50	238	0	238	1,165	1,403
34	1 July 50 to 30 June 51	238	0	238	1,165	1,403
35	1 July 51 to 30 June 52	75	0	75	1,165	1,240
36	1 July 52 to 30 June 53	0	0	0	1,165	1,165
37	1 July 53 to 30 June 54	0	0	0	1,165	1,165
38	1 July 54 to 30 June 55	0	0	0	910	910
39	1 July 55 to 30 June 56	0	0	0	815	815
40	2056+	0	0	0	978	978
Totals		265,032	35,439	300,470	44,739	345,209

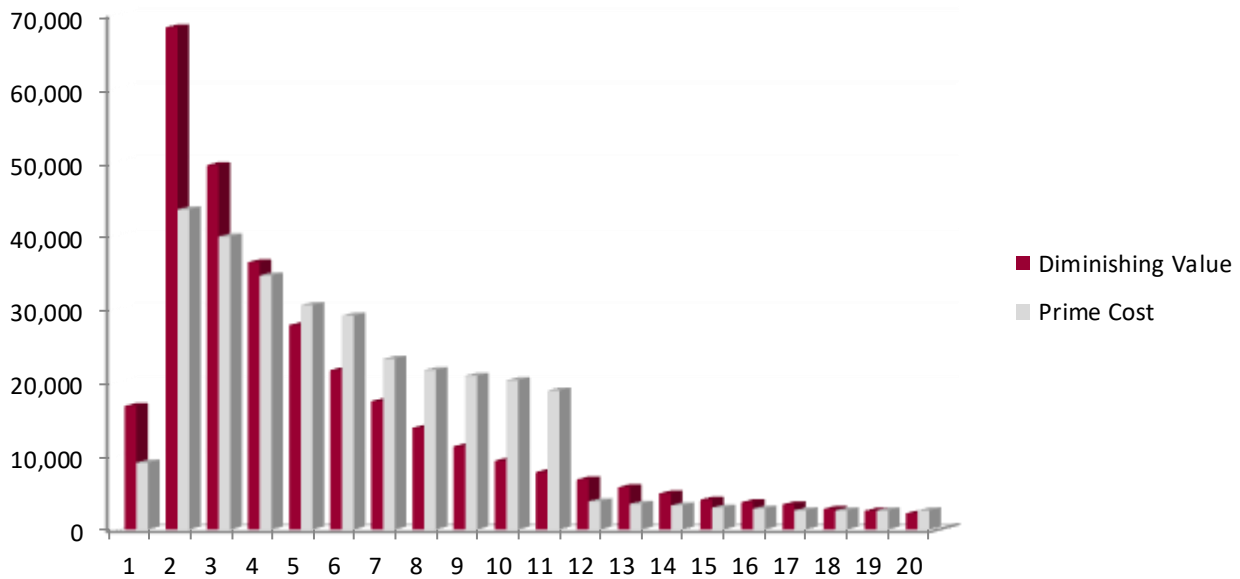
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

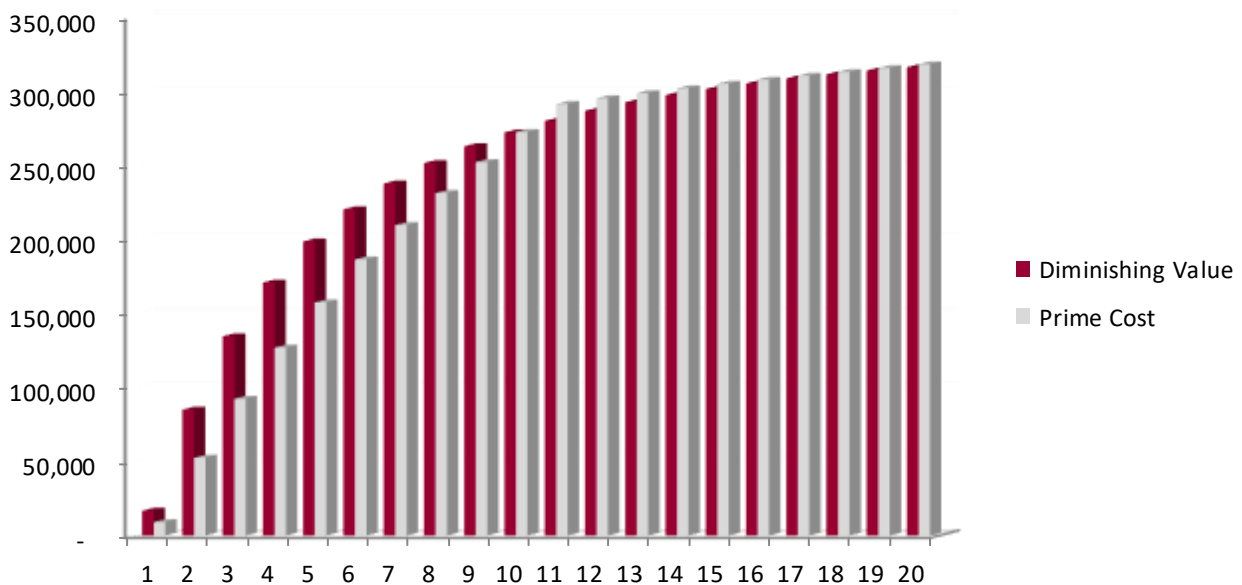
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	1 May 2018
Settlement Date	31 May 2018

Expenditure Analysed

Purchase Price	\$445,000
Total Expenditure Analysed	\$452,650

Historical Construction Details

Construction Start Date	3 June 2014
Construction Completion Date	1 October 2014

9. Reconciliation of Capital Expenditure

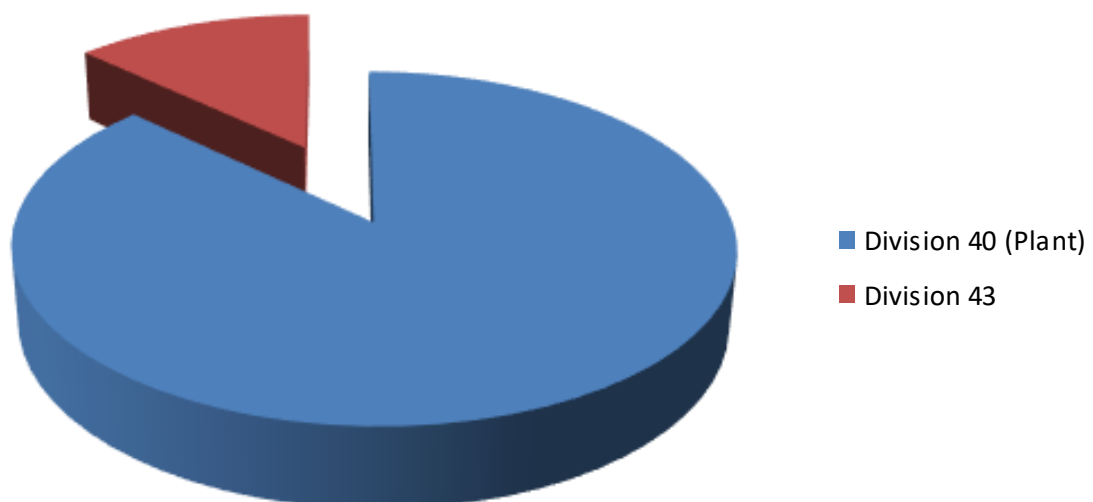
Apportionment of cost relating to:

Division 40 (Plant)	\$300,470
Division 43	\$44,739
Balance of Capital Expenditure**	\$107,441
Total Expenditure Analysed	\$452,650

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	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												
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	31-May-18	18,630	306	3,665	2,932	2,345	1,876	1,501	1,201	961	769	615
Blinds Residential													
	20.00%	31-May-18	14,283	235	2,810	2,248	1,798	1,439	1,151	921	737	589	471
Computer systems													
General	18.75%	31-May-18	522	98	159	99	62	39	24	15	9	6	4
Door closers													
	18.75%	31-May-18	273	51	83	52	33	20	13	8	5	3	2
Electrical Machinery & Equipment :													
Switchboards	10.00%	31-May-18	9,315	77	924	831	748	673	606	546	491	442	398
Food preparation and service assets:													
Bench top appliances – small portable type (including blenders, food processors, grills, rice cookers and toasters)	66.67%	31-May-18	8,073	442	5,087	1,696	318	199	124	78	49	30	19
Cooking appliances, large commercial type (including cook tops, deep fryers, grills, kebab machines, ovens and salamanders)	20.00%	31-May-18	25,213	414	4,960	3,968	3,174	2,539	2,031	1,625	1,300	1,040	832
Cookware, handheld (including frypans, pans, pots, trays and woks)	100.00%	31-May-18	5,589	5,589									
Hot food display assets (including bain marie)	20.00%	31-May-18	4,471	73	880	704	563	450	360	288	231	346	216
Microwave ovens	18.75%	31-May-18	559	105	170	106	67	42	26	16	10	6	4
Preparation benches, freestanding	10.00%	31-May-18	14,376	118	1,426	1,283	1,155	1,039	935	842	758	682	614
Kitchen exhaust fans	40.00%	31-May-18	17,388	572	6,727	4,036	2,422	1,453	872	523	294	184	115
Dishwasher machines	25.00%	31-May-18	3,974	82	973	730	547	411	308	346	217	135	85
Fire control assets													
Detection & alarm systems, detectors	18.75%	31-May-18	273	51	83	52	33	20	13	8	5	3	2
Emergency warning & intercommunication system	18.75%	31-May-18	1,391	261	424	265	166	103	65	40	25	16	10
Fire extinguishers	18.75%	31-May-18	745	140	227	142	89	55	35	22	14	8	5
Floor coverings (removable without damage)													
Artificial grass	40.00%	31-May-18	9,563	314	3,700	2,220	1,332	799	479	270	169	105	66
Furniture - other													
	20.00%	31-May-18	18,878	310	3,714	2,971	2,377	1,901	1,521	1,217	974	779	623
	18.75%	31-May-18	18,698	3,506	5,697	3,561	2,225	1,391	869	543	340	212	133
Hot water systems (excluding piping)													
Gas or electric	16.67%	31-May-18	2,236	31	367	306	255	213	177	332	208	130	81
Kitchen assets													
Bulk oil storage system	6.00%	31-May-18	7,949	39	475	446	419	394	371	348	327	308	289
Lights													
Fittings	18.75%	31-May-18	8,210	1,539	2,501	1,563	977	611	382	239	149	93	58
Emergency	18.75%	31-May-18	621	116	189	118	74	46	29	18	11	7	4
Carried forward			191,231	14,470	45,240	30,329	21,178	15,715	11,892	9,446	7,281	5,894	4,646

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			191,231	14,470	45,240	30,329	21,178	15,715	11,892	9,446	7,281	5,894	4,646
Point of Sale													
Electronic funds transfer point of sale machines (EFTPOS)	33.33%	31-May-18	3,726	102	1,208	805	537	358	268	168	105	66	41
Refrigeration assets:													
Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)	20.00%	31-May-18	26,703	439	5,253	4,202	3,362	2,689	2,152	1,721	1,377	1,102	881
Insulation panels used in cool or freezer rooms	20.00%	31-May-18	37,260	612	7,330	5,864	4,691	3,753	3,002	2,402	1,921	1,537	1,230
Beer dispensing system assets (including, tanks, taps tubes and v	13.33%	31-May-18	3,974	44	524	454	394	341	296	256	222	192	167
Security systems & equipment													
Electronic	30.00%	31-May-18	5,564	137	1,628	1,140	798	558	391	342	214	134	84
Shelving	20.00%	31-May-18	6,707	110	1,319	1,055	844	675	540	432	346	277	221
Signage	15.00%	31-May-18	5,216	64	773	657	558	475	403	343	291	248	211
Signage	18.75%	31-May-18	2,689	504	819	512	320	200	125	78	49	31	19
Televisions	20.00%	31-May-18	8,942	147	1,759	1,407	1,126	901	721	576	461	369	295
Ventilating plant													
Ventilation plant - fans only	18.75%	31-May-18	807	151	246	154	96	60	38	23	15	9	6
Additional Items (Post Expenditure)													
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Computer systems													
General	40.00%	10-Feb-19	2,000		307	677	406	229	143	89	56	35	22
General	18.75%	10-Feb-19	650		244	152	95	60	37	23	15	9	6
Televisions	20.00%	10-Feb-19	5,000		384	923	739	591	473	378	303	242	363
Pooled Plant Total				6,523	10,843	6,777	4,554	3,075	2,190	2,659	1,956	1,569	1,343
Effective Life Plant Total				10,259	56,189	41,555	30,590	23,530	18,291	13,620	10,699	8,575	6,847
Total Division 40			300,470	16,782	67,033	48,332	35,144	26,604	20,481	16,279	12,655	10,143	8,190

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 2014	2.50%	31-May-18	7,083	16	195	195	195	195	195	195	195	195	195
Structural Improvements - Completed 2014	2.50%	31-May-18	5,641	13	155	155	155	155	155	155	155	155	155
Structural Improvements - Completed 2017	2.50%	31-May-18	32,015	67	815	815	815	815	815	815	815	815	815
Total Division 43			44,739	96	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165
Total Depreciation			345,209	16,878	68,198	49,497	36,309	27,769	21,646	17,444	13,820	11,308	9,355

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%	31-May-18	18,630	153	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863
Blinds Residential													
	10.00%	31-May-18	14,283	117	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428	1,428
Computer systems													
General	18.75%	31-May-18	522	98	159	99	62	39	24	15	9	6	4
Door closers													
	18.75%	31-May-18	273	51	83	52	33	20	13	8	5	3	2
Electrical Machinery & Equipment :													
Switchboards	5.00%	31-May-18	9,315	38	466	466	466	466	466	466	466	466	466
Food preparation and service assets:													
Bench top appliances – small portable type (including blenders, food processors, grills, rice cookers and toasters)	33.33%	31-May-18	8,073	221	2,691	2,691	2,470						
Cooking appliances, large commercial type (including cook tops, deep fryers, grills, kebab machines, ovens and salamanders)	10.00%	31-May-18	25,213	207	2,521	2,521	2,521	2,521	2,521	2,521	2,521	2,521	2,521
Cookware, handheld (including frypans, pans, pots, trays and Hot food display assets (including bain marie)	50.00%	31-May-18	5,589	230	2,795	2,564							
	10.00%	31-May-18	4,471	37	447	447	447	447	447	447	447	447	447
Microwave ovens	18.75%	31-May-18	559	105	170	106	67	42	26	16	10	6	4
Preparation benches, freestanding	5.00%	31-May-18	14,376	59	719	719	719	719	719	719	719	719	719
Kitchen exhaust fans	20.00%	31-May-18	17,388	286	3,478	3,478	3,478	3,478	3,190				
Dishwasher machines	12.50%	31-May-18	3,974	41	497	497	497	497	497	497	497	455	
Fire control assets													
Detection & alarm systems, detectors	18.75%	31-May-18	273	51	83	52	33	20	13	8	5	3	2
Emergency warning & intercommunication system	18.75%	31-May-18	1,391	261	424	265	166	103	65	40	25	16	10
Fire extinguishers	18.75%	31-May-18	745	140	227	142	89	55	35	22	14	8	5
Floor coverings (removable without damage)													
Artificial grass	20.00%	31-May-18	9,563	157	1,913	1,913	1,913	1,913	1,754				
Furniture													
	10.00%	31-May-18	18,878	155	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888
	18.75%	31-May-18	18,698	3,506	5,697	3,561	2,225	1,391	869	543	340	212	133
Hot water systems (excluding piping)													
Gas or electric	8.33%	31-May-18	2,236	15	186	186	186	186	186	186	186	186	186
Kitchen assets													
Bulk oil storage system	3.00%	31-May-18	7,949	20	238	238	238	238	238	238	238	238	238
Lights													
Fittings	18.75%	31-May-18	8,210	1,539	2,501	1,563	977	611	382	239	149	93	58
Emergency	18.75%	31-May-18	621	116	189	118	74	46	29	18	11	7	4
Carried forward			191,231	7,604	30,664	26,858	21,838	17,972	16,652	11,162	10,821	10,566	9,978

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			191,231	7,604	30,664	26,858	21,838	17,972	16,652	11,162	10,821	10,566	9,978
Point of Sale													
Electronic funds transfer point of sale machines (EFTPOS)	16.67%	31-May-18	3,726	51	621	621	621	621	621	570			
Refrigeration assets:													
Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)	10.00%	31-May-18	26,703	219	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670
Insulation panels used in cool or freezer rooms	10.00%	31-May-18	37,260	306	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726
Beer dispensing system assets (including, tanks, taps tubes and v	6.67%	31-May-18	3,974	22	265	265	265	265	265	265	265	265	265
Security systems & equipment													
Electronic	15.00%	31-May-18	5,564	69	835	835	835	835	835	835	486		
Shelving	10.00%	31-May-18	6,707	55	671	671	671	671	671	671	671	671	671
Signage	7.50%	31-May-18	5,216	32	391	391	391	391	391	391	391	391	391
Signage	18.75%	31-May-18	2,689	504	819	512	320	200	125	78	49	31	19
Televisions	10.00%	31-May-18	8,942	73	894	894	894	894	894	894	894	894	894
Ventilating plant													
Ventilation plant - fans only	18.75%	31-May-18	807	151	246	154	96	60	38	23	15	9	6
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Computer systems													
General	20.00%	10-Feb-19	2,000		153	400	400	400	400	247			
General	18.75%	10-Feb-19	650		244	152	95	60	37	23	15	9	6
Televisions	10.00%	10-Feb-19	5,000		192	500	500	500	500	500	500	500	500
Pooled Plant Total				6,523	10,843	6,777	4,236	2,647	1,655	1,034	646	404	252
Effective Life Plant Total				2,564	31,548	31,872	29,087	26,617	26,170	21,022	19,856	19,328	18,873
Total Division 40			300,470	9,087	42,392	38,649	33,323	29,264	27,825	22,056	20,502	19,732	19,125

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 2014	2.50%	31-May-18	7,083	16	195	195	195	195	195	195	195	195	195
Structural Improvements - Completed 2014	2.50%	31-May-18	5,641	13	155	155	155	155	155	155	155	155	155
Structural Improvements - Completed 2017	2.50%	31-May-18	32,015	67	815	815	815	815	815	815	815	815	815
Total Division 43			44,739	96	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165
Total Depreciation			345,209	9,183	43,557	39,814	34,488	30,429	28,990	23,221	21,667	20,897	20,290

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 2014	3 Jun 14 to 1 Oct 14	7,797	2.50%	195	7,083
Sub-total		7,797		195	7,083

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2014	3 Jun 14 to 1 Oct 14	6,210	2.50%	155	5,641
Structural Improvements - Completed 2017	31 Aug 17 to 10 Sep 17	32,603	2.50%	815	32,015
Sub-total		38,813		970	37,656
Totals		46,610		1,165	44,739

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.