



Tax Depreciation Report

6 Antony Street,
Palmyra WA 6157

Vinothkumar Kasagharl and Jayaraman Haritha
14 Suelex Street
WILLETTON, WA 6155

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

Vinothkumar Kasagharl and Jayaraman Haritha
14 Suelex Street
WILLETTON, WA 6155

November 2019
Job No: COM6157001

Tax Depreciation Report – 6 Antony Street, Palmyra WA 6157

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

20 November 2019

Purchaser

Vinothkumar Kasagharl and Jayaraman Haritha

Property Address

6 Antony Street, Palmyra WA 6157

Real Property Description

LOT 6 S051324

Property Type

Commercial

Date of Construction

1 December 2012

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	19 March 19 to 30 June 19	16,187	11,063	27,250	3,425	30,675
2	1 July 19 to 30 June 20	53,496	17,977	71,474	12,138	83,612
3	1 July 20 to 30 June 21	41,063	11,236	52,299	12,138	64,437
4	1 July 21 to 30 June 22	32,474	7,343	39,817	12,138	51,955
5	1 July 22 to 30 June 23	26,495	4,590	31,084	12,138	43,222
6	1 July 23 to 30 June 24	20,869	4,876	25,745	12,138	37,883
7	1 July 24 to 30 June 25	17,661	3,375	21,036	12,138	33,174
8	1 July 25 to 30 June 26	14,699	2,694	17,394	12,138	29,532
9	1 July 26 to 30 June 27	12,649	2,385	15,034	12,138	27,172
10	1 July 27 to 30 June 28	11,188	1,491	12,679	12,138	24,817
11	1 July 28 to 30 June 29	9,940	932	10,871	12,138	23,009
12	1 July 29 to 30 June 30	8,690	917	9,607	12,138	21,745
13	1 July 30 to 30 June 31	7,801	573	8,374	12,138	20,512
14	1 July 31 to 30 June 32	7,028	358	7,387	12,138	19,525
15	1 July 32 to 30 June 33	6,161	585	6,746	12,138	18,884
16	1 July 33 to 30 June 34	5,467	713	6,180	12,138	18,318
17	1 July 34 to 30 June 35	4,813	788	5,601	12,138	17,739
18	1 July 35 to 30 June 36	4,429	492	4,921	12,138	17,059
19	1 July 36 to 30 June 37	3,908	631	4,539	12,138	16,677
20	1 July 37 to 30 June 38	3,626	394	4,020	12,138	16,158
21	1 July 38 to 30 June 39	3,365	246	3,612	12,138	15,750
22	1 July 39 to 30 June 40	3,001	500	3,501	12,138	15,639
23	1 July 40 to 30 June 41	2,795	313	3,107	12,138	15,245
24	1 July 41 to 30 June 42	2,602	195	2,798	12,138	14,936
25	1 July 42 to 30 June 43	2,424	122	2,546	12,138	14,684
26	1 July 43 to 30 June 44	2,257	76	2,334	12,138	14,472
27	1 July 44 to 30 June 45	2,103	48	2,150	12,138	14,288
28	1 July 45 to 30 June 46	1,959	30	1,988	12,138	14,126
29	1 July 46 to 30 June 47	1,732	368	2,099	12,138	14,237
30	1 July 47 to 30 June 48	1,616	230	1,846	12,138	13,984
31	1 July 48 to 30 June 49	1,508	144	1,652	12,138	13,790
32	1 July 49 to 30 June 50	1,408	90	1,498	12,138	13,636
33	1 July 50 to 30 June 51	1,314	56	1,370	12,138	13,508
34	1 July 51 to 30 June 52	1,226	35	1,261	12,138	13,399
35	1 July 52 to 30 June 53	1,145	22	1,166	5,067	6,233
36	1 July 53 to 30 June 54	1,068	14	1,082	0	1,082
37	1 July 54 to 30 June 55	997	9	1,006	0	1,006
38	1 July 55 to 30 June 56	931	5	936	0	936
39	1 July 56 to 30 June 57	869	3	872	0	872
40	2057+	12,160	6	12,165	0	12,165
Totals		355,122	75,926	431,048	409,046	840,094

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	19 March 19 to 30 June 19	8,093	11,063	19,156	3,425	22,581
2	1 July 19 to 30 June 20	28,682	17,977	46,659	12,138	58,797
3	1 July 20 to 30 June 21	28,682	11,236	39,918	12,138	52,056
4	1 July 21 to 30 June 22	28,682	7,022	35,704	12,138	47,842
5	1 July 22 to 30 June 23	27,562	4,389	31,951	12,138	44,089
6	1 July 23 to 30 June 24	23,561	2,743	26,304	12,138	38,442
7	1 July 24 to 30 June 25	20,632	1,714	22,346	12,138	34,484
8	1 July 25 to 30 June 26	20,016	1,072	21,088	12,138	33,226
9	1 July 26 to 30 June 27	19,635	670	20,305	12,138	32,443
10	1 July 27 to 30 June 28	19,635	419	20,054	12,138	32,192
11	1 July 28 to 30 June 29	16,743	262	17,004	12,138	29,142
12	1 July 29 to 30 June 30	9,361	164	9,525	12,138	21,663
13	1 July 30 to 30 June 31	9,151	102	9,253	12,138	21,391
14	1 July 31 to 30 June 32	8,621	64	8,685	12,138	20,823
15	1 July 32 to 30 June 33	7,946	40	7,986	12,138	20,124
16	1 July 33 to 30 June 34	7,501	25	7,526	12,138	19,664
17	1 July 34 to 30 June 35	6,507	16	6,523	12,138	18,661
18	1 July 35 to 30 June 36	6,507	10	6,517	12,138	18,655
19	1 July 36 to 30 June 37	6,507	6	6,513	12,138	18,651
20	1 July 37 to 30 June 38	6,507	4	6,511	12,138	18,649
21	1 July 38 to 30 June 39	6,279	2	6,281	12,138	18,419
22	1 July 39 to 30 June 40	5,684	1	5,685	12,138	17,823
23	1 July 40 to 30 June 41	5,684	1	5,685	12,138	17,823
24	1 July 41 to 30 June 42	5,684	1	5,685	12,138	17,823
25	1 July 42 to 30 June 43	5,684	0	5,684	12,138	17,822
26	1 July 43 to 30 June 44	5,684	0	5,684	12,138	17,822
27	1 July 44 to 30 June 45	5,684	0	5,684	12,138	17,822
28	1 July 45 to 30 June 46	5,684	0	5,684	12,138	17,822
29	1 July 46 to 30 June 47	5,684	0	5,684	12,138	17,822
30	1 July 47 to 30 June 48	5,684	0	5,684	12,138	17,822
31	1 July 48 to 30 June 49	4,080	0	4,080	12,138	16,218
32	1 July 49 to 30 June 50	0	0	0	12,138	12,138
33	1 July 50 to 30 June 51	0	0	0	12,138	12,138
34	1 July 51 to 30 June 52	0	0	0	12,138	12,138
35	1 July 52 to 30 June 53	0	0	0	5,067	5,067
36	1 July 53 to 30 June 54	0	0	0	0	0
37	1 July 54 to 30 June 55	0	0	0	0	0
38	1 July 55 to 30 June 56	0	0	0	0	0
39	1 July 56 to 30 June 57	0	0	0	0	0
40	2057+	0	0	0	0	0
Totals		372,046	59,002	431,048	409,046	840,094

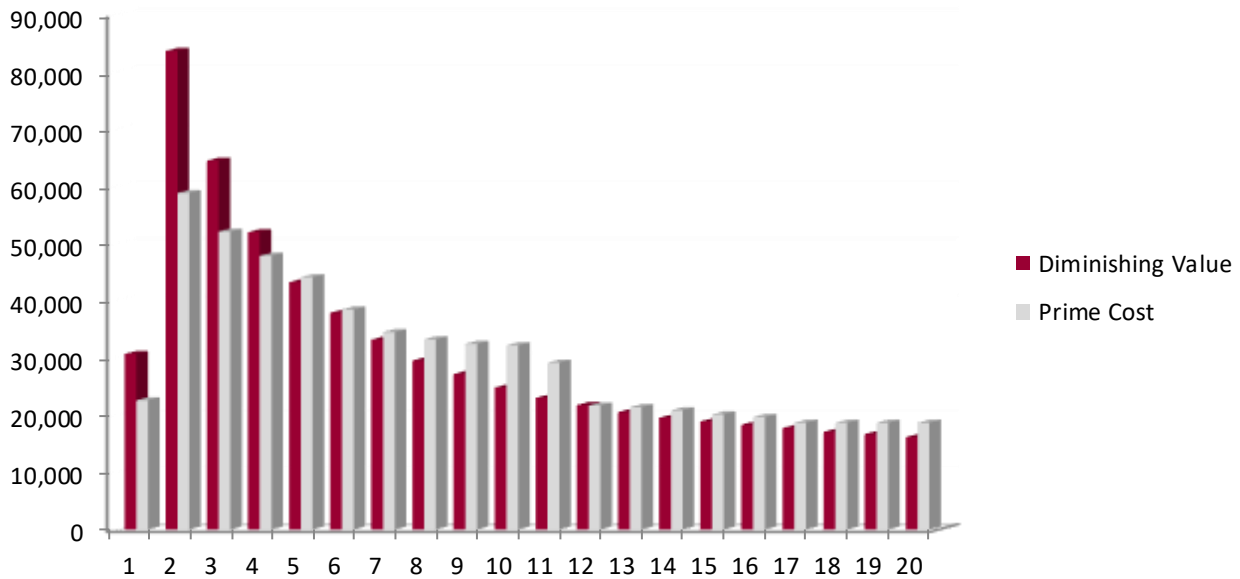
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

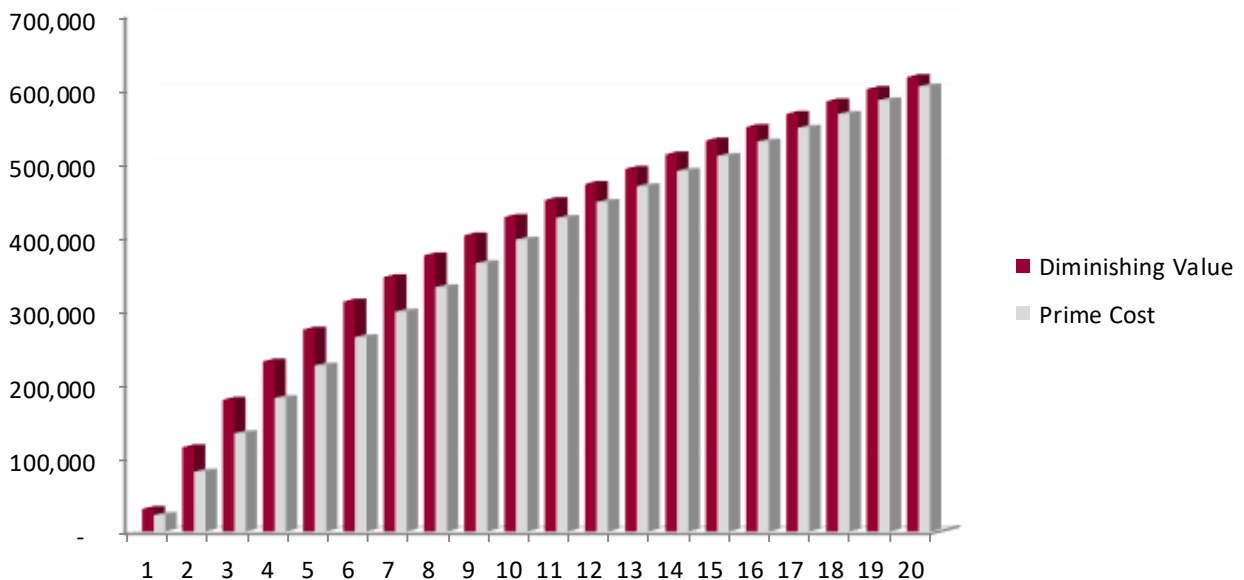
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	17 December 2018
Settlement Date	19 March 2019

Expenditure Analysed

Purchase Price	\$1,600,000
Stamp Duty	\$80,000
Legals	\$4,000
Total Expenditure Analysed	\$1,684,000

Historical Construction Details

Construction Start Date	2 October 2012
Construction Completion Date	1 December 2012
Historical Construction Cost (Estimated)*	\$951,668

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$431,048
Division 43	\$409,046
Land (Advised)	\$577,500
Balance of Capital Expenditure**	\$266,406
Total Expenditure Analysed	\$1,684,000

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%	19-Mar-19	40,572	2,290	7,656	6,125	4,900	3,920	3,136	2,509	2,007	1,606	1,285
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	19-Mar-19	1,470	276	448	280	175	109	68	43	27	17	10
Blinds	18.75%	19-Mar-19	1,919	360	585	365	228	143	89	56	35	22	14
Computers and computer equipment													
Desktop computers (including personal computers)	50.00%	19-Mar-19	15,876	2,240	6,818	3,409	1,704	852	320	200	125	78	49
Counters, freestanding (including check-out and service counters)	20.00%	19-Mar-19	27,489	1,551	5,188	4,150	3,320	2,656	2,125	1,700	1,360	1,088	870
Door closers	18.75%	19-Mar-19	1,200	225	365	228	143	89	56	35	22	14	9
Fire control assets													
Detection & alarm systems, detectors	18.75%	19-Mar-19	1,035	194	315	197	123	77	48	30	19	12	7
Emergency warning & intercommunication system	18.75%	19-Mar-19	823	154	251	157	98	61	38	24	15	9	6
Fire extinguishers	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2
Floor coverings (removable without damage)													
Carpets	40.00%	19-Mar-19	20,404	2,303	7,241	4,344	2,607	1,564	938	563	317	198	124
Artificial grass	20.00%	19-Mar-19	18,575	1,048	3,505	2,804	2,243	1,795	1,436	1,149	919	735	588
Floating timber	13.33%	19-Mar-19	1,676	63	215	186	162	140	341	213	133	83	52
Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)	18.75%	19-Mar-19	11,960	2,242	3,644	2,278	1,423	890	556	348	217	136	85
Garage doors, automatic													
Controls	18.75%	19-Mar-19	941	176	287	179	112	70	44	27	17	11	7
Motors	20.00%	19-Mar-19	2,117	119	399	320	256	205	307	192	120	75	47
Garbage disposal													
Garbage bins	18.75%	19-Mar-19	188	35	57	36	22	14	9	5	3	2	1
Hot water systems (excluding piping)													
Gas or electric	16.67%	19-Mar-19	2,117	100	336	280	233	195	365	228	143	89	56
Carried forward			148,655	13,433	37,400	25,395	17,785	12,801	9,889	7,329	5,483	4,177	3,211

Diminishing Value Depreciation Schedule (cont.)

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												
Brought forward			148,655	13,433	37,400	25,395	17,785	12,801	9,889	7,329	5,483	4,177	3,211
Kitchen assets													
Cooktops	16.67%	19-Mar-19	1,940	91	308	257	214	178	334	209	131	82	51
Dishwashers	20.00%	19-Mar-19	2,822	159	533	426	341	273	218	327	205	128	80
Microwave ovens	18.75%	19-Mar-19	659	123	201	125	78	49	31	19	12	7	5
Ovens	16.67%	19-Mar-19	1,294	61	205	171	321	201	125	78	49	31	19
Rangehoods	18.75%	19-Mar-19	529	99	161	101	63	39	25	15	10	6	4
Refrigerators	16.67%	19-Mar-19	3,528	166	560	467	389	324	270	225	188	352	220
Refrigerators	18.75%	19-Mar-19	647	121	197	123	77	48	30	19	12	7	5
Lifts (including hydraulic & tractions lifts)	6.67%	19-Mar-19	170,520	3,208	11,154	10,411	9,716	9,069	8,464	7,900	7,373	6,882	6,423
Lights													
Emergency	18.75%	19-Mar-19	3,175	595	967	605	378	236	148	92	58	36	23
Fittings	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2
Shades, removable	18.75%	19-Mar-19	8,232	1,544	2,508	1,568	980	612	383	239	149	93	58
Medical assets (used in common across all health care industry segments)													
Clinical furniture	20.00%	19-Mar-19	8,820	498	1,664	1,332	1,065	852	682	545	436	349	279
Clinical furniture	18.75%	19-Mar-19	7,491	1,405	2,282	1,427	892	557	348	218	136	85	53
X-ray viewers	18.75%	19-Mar-19	494	93	150	94	59	37	23	14	9	6	4
Office furniture, freestanding													
Bookcases	13.33%	19-Mar-19	2,634	99	338	293	254	220	191	165	143	349	218
Bookcases	18.75%	19-Mar-19	823	154	251	157	98	61	38	24	15	9	6
Cabinets - timber/laminated	13.33%	19-Mar-19	16,793	632	2,155	1,868	1,619	1,403	1,216	1,054	913	791	686
Chairs	18.75%	19-Mar-19	6,774	1,270	2,064	1,290	806	504	315	197	123	77	48
Point of sale assets													
Shades, removable	18.75%	19-Mar-19	8,232	1,544	2,508	1,568	980	612	383	239	149	93	58
Patient monitoring assets	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2
Security systems & equipment													
Electronic	30.00%	19-Mar-19	6,644	562	1,825	1,277	894	626	438	307	268	168	105
Solar power generating system assets	10.00%	19-Mar-19	16,464	465	1,600	1,440	1,296	1,166	1,050	945	850	765	689
Signage	15.00%	19-Mar-19	9,408	398	1,351	1,149	976	830	705	600	510	433	368
Signage	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2
Carried forward			427,462	26,886	70,654	51,709	39,386	30,765	25,347	20,787	17,238	14,937	12,618

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			427,462	26,886	70,654	51,709	39,386	30,765	25,347	20,787	17,238	14,937	12,618
Telephony													
Telephone systems (including analogue and digital telephone systems, PABX/PBX systems, key/commander systems, VoIP systems and hybrid telephone systems such as IP-PBX systems etc)	18.75%	19-Mar-19	1,235	232	376	235	147	92	57	36	22	14	9
Televisions	20.00%	19-Mar-19	2,352	133	444	355	284	227	341	213	133	83	52
Pooled Plant Total				11,063	17,977	11,236	7,343	4,590	4,876	3,375	2,694	2,385	1,491
Effective Life Plant Total				16,187	53,496	41,063	32,474	26,495	20,869	17,661	14,699	12,649	11,188
Total Division 40			431,048	27,250	71,474	52,299	39,817	31,084	25,745	21,036	17,394	15,034	12,679
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2012	2.50%	19-Mar-19	383,382	3,210	11,376	11,376	11,376	11,376	11,376	11,376	11,376	11,376	11,376
Structural Improvements - Completed 2012	2.50%	19-Mar-19	25,664	215	762	762	762	762	762	762	762	762	762
Total Division 43			409,046	3,425	12,138	12,138	12,138	12,138	12,138	12,138	12,138	12,138	12,138
Total Depreciation			840,094	30,675	83,612	64,437	51,955	43,222	37,883	33,174	29,532	27,172	24,817

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%	19-Mar-19	40,572	1,145	4,057	4,057	4,057	4,057	4,057	4,057	4,057	4,057	4,057
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	19-Mar-19	1,470	276	448	280	175	109	68	43	27	17	10
Blinds	18.75%	19-Mar-19	1,919	360	585	365	228	143	89	56	35	22	14
Computers and computer equipment													
Desktop computers (including personal computers)	25.00%	19-Mar-19	15,876	1,120	3,969	3,969	3,969	2,849					
Counters, freestanding (including check-out and service counters)	10.00%	19-Mar-19	27,489	776	2,749	2,749	2,749	2,749	2,749	2,749	2,749	2,749	2,749
Door closers	18.75%	19-Mar-19	1,200	225	365	228	143	89	56	35	22	14	9
Fire control assets													
Detection & alarm systems, detectors	18.75%	19-Mar-19	1,035	194	315	197	123	77	48	30	19	12	7
Emergency warning & intercommunication system	18.75%	19-Mar-19	823	154	251	157	98	61	38	24	15	9	6
Fire extinguishers	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2
Floor coverings (removable without damage)													
Carpets	20.00%	19-Mar-19	20,404	1,152	4,081	4,081	4,081	4,081	2,929				
Artificial grass	10.00%	19-Mar-19	18,575	524	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857
Floating timber	6.67%	19-Mar-19	1,676	32	112	112	112	112	112	112	112	112	112
and tables)	18.75%	19-Mar-19	11,960	2,242	3,644	2,278	1,423	890	556	348	217	136	85
Garage doors, automatic													
Controls	18.75%	19-Mar-19	941	176	287	179	112	70	44	27	17	11	7
Motors	10.00%	19-Mar-19	2,117	60	212	212	212	212	212	212	212	212	212
Garbage disposal													
Garbage bins	18.75%	19-Mar-19	188	35	57	36	22	14	9	5	3	2	1
Hot water systems (excluding piping)													
Gas or electric	8.33%	19-Mar-19	2,117	50	176	176	176	176	176	176	176	176	176
Carried forward			148,655	8,576	23,255	20,989	19,573	17,568	13,014	9,739	9,523	9,388	9,304

Prime Cost Depreciation Schedule (cont.)

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	
Brought forward			148,655	8,576	23,255	20,989	19,573	17,568	13,014	9,739	9,523	9,388	9,304	
Kitchen assets														
Cooktops	8.33%	19-Mar-19	1,940	46	162	162	162	162	162	162	162	162	162	
Dishwashers	10.00%	19-Mar-19	2,822	80	282	282	282	282	282	282	282	282	282	
Microwave ovens	18.75%	19-Mar-19	659	123	201	125	78	49	31	19	12	7	5	
Ovens	8.33%	19-Mar-19	1,294	30	108	108	108	108	108	108	108	108	108	
Rangehoods	18.75%	19-Mar-19	529	99	161	101	63	39	25	15	10	6	4	
Refrigerators	8.33%	19-Mar-19	3,528	83	294	294	294	294	294	294	294	294	294	
Refrigerators	18.75%	19-Mar-19	647	121	197	123	77	48	30	19	12	7	5	
Lifts (including hydraulic & tractions lifts)	3.33%	19-Mar-19	170,520	1,604	5,684	5,684	5,684	5,684	5,684	5,684	5,684	5,684	5,684	
Lights														
Emergency	18.75%	19-Mar-19	3,175	595	967	605	378	236	148	92	58	36	23	
Fittings	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2	
Shades, removable	18.75%	19-Mar-19	8,232	1,544	2,508	1,568	980	612	383	239	149	93	58	
Medical assets (used in common across all health care industry segments)														
Clinical furniture	10.00%	19-Mar-19	8,820	249	882	882	882	882	882	882	882	882	882	
Clinical furniture	18.75%	19-Mar-19	7,491	1,405	2,282	1,427	892	557	348	218	136	85	53	
X-ray viewers	18.75%	19-Mar-19	494	93	150	94	59	37	23	14	9	6	4	
Office furniture, freestanding														
Bookcases	6.67%	19-Mar-19	2,634	50	176	176	176	176	176	176	176	176	176	
Bookcases	18.75%	19-Mar-19	823	154	251	157	98	61	38	24	15	9	6	
Cabinets - timber/laminated	6.67%	19-Mar-19	16,793	316	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	
Chairs	18.75%	19-Mar-19	6,774	1,270	2,064	1,290	806	504	315	197	123	77	48	
Point of sale assets														
Shades, removable	18.75%	19-Mar-19	8,232	1,544	2,508	1,568	980	612	383	239	149	93	58	
Patient monitoring assets	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2	
Security systems & equipment														
Electronic	15.00%	19-Mar-19	6,644	281	997	997	997	997	997	997	381			
Solar power generating system assets	5.00%	19-Mar-19	16,464	232	823	823	823	823	823	823	823	823	823	
Signage	7.50%	19-Mar-19	9,408	199	706	706	706	706	706	706	706	706	706	
Signage	18.75%	19-Mar-19	294	55	90	56	35	22	14	9	5	3	2	
Carried forward			427,462	18,859	46,048	39,448	35,322	31,624	26,012	22,076	20,830	20,056	19,810	

Prime Cost Depreciation Schedule (cont.)

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
Brought forward			427,462	18,859	46,048	39,448	35,322	31,624	26,012	22,076	20,830	20,056	19,810
Telephony													
Telephone systems (including analogue and digital telephone systems, PABX/PBX systems, key/commander systems, VoIP systems and hybrid telephone systems such as IP-PBX systems etc)	18.75%	19-Mar-19	1,235	232	376	235	147	92	57	36	22	14	9
Televisions	10.00%	19-Mar-19	2,352	66	235	235	235	235	235	235	235	235	235
Pooled Plant Total				11,063	17,977	11,236	7,022	4,389	2,743	1,714	1,072	670	419
Effective Life Plant Total				8,093	28,682	28,682	28,682	27,562	23,561	20,632	20,016	19,635	19,635
Total Division 40			431,048	19,156	46,659	39,918	35,704	31,951	26,304	22,346	21,088	20,305	20,054
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 2012	2.50%	19-Mar-19	383,382	3,210	11,376	11,376	11,376	11,376	11,376	11,376	11,376	11,376	11,376
Structural Improvements - Completed 2012	2.50%	19-Mar-19	25,664	215	762	762	762	762	762	762	762	762	762
Total Division 43			409,046	3,425	12,138	12,138	12,138	12,138	12,138	12,138	12,138	12,138	12,138
Total Depreciation			840,094	22,581	58,797	52,056	47,842	44,089	38,442	34,484	33,226	32,443	32,192

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 2012	2 Oct 12 to 1 Dec 12	455,035	2.50%	11,376	383,382
Sub-total		455,035		11,376	383,382

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2012	2 Oct 12 to 1 Dec 12	30,460	2.50%	762	25,664
Sub-total		30,460		762	25,664
Totals		485,495		12,138	409,046

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.