



Tax Depreciation Report

Level 1, High Point Plaza, 240 Waterworks Road,
Ashgrove QLD 4060

Ashgrove Family Practice
Level 1, High Point Plaza,
240 Waterworks Road
ASHGROVE, QLD 4060

Issue Schedule	
Issue Date:	Issued by:
12 March 2018	Mark Kilroy Bsc (Hons) MRICS



Ashgrove Family Practice
Level 1, High Point Plaza,
240 Waterworks Road
ASHGROVE, QLD 4060

March 2018
Job No: COM4060002

**Tax Depreciation Report – Level 1, High Point Plaza, 240 Waterworks Road,
Ashgrove QLD 4060**

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

koste.com.au
info@koste.com.au
phone 1300 669 400
fax 1300 669 454



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1. Property Information

Date of Report

12 March 2018

Purchaser

Ashgrove Family Practice

Property Address

Level 1, High Point Plaza, 240 Waterworks Road, Ashgrove QLD 4060

Real Property Description

RP231469

Property Type

Commercial

Date of Construction

22 December 2017

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	22 December 17 to 30 June 18	16,661	13,199	29,860	0	29,860
2	1 July 18 to 30 June 19	25,801	21,449	47,249	0	47,249
3	1 July 19 to 30 June 20	17,954	13,405	31,360	0	31,360
4	1 July 20 to 30 June 21	12,669	9,020	21,690	0	21,690
5	1 July 21 to 30 June 22	9,364	6,288	15,652	0	15,652
6	1 July 22 to 30 June 23	6,341	5,343	11,684	0	11,684
7	1 July 23 to 30 June 24	4,970	3,576	8,546	0	8,546
8	1 July 24 to 30 June 25	4,179	2,235	6,414	0	6,414
9	1 July 25 to 30 June 26	3,324	1,762	5,086	0	5,086
10	1 July 26 to 30 June 27	2,640	1,423	4,063	0	4,063
11	1 July 27 to 30 June 28	2,244	889	3,133	0	3,133
12	1 July 28 to 30 June 29	1,909	556	2,465	0	2,465
13	1 July 29 to 30 June 30	1,627	347	1,974	0	1,974
14	1 July 30 to 30 June 31	1,387	217	1,604	0	1,604
15	1 July 31 to 30 June 32	1,184	136	1,320	0	1,320
16	1 July 32 to 30 June 33	838	410	1,248	0	1,248
17	1 July 33 to 30 June 34	727	256	983	0	983
18	1 July 34 to 30 June 35	630	160	790	0	790
19	1 July 35 to 30 June 36	546	100	646	0	646
20	1 July 36 to 30 June 37	473	63	536	0	536
21	1 July 37 to 30 June 38	410	39	449	0	449
22	1 July 38 to 30 June 39	355	24	380	0	380
23	1 July 39 to 30 June 40	308	15	323	0	323
24	1 July 40 to 30 June 41	267	10	276	0	276
25	1 July 41 to 30 June 42	231	6	237	0	237
26	1 July 42 to 30 June 43	200	4	204	0	204
27	1 July 43 to 30 June 44	174	2	176	0	176
28	1 July 44 to 30 June 45	151	1	152	0	152
29	1 July 45 to 30 June 46	0	368	368	0	368
30	1 July 46 to 30 June 47	0	230	230	0	230
31	1 July 47 to 30 June 48	0	144	144	0	144
32	1 July 48 to 30 June 49	0	90	90	0	90
33	1 July 49 to 30 June 50	0	56	56	0	56
34	1 July 50 to 30 June 51	0	35	35	0	35
35	1 July 51 to 30 June 52	0	22	22	0	22
36	1 July 52 to 30 June 53	0	14	14	0	14
37	1 July 53 to 30 June 54	0	9	9	0	9
38	1 July 54 to 30 June 55	0	5	5	0	5
39	1 July 55 to 30 June 56	0	3	3	0	3
40	2056+	0	6	6	0	6
Totals		117,563	81,917	199,480	0	199,480

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	22 December 17 to 30 June 18	8,608	13,199	21,807	0	21,807
2	1 July 18 to 30 June 19	15,471	21,449	36,920	0	36,920
3	1 July 19 to 30 June 20	15,471	13,405	28,876	0	28,876
4	1 July 20 to 30 June 21	15,471	8,378	23,849	0	23,849
5	1 July 21 to 30 June 22	12,738	5,237	17,975	0	17,975
6	1 July 22 to 30 June 23	8,893	3,273	12,166	0	12,166
7	1 July 23 to 30 June 24	7,672	2,046	9,718	0	9,718
8	1 July 24 to 30 June 25	7,672	1,278	8,950	0	8,950
9	1 July 25 to 30 June 26	7,672	799	8,471	0	8,471
10	1 July 26 to 30 June 27	7,672	499	8,171	0	8,171
11	1 July 27 to 30 June 28	5,601	312	5,913	0	5,913
12	1 July 28 to 30 June 29	3,703	195	3,898	0	3,898
13	1 July 29 to 30 June 30	3,703	122	3,825	0	3,825
14	1 July 30 to 30 June 31	3,647	76	3,724	0	3,724
15	1 July 31 to 30 June 32	3,440	48	3,488	0	3,488
16	1 July 32 to 30 June 33	1,649	30	1,679	0	1,679
17	1 July 33 to 30 June 34	0	19	19	0	19
18	1 July 34 to 30 June 35	0	12	12	0	12
19	1 July 35 to 30 June 36	0	7	7	0	7
20	1 July 36 to 30 June 37	0	5	5	0	5
21	1 July 37 to 30 June 38	0	3	3	0	3
22	1 July 38 to 30 June 39	0	2	2	0	2
23	1 July 39 to 30 June 40	0	1	1	0	1
24	1 July 40 to 30 June 41	0	1	1	0	1
25	1 July 41 to 30 June 42	0	0	0	0	0
26	1 July 42 to 30 June 43	0	0	0	0	0
27	1 July 43 to 30 June 44	0	0	0	0	0
28	1 July 44 to 30 June 45	0	0	0	0	0
29	1 July 45 to 30 June 46	0	0	0	0	0
30	1 July 46 to 30 June 47	0	0	0	0	0
31	1 July 47 to 30 June 48	0	0	0	0	0
32	1 July 48 to 30 June 49	0	0	0	0	0
33	1 July 49 to 30 June 50	0	0	0	0	0
34	1 July 50 to 30 June 51	0	0	0	0	0
35	1 July 51 to 30 June 52	0	0	0	0	0
36	1 July 52 to 30 June 53	0	0	0	0	0
37	1 July 53 to 30 June 54	0	0	0	0	0
38	1 July 54 to 30 June 55	0	0	0	0	0
39	1 July 55 to 30 June 56	0	0	0	0	0
40	2056+	0	0	0	0	0
Totals		129,084	70,396	199,480	0	199,480

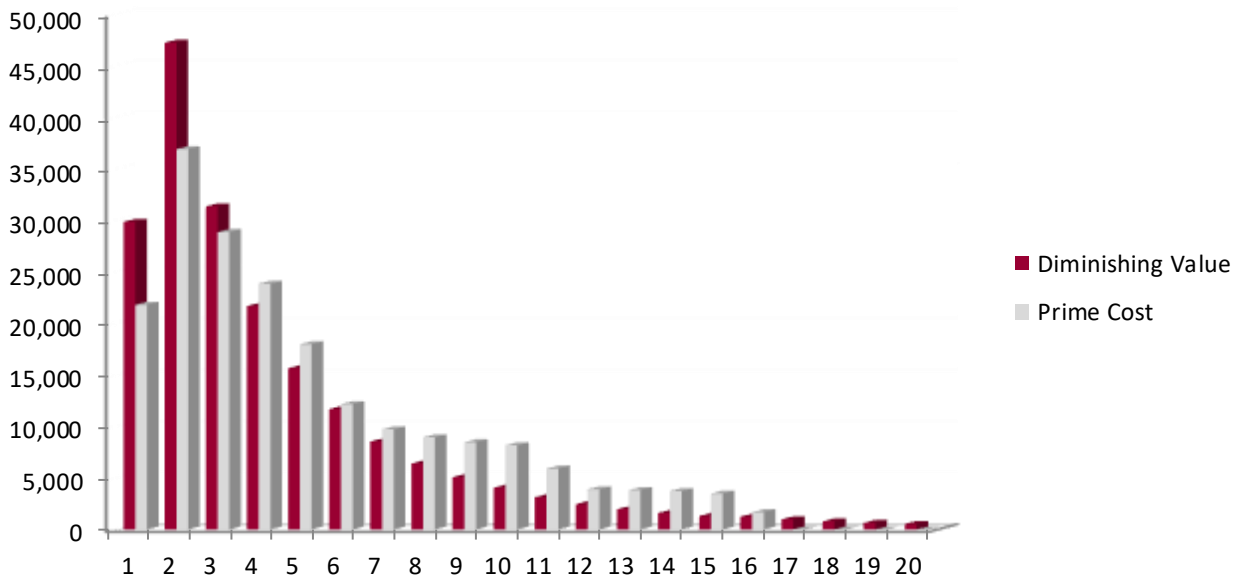
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

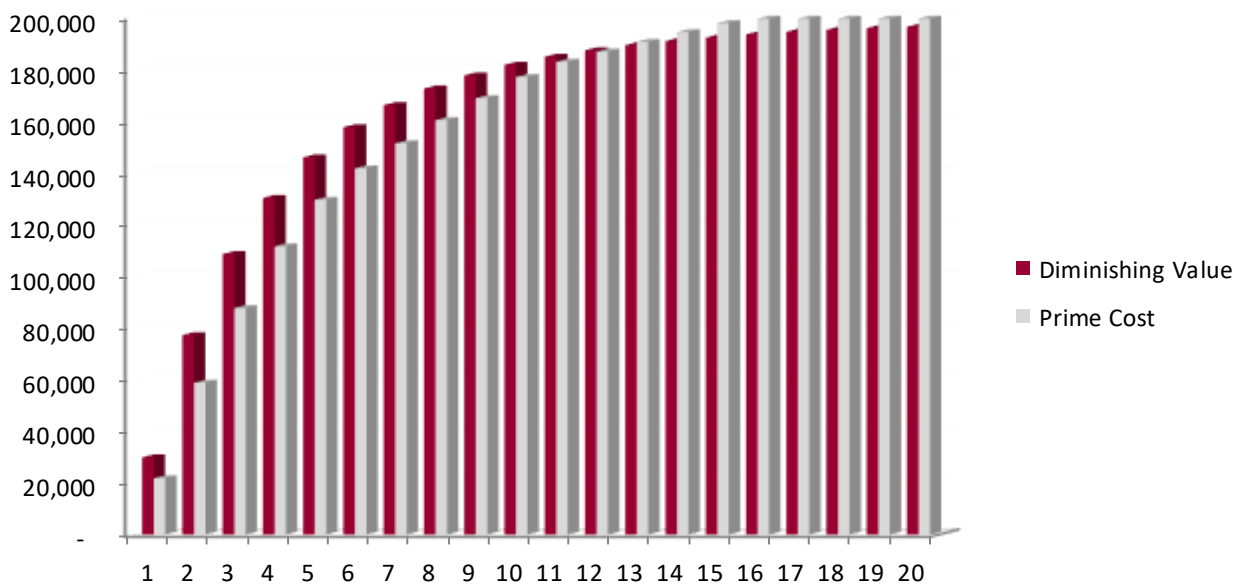
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	22 November 2017
Settlement Date	22 December 2017

Expenditure Analysed

Purchase Price	\$367,500
Stamp Duty	\$11,288
Total Expenditure Analysed	\$378,788

Historical Construction Details

Construction Start Date	22 November 2017
Construction Completion Date	22 December 2017
Historical Construction Cost (Estimated)*	\$199,480

9. Reconciliation of Capital Expenditure

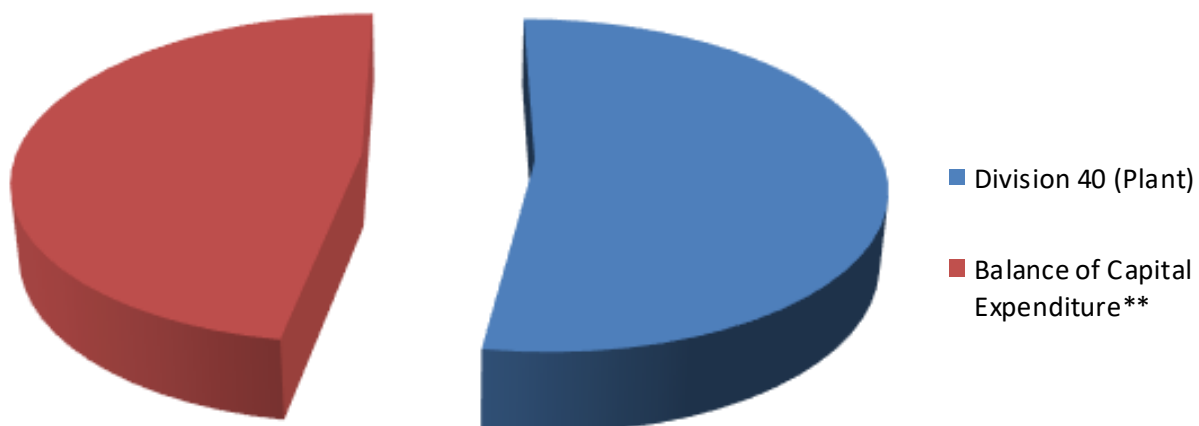
Apportionment of cost relating to:

Division 40 (Plant)	\$199,480
Balance of Capital Expenditure**	\$179,308
Total Expenditure Analysed	\$378,788

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												
Blinds	18.75%	22-Dec-17	806	151	246	153	96	60	37	23	15	9	6
Computers and computer equipment													
Computers and computer equipment (not specified elsewhere)	18.75%	22-Dec-17	6,750	1,266	2,057	1,285	803	502	314	196	123	77	48
Desktop computers (including personal computers)	50.00%	22-Dec-17	21,000	5,466	7,767	3,884	1,942	971	364	228	142	89	56
Network equipment (including hubs, modems, router, switches, etc)	40.00%	22-Dec-17	2,500	521	792	475	267	167	104	65	41	25	16
Counters, freestanding (including check-out and service counters)	20.00%	22-Dec-17	22,000	2,290	3,942	3,154	2,523	2,018	1,615	1,292	1,033	827	661
Door closers	18.75%	22-Dec-17	400	75	122	76	48	30	19	12	7	5	3
Fire control assets													
Fire extinguishers	18.75%	22-Dec-17	500	94	152	95	60	37	23	15	9	6	4
Floor coverings (removable without damage)													
Carpets	40.00%	22-Dec-17	10,244	2,133	3,244	1,947	1,168	701	420	237	148	92	58
Linoleum & vinyl	20.00%	22-Dec-17	5,185	540	929	743	595	476	381	304	244	365	228
Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)	15.00%	22-Dec-17	1,500	117	207	176	375	234	146	91	57	36	22
Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)	18.75%	22-Dec-17	8,930	1,674	2,721	1,701	1,063	664	415	259	162	101	63
Kitchen assets													
Microwave ovens	18.75%	22-Dec-17	450	84	137	86	54	33	21	13	8	5	3
Lights													
Emergency	18.75%	22-Dec-17	1,200	225	366	229	143	89	56	35	22	14	9
Fittings	18.75%	22-Dec-17	14,300	2,681	4,357	2,723	1,702	1,064	665	416	260	162	101
Medical assets (used in common across all health care industry segments)													
Heart defibrillator	20.00%	22-Dec-17	2,500	260	448	358	287	229	344	215	134	84	52
Hyfrecator	20.00%	22-Dec-17	2,500	260	448	358	287	229	344	215	134	84	52
Benchtop sterilisers	15.00%	22-Dec-17	2,000	156	277	235	200	170	361	226	141	88	55
Clinical furniture	18.75%	22-Dec-17	18,110	3,396	5,518	3,449	2,155	1,347	842	526	329	206	128
X-ray viewers	18.75%	22-Dec-17	500	94	152	95	60	37	23	15	9	6	4
Office furniture, freestanding													
Cabinets - timber/laminated	13.33%	22-Dec-17	50,100	3,477	6,216	5,388	4,669	4,047	3,507	3,039	2,634	2,283	1,979
Chairs	18.75%	22-Dec-17	13,750	2,578	4,189	2,618	1,637	1,023	639	400	250	156	98
Tables	18.75%	22-Dec-17	900	169	274	171	107	67	42	26	16	10	6
Office machines and equipment													
Shredders	13.33%	22-Dec-17	1,500	104	186	161	140	341	213	133	83	52	32
Carried forward			187,625	27,812	44,748	29,561	20,377	14,537	10,896	7,980	6,001	4,781	3,685

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			187,625	27,812	44,748	29,561	20,377	14,537	10,896	7,980	6,001	4,781	3,685
Patient monitoring assets	18.75%	22-Dec-17	2,000	375	609	381	238	149	93	58	36	23	14
Refrigeration assets Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)													
	20.00%	22-Dec-17	5,700	593	1,021	817	654	523	418	335	268	214	321
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%	22-Dec-17	1,800	338	548	343	214	134	84	52	33	20	13
Televisions	20.00%	22-Dec-17	1,800	187	323	258	206	310	194	121	76	47	30
\$300 items	100.00%	22-Dec-17	555	555									
Pooled Plant Total				13,199	21,449	13,405	9,020	6,288	5,343	3,576	2,235	1,762	1,423
Effective Life Plant Total				16,661	25,801	17,954	12,669	9,364	6,341	4,970	4,179	3,324	2,640
Total Division 40			199,480	29,860	47,249	31,360	21,690	15,652	11,684	8,546	6,414	5,086	4,063
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
Total Division 43													
Total Depreciation			199,480	29,860	47,249	31,360	21,690	15,652	11,684	8,546	6,414	5,086	4,063

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	
Blinds	18.75%	22-Dec-17	806	151	246	153	96	60	37	23	15	9	6	
Computers and computer equipment														
Computers and computer equipment (not specified elsewhere belc	18.75%	22-Dec-17	6,750	1,266	2,057	1,285	803	502	314	196	123	77	48	
Desktop computers (including personal computers)	25.00%	22-Dec-17	21,000	2,733	5,250	5,250	5,250	2,517						
Network equipment (including hubs, modems, router, switches, etc	20.00%	22-Dec-17	2,500	260	500	500	500	500	240					
Counters, freestanding (including check-out and service counters)	10.00%	22-Dec-17	22,000	1,145	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	
Door closers	18.75%	22-Dec-17	400	75	122	76	48	30	19	12	7	5	3	
Fire control assets														
Fire extinguishers	18.75%	22-Dec-17	500	94	152	95	60	37	23	15	9	6	4	
Floor coverings (removable without damage)														
Carpets	20.00%	22-Dec-17	10,244	1,066	2,049	2,049	2,049	2,049	982					
Linoleum & vinyl	10.00%	22-Dec-17	5,185	270	519	519	519	519	519	519	519	519	519	
and tables)	7.50%	22-Dec-17	1,500	59	113	113	113	113	113	113	113	113	113	
and tables)	18.75%	22-Dec-17	8,930	1,674	2,721	1,701	1,063	664	415	259	162	101	63	
Kitchen assets														
Microwave ovens	18.75%	22-Dec-17	450	84	137	86	54	33	21	13	8	5	3	
Lights														
Emergency	18.75%	22-Dec-17	1,200	225	366	229	143	89	56	35	22	14	9	
Fittings	18.75%	22-Dec-17	14,300	2,681	4,357	2,723	1,702	1,064	665	416	260	162	101	
Medical assets (used in common across all health care industry segments)														
Heart defibrillator	10.00%	22-Dec-17	2,500	130	250	250	250	250	250	250	250	250	250	
Hyfrecator	10.00%	22-Dec-17	2,500	130	250	250	250	250	250	250	250	250	250	
Benchtop sterilisers	7.50%	22-Dec-17	2,000	78	150	150	150	150	150	150	150	150	150	
Clinical furniture	18.75%	22-Dec-17	18,110	3,396	5,518	3,449	2,155	1,347	842	526	329	206	128	
X-ray viewers	18.75%	22-Dec-17	500	94	152	95	60	37	23	15	9	6	4	
Office furniture, freestanding														
Cabinets - timber/laminated	6.67%	22-Dec-17	50,100	1,739	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	
Chairs	18.75%	22-Dec-17	13,750	2,578	4,189	2,618	1,637	1,023	639	400	250	156	98	
Tables	18.75%	22-Dec-17	900	169	274	171	107	67	42	26	16	10	6	
Office machines and equipment														
Shredders	6.67%	22-Dec-17	1,500	52	100	100	100	100	100	100	100	100	100	
Carried forward			187,625	20,149	35,012	27,403	22,647	16,942	11,239	8,857	8,131	7,678	7,394	

Prime Cost Depreciation Schedule (cont.)

Assets Generally													
Division 40 - Plant and Equipment	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
Brought forward			187,625	20,149	35,012	27,403	22,647	16,942	11,239	8,857	8,131	7,678	7,394
Patient monitoring assets	18.75%	22-Dec-17	2,000	375	609	381	238	149	93	58	36	23	14
Refrigeration assets													
Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)													
	10.00%	22-Dec-17	5,700	297	570	570	570	570	570	570	570	570	570
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%	22-Dec-17	1,800	338	548	343	214	134	84	52	33	20	13
Televisions	10.00%	22-Dec-17	1,800	94	180	180	180	180	180	180	180	180	180
\$300 items	100.00%	22-Dec-17	555	555									
Pooled Plant Total				13,199	21,449	13,405	8,378	5,237	3,273	2,046	1,278	799	499
Effective Life Plant Total				8,608	15,471	15,471	15,471	12,738	8,893	7,672	7,672	7,672	7,672
Total Division 40			199,480	21,807	36,920	28,876	23,849	17,975	12,166	9,718	8,950	8,471	8,171
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Total Division 43													
Total Depreciation			199,480	21,807	36,920	28,876	23,849	17,975	12,166	9,718	8,950	8,471	8,171

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

Sub-total

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value

Sub-total

Totals

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
Postal Address	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
Office Number	1300 669 400
Office Email	info@koste.com.au

LEAD SURVEYOR DETAILS	
Surveyors Name	Mark Kilroy
Tax Agent Number	24370523
Contact Number	0468 849 299
Email	mark@koste.com.au

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.