



Tax Depreciation Report

Little Albion Guest House,
21 Little Albion Street Surry Hills NSW 2010

Crystalbrook Collection
21 Little Albion Street
SURRY HILLS NSW 2010

Issue Schedule	
Issue Date:	Issued by:
29 January 2019	Mark Kilroy Bsc (Hons) MRICS

Crystalbrook Collection
21 Little Albion Street
SURRY HILLS NSW 2010

29 January 2019
Job No: COM2010002

Tax Depreciation Report – Little Albion Guest House 21 Little Albion Street Surry Hills NSW 2010

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



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	15
12. Division 43 Capital Works Schedule	18
13. Definition of Terms	19
14. Contact Details	20
15. Disclaimer.....	21

1. Property Information

Date of Report

29 January 2019

Purchaser

Crystalbrook Collection

Property Address

21 Little Albion Street, Surry Hills NSW 2010

Property Type

Hotel

Date of Construction

Original Structure 1903

Refitted 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	03-Dec-18	to 30-Jun-19	\$626,071	\$209,935	\$836,006	\$62,626	\$898,632
2	01-Jul-19	to 30-Jun-20	\$901,560	\$341,145	\$1,242,705	\$109,370	\$1,352,075
3	01-Jul-20	to 30-Jun-21	\$649,415	\$213,215	\$862,631	\$109,370	\$972,001
4	01-Jul-21	to 30-Jun-22	\$479,854	\$133,585	\$613,440	\$109,370	\$722,810
5	01-Jul-22	to 30-Jun-23	\$362,745	\$84,460	\$447,204	\$109,370	\$556,575
6	01-Jul-23	to 30-Jun-24	\$279,361	\$54,991	\$334,352	\$109,370	\$443,722
7	01-Jul-24	to 30-Jun-25	\$217,440	\$39,201	\$256,641	\$109,370	\$366,012
8	01-Jul-25	to 30-Jun-26	\$174,529	\$25,893	\$200,422	\$109,370	\$309,792
9	01-Jul-26	to 30-Jun-27	\$141,014	\$19,226	\$160,240	\$109,370	\$269,610
10	01-Jul-27	to 30-Jun-28	\$116,662	\$13,727	\$130,389	\$109,370	\$239,759
11	01-Jul-28	to 30-Jun-29	\$98,035	\$9,577	\$107,611	\$109,370	\$216,982
12	01-Jul-29	to 30-Jun-30	\$82,931	\$7,296	\$90,227	\$109,370	\$199,597
13	01-Jul-30	to 30-Jun-31	\$70,864	\$5,498	\$76,362	\$109,370	\$185,733
14	01-Jul-31	to 30-Jun-32	\$60,857	\$4,757	\$65,614	\$109,370	\$174,984
15	01-Jul-32	to 30-Jun-33	\$52,601	\$3,990	\$56,591	\$109,370	\$165,961
16	01-Jul-33	to 30-Jun-34	\$46,191	\$2,837	\$49,028	\$109,370	\$158,399
17	01-Jul-34	to 30-Jun-35	\$40,772	\$2,061	\$42,832	\$109,370	\$152,202
18	01-Jul-35	to 30-Jun-36	\$31,790	\$13,695	\$45,485	\$109,370	\$154,855
19	01-Jul-36	to 30-Jun-37	\$28,275	\$8,925	\$37,200	\$109,370	\$146,570
20	01-Jul-37	to 30-Jun-38	\$25,500	\$5,578	\$31,078	\$109,370	\$140,448
21	01-Jul-38	to 30-Jun-39	\$23,030	\$3,486	\$26,516	\$109,370	\$135,886
22	01-Jul-39	to 30-Jun-40	\$20,826	\$2,179	\$23,005	\$109,370	\$132,375
23	01-Jul-40	to 30-Jun-41	\$17,920	\$3,822	\$21,742	\$109,370	\$131,112
24	01-Jul-41	to 30-Jun-42	\$16,294	\$2,389	\$18,683	\$109,370	\$128,053
25	01-Jul-42	to 30-Jun-43	\$14,586	\$2,181	\$16,768	\$109,370	\$126,138
26	01-Jul-43	to 30-Jun-44	\$13,301	\$1,363	\$14,664	\$109,370	\$124,034
27	01-Jul-44	to 30-Jun-45	\$11,662	\$2,191	\$13,853	\$109,370	\$123,223
28	01-Jul-45	to 30-Jun-46	\$10,673	\$1,369	\$12,042	\$109,370	\$121,412
29	01-Jul-46	to 30-Jun-47	\$9,613	\$1,219	\$10,832	\$109,370	\$120,202
30	01-Jul-47	to 30-Jun-48	\$8,823	\$762	\$9,585	\$109,370	\$118,955
31	01-Jul-48	to 30-Jun-49	\$8,101	\$476	\$8,578	\$109,370	\$117,948
32	01-Jul-49	to 30-Jun-50	\$7,314	\$660	\$7,974	\$109,370	\$117,344
33	01-Jul-50	to 30-Jun-51	\$6,237	\$2,257	\$8,494	\$109,370	\$117,864
34	01-Jul-51	to 30-Jun-52	\$5,751	\$1,411	\$7,161	\$109,370	\$116,531
35	01-Jul-52	to 30-Jun-53	\$5,112	\$1,601	\$6,713	\$109,370	\$116,083
36	01-Jul-53	to 30-Jun-54	\$4,722	\$1,000	\$5,722	\$109,370	\$115,092
37	01-Jul-54	to 30-Jun-55	\$4,231	\$994	\$5,225	\$109,370	\$114,596
38	01-Jul-55	to 30-Jun-56	\$3,918	\$622	\$4,539	\$109,370	\$113,910
39	01-Jul-56	to 30-Jun-57	\$3,629	\$388	\$4,017	\$93,008	\$97,025
40	01-Jul-57	to 30-Jun-58	\$3,361	\$243	\$3,604	\$0	\$3,604
40+	01-Jul-58	+	\$43,590	\$405	\$43,994	\$0	\$43,994
Totals			\$4,729,159	\$1,230,612	\$5,959,771	\$4,202,333	\$10,162,104

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

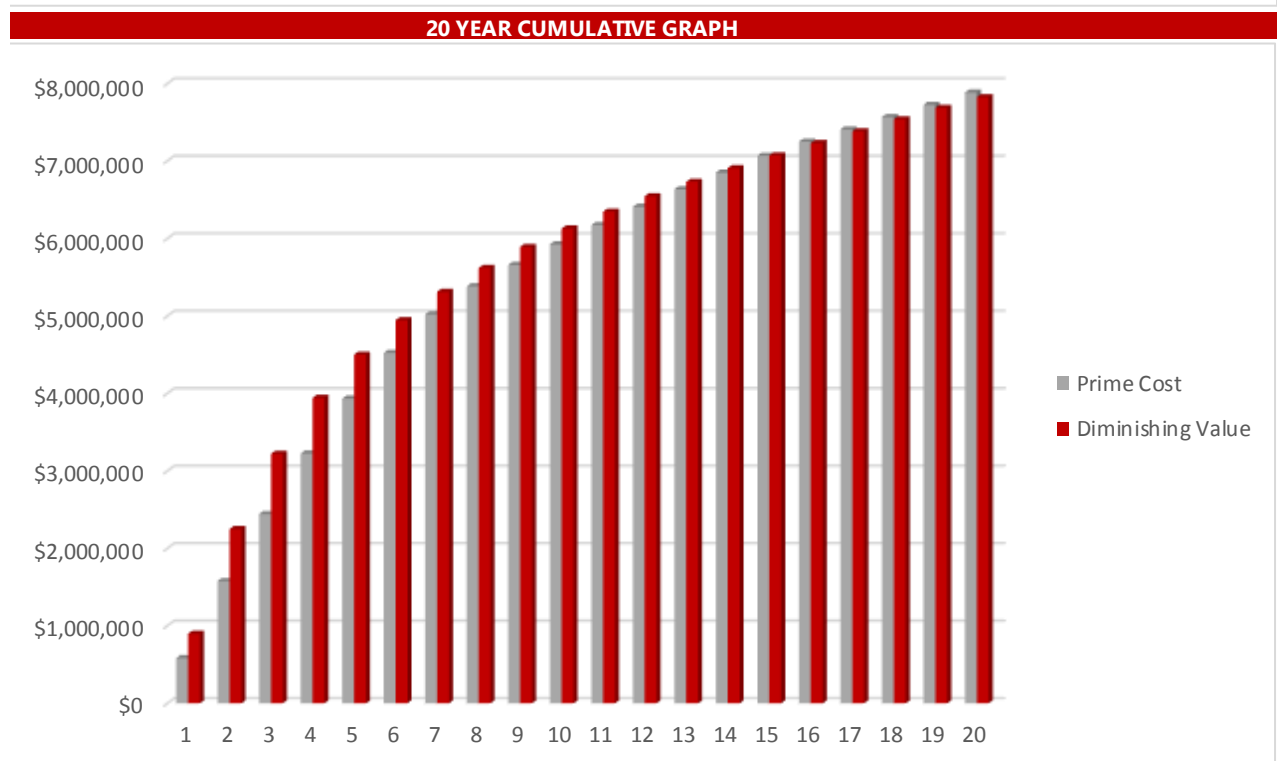
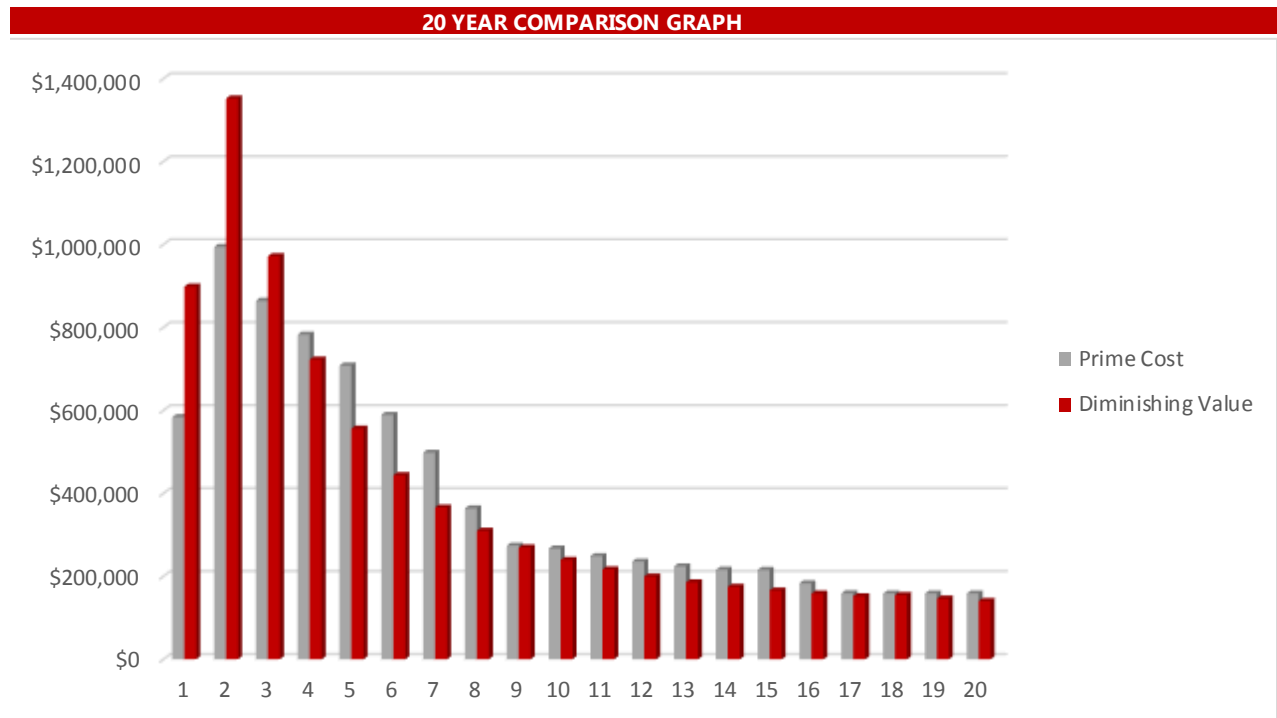
Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	03-Dec-18 to 30-Jun-19	\$311,441	\$209,935	\$521,376	\$62,626	\$584,002
2	01-Jul-19 to 30-Jun-20	\$543,904	\$341,145	\$885,049	\$109,370	\$994,419
3	01-Jul-20 to 30-Jun-21	\$541,768	\$213,215	\$754,984	\$109,370	\$864,354
4	01-Jul-21 to 30-Jun-22	\$540,174	\$133,260	\$673,434	\$109,370	\$782,804
5	01-Jul-22 to 30-Jun-23	\$515,462	\$83,287	\$598,749	\$109,370	\$708,120
6	01-Jul-23 to 30-Jun-24	\$428,011	\$52,055	\$480,066	\$109,370	\$589,436
7	01-Jul-24 to 30-Jun-25	\$356,115	\$32,534	\$388,649	\$109,370	\$498,019
8	01-Jul-25 to 30-Jun-26	\$234,222	\$20,334	\$254,555	\$109,370	\$363,926
9	01-Jul-26 to 30-Jun-27	\$151,900	\$12,709	\$164,608	\$109,370	\$273,978
10	01-Jul-27 to 30-Jun-28	\$149,885	\$7,943	\$157,828	\$109,370	\$267,198
11	01-Jul-28 to 30-Jun-29	\$134,627	\$4,964	\$139,591	\$109,370	\$248,962
12	01-Jul-29 to 30-Jun-30	\$123,239	\$3,103	\$126,341	\$109,370	\$235,712
13	01-Jul-30 to 30-Jun-31	\$113,064	\$1,939	\$115,004	\$109,370	\$224,374
14	01-Jul-31 to 30-Jun-32	\$105,470	\$1,212	\$106,682	\$109,370	\$216,053
15	01-Jul-32 to 30-Jun-33	\$105,470	\$757	\$106,228	\$109,370	\$215,598
16	01-Jul-33 to 30-Jun-34	\$73,327	\$473	\$73,800	\$109,370	\$183,170
17	01-Jul-34 to 30-Jun-35	\$49,334	\$296	\$49,630	\$109,370	\$159,001
18	01-Jul-35 to 30-Jun-36	\$49,334	\$185	\$49,519	\$109,370	\$158,890
19	01-Jul-36 to 30-Jun-37	\$49,334	\$116	\$49,450	\$109,370	\$158,820
20	01-Jul-37 to 30-Jun-38	\$49,334	\$72	\$49,407	\$109,370	\$158,777
21	01-Jul-38 to 30-Jun-39	\$32,550	\$45	\$32,595	\$109,370	\$141,966
22	01-Jul-39 to 30-Jun-40	\$20,022	\$28	\$20,050	\$109,370	\$129,421
23	01-Jul-40 to 30-Jun-41	\$20,022	\$18	\$20,040	\$109,370	\$129,410
24	01-Jul-41 to 30-Jun-42	\$20,022	\$11	\$20,033	\$109,370	\$129,403
25	01-Jul-42 to 30-Jun-43	\$20,022	\$7	\$20,029	\$109,370	\$129,399
26	01-Jul-43 to 30-Jun-44	\$19,265	\$4	\$19,270	\$109,370	\$128,640
27	01-Jul-44 to 30-Jun-45	\$18,700	\$3	\$18,703	\$109,370	\$128,073
28	01-Jul-45 to 30-Jun-46	\$18,700	\$2	\$18,702	\$109,370	\$128,072
29	01-Jul-46 to 30-Jun-47	\$18,700	\$1	\$18,701	\$109,370	\$128,072
30	01-Jul-47 to 30-Jun-48	\$18,700	\$1	\$18,701	\$109,370	\$128,071
31	01-Jul-48 to 30-Jun-49	\$7,992	\$0	\$7,993	\$109,370	\$117,363
32	01-Jul-49 to 30-Jun-50	\$0	\$0	\$0	\$109,370	\$109,371
33	01-Jul-50 to 30-Jun-51	\$0	\$0	\$0	\$109,370	\$109,370
34	01-Jul-51 to 30-Jun-52	\$0	\$0	\$0	\$109,370	\$109,370
35	01-Jul-52 to 30-Jun-53	\$0	\$0	\$0	\$109,370	\$109,370
36	01-Jul-53 to 30-Jun-54	\$0	\$0	\$0	\$109,370	\$109,370
37	01-Jul-54 to 30-Jun-55	\$0	\$0	\$0	\$109,370	\$109,370
38	01-Jul-55 to 30-Jun-56	\$0	\$0	\$0	\$109,370	\$109,370
39	01-Jul-56 to 30-Jun-57	\$0	\$0	\$0	\$93,008	\$93,008
40	01-Jul-57 to 30-Jun-58	\$0	\$0	\$0	\$0	\$0
40+	01-Jul-58 +	\$0	\$0	\$0	\$0	\$0
Totals		\$4,840,116	\$1,119,655	\$5,959,771	\$4,202,333	\$10,162,104

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



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	6 September 2018
Settlement Date	3 December 2018

Expenditure Analysed

Purchase Price	\$27,750,000
Stamp Duty	\$1,401,750
Total Expenditure Analysed	\$29,151,750

Historical Construction Details

Construction Start Date Stage 1	6 December 1901
Construction Completion Date Stage 1	1 March 1993
Historical Construction Cost (Estimated)*	\$1,334,366
Construction Start Date Stage 2	01 February 2017
Construction Completion Date Stage 2	1 December 2017
Historical Construction Cost & Fit Out (Estimated)*	\$6,135,075

9. Reconciliation of Capital Expenditure

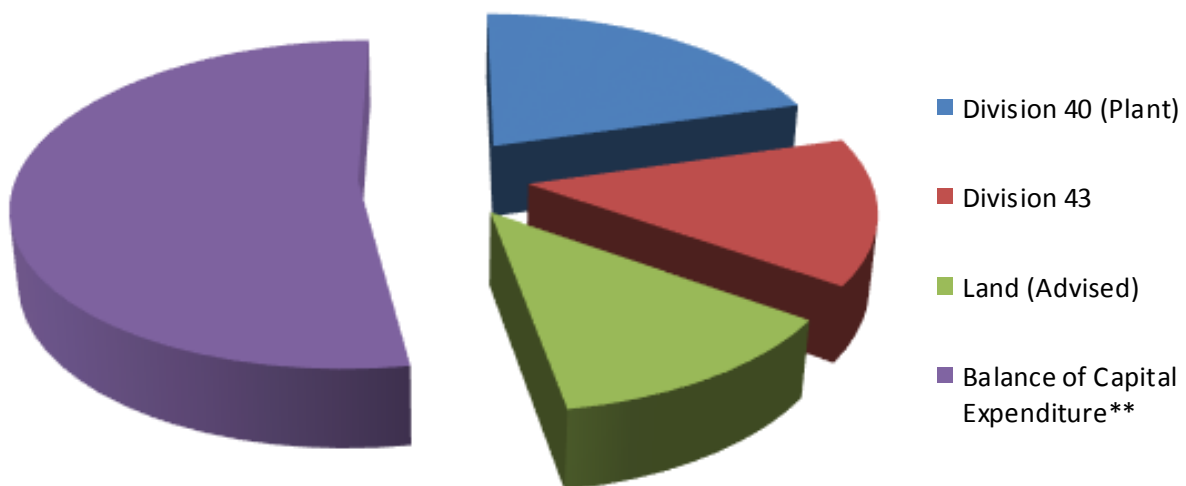
Apportionment of cost relating to:

Division 40 (Plant)	\$5,959,771
Division 43	\$4,202,333
Land (Advised)	\$3,636,667
Balance of Capital Expenditure**	\$15,352,979
Total Expenditure Analysed	\$29,151,750

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	Purchase Date	Opening Value	Year 1	Moved From Assets Year 1	Year 2	Moved From Assets Year 2	Year 3	Moved From Assets Year 3	Year 4	Moved From Assets Year 4	Year 5
TABLE A												
ACCOMMODATION AND FOOD SERVICES												
Accommodation												
Assets generally:												
Air conditioning assets condensing sets	13.33%	3-Dec-18	123,065	9,396	0	15,156	0	13,135	0	11,384	0	9,866
Air conditioning assets fan coil units	13.33%	3-Dec-18	482,870	36,866	0	59,467	0	51,538	0	44,666	0	38,711
Air conditioning assets mini split systems up to 20KW	20.00%	3-Dec-18	9,777	1,120	0	1,731	0	1,385	0	1,108	0	886
Floor coverings floating timber	13.33%	3-Dec-18	236,102	18,026	0	29,077	0	25,200	0	21,840	0	18,928
Lifts	6.67%	3-Dec-18	561,011	21,416	0	35,973	0	33,575	0	31,337	0	29,247
Master antenna television assets power	20.00%	3-Dec-18	118,018	13,516	0	20,901	0	16,720	0	13,376	0	10,701
Telecommunications assets telephone systems	28.57%	3-Dec-18	121,697	19,910	0	29,082	0	20,773	0	14,838	0	10,598
Ventilation fans	10.00%	3-Dec-18	45,080	2,581	0	4,250	0	3,825	0	3,442	0	3,098
Window blinds, internal	20.00%	3-Dec-18	7,461	854	0	1,321	0	1,057	0	846	0	677
Window curtains	33.33%	3-Dec-18	213,654	40,780	0	57,625	0	38,417	0	25,611	0	17,074
Audio visual entertainment assets including those used in conference and function rooms	40.00%	3-Dec-18	276,394	63,306	0	85,235	0	51,141	0	30,685	0	18,411
Door control and motor drive system for automatic sliding doors and revolving doors	20.00%	3-Dec-18	32,589	3,732	0	5,771	0	4,617	0	3,694	0	2,955
Fire control assets:												
Detection and alarm systems detectors	10.00%	3-Dec-18	208,435	11,935	0	19,650	0	17,685	0	15,917	0	14,325
Detection and alarm systems fire indicator panels	16.67%	3-Dec-18	66,090	6,307	0	9,964	0	8,303	0	6,919	0	5,766
Emergency warning and intercommunication systems speakers	16.67%	3-Dec-18	147,131	14,041	0	22,182	0	18,485	0	15,404	0	12,837
Pumps	8.00%	3-Dec-18	33,045	1,514	0	2,523	0	2,321	0	2,135	0	1,964
Furniture, freestanding:												
Generally	28.57%	3-Dec-18	1,032,993	168,999	0	246,856	0	176,325	0	125,947	2,584	89,224
Outdoor	40.00%	3-Dec-18	26,113	5,981	0	8,053	0	4,832	0	2,899	0	1,739
Gates, electric:												
Controls and motors	40.00%	3-Dec-18	3,900	893	0	1,203	0	722	0	433	0	260
Guestroom assets:												
Bed mattresses	28.57%	3-Dec-18	47,479	7,768	0	11,346	0	8,104	868	5,541	0	3,958
Beds generally	28.57%	3-Dec-18	101,910	16,672	0	24,353	0	17,395	0	12,425	0	8,875
Bed spreads, blankets and quilts	40.00%	3-Dec-18	12,209	2,796	0	3,765	0	2,259	0	1,355	0	813
Hot water systems	20.00%	3-Dec-18	69,704	7,983	0	12,344	0	9,875	0	7,900	0	6,320
Outdoor assets:												
Floor carpet	40.00%	3-Dec-18	148,225	33,950	0	45,710	0	27,426	0	16,456	0	9,873
Gardening watering installations control panels	40.00%	3-Dec-18	10,174	2,330	0	3,137	0	1,882	0	1,129	0	678

Diminishing Value Depreciation Schedule (cont.)

Security and monitoring assets:												
Access control systems door controllers	40.00%	3-Dec-18	5,014	1,148	0	1,546	0	928	0	557	0	334
Closed circuit television systems cameras	50.00%	3-Dec-18	35,374	10,128	0	12,623	0	6,312	0	3,156	0	1,578
Closed circuit television systems monitors	50.00%	3-Dec-18	1,424	408	0	508	0	254	0	127	0	64
Closed circuit television systems recorders	50.00%	3-Dec-18	11,870	3,398	0	4,236	0	2,118	0	1,059	0	529
Cafes, restaurants, takeaway food services, pubs, taverns, bars and clubs												
Coffee making machines	40.00%	3-Dec-18	4,578	1,049	0	1,412	0	847	0	508	0	305
Dishwasher machines	25.00%	3-Dec-18	3,798	544	0	814	0	610	0	458	0	343
Drink dispensing machines	20.00%	3-Dec-18	14,922	1,709	0	2,643	0	2,114	0	1,691	0	1,353
Furniture, freestanding, for customer use:												
In drinking areas of pubs, bars, clubs	40.00%	3-Dec-18	89,841	20,577	0	27,705	0	16,623	0	9,974	0	5,984
Refrigeration assets:												
Generally	20.00%	3-Dec-18	13,989	1,602	0	2,477	0	1,982	0	1,586	0	1,268
Ice making machines	25.00%	3-Dec-18	33,913	4,855	0	7,265	0	5,448	0	4,086	0	3,065
TABLE B												
Computers and computer equipment:												
Computers and computer equipment	50.00%	3-Dec-18	93,438	26,751	0	33,343	0	16,672	0	8,336	0	4,168
Desktop computers	50.00%	3-Dec-18	6,783	1,942	0	2,420	0	1,210	0	605	0	303
Mobile/portable computers	100.00%	3-Dec-18	7,461	7,461	0	0	0	0	0	0	0	0
Network equipment	40.00%	3-Dec-18	26,113	5,981	0	8,053	0	4,832	0	2,899	0	1,739
Servers	50.00%	3-Dec-18	23,739	6,797	0	8,471	0	4,236	0	2,118	0	1,059
Switchboards	10.00%	3-Dec-18	332,731	19,052	0	31,368	0	28,231	0	25,408	0	22,867
Effective Life Plant Total			4,840,116	626,071	0	901,560	0	649,415	868	479,854	2,584	362,745

Diminishing Value Depreciation Schedule Pooled

Assets Generally Division 40 - Plant and Equipment	Diminishing Value Rate	Purchase Date	Opening Value	Year 1	Moved To Pool Year 1	Year 2	Moved To Pool Year 2	Year 3	Moved To Pool Year 3	Year 4	Moved To Pool Year 4	Year 5
TABLE A												
ACCOMMODATION AND FOOD SERVICES	37.50%	3-Dec-18		0								
Accommodation	37.50%	3-Dec-18		0								
Assets generally:	37.50%	3-Dec-18		0								
Air conditioning assets condensing sets	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Air conditioning assets fan coil units	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Air conditioning assets mini split systems up to	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Floor coverings floating timber	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Lifts	37.50%	3-Dec-18	1,357	254	0	413	0	258	0	161	0	101
Lights fittings	37.50%	3-Dec-18	447,817	83,966	0	136,444	0	85,278	0	53,298	0	33,312
Lights freestanding	37.50%	3-Dec-18	1,526	286	0	465	0	291	0	182	0	114
Master antenna television assets power	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Rugs	37.50%	3-Dec-18	1,696	318	0	517	0	323	0	202	0	126
Telecommunications assets telephone systems	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Ventilation fans	37.50%	3-Dec-18	41,022	7,692	0	12,499	0	7,812	0	4,882	0	3,051
Window blinds, internal	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Window curtains	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Audio visual entertainment assets including those used in conference and function rooms	37.50%	3-Dec-18	2,204	413	0	672	0	420	0	262	0	164
Door control and motor drive system for automatic sliding doors and revolving doors	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Fire control assets:				0								
Detection and alarm systems fire indicator panels	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Emergency warning and intercommunication systems speakers	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Extinguishers	37.50%	3-Dec-18	8,068	1,513	0	2,458	0	1,536	0	960	0	600
Furniture, freestanding:				0								
Generally	37.50%	3-Dec-18	372,726	69,886	0	113,565	0	70,978	0	44,361	2,584	28,695
Outdoor	37.50%	3-Dec-18	52,409	9,827	0	15,968	0	9,980	0	6,238	0	3,899
Gates, electric:				0								
Controls and motors	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Guestroom assets:				0								
Bathroom assets shower curtains	37.50%	3-Dec-18	4,070	763	0	1,240	0	775	0	484	0	303
Bed mattresses	37.50%	3-Dec-18	0	0	0	0	0	0	868	326	0	204
Beds generally	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Bed spreads, blankets and quilts	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Kitchen assets bar refrigerators	37.50%	3-Dec-18	73,592	13,798	0	22,423	0	14,014	0	8,759	0	5,474
Kitchen assets cooking utensils	37.50%	3-Dec-18	6,528	1,224	0	1,989	0	1,243	0	777	0	486
Hot water systems	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Outdoor assets:				0								
Floor carpet	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Gardening watering installations control panels	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0

Diminishing Value Depreciation Schedule Pooled (cont.)

Security and monitoring assets:												
Access control systems door controllers	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Closed circuit television systems cameras	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Closed circuit television systems monitors	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Closed circuit television systems recorders digital	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Cafes, restaurants, takeaway food services, pubs, taverns, bars and clubs												
Coffee making machines	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Dishwasher machines	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Drink dispensing machines	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Furniture, freestanding, for customer use:												
In drinking areas of pubs, bars, clubs	37.50%	3-Dec-18	13,226	2,480	0	4,030	0	2,519	0	1,574	0	984
Refrigeration assets:												
Generally	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Ice making machines	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
FINANCIAL AND INSURANCE SERVICES												
Banks:												
Portable safes	37.50%	3-Dec-18	56,974	10,683	0	17,359	0	10,850	0	6,781	0	4,238
TABLE B												
Computers and computer equipment:												
Computers and computer equipment	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Desktop computers	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Network equipment	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Servers	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Door closer	37.50%	3-Dec-18	29,513	5,534	0	8,992	0	5,620	0	3,513	0	2,195
Signage for business identification	37.50%	3-Dec-18	6,928	1,299	0	2,111	0	1,319	0	825	0	515
Switchboards	37.50%	3-Dec-18	0	0	0	0	0	0	0	0	0	0
Pooled Plant Total			1,119,655	209,935	0	341,145	0	213,215	868	133,585	2,584	84,460

11. Prime Cost Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Prime Cost Rate	Purchase Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5
TABLE A								
ACCOMMODATION AND FOOD SERVICES								
Accommodation								
Assets generally:								
Air conditioning assets condensing sets	6.67%	3-Dec-18	123,065	4,698	8,204	8,204	8,204	8,204
Air conditioning assets fan coil units	6.67%	3-Dec-18	482,870	18,433	32,191	32,191	32,191	32,191
Air conditioning assets mini split systems up to 20KW	10.00%	3-Dec-18	9,777	560	978	978	978	978
Floor coverings floating timber	6.67%	3-Dec-18	236,102	9,013	15,740	15,740	15,740	15,740
Lifts	3.33%	3-Dec-18	561,011	10,708	18,700	18,700	18,700	18,700
Master antenna television assets power	10.00%	3-Dec-18	118,018	6,758	11,802	11,802	11,802	11,802
Telecommunications assets telephone systems	14.29%	3-Dec-18	121,697	9,955	17,385	17,385	17,385	17,385
Ventilation fans	5.00%	3-Dec-18	45,080	1,291	2,254	2,254	2,254	2,254
Window blinds, internal	10.00%	3-Dec-18	7,461	427	746	746	746	746
Window curtains	16.67%	3-Dec-18	213,654	20,390	35,609	35,609	35,609	35,609
Audio visual entertainment assets including those used in conference and function rooms	20.00%	3-Dec-18	276,394	31,653	55,279	55,279	55,279	55,279
Door control and motor drive system for automatic sliding doors and revolving doors	10.00%	3-Dec-18	32,589	1,866	3,259	3,259	3,259	3,259
Fire control assets:								
Detection and alarm systems detectors	5.00%	3-Dec-18	208,435	5,968	10,422	10,422	10,422	10,422
Detection and alarm systems fire indicator panels	8.33%	3-Dec-18	66,090	3,154	5,508	5,508	5,508	5,508
Emergency warning and intercommunication systems speakers	8.33%	3-Dec-18	147,131	7,021	12,261	12,261	12,261	12,261
Pumps	4.00%	3-Dec-18	33,045	757	1,322	1,322	1,322	1,322
Furniture, freestanding:								
Generally	14.29%	3-Dec-18	1,032,993	84,499	147,570	147,570	147,570	147,570
Outdoor	20.00%	3-Dec-18	26,113	2,991	5,223	5,223	5,223	5,223
Gates, electric:								
Controls and motors	20.00%	3-Dec-18	3,900	447	780	780	780	780
Guestroom assets:								
Bed mattresses	14.29%	3-Dec-18	47,479	3,884	6,783	6,783	6,783	6,783
Beds generally	14.29%	3-Dec-18	101,910	8,336	14,559	14,559	14,559	14,559
Bed spreads, blankets and quilts	20.00%	3-Dec-18	12,209	1,398	2,442	2,442	2,442	2,442

Prime Cost Depreciation Schedules (cont.)

Hot water systems	10.00%	3-Dec-18	69,704	3,991	6,970	6,970	6,970	6,970
Outdoor assets:								
Floor carpet	20.00%	3-Dec-18	148,225	16,975	29,645	29,645	29,645	29,645
Gardening watering installations control panels	20.00%	3-Dec-18	10,174	1,165	2,035	2,035	2,035	2,035
Security and monitoring assets:								
Access control systems door controllers	20.00%	3-Dec-18	5,014	574	1,003	1,003	1,003	1,003
Closed circuit television systems cameras	25.00%	3-Dec-18	35,374	5,064	8,844	8,844	8,844	3,780
Closed circuit television systems monitors	25.00%	3-Dec-18	1,424	204	356	356	356	152
Closed circuit television systems recorders	25.00%	3-Dec-18	11,870	1,699	2,967	2,967	2,967	1,268
Cafes, restaurants, takeaway food services, pubs, taverns, bars and clubs								
Coffee making machines	20.00%	3-Dec-18	4,578	524	916	916	916	916
Dishwasher machines	12.50%	3-Dec-18	3,798	272	475	475	475	475
Drink dispensing machines	10.00%	3-Dec-18	14,922	854	1,492	1,492	1,492	1,492
Furniture, freestanding, for customer use:								
In drinking areas of pubs, bars, clubs	20.00%	3-Dec-18	89,841	10,289	17,968	17,968	17,968	17,968
Refrigeration assets:								
Generally	10.00%	3-Dec-18	13,989	801	1,399	1,399	1,399	1,399
Ice making machines	12.50%	3-Dec-18	33,913	2,427	4,239	4,239	4,239	4,239
TABLE B								
Computers and computer equipment:								
Computers and computer equipment	25.00%	3-Dec-18	93,438	13,376	23,360	23,360	23,360	9,984
Desktop computers	25.00%	3-Dec-18	6,783	971	1,696	1,696	1,696	725
Mobile/portable computers	50.00%	3-Dec-18	7,461	2,136	3,730	1,594	0	0
Network equipment	20.00%	3-Dec-18	26,113	2,991	5,223	5,223	5,223	5,223
Servers	25.00%	3-Dec-18	23,739	3,398	5,935	5,935	5,935	2,537
Switchboards	5.00%	3-Dec-18	332,731	9,526	16,637	16,637	16,637	16,637
Effective Life Plant Total			4,840,116	311,441	543,904	541,768	540,174	515,462

Depreciation Schedule Pooled

Assets Generally	Diminishing	Purchase	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
Division 40 - Plant and Equipment	Value Rate	Date	Value					
TABLE A								
ACCOMMODATION AND FOOD SERVICES								
Accommodation								
Assets generally:								
Lifts	37.50%	3-Dec-18	1,357	254	413	258	161	101
Lights fittings	37.50%	3-Dec-18	447,817	83,966	136,444	85,278	53,298	33,312
Lights freestanding	37.50%	3-Dec-18	1,526	286	465	291	182	114
Rugs	37.50%	3-Dec-18	1,696	318	517	323	202	126
Ventilation fans	37.50%	3-Dec-18	41,022	7,692	12,499	7,812	4,882	3,051
Audio visual entertainment assets including those used in conference and function rooms	37.50%	3-Dec-18	2,204	413	672	420	262	164
Fire control assets:								
Extinguishers	37.50%	3-Dec-18	8,068	1,513	2,458	1,536	960	600
Furniture, freestanding:								
Generally	37.50%	3-Dec-18	372,726	69,886	113,565	70,978	44,361	27,726
Outdoor	37.50%	3-Dec-18	52,409	9,827	15,968	9,980	6,238	3,899
Guestroom assets:								
Bathroom assets show er curtains	37.50%	3-Dec-18	4,070	763	1,240	775	484	303
Kitchen assets bar refrigerators	37.50%	3-Dec-18	73,592	13,798	22,423	14,014	8,759	5,474
Kitchen assets cooking utensils	37.50%	3-Dec-18	6,528	1,224	1,989	1,243	777	486
Cafes, restaurants, takeaway food services, pubs, taverns, bars and clubs								
Furniture, freestanding, for customer use:								
In drinking areas of pubs, bars, clubs	37.50%	3-Dec-18	13,226	2,480	4,030	2,519	1,574	984
FINANCIAL AND INSURANCE SERVICES								
Banks:								
Portable safes	37.50%	3-Dec-18	56,974	10,683	17,359	10,850	6,781	4,238
TABLE B								
Door closer	37.50%	3-Dec-18	29,513	5,534	8,992	5,620	3,513	2,195
Signage for business identification	37.50%	3-Dec-18	6,928	1,299	2,111	1,319	825	515
Pooled Plant Total			1,119,655	209,935	341,145	213,215	133,260	83,287

12. Division 43 Capital Works Schedule

Division 43 - Capital Works Allowance	Prime Cost Rate	Purchase Date	Historical Construction Cost	Annual Claims	Historical Claims	Opening Value
ELIGIBLE CAPITAL WORKS						
Construction works completed 01-Dec-17	2.50%	3-Dec-18	4,366,811	109,170	172,162	4,194,649
STRUCTURAL IMPROVEMENTS						
Structural improvements completed 01-Dec-17	2.50%	3-Dec-18	8,000	200	315	7,685
Total Division 43			4,374,811	109,370	172,477	4,202,333



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.