



## Tax Depreciation Report

255 Queen St, Macarthur Central Shopping Centre,  
Brisbane City QLD 4000

Priceline Pharmacy, Macarthur Central  
87 Oxlade Drive  
NEW FARM, QLD 4005

Issue Schedule	
Issue Date:	Issued by:
05 February 2019	Mark Kilroy Bsc (Hons) MRICS



Priceline Pharmacy, Macarthur Central  
87 Oxlade Drive  
NEW FARM, QLD 4005

February 2019  
Job No: COM4000017

**Tax Depreciation Report – 255 Queen St, Macarthur Central Shopping Centre,  
Brisbane City QLD 4000**

We thank you for choosing Koste Pty Ltd to prepare the attached Tax Depreciation report and schedule for the above property.

This report has been prepared to provide an independent review of Tax Depreciation entitlements available on the subject property, under The Income Tax Assessment Act 1997.

Koste Pty Ltd are a registered tax agent (24836767) who comply with the Tax Agent Services Act 2009. The attached schedule is based on an apportionment of the total expenditure, together with the Tax Commissioners current intentions in preparing this document.

As you continue to grow your portfolio, we would be pleased to provide you with free estimates of tax depreciation allowances on purchases. We can also provide updates for \$100+GST on any revised depreciation reports which may include new capital works and write-offs on disposed assets over the coming years.

The majority of our custom is based on repeat customers and from word of mouth. Testimonials are important to our business especially on social media including Google+, LinkedIn and Facebook. If you are pleased with our service and have some time to write a short testimonial on either social media or via an email, this would be greatly appreciated.

If you or your accountant require any further clarification on the contents of this report, please do not hesitate in contacting a member of our team on 1300 669 400 where they would be more than happy to assist.

Yours Sincerely

*Koste Pty Ltd*

Koste Pty Ltd  
Tax Depreciation Quantity Surveyors

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## TABLE OF CONTENTS

1. Property Information .....	2
2. Report Details .....	3
3. Capital Allowances .....	4
4. Capital Works .....	6
5. Summary of Entitlements – Diminishing Value Method .....	7
6. Summary of Entitlements – Prime Cost Method.....	8
7. Comparison Graphs.....	9
8. Capital Expenditure Analysed .....	10
9. Reconciliation of Capital Expenditure .....	10
10. Diminishing Value Depreciation Schedule.....	11
11. Prime Cost Depreciation Schedule .....	13
12. Division 43 Capital Works Schedule .....	15
13. Definition of Terms .....	16
14. Contact Details .....	17
15. Disclaimer.....	18

## 1. Property Information

### Date of Report

5 February 2019

### Purchaser

Priceline Pharmacy, Macarthur Central

### Property Address

255 Queen St, Macarthur Central Shopping Centre, Brisbane City QLD 4000

### Property Type

Commercial - Pharmacy

### Date of Construction

19 December 2018

### 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"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>					<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>				
Calculation Example					Calculation Example				
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></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><b>100 / 10 Years = 10% (Straight Line)</b></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 December 18 to 30 June 19	23,273	7,457	30,730	2,715	<b>33,445</b>
2	1 July 19 to 30 June 20	38,695	12,268	50,962	5,134	<b>56,096</b>
3	1 July 20 to 30 June 21	29,893	8,303	38,196	5,134	<b>43,330</b>
4	1 July 21 to 30 June 22	23,582	5,189	28,771	5,134	<b>33,905</b>
5	1 July 22 to 30 June 23	18,725	3,243	21,968	5,134	<b>27,102</b>
6	1 July 23 to 30 June 24	14,949	2,027	16,976	5,134	<b>22,110</b>
7	1 July 24 to 30 June 25	11,500	1,889	13,388	5,134	<b>18,522</b>
8	1 July 25 to 30 June 26	9,106	1,448	10,554	5,134	<b>15,688</b>
9	1 July 26 to 30 June 27	7,415	905	8,320	5,134	<b>13,454</b>
10	1 July 27 to 30 June 28	6,045	566	6,610	5,134	<b>11,744</b>
11	1 July 28 to 30 June 29	4,933	354	5,286	5,134	<b>10,420</b>
12	1 July 29 to 30 June 30	4,030	221	4,251	5,134	<b>9,385</b>
13	1 July 30 to 30 June 31	3,113	481	3,594	5,134	<b>8,728</b>
14	1 July 31 to 30 June 32	2,268	949	3,217	5,134	<b>8,351</b>
15	1 July 32 to 30 June 33	1,860	593	2,454	5,134	<b>7,588</b>
16	1 July 33 to 30 June 34	1,353	698	2,051	5,134	<b>7,185</b>
17	1 July 34 to 30 June 35	1,019	802	1,821	5,134	<b>6,955</b>
18	1 July 35 to 30 June 36	706	824	1,530	5,134	<b>6,664</b>
19	1 July 36 to 30 June 37	575	515	1,091	5,134	<b>6,225</b>
20	1 July 37 to 30 June 38	469	322	791	5,134	<b>5,925</b>
21	1 July 38 to 30 June 39	255	522	777	5,134	<b>5,911</b>
22	1 July 39 to 30 June 40	204	326	530	5,134	<b>5,664</b>
23	1 July 40 to 30 June 41	0	509	509	5,134	<b>5,643</b>
24	1 July 41 to 30 June 42	0	318	318	5,134	<b>5,452</b>
25	1 July 42 to 30 June 43	0	199	199	5,134	<b>5,333</b>
26	1 July 43 to 30 June 44	0	124	124	5,134	<b>5,258</b>
27	1 July 44 to 30 June 45	0	78	78	5,134	<b>5,212</b>
28	1 July 45 to 30 June 46	0	49	49	5,134	<b>5,183</b>
29	1 July 46 to 30 June 47	0	30	30	5,134	<b>5,164</b>
30	1 July 47 to 30 June 48	0	19	19	5,134	<b>5,153</b>
31	1 July 48 to 30 June 49	0	12	12	5,134	<b>5,146</b>
32	1 July 49 to 30 June 50	0	7	7	5,134	<b>5,141</b>
33	1 July 50 to 30 June 51	0	5	5	5,134	<b>5,139</b>
34	1 July 51 to 30 June 52	0	3	3	5,134	<b>5,137</b>
35	1 July 52 to 30 June 53	0	2	2	5,134	<b>5,136</b>
36	1 July 53 to 30 June 54	0	1	1	5,134	<b>5,135</b>
37	1 July 54 to 30 June 55	0	1	1	5,134	<b>5,135</b>
38	1 July 55 to 30 June 56	0	0	0	5,134	<b>5,134</b>
39	1 July 56 to 30 June 57	0	0	0	5,134	<b>5,134</b>
40	2057+	0	0	0	7,553	<b>7,553</b>
<b>Totals</b>		<b>203,968</b>	<b>51,259</b>	<b>255,228</b>	<b>205,360</b>	<b>460,588</b>

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 December 18 to 30 June 19	11,637	7,457	19,094	2,715	21,809
2	1 July 19 to 30 June 20	22,007	12,118	34,125	5,134	39,259
3	1 July 20 to 30 June 21	22,007	7,574	29,581	5,134	34,715
4	1 July 21 to 30 June 22	22,007	4,734	26,741	5,134	31,875
5	1 July 22 to 30 June 23	22,007	2,959	24,966	5,134	30,100
6	1 July 23 to 30 June 24	20,611	1,849	22,460	5,134	27,594
7	1 July 24 to 30 June 25	19,366	1,156	20,522	5,134	25,656
8	1 July 25 to 30 June 26	18,275	722	18,997	5,134	24,131
9	1 July 26 to 30 June 27	18,104	451	18,555	5,134	23,689
10	1 July 27 to 30 June 28	18,104	282	18,386	5,134	23,520
11	1 July 28 to 30 June 29	10,223	176	10,400	5,134	15,534
12	1 July 29 to 30 June 30	3,200	110	3,310	5,134	8,444
13	1 July 30 to 30 June 31	3,147	69	3,216	5,134	8,350
14	1 July 31 to 30 June 32	2,608	43	2,651	5,134	7,785
15	1 July 32 to 30 June 33	617	27	644	5,134	5,778
16	1 July 33 to 30 June 34	418	17	435	5,134	5,569
17	1 July 34 to 30 June 35	250	11	261	5,134	5,395
18	1 July 35 to 30 June 36	250	7	257	5,134	5,391
19	1 July 36 to 30 June 37	250	4	254	5,134	5,388
20	1 July 37 to 30 June 38	250	3	253	5,134	5,387
21	1 July 38 to 30 June 39	118	2	119	5,134	5,253
22	1 July 39 to 30 June 40	0	1	1	5,134	5,135
23	1 July 40 to 30 June 41	0	1	1	5,134	5,135
24	1 July 41 to 30 June 42	0	0	0	5,134	5,134
25	1 July 42 to 30 June 43	0	0	0	5,134	5,134
26	1 July 43 to 30 June 44	0	0	0	5,134	5,134
27	1 July 44 to 30 June 45	0	0	0	5,134	5,134
28	1 July 45 to 30 June 46	0	0	0	5,134	5,134
29	1 July 46 to 30 June 47	0	0	0	5,134	5,134
30	1 July 47 to 30 June 48	0	0	0	5,134	5,134
31	1 July 48 to 30 June 49	0	0	0	5,134	5,134
32	1 July 49 to 30 June 50	0	0	0	5,134	5,134
33	1 July 50 to 30 June 51	0	0	0	5,134	5,134
34	1 July 51 to 30 June 52	0	0	0	5,134	5,134
35	1 July 52 to 30 June 53	0	0	0	5,134	5,134
36	1 July 53 to 30 June 54	0	0	0	5,134	5,134
37	1 July 54 to 30 June 55	0	0	0	5,134	5,134
38	1 July 55 to 30 June 56	0	0	0	5,134	5,134
39	1 July 56 to 30 June 57	0	0	0	5,134	5,134
40	2057+	0	0	0	7,553	7,553
<b>Totals</b>		<b>215,455</b>	<b>39,772</b>	<b>255,228</b>	<b>205,360</b>	<b>460,588</b>

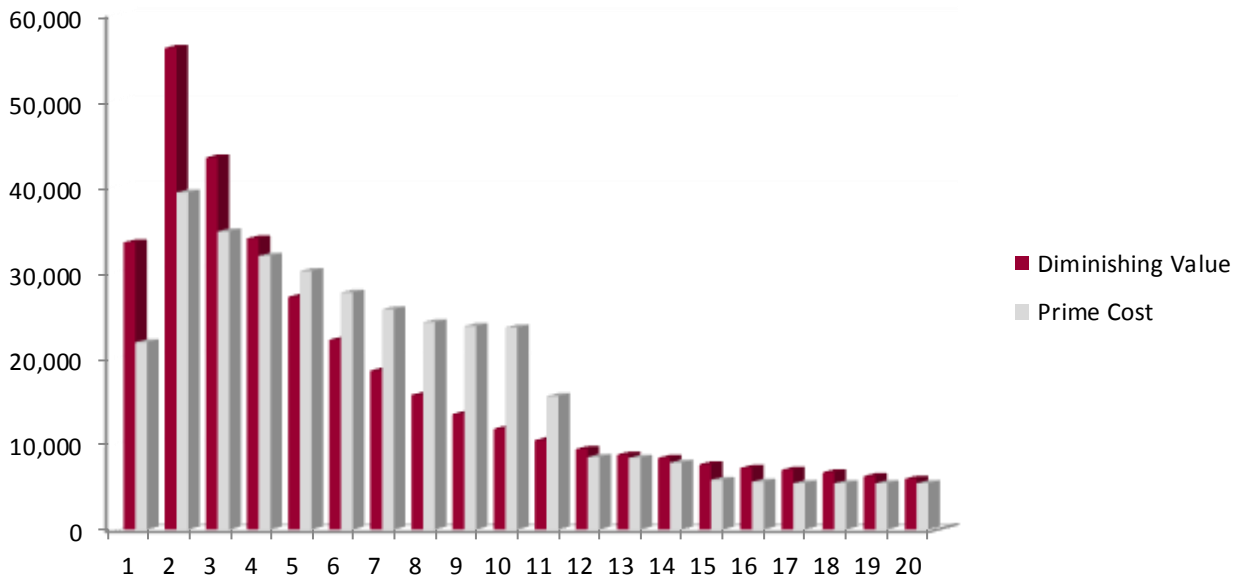
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

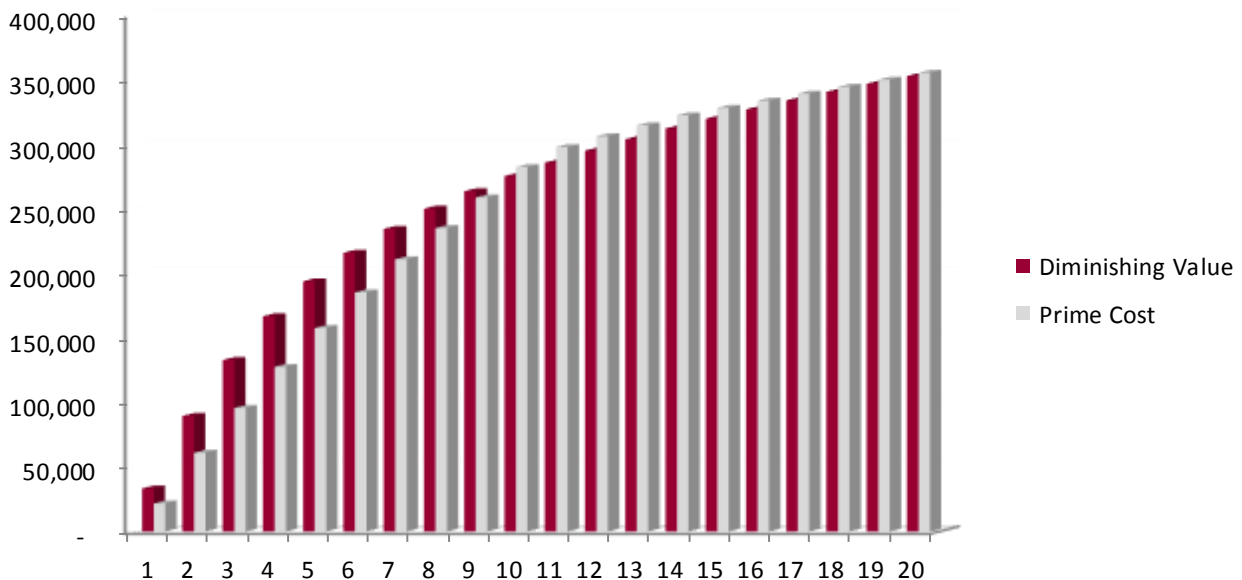
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

## 8. Capital Expenditure Analysed

### Construction Details

Contract Date	19 November 2018
Handover Date	19 December 2018

### Expenditure Analysed

Construction Cost	\$1,450,000
<b>Total Expenditure Analysed</b>	<b>\$1,450,000</b>

### Historical Construction Details

Construction Start Date	19 November 2018
Construction Completion Date	19 December 2018
Historical Construction Cost (Estimated)*	\$460,588

## 9. Reconciliation of Capital Expenditure

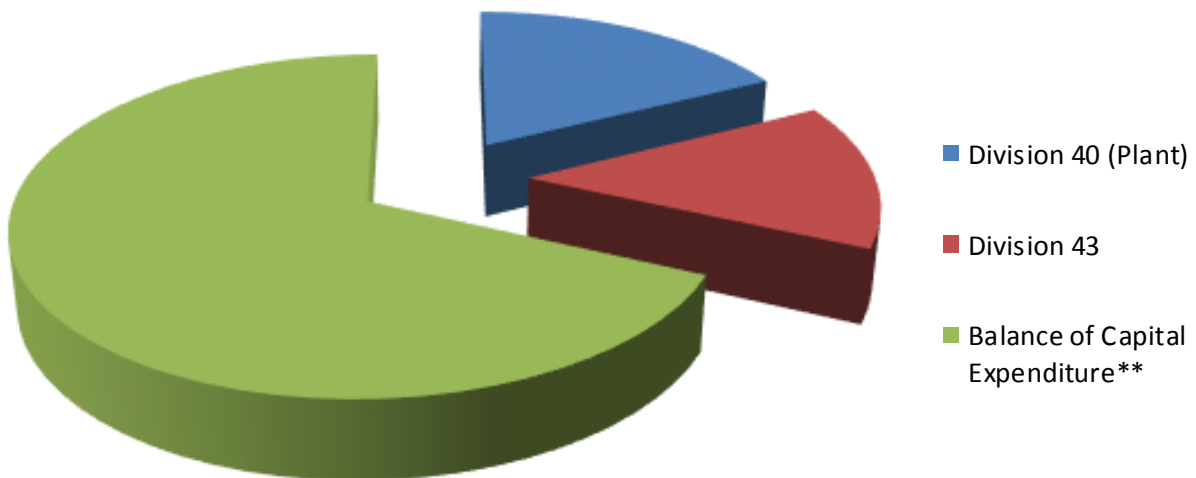
### Apportionment of cost relating to:

Division 40 (Plant)	\$255,228
Division 43	\$205,360
Balance of Capital Expenditure**	\$989,412
<b>Total Expenditure Analysed</b>	<b>\$1,450,000</b>

### 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
<b>Audio visual equipment</b>													
Amplifying & music equipment	30.00%	19-Dec-18	1,200	190	303	265	166	104	65	40	25	16	10
DVD players	40.00%	19-Dec-18	300	63	89	55	35	22	14	8	5	3	2
<b>Counters, freestanding (including check-out and service counters)</b>	20.00%	19-Dec-18	11,900	1,258	2,128	1,703	1,362	1,090	872	697	558	446	357
<b>Computer systems</b>													
General	40.00%	19-Dec-18	12,700	2,686	4,006	2,403	1,442	865	519	292	183	114	71
General	18.75%	19-Dec-18	4,870	913	1,484	927	580	362	226	142	88	55	35
<b>Door closers</b>	18.75%	19-Dec-18	440	83	134	84	52	33	20	13	8	5	3
<b>Electrical Machinery &amp; Equipment :</b>													
Switchboards	10.00%	19-Dec-18	5,000	264	474	426	384	345	311	280	252	227	204
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	19-Dec-18	440	83	134	84	52	33	20	13	8	5	3
Emergency warning & intercommunication system	16.67%	19-Dec-18	1,300	115	198	370	232	145	90	57	35	22	14
Fire extinguishers	18.75%	19-Dec-18	250	47	76	48	30	19	12	7	5	3	2
<b>Floor coverings ( removable without damage)</b>													
Floating timber	13.33%	19-Dec-18	5,500	388	682	591	512	444	385	333	289	250	217
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	15.00%	19-Dec-18	20,400	1,618	2,818	2,395	2,036	1,730	1,471	1,250	1,063	903	768
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>	18.75%	19-Dec-18	18,048	3,384	5,499	3,437	2,148	1,342	839	524	328	205	128
<b>Kitchen assets</b>													
Cutlery & crockery	40.00%	19-Dec-18	205	43	61	38	24	15	9	6	4	2	1
Microwave ovens	18.75%	19-Dec-18	280	53	85	53	33	21	13	8	5	3	2
<b>Lights</b>													
Fittings (excluding hardwired)	18.75%	19-Dec-18	7,235	1,357	2,204	1,378	861	538	336	210	131	82	51
Emergency lighting	18.75%	19-Dec-18	2,200	413	670	419	262	164	102	64	40	25	16
<b>Patient monitoring assets</b>	18.75%	19-Dec-18	450	84	137	86	54	33	21	13	8	5	3
<b>Point of Sales</b>	20.00%	19-Dec-18	22,200	2,348	3,970	3,176	2,541	2,033	1,626	1,301	1,041	833	666
<b>Refrigeration</b>													
Fridge	20.00%	19-Dec-18	13,200	1,396	2,361	1,889	1,511	1,209	967	774	619	495	396
<b>Security systems &amp; equipment</b>													
Electronic	30.00%	19-Dec-18	7,210	1,144	1,820	1,274	892	624	437	306	268	167	105
Carried forward			135,328	17,929	29,332	21,101	15,207	11,170	8,356	6,338	4,962	3,867	3,053

## Diminishing Value Depreciation Schedule (Continued)

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
<b>Division 40 - Plant and Equipment</b>													
			<b>135,328</b>	<b>17,929</b>	<b>29,332</b>	<b>21,101</b>	<b>15,207</b>	<b>11,170</b>	<b>8,356</b>	<b>6,338</b>	<b>4,962</b>	<b>3,867</b>	<b>3,053</b>
			Brought forward										
Shelving	20.00%	19-Dec-18	98,740	10,442	17,660	14,128	11,302	9,042	7,233	5,787	4,629	3,703	2,963
Shopping trolleys	18.75%	19-Dec-18	1,760	330	536	335	209	131	82	51	32	20	12
Signage for business identification (including lighting for signs)	15.00%	19-Dec-18	12,600	999	1,740	1,479	1,257	1,069	908	772	656	558	474
Signage for business identification (including lighting for signs)	18.75%	19-Dec-18	3,800	713	1,158	724	452	283	177	110	69	43	27
Televisions	20.00%	19-Dec-18	3,000	317	537	429	343	275	220	330	206	129	80
<b>Pooled Plant Total</b>				<b>7,457</b>	<b>12,268</b>	<b>8,303</b>	<b>5,189</b>	<b>3,243</b>	<b>2,027</b>	<b>1,889</b>	<b>1,448</b>	<b>905</b>	<b>566</b>
<b>Effective Life Plant Total</b>				<b>23,273</b>	<b>38,695</b>	<b>29,893</b>	<b>23,582</b>	<b>18,725</b>	<b>14,949</b>	<b>11,500</b>	<b>9,106</b>	<b>7,415</b>	<b>6,045</b>
<b>Total Division 40</b>			<b>255,228</b>	<b>30,730</b>	<b>50,962</b>	<b>38,196</b>	<b>28,771</b>	<b>21,968</b>	<b>16,976</b>	<b>13,388</b>	<b>10,554</b>	<b>8,320</b>	<b>6,610</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Building Works - Completed 2018</b>	2.50%	19-Dec-18	205,360	2,715	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134
<b>Total Division 43</b>			<b>205,360</b>	<b>2,715</b>	<b>5,134</b>	<b>5,134</b>	<b>5,134</b>	<b>5,134</b>	<b>5,134</b>	<b>5,134</b>	<b>5,134</b>	<b>5,134</b>	<b>5,134</b>
<b>Total Depreciation</b>			<b>460,588</b>	<b>33,445</b>	<b>56,096</b>	<b>43,330</b>	<b>33,905</b>	<b>27,102</b>	<b>22,110</b>	<b>18,522</b>	<b>15,688</b>	<b>13,454</b>	<b>11,744</b>

## 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	
<b>Audio visual equipment</b>														
Amplifying & music equipment	15.00%	19-Dec-18	1,200	95	180	180	180	180	180	180	25			
DVD players	20.00%	19-Dec-18	300	32	60	60	60	60	28					
<b>Counters, freestanding (including check-out and service counters)</b>														
	10.00%	19-Dec-18	11,900	629	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	
<b>Computer systems</b>														
General	20.00%	19-Dec-18	12,700	1,343	2,540	2,540	2,540	2,540	1,197					
General	18.75%	19-Dec-18	4,870	913	1,484	927	580	362	226	142	88	55	35	
<b>Door closers</b>														
	18.75%	19-Dec-18	440	83	134	84	52	33	20	13	8	5	3	
<b>Electrical Machinery &amp; Equipment :</b>														
Switchboards	5.00%	19-Dec-18	5,000	132	250	250	250	250	250	250	250	250	250	
<b>Fire control assets</b>														
Detection & alarm systems, detectors	18.75%	19-Dec-18	440	83	134	84	52	33	20	13	8	5	3	
Emergency warning & intercommunication system	8.33%	19-Dec-18	1,300	57	108	108	108	108	108	108	108	108	108	
Fire extinguishers	18.75%	19-Dec-18	250	47	76	48	30	19	12	7	5	3	2	
<b>Floor coverings ( removable without damage)</b>														
Floating timber	6.67%	19-Dec-18	5,500	194	367	367	367	367	367	367	367	367	367	
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>														
	7.50%	19-Dec-18	20,400	809	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	
<b>Furniture, freestanding (including chairs, cupboards, racks, showcases and tables)</b>														
	18.75%	19-Dec-18	18,048	3,384	5,499	3,437	2,148	1,342	839	524	328	205	128	
<b>Kitchen assets</b>														
Cutlery & crockery	20.00%	19-Dec-18	205	22	41	41	41	41	19					
Microwave ovens	18.75%	19-Dec-18	280	53	85	53	33	21	13	8	5	3	2	
<b>Lights</b>														
Fittings (excluding hardwired)	18.75%	19-Dec-18	7,235	1,357	2,204	1,378	861	538	336	210	131	82	51	
Emergency lighting	18.75%	19-Dec-18	2,200	413	670	419	262	164	102	64	40	25	16	
<b>Patient monitoring assets</b>														
	18.75%	19-Dec-18	450	84	137	86	54	33	21	13	8	5	3	
<b>Point of Sales</b>														
	10.00%	19-Dec-18	22,200	1,174	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	
<b>Refrigeration</b>														
Fridge	10.00%	19-Dec-18	13,200	698	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	
<b>Security systems &amp; equipment</b>														
Electronic	15.00%	19-Dec-18	7,210	572	1,082	1,082	1,082	1,082	1,082	1,082	146			
Carried forward			135,328	12,172	21,312	17,403	14,960	13,433	11,082	9,241	7,777	7,373	7,228	

## Prime Cost Depreciation Schedule (Continued)

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			135,328	12,172	21,312	17,403	14,960	13,433	11,082	9,241	7,777	7,373	7,228
Shelving	10.00%	19-Dec-18	98,740	5,221	9,874	9,874	9,874	9,874	9,874	9,874	9,874	9,874	9,874
Shopping trolleys	18.75%	19-Dec-18	1,760	330	536	335	209	131	82	51	32	20	12
Signage for business identification (including lighting for signs)	7.50%	19-Dec-18	12,600	500	945	945	945	945	945	945	945	945	945
Signage for business identification (including lighting for signs)	18.75%	19-Dec-18	3,800	713	1,158	724	452	283	177	110	69	43	27
Televisions	10.00%	19-Dec-18	3,000	159	300	300	300	300	300	300	300	300	300
<b>Pooled Plant Total</b>				<b>7,457</b>	<b>12,118</b>	<b>7,574</b>	<b>4,734</b>	<b>2,959</b>	<b>1,849</b>	<b>1,156</b>	<b>722</b>	<b>451</b>	<b>282</b>
<b>Effective Life Plant Total</b>				<b>11,637</b>	<b>22,007</b>	<b>22,007</b>	<b>22,007</b>	<b>22,007</b>	<b>20,611</b>	<b>19,366</b>	<b>18,275</b>	<b>18,104</b>	<b>18,104</b>
<b>Total Division 40</b>			<b>255,228</b>	<b>19,094</b>	<b>34,125</b>	<b>29,581</b>	<b>26,741</b>	<b>24,966</b>	<b>22,460</b>	<b>20,522</b>	<b>18,997</b>	<b>18,555</b>	<b>18,386</b>
<b>Division 43 - Capital Works Allowance</b>													
	<b>Rate</b>		<b>Opening Value</b>	<b>Year 1</b>	<b>Year2</b>	<b>Year 3</b>	<b>Year4</b>	<b>Year5</b>	<b>Year6</b>	<b>Year7</b>	<b>Year8</b>	<b>Year9</b>	<b>Year10</b>
<b>Building Works - Completed 2018</b>	2.50%	19-Dec-18	205,360	2,715	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134
<b>Total Division 43</b>			205,360	2,715	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134	5,134
<b>Total Depreciation</b>			<b>460,588</b>	<b>21,809</b>	<b>39,259</b>	<b>34,715</b>	<b>31,875</b>	<b>30,100</b>	<b>27,594</b>	<b>25,656</b>	<b>24,131</b>	<b>23,689</b>	<b>23,520</b>



## 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 2018	19 Nov 18 to 19 Dec 18	205,360	2.50%	5,134	205,360
<b>Sub-total</b>		<b>205,360</b>		<b>5,134</b>	<b>205,360</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
<b>Sub-total</b>					
<b>Totals</b>		<b>205,360</b>		<b>5,134</b>	<b>205,360</b>

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

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	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.
<b>Decline in Value</b>	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.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	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.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	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.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	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.