



Tax Depreciation Report

1 /15 Venning Street,
Mooloolaba QLD 4557

Issue Schedule	
Issue Date:	Issued by:
14 March 2019	Mark Kilroy Bsc (Hons) MRICS

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Tax Depreciation Report – 1/15 Venning Street, Mooloolaba QLD 4557

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

14 March 2019

Purchaser

IPG Mooloolaba Pty Ltd

Property Address

1/15 Venning Street

Property Type

Pharmacy

Date of Construction

1 June 2007

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	7 February 17 to 30 June 17	12,741	5,988	18,729	943	19,672
2	1 July 17 to 30 June 18	25,293	9,856	35,149	2,407	37,556
3	1 July 18 to 30 June 19	87,815	31,542	119,357	2,749	122,106
4	1 July 19 to 30 June 20	20,222	9,275	29,497	3,563	33,060
5	1 July 20 to 30 June 21	15,551	6,399	21,950	3,563	25,513
6	1 July 21 to 30 June 22	12,432	3,999	16,431	3,563	19,994
7	1 July 22 to 30 June 23	10,039	2,500	12,538	3,563	16,101
8	1 July 23 to 30 June 24	8,172	1,562	9,734	3,563	13,297
9	1 July 24 to 30 June 25	6,079	1,901	7,981	3,563	11,544
10	1 July 25 to 30 June 26	5,072	1,188	6,260	3,563	9,823
11	1 July 26 to 30 June 27	4,238	743	4,981	3,563	8,544
12	1 July 27 to 30 June 28	3,383	771	4,154	3,563	7,717
13	1 July 28 to 30 June 29	2,842	482	3,324	3,563	6,887
14	1 July 29 to 30 June 30	2,391	301	2,692	3,563	6,255
15	1 July 30 to 30 June 31	2,015	188	2,203	3,563	5,766
16	1 July 31 to 30 June 32	1,700	118	1,818	3,563	5,381
17	1 July 32 to 30 June 33	1,437	73	1,510	3,563	5,073
18	1 July 33 to 30 June 34	887	663	1,550	3,563	5,113
19	1 July 34 to 30 June 35	668	789	1,456	3,563	5,019
20	1 July 35 to 30 June 36	574	493	1,067	3,563	4,630
21	1 July 36 to 30 June 37	494	308	802	3,563	4,365
22	1 July 37 to 30 June 38	425	193	618	3,563	4,181
23	1 July 38 to 30 June 39	232	454	687	3,563	4,250
24	1 July 39 to 30 June 40	201	284	485	3,563	4,048
25	1 July 40 to 30 June 41	174	177	352	3,563	3,915
26	1 July 41 to 30 June 42	151	111	262	3,563	3,825
27	1 July 42 to 30 June 43	0	438	438	3,563	4,001
28	1 July 43 to 30 June 44	0	274	274	3,563	3,837
29	1 July 44 to 30 June 45	0	171	171	3,563	3,734
30	1 July 45 to 30 June 46	0	107	107	3,563	3,670
31	1 July 46 to 30 June 47	0	67	67	3,359	3,426
32	1 July 47 to 30 June 48	0	42	42	1,156	1,198
33	1 July 48 to 30 June 49	0	26	26	1,156	1,182
34	1 July 49 to 30 June 50	0	16	16	1,156	1,172
35	1 July 50 to 30 June 51	0	10	10	1,156	1,166
36	1 July 51 to 30 June 52	0	6	6	1,156	1,162
37	1 July 52 to 30 June 53	0	4	4	1,156	1,160
38	1 July 53 to 30 June 54	0	2	2	1,156	1,158
39	1 July 54 to 30 June 55	0	2	2	1,156	1,158
40	2055+	1	1	2	4,294	4,296
Totals		225,231	81,524	306,755	119,201	425,956

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	7 February 17 to 30 June 17	7,169	5,988	13,157	943	14,100
2	1 July 17 to 30 June 18	14,222	9,730	23,952	2,407	26,359
3	1 July 18 to 30 June 19	17,547	19,358	36,905	2,749	39,654
4	1 July 19 to 30 June 20	25,460	12,099	37,559	3,563	41,122
5	1 July 20 to 30 June 21	25,420	7,562	32,982	3,563	36,545
6	1 July 21 to 30 June 22	24,016	4,726	28,743	3,563	32,306
7	1 July 22 to 30 June 23	21,497	2,954	24,451	3,563	28,014
8	1 July 23 to 30 June 24	19,121	1,846	20,967	3,563	24,530
9	1 July 24 to 30 June 25	17,256	1,154	18,410	3,563	21,973
10	1 July 25 to 30 June 26	17,029	721	17,750	3,563	21,313
11	1 July 26 to 30 June 27	14,436	451	14,887	3,563	18,450
12	1 July 27 to 30 June 28	10,502	282	10,784	3,563	14,347
13	1 July 28 to 30 June 29	8,682	176	8,858	3,563	12,421
14	1 July 29 to 30 June 30	4,507	110	4,617	3,563	8,180
15	1 July 30 to 30 June 31	3,911	69	3,980	3,563	7,543
16	1 July 31 to 30 June 32	3,780	43	3,823	3,563	7,386
17	1 July 32 to 30 June 33	2,137	27	2,164	3,563	5,727
18	1 July 33 to 30 June 34	1,546	17	1,562	3,563	5,125
19	1 July 34 to 30 June 35	250	10	260	3,563	3,823
20	1 July 35 to 30 June 36	250	7	257	3,563	3,820
21	1 July 36 to 30 June 37	250	4	254	3,563	3,817
22	1 July 37 to 30 June 38	250	3	253	3,563	3,816
23	1 July 38 to 30 June 39	176	2	178	3,563	3,741
24	1 July 39 to 30 June 40	0	1	1	3,563	3,564
25	1 July 40 to 30 June 41	0	1	1	3,563	3,564
26	1 July 41 to 30 June 42	0	0	0	3,563	3,563
27	1 July 42 to 30 June 43	0	0	0	3,563	3,563
28	1 July 43 to 30 June 44	0	0	0	3,563	3,563
29	1 July 44 to 30 June 45	0	0	0	3,563	3,563
30	1 July 45 to 30 June 46	0	0	0	3,563	3,563
31	1 July 46 to 30 June 47	0	0	0	3,359	3,359
32	1 July 47 to 30 June 48	0	0	0	1,156	1,156
33	1 July 48 to 30 June 49	0	0	0	1,156	1,156
34	1 July 49 to 30 June 50	0	0	0	1,156	1,156
35	1 July 50 to 30 June 51	0	0	0	1,156	1,156
36	1 July 51 to 30 June 52	0	0	0	1,156	1,156
37	1 July 52 to 30 June 53	0	0	0	1,156	1,156
38	1 July 53 to 30 June 54	0	0	0	1,156	1,156
39	1 July 54 to 30 June 55	0	0	0	1,156	1,156
40	2055+	0	0	0	4,294	4,294
Totals		239,416	67,340	306,756	119,201	425,956

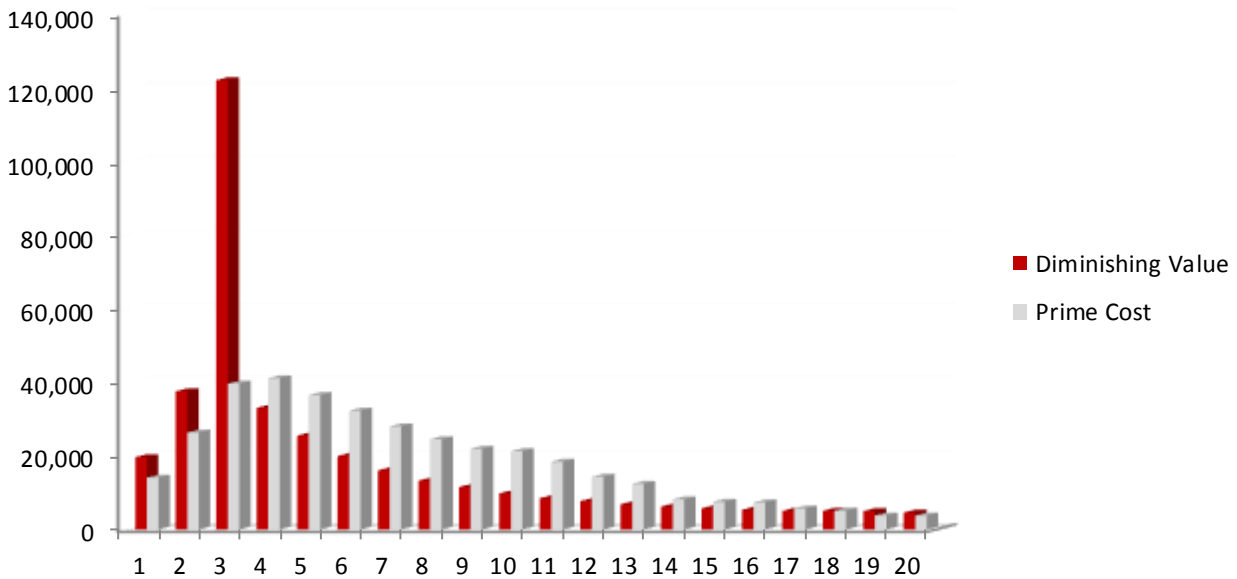
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

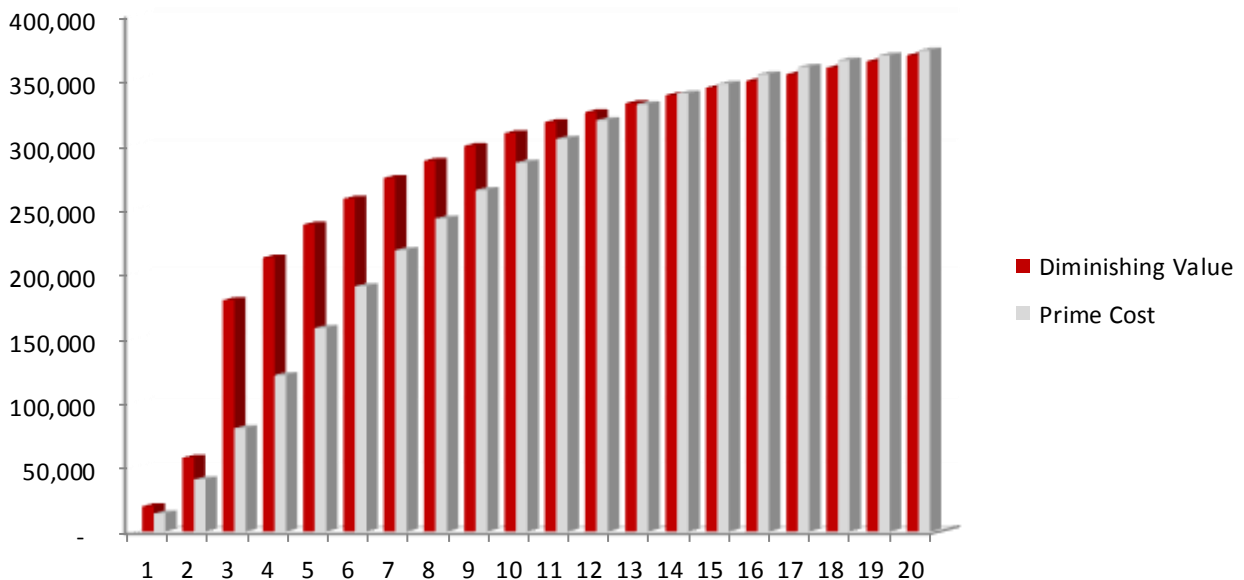
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	11 August 2016
Settlement Date	7 February 2017

Expenditure Analysed

Purchase price	\$2,150,000
Stamp duty	\$77,800
Post Expenditure	\$253,965
Total Expenditure Analysed	\$2,481,765

Historical Construction Details

Construction Start Date	2 January 2007
Construction Completion Date	1 June 2007
Historical Construction Cost (Estimated)*	\$238,911

9. Reconciliation of Capital Expenditure

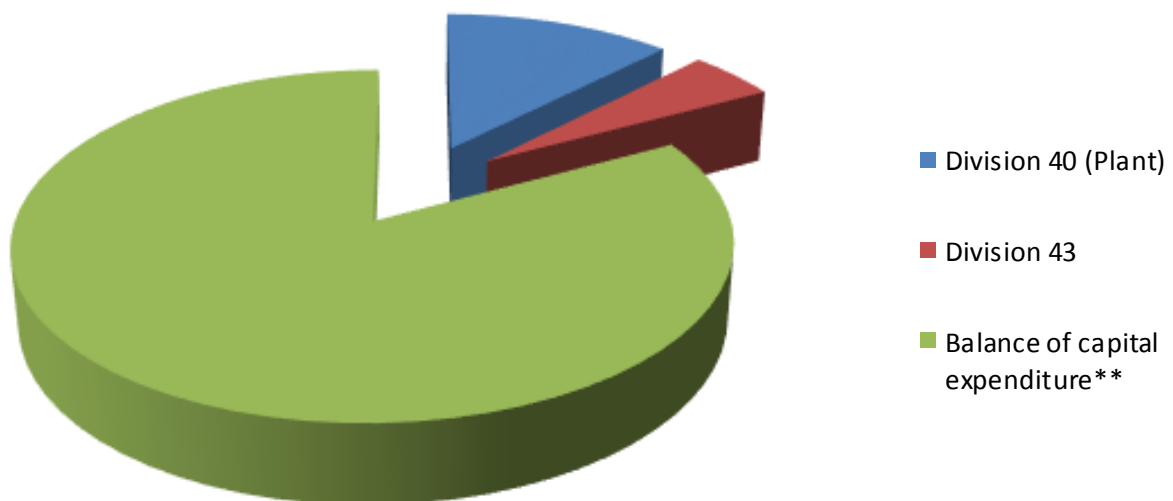
Apportionment of cost relating to:

Division 40 (Plant)	\$306,755
Division 43	\$119,201
Balance of capital expenditure**	\$2,055,809
Total Expenditure Analysed	\$2,481,765

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												
Audio visual equipment													
Stereo systems	28.57%	7-Feb-17	1,329	149	337	843							
Computer systems													
General	40.00%	7-Feb-17	9,063	1,420	3,057	4,586							
General	18.75%	7-Feb-17	2,719	510	828	1,381							
Door closers	18.75%	7-Feb-17	218	41	66	110							
Fire control assets													
Detection & alarm systems, detectors	18.75%	7-Feb-17	532	100	162	270							
Hoses and nozzles	20.00%	7-Feb-17	1,511	118	278	1,114							
Fire extinguishers	18.75%	7-Feb-17	423	79	129	215							
Floor coverings (removable without damage)													
Carpets	40.00%	7-Feb-17	8,037	1,260	2,711	4,067							
Floating timber	13.33%	7-Feb-17	3,891	203	492	3,196							
Furniture													
Furniture	15.00%	7-Feb-17	8,338	490	1,177	6,670							
Furniture	18.75%	7-Feb-17	9,290	1,742	2,830	4,717							
Kitchen assets													
Refrigerators	16.67%	7-Feb-17	6,525	426	1,017	5,083							
Refrigerators	18.75%	7-Feb-17	1,293	242	394	657							
Ladders (including stepladders, work platforms extension ladders, trestles and planks)	50.00%	7-Feb-17	417	82	126	210							
Lights													
Emergency	18.75%	7-Feb-17	1,933	363	589	982							
Fittings	18.75%	7-Feb-17	14,924	2,798	4,547	7,578							
Point of sale assets													
Electronic funds transfer point of sale machines (EFTPOS)	33.33%	7-Feb-17	6,707	876	1,944	3,887							
Security systems & equipment													
Electronic	30.00%	7-Feb-17	9,969	1,172	2,639	6,158							
Shelving	20.00%	7-Feb-17	63,151	4,948	11,641	46,562							
Signage	18.75%	7-Feb-17	604	113	184	307							
\$300 items	100.00%	7-Feb-17	1,598	1,598									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Carried forward		152,471	18,729	35,149	98,593	-	-	-	-	-	-	-

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			152,471	18,729	35,149	98,593	-	-	-	-	-	-	-
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	30-Jun-19	3,000		178	564	452	361	289	231	347	217	
Counters, freestanding (including check-out and service counters)			20.00%	30-Jun-19	5,175		306	974	779	623	499	399	255
Computer systems													
General	40.00%	30-Jun-19	9,000		1,065	3,174	1,904	1,143	686	411	231	145	
General	18.75%	30-Jun-19	4,050		1,519	949	593	371	232	145	91	57	
Curtains and drapes			18.75%	30-Jun-19	400		150	94	59	37	23	14	9
Drinking fountains - refrigerated			20.00%	30-Jun-19	600		225	141	88	55	34	21	13
Electrical Machinery & Equipment													
Switchboards	10.00%	30-Jun-19	5,000		148	485	437	393	354	318	287	258	
Fire control assets													
Detection & alarm systems, detectors	18.75%	30-Jun-19	220		83	52	32	20	13	8	5	3	
Emergency warning & intercommunication system	16.67%	30-Jun-19	600		225	141	88	55	34	21	13	8	
Hoses and nozzles	20.00%	30-Jun-19	750		281	176	110	69	43	27	17	10	
Fire extinguishers	18.75%	30-Jun-19	250		94	59	37	23	14	9	6	3	
Floor coverings (removable without damage)													
Floating timber	13.33%	30-Jun-19	27,500		1,085	3,522	3,052	2,645	2,293	1,987	1,722	1,492	
Furniture			15.00%	30-Jun-19	20,450		908	2,932	2,492	2,118	1,800	1,530	1,301
Furniture			18.75%	30-Jun-19	14,230		5,336	3,335	2,084	1,303	814	509	318
Kitchen assets													
Cutlery & crockery	40.00%	30-Jun-19	125		47	29	18	11	7	4	3	2	
Microwave ovens	20.00%	30-Jun-19	280		105	66	41	26	16	10	6	4	
Lights													
Fittings (excluding hardwired)	18.75%	30-Jun-19	12,355		4,633	2,896	1,810	1,131	707	442	276	173	
Emergency lighting	18.75%	30-Jun-19	1,200		450	281	176	110	69	43	27	17	
Point of Sales			33.33%	30-Jun-19	1,050		104	355	222	139	87	54	34
Refrigeration													
Fridge	20.00%	30-Jun-19	19,800		1,172	3,726	2,981	2,384	1,908	1,526	1,221	977	
Carried forward			278,506	18,729	35,149	116,705	23,949	17,454	13,017	9,920	7,711	6,245	4,960

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			278,506	18,729	35,149	116,705	23,949	17,454	13,017	9,920	7,711	6,245	4,960
Medical asset													
Robotic pick and place packaging machines	20.00%	30-Jun-19	3,000			178	564	452	361	289	231	347	217
Clinical furniture	18.75%	30-Jun-19	1,050			394	246	154	96	60	38	23	15
X-ray Viewers	20.00%	30-Jun-19	300			113	70	44	27	17	11	7	4
Security systems & equipment													
Electronic	30.00%	30-Jun-19	1,100			98	301	263	164	103	64	40	25
Shelving	20.00%	30-Jun-19	19,950			1,181	3,754	3,003	2,402	1,922	1,538	1,230	984
Shopping trolleys	18.75%	30-Jun-19	250			94	59	37	23	14	9	6	3
Signage for business identification (including lighting for signs)	18.75%	30-Jun-19	1,400			525	328	205	128	80	50	31	20
Televisions	20.00%	30-Jun-19	1,200			71	226	339	212	132	83	52	32
Pooled Plant Total				5,988	9,856	31,542	9,275	6,399	3,999	2,500	1,562	1,901	1,188
Effective Life Plant Total				12,741	25,293	87,815	20,222	15,551	12,432	10,039	8,172	6,079	5,072
Total Division 40			306,756	18,729	35,149	119,357	29,497	21,950	16,431	12,538	9,734	7,981	6,260
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 2007	2.50%	07-Feb-17	72,949	943	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407
Building Works - Completed 2019	2.50%	14-Mar-19	46,250			342	1,156	1,156	1,156	1,156	1,156	1,156	1,156
Total Division 43			119,199	943	2,407	2,749	3,563	3,563	3,563	3,563	3,563	3,563	3,563
Total Depreciation			425,955	19,672	37,556	122,106	33,060	25,513	19,994	16,101	13,297	11,544	9,823

11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment	Rate												
Audio visual equipment													
Stereo systems	14.29%	07-Feb-17	1,329	74	190	190	190	190	190	190	115		
Computer systems													
General	20.00%	07-Feb-17	9,063	710	1,813	1,813	1,813	1,813	1,101				
General	18.75%	07-Feb-17	2,719	510	828	518	324	202	126	79	49	31	19
Door closers	18.75%	07-Feb-17	218	41	66	41	26	16	10	6	4	2	2
Fire control assets													
Detection & alarm systems, detectors	18.75%	07-Feb-17	532	100	162	101	63	40	25	15	10	6	4
Hoses and nozzles	10.00%	07-Feb-17	1,511	59	151	151	151	151	151	151	151	151	151
Fire extinguishers	18.75%	07-Feb-17	423	79	129	81	50	31	20	12	8	5	3
Floor coverings (removable without damage)													
Carpets	20.00%	07-Feb-17	8,037	630	1,607	1,607	1,607	1,607	980				
Floating timber	6.67%	07-Feb-17	3,891	102	259	259	259	259	259	259	259	259	259
Furniture	7.50%	07-Feb-17	8,338	245	626	626	626	626	626	626	626	626	626
Furniture	18.75%	07-Feb-17	9,290	1,742	2,830	1,769	1,106	691	432	270	169	105	66
Kitchen assets													
Refrigerators	8.33%	07-Feb-17	6,525	213	544	544	544	544	544	544	544	544	544
Stoves	18.75%	07-Feb-17	1,293	242	394	246	154	96	60	38	23	15	9
Ladders (including stepladders, work platforms extension ladders, trestles and planks)	25.00%	07-Feb-17	417	41	104	104	104	64					
Lights													
Fittings (excluding hardwired)	18.75%	07-Feb-17	1,933	363	589	368	230	144	90	56	35	22	14
Freestanding	18.75%	07-Feb-17	14,924	2,798	4,547	2,842	1,776	1,110	694	434	271	169	106
Point of sale assets													
Electronic funds transfer point of sale machines (EFTPOS)	16.67%	07-Feb-17	6,707	438	1,118	1,118	1,118	1,118	1,118	679			
Security systems & equipment													
Electronic	15.00%	07-Feb-17	9,969	586	1,495	1,495	1,495	1,495	1,495	1,495	413		
Shelving	10.00%	07-Feb-17	63,151	2,474	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315	6,315
Sunshades	18.75%	07-Feb-17	604	113	184	115	72	45	28	18	11	7	4
\$300 items	100.00%	07-Feb-17	1,598	1,598									
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Carried forward			152,471	13,157	23,952	20,303	18,023	16,558	14,263	11,187	9,003	8,257	8,122

Prime Cost Depreciation Schedule (cont.)

Assets Generally	Prime Cost	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment													
Brought forward			152,471	13,157	23,952	20,303	18,023	16,558	14,263	11,187	9,003	8,257	8,122
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	30-Jun-19	3,000			89	300	300	300	300	300	300	300
Counters, freestanding (including check-out and service counters)	10.00%	30-Jun-19	5,175			153	518	518	518	518	518	518	518
Computer systems													
General	20.00%	30-Jun-19	9,000			533	1,800	1,800	1,800	1,800	1,267		
General	18.75%	30-Jun-19	4,050			1,519	949	593	371	232	145	91	57
Curtains and drapes	18.75%	30-Jun-19	400			150	94	59	37	23	14	9	6
Drinking fountains - refrigerated	10.00%	30-Jun-19	600			18	60	60	60	60	60	60	60
Electrical Machinery & Equipment :													
Switchboards	5.00%	30-Jun-19	5,000			74	250	250	250	250	250	250	250
Fire control assets													
Detection & alarm systems, detectors	18.75%	30-Jun-19	220			83	52	32	20	13	8	5	3
Emergency warning & intercommunication system	8.33%	30-Jun-19	600			15	50	50	50	50	50	50	50
Hoses and nozzles	10.00%	30-Jun-19	750			22	75	75	75	75	75	75	75
Fire extinguishers	18.75%	30-Jun-19	250			94	59	37	23	14	9	6	3
Floor coverings (removable without damage)													
Floating timber	6.67%	30-Jun-19	27,500			542	1,833	1,833	1,833	1,833	1,833	1,833	1,833
Furniture	7.50%	30-Jun-19	20,450			454	1,534	1,534	1,534	1,534	1,534	1,534	1,534
Furniture	18.75%	30-Jun-19	14,230			5,336	3,335	2,084	1,303	814	509	318	199
Kitchen assets													
Cutlery & crockery	20.00%	30-Jun-19	125			7	25	25	25	25	18		
Microwave ovens	10.00%	30-Jun-19	280			8	28	28	28	28	28	28	28
Lights													
Fittings (excluding hardwired)	18.75%	30-Jun-19	12,355			4,633	2,896	1,810	1,131	707	442	276	173
Emergency lighting	18.75%	30-Jun-19	1,200			450	281	176	110	69	43	27	17
Point of Sales	16.67%	30-Jun-19	1,050			52	175	175	175	175	175	123	
Refrigeration													
Fridge	10.00%	30-Jun-19	19,800			586	1,980	1,980	1,980	1,980	1,980	1,980	1,980
Carried forward			278,506	13,157	23,952	35,121	34,316	29,976	25,885	21,686	18,261	15,740	15,206

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			278,506	13,157	23,952	35,121	34,316	29,976	25,885	21,686	18,261	15,740	15,206
Medical asset													
Robotic pick and place packaging machines	10.00%	30-Jun-19	3,000			89	300	300	300	300	300	300	300
Clinical furniture	18.75%	30-Jun-19	1,050			394	246	154	96	60	38	23	15
X-ray Viewers	10.00%	30-Jun-19	300			9	30	30	30	30	30	30	30
Security systems & equipment													
Electronic	15.00%	30-Jun-19	1,100			49	165	165	165	165	165	165	61
Shelving	10.00%	30-Jun-19	19,950			590	1,995	1,995	1,995	1,995	1,995	1,995	1,995
Shopping trolleys	18.75%	30-Jun-19	250			94	59	37	23	14	9	6	3
Signage for business identification (including lighting for signs)	18.75%	30-Jun-19	1,400			525	328	205	128	80	50	31	20
Televisions	10.00%	30-Jun-19	1,200			36	120	120	120	120	120	120	120
Pooled Plant Total				5,988	9,730	19,358	12,099	7,562	4,726	2,954	1,846	1,154	721
Effective Life Plant Total				7,169	14,222	17,547	25,460	25,420	24,016	21,497	19,121	17,256	17,029
Total Division 40			306,756	13,157	23,952	36,905	37,559	32,982	28,743	24,451	20,967	18,410	17,750
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2007	2.50%	07-Feb-17	72,949	943	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407
Building Works - Completed 2019	2.50%	14-Mar-19	46,250			342	1,156	1,156	1,156	1,156	1,156	1,156	1,156
Total Division 43			119,199	943	2,407	2,749	3,563	3,563	3,563	3,563	3,563	3,563	3,563
Total Depreciation			425,955	14,100	26,359	39,654	41,122	36,545	32,306	28,014	24,530	21,973	21,313

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.

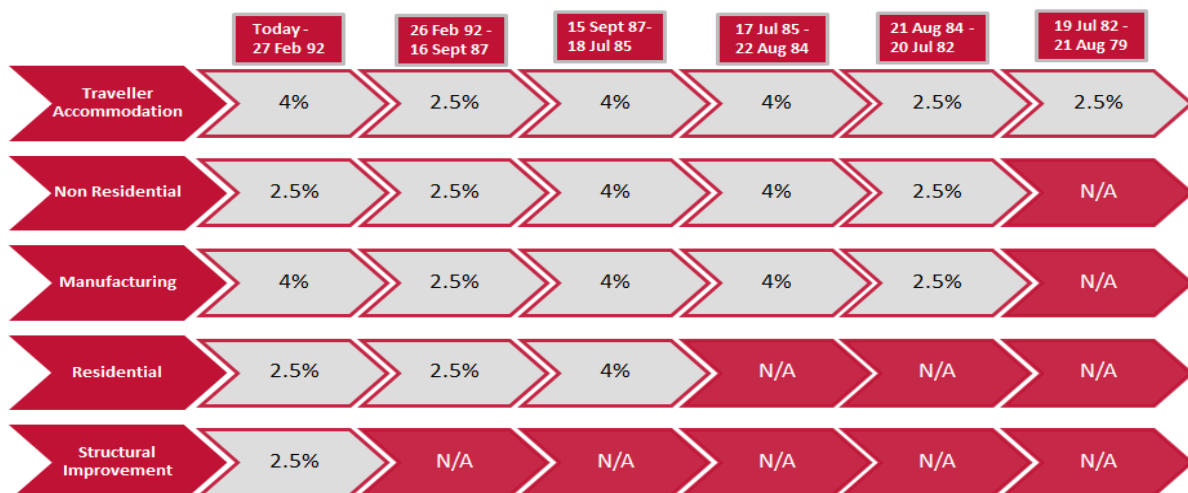
Qualifying Building Allowance

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Building Works - Completed 2007	2 Jan 07 to 1 Jun 07	96,290	2.50%	2,407	72,949
Building Works - Completed 2019	14 Dec 18 to 14 Mar 19	46,250	2.50%	1,156	46,250
Sub-total		142,540		3,563	119,199

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
	2 Jan 07 to 1 Jun 07		2.50%		
Sub-total					
Totals		142,540		3,563	119,199

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
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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.