



Tax Depreciation Report

38-44 Wharf Street,
Port Douglas QLD 4877

CRYSTALBROOK SUPERYACHT MARINA, PORT DOUGLAS PTY LTD

Issue Schedule	
Issue Date:	Issued by:
12 April 2019	Mark Kilroy Bsc (Hons) MRICS

CRYSTALBROOK SUPERYACHT MARINA, PORT DOUGLAS PTY LTD

April 2019
Job No: COM4877001

Tax Depreciation Report – 38-44 Wharf Street, Port Douglas QLD 4877

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.

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

12 April 2019

Purchaser

CRYSTALBROOK SUPERYACHT MARINA, PORT DOUGLAS PTY LTD

Property Address

38-44 Wharf Street, Port Douglas QLD 4877

Property Type

Commercial

Date of Construction

Pre 1985

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				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
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) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
200 / 10 Years = 20% (Adjusted Value)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20

Prime Cost Method				
Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.				
Benefits				
<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 				
Calculation Example				
Under Prime Cost method, the effective life is dividing by 100.				
100 / 10 Years = 10% (Straight Line)				
If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.				
Year 1	Year 2	Year 3	Year 4	Year 5
\$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	26 September 17 to 30 June 18	1,188,449	28,217	1,216,666	126,612	1,343,278
2	1 July 18 to 30 June 19	1,368,943	46,156	1,415,099	166,836	1,581,935
3	1 July 19 to 30 June 20	1,159,998	29,309	1,189,307	166,836	1,356,143
4	1 July 20 to 30 June 21	998,345	18,954	1,017,299	166,836	1,184,135
5	1 July 21 to 30 June 22	868,178	11,846	880,024	166,836	1,046,860
6	1 July 22 to 30 June 23	758,889	8,187	767,076	166,836	933,912
7	1 July 23 to 30 June 24	666,755	6,148	672,902	166,836	839,738
8	1 July 24 to 30 June 25	587,966	4,211	592,177	166,836	759,013
9	1 July 25 to 30 June 26	519,423	3,890	523,313	166,836	690,149
10	1 July 26 to 30 June 27	460,402	2,723	463,125	166,836	629,961
11	1 July 27 to 30 June 28	408,256	2,996	411,252	166,836	578,088
12	1 July 28 to 30 June 29	363,147	2,141	365,288	98,698	463,986
13	1 July 29 to 30 June 30	323,758	1,338	325,097	68,142	393,239
14	1 July 30 to 30 June 31	288,509	1,837	290,346	68,142	358,488
15	1 July 31 to 30 June 32	257,746	1,148	258,894	43,323	302,217
16	1 July 32 to 30 June 33	230,187	1,399	231,586	38,542	270,128
17	1 July 33 to 30 June 34	205,628	1,536	207,163	38,542	245,705
18	1 July 34 to 30 June 35	184,001	1,322	185,323	38,542	223,865
19	1 July 35 to 30 June 36	164,591	1,518	166,109	38,542	204,651
20	1 July 36 to 30 June 37	147,514	1,303	148,817	38,542	187,359
21	1 July 37 to 30 June 38	132,233	1,161	133,394	38,542	171,936
22	1 July 38 to 30 June 39	118,702	726	119,428	38,406	157,834
23	1 July 39 to 30 June 40	106,599	454	107,052	29,406	136,458
24	1 July 40 to 30 June 41	95,582	627	96,208	29,406	125,614
25	1 July 41 to 30 June 42	85,329	1,753	87,082	29,406	116,488
26	1 July 42 to 30 June 43	76,763	1,095	77,858	29,406	107,264
27	1 July 43 to 30 June 44	68,879	1,047	69,926	29,406	99,332
28	1 July 44 to 30 June 45	62,010	655	62,665	29,406	92,071
29	1 July 45 to 30 June 46	55,835	409	56,245	29,406	85,651
30	1 July 46 to 30 June 47	50,284	256	50,539	29,406	79,945
31	1 July 47 to 30 June 48	45,106	505	45,612	29,406	75,018
32	1 July 48 to 30 June 49	40,652	316	40,968	29,406	70,374
33	1 July 49 to 30 June 50	36,641	197	36,838	26,238	63,076
34	1 July 50 to 30 June 51	33,029	123	33,152	10,120	43,272
35	1 July 51 to 30 June 52	29,776	77	29,853	10,120	39,973
36	1 July 52 to 30 June 53	26,846	48	26,894	10,120	37,014
37	1 July 53 to 30 June 54	24,207	30	24,237	10,120	34,357
38	1 July 54 to 30 June 55	21,830	19	21,849	10,120	31,969
39	1 July 55 to 30 June 56	19,598	354	19,952	2,564	22,516
40	2056+	183,241	1,461	184,701	0	184,701
Totals		12,463,826	187,493	12,651,319	2,716,397	15,367,716

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	26 September 17 to 30 June 18	594,224	28,217	622,441	126,612	749,053
2	1 July 18 to 30 June 19	782,999	45,853	828,852	166,836	995,688
3	1 July 19 to 30 June 20	782,999	28,658	811,657	166,836	978,493
4	1 July 20 to 30 June 21	764,392	17,911	782,303	166,836	949,139
5	1 July 21 to 30 June 22	758,472	11,194	769,666	166,836	936,502
6	1 July 22 to 30 June 23	709,439	6,997	716,436	166,836	883,272
7	1 July 23 to 30 June 24	693,616	4,373	697,989	166,836	864,825
8	1 July 24 to 30 June 25	691,241	2,733	693,974	166,836	860,810
9	1 July 25 to 30 June 26	686,065	1,708	687,773	166,836	854,609
10	1 July 26 to 30 June 27	684,420	1,068	685,488	166,836	852,324
11	1 July 27 to 30 June 28	570,428	667	571,096	166,836	737,932
12	1 July 28 to 30 June 29	527,456	417	527,873	98,698	626,571
13	1 July 29 to 30 June 30	519,603	261	519,863	68,142	588,005
14	1 July 30 to 30 June 31	517,792	163	517,955	68,142	586,097
15	1 July 31 to 30 June 32	517,792	102	517,894	43,323	561,217
16	1 July 32 to 30 June 33	504,654	64	504,718	38,542	543,260
17	1 July 33 to 30 June 34	500,479	40	500,519	38,542	539,061
18	1 July 34 to 30 June 35	500,479	25	500,504	38,542	539,046
19	1 July 35 to 30 June 36	500,479	16	500,495	38,542	539,037
20	1 July 36 to 30 June 37	500,479	10	500,489	38,542	539,031
21	1 July 37 to 30 June 38	125,189	6	125,195	38,542	163,737
22	1 July 38 to 30 June 39	5,967	4	5,971	38,406	44,377
23	1 July 39 to 30 June 40	5,967	2	5,969	29,406	35,375
24	1 July 40 to 30 June 41	5,967	1	5,968	29,406	35,374
25	1 July 41 to 30 June 42	5,967	1	5,968	29,406	35,374
26	1 July 42 to 30 June 43	4,763	1	4,764	29,406	34,170
27	1 July 43 to 30 June 44	4,369	0	4,369	29,406	33,775
28	1 July 44 to 30 June 45	4,369	0	4,369	29,406	33,775
29	1 July 45 to 30 June 46	4,369	0	4,369	29,406	33,775
30	1 July 46 to 30 June 47	4,369	0	4,369	29,406	33,775
31	1 July 47 to 30 June 48	2,646	0	2,646	29,406	32,052
32	1 July 48 to 30 June 49	2,095	0	2,095	29,406	31,501
33	1 July 49 to 30 June 50	2,095	0	2,095	26,238	28,333
34	1 July 50 to 30 June 51	2,095	0	2,095	10,120	12,215
35	1 July 51 to 30 June 52	2,095	0	2,095	10,120	12,215
36	1 July 52 to 30 June 53	2,095	0	2,095	10,120	12,215
37	1 July 53 to 30 June 54	2,095	0	2,095	10,120	12,215
38	1 July 54 to 30 June 55	2,095	0	2,095	10,120	12,215
39	1 July 55 to 30 June 56	2,095	0	2,095	2,564	4,659
40	2056+	2,617	0	2,617	0	2,617
Totals		12,500,828	150,491	12,651,319	2,716,397	15,367,716

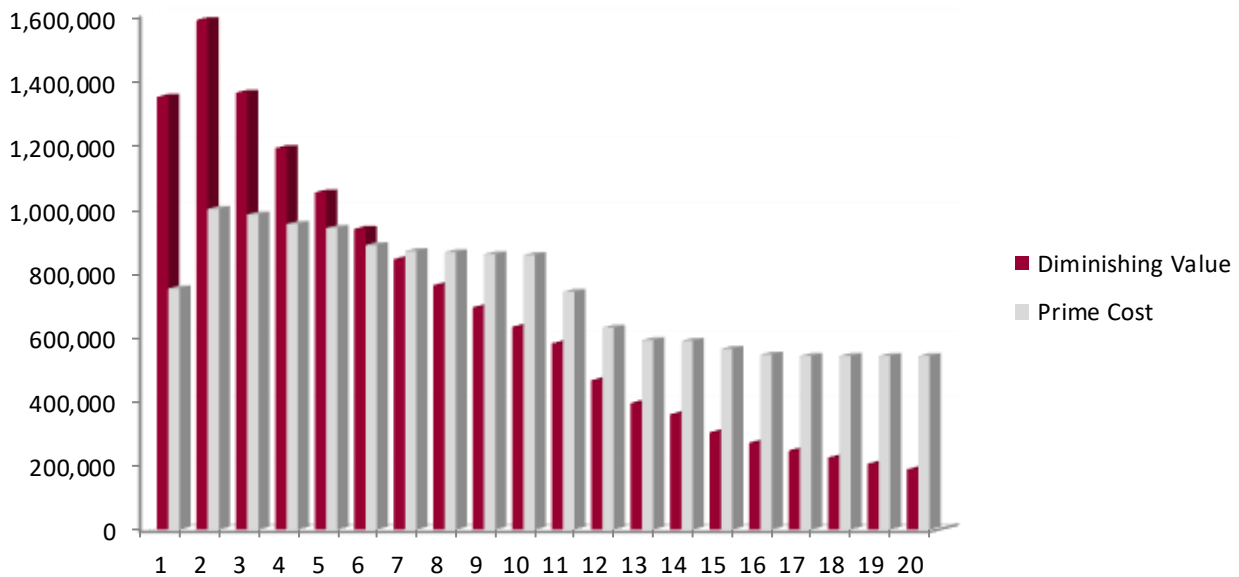
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

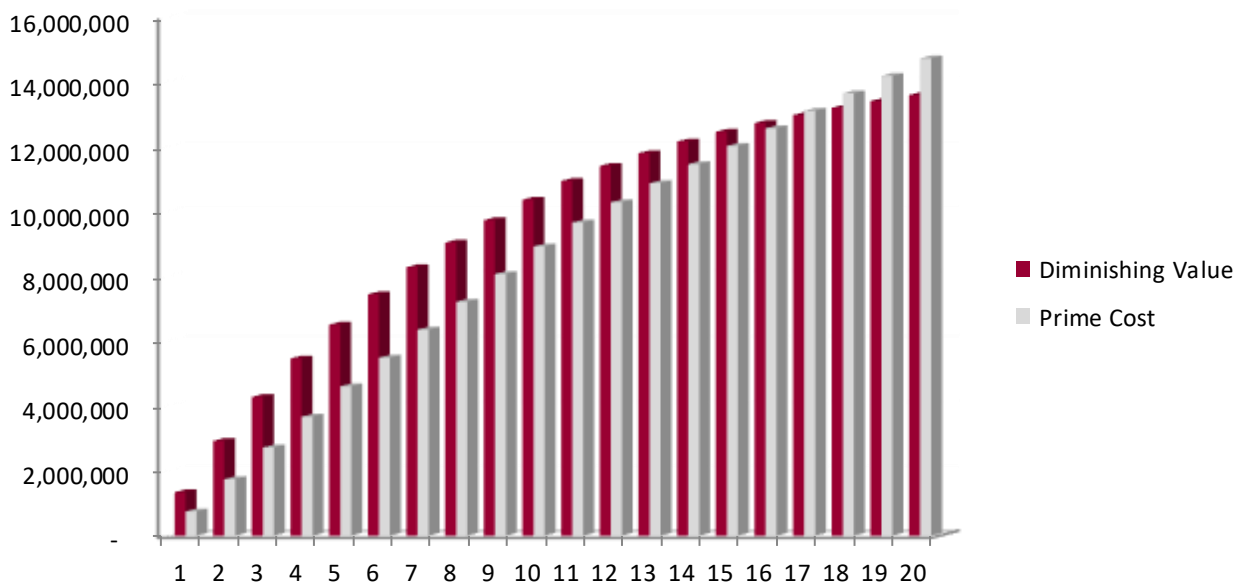
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

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	3 July 2017
Settlement Date	26 September 2017

Expenditure Analysed

Purchase Price	\$50,000,000
Stamp Duty	\$1,872,175
Total Expenditure Analysed	\$51,872,175

Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

9. Reconciliation of Capital Expenditure

Apportionment of cost relating to:

Division 40 (Plant)	\$12,651,319
Division 43	\$2,716,397
Land (Advised)	\$10,862,033
Balance of Capital Expenditure**	\$25,642,426
Total Expenditure Analysed	\$51,872,175

Notes

* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

** Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



10. Diminishing Value Depreciation Schedule

Assets Generally Division 40 - Plant and Equipment	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	26-Sep-17	301,741	45,799	51,189	40,951	32,761	26,209	20,967	16,773	13,419	10,735	8,588
Boom gates:													
Hydraulically operated boom gates	20.00%	26-Sep-17	4,873	740	827	661	529	423	339	271	217	325	203
Cleaning equipment													
Vacuum cleaner, ducted system, hoses, motors & wands	20.00%	26-Sep-17	5,060	768	858	687	549	440	352	281	225	338	211
Computer systems													
General	40.00%	26-Sep-17	8,772	2,663	2,444	1,466	880	528	297	186	116	72	45
General	18.75%	26-Sep-17	2,631	493	802	501	313	196	122	76	48	30	19
Electrical Machinery & Equipment :													
Switchboards	10.00%	26-Sep-17	48,731	3,698	4,503	4,053	3,648	3,283	2,955	2,659	2,393	2,154	1,939
Distribution boards	20.00%	26-Sep-17	146,193	22,189	24,801	19,841	15,872	12,698	10,158	8,127	6,501	5,201	4,161
Refrigeration assets:													
Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)	20.00%	26-Sep-17	1,754	266	298	238	357	223	140	87	54	34	21
Compressors, condensers, evaporators etc	13.33%	26-Sep-17	15,594	1,578	1,869	1,620	1,404	1,217	1,054	914	792	686	595
Insulation panels used in cool or freezer rooms	5.00%	26-Sep-17	83,817	3,180	4,032	3,830	3,639	3,457	3,284	3,120	2,964	2,816	2,675
Food preparation and service assets:													
Bench top appliances – small portable type (including blenders, food processors, grills, rice cookers and toasters)	66.67%	26-Sep-17	2,924	1,479	963	181	113	71	44	28	17	11	7
Hot food display assets (including bain marie)	20.00%	26-Sep-17	2,729	414	463	370	296	237	356	222	139	87	54
Preparation benches, freestanding	10.00%	26-Sep-17	11,793	895	1,090	981	883	794	715	644	579	521	469
Wok burners, large commercial type	25.00%	26-Sep-17	6,822	1,294	1,382	1,036	777	583	437	328	369	231	144
Dishwasher machines	25.00%	26-Sep-17	14,619	2,774	2,961	2,221	1,666	1,249	937	703	527	395	296
Kitchen exhaust fans	40.00%	26-Sep-17	35,086	10,651	9,774	5,864	3,519	2,111	1,267	760	456	257	160
Fire control assets													
Detection & alarm systems, detectors	18.75%	26-Sep-17	28,817	5,403	8,780	5,488	3,430	2,144	1,340	837	523	327	204
Detection & alarm systems, fire indicator panel	16.67%	26-Sep-17	20,467	2,589	2,980	2,483	2,069	1,724	1,437	1,197	998	832	693
Emergency warning & intercommunication system	16.67%	26-Sep-17	2,807	355	409	341	284	236	197	370	231	144	90
Hoses and nozzles	20.00%	26-Sep-17	31,383	4,763	5,324	4,259	3,407	2,726	2,181	1,745	1,396	1,116	893
Pumps, diesel & electric	8.00%	26-Sep-17	39,959	2,426	3,003	2,762	2,541	2,338	2,151	1,979	1,821	1,675	1,541
Fire extinguishers	18.75%	26-Sep-17	1,949	365	594	371	232	145	91	57	35	22	14
Floor coverings (removable without damage)													
Carpets	40.00%	26-Sep-17	170,285	51,692	47,437	28,462	17,077	10,246	6,148	3,689	2,213	1,328	797
Floating timber	13.33%	26-Sep-17	222,680	22,532	26,686	23,128	20,044	17,372	15,056	13,048	11,308	9,801	8,494
Linoleum & vinyl	20.00%	26-Sep-17	196,483	29,822	33,332	26,666	21,333	17,066	13,653	10,922	8,738	6,990	5,592
Kiosks and other external standalone advertising panel structures	13.33%	26-Sep-17	11,189	1,132	1,341	1,162	1,007	873	756	656	568	492	427
Carried forward			1,419,159	219,962	238,140	179,624	138,630	108,588	86,432	69,677	56,648	46,620	38,333

Diminishing Value Depreciation Schedule (Continued)

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
Brought forward			1,419,159	219,962	238,140	179,624	138,630	108,588	86,432	69,677	56,648	46,620	38,333
General Furniture	20.00%	26-Sep-17	27,726	4,208	4,704	3,763	3,010	2,408	1,927	1,541	1,233	986	789
General Furniture	18.75%	26-Sep-17	6,867	1,288	2,092	1,308	817	511	319	200	125	78	49
Office furniture, freestanding													
Bookcases - Timber	13.33%	26-Sep-17	780	79	263	164	103	64	40	25	16	10	6
Cabinets - Timber/laminated	13.33%	26-Sep-17	5,555	562	666	577	500	433	376	326	282	245	212
Boardroom assets	10.00%	26-Sep-17	3,528	268	326	293	264	238	214	193	173	156	140
Reception assets	20.00%	26-Sep-17	2,924	444	496	397	317	254	203	305	190	119	74
Multi function machines (includes fax, copy, print and scan function)	40.00%	26-Sep-17	1,793	544	500	281	176	110	69	43	27	17	10
Hot water systems (excluding piping)													
Gas or electric	16.67%	26-Sep-17	64,325	8,136	9,365	7,804	6,503	5,419	4,516	3,763	3,136	2,614	2,178
Kitchen assets													
Cutlery & crockery	40.00%	26-Sep-17	156	47	41	25	16	10	6	4	2	2	1
Microwave ovens	18.75%	26-Sep-17	585	110	178	111	70	43	27	17	11	7	4
Refrigerators	16.67%	26-Sep-17	2,709	343	394	329	274	228	190	357	223	139	87
Refrigerators	18.75%	26-Sep-17	975	183	297	186	116	72	45	28	18	11	7
Lifts (including hydraulic & tractions lifts)	6.67%	26-Sep-17	68,223	3,452	4,318	4,030	3,762	3,511	3,277	3,058	2,854	2,664	2,486
Lights													
Fittings (excluding hardwired)	18.75%	26-Sep-17	97,887	18,354	29,825	18,641	11,650	7,281	4,551	2,844	1,778	1,111	694
Emergency lighting	18.75%	26-Sep-17	6,881	1,290	2,096	1,310	819	512	320	200	125	78	49
Security systems & equipment													
Electronic	30.00%	26-Sep-17	17,446	3,972	4,042	2,829	1,981	1,386	971	679	476	333	291
Solar power generating system assets	10.00%	26-Sep-17	6,822	518	630	567	511	460	414	372	335	302	271
Large assets - assorted													
Track for powered rides	13.33%	26-Sep-17	3,898	394	467	405	351	304	264	228	198	172	149
Tractors	25.00%	26-Sep-17	33,127	6,285	6,711	5,033	3,775	2,831	2,123	1,592	1,194	896	672
Tools / equipment - assorted													
Power tools - chain saws	66.66%	26-Sep-17	13,530	6,844	4,456	1,486	279	174	109	68	43	27	17
Hand tools - battery	66.66%	26-Sep-17	57,134	28,903	18,819	6,274	2,092	697	131	82	51	32	20
Hand tools - air / electric	40.00%	26-Sep-17	106,982	32,476	29,802	17,881	10,729	6,437	3,862	2,317	1,390	834	501
Hand tools - manually operated	20.00%	26-Sep-17	50,273	7,630	8,528	6,823	5,458	4,367	3,493	2,795	2,236	1,789	1,431
Petroleum product storage tanks - fibreglass and steel	10.00%	26-Sep-17	4,678	355	432	389	350	315	284	255	230	207	186
Trolleys	20.00%	26-Sep-17	7,415	1,125	1,258	1,006	805	644	515	412	330	264	211
Ladders	20.00%	26-Sep-17	22,173	3,365	3,761	3,009	2,407	1,926	1,541	1,233	986	789	631
Carried forward			2,033,550	351,138	372,609	264,546	195,764	149,226	116,217	92,615	74,309	60,498	49,500

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
Division 40 - Plant and Equipment													
Brought forward			2,033,550	351,138	372,609	264,546	195,764	149,226	116,217	92,615	74,309	60,498	49,500
Marina operation:													
Boat cradles	20.00%	26-Sep-17	701,724	106,508	119,043	95,235	76,188	60,950	48,760	39,008	31,206	24,965	19,972
Forklift	18.18%	26-Sep-17	97,462	13,448	15,275	12,498	10,226	8,366	6,845	5,601	4,582	3,749	3,068
Marina – wet berths (incorporating piling, decking and floating por	10.00%	26-Sep-17	9,812,638	744,685	906,795	816,116	734,504	661,054	594,948	535,454	481,908	433,717	390,346
Ventilating plant													
Ventilation plant - fans only	10.00%	26-Sep-17	2,047	155	189	170	153	138	124	112	101	339	212
Ventilation plant - fans only	18.75%	26-Sep-17	3,898	731	1,188	742	464	290	181	113	71	44	28
Pooled Plant Total				28,217	46,156	29,309	18,954	11,846	8,187	6,148	4,211	3,890	2,723
Effective Life Plant Total				1,188,449	1,368,943	1,159,998	998,345	868,178	758,889	666,755	587,966	519,423	460,402
Total Division 40			12,651,319	1,216,666	1,415,099	1,189,307	1,017,299	880,024	767,076	672,902	592,177	523,313	463,125
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 1988	2.50%	26-Sep-17	881,040	60,408	79,599	79,599	79,599	79,599	79,599	79,599	79,599	79,599	79,599
Building Works - Completed 1991	2.50%	26-Sep-17	331,420	18,068	23,808	23,808	23,808	23,808	23,808	23,808	23,808	23,808	23,808
Building Works - Completed 1999	2.50%	26-Sep-17	198,653	6,933	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136
Building Works - Completed 2010	2.50%	26-Sep-17	628,620	14,636	19,286	19,286	19,286	19,286	19,286	19,286	19,286	19,286	19,286
Building Works - Completed 2015	2.50%	26-Sep-17	229,662	4,585	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042
Structural Improvements - Completed 1988	2.50%	26-Sep-17	211,355	14,491	19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095
Structural Improvements - Completed 1991	2.50%	26-Sep-17	80,625	4,396	5,792	5,792	5,792	5,792	5,792	5,792	5,792	5,792	5,792
Structural Improvements - Completed 2015	2.50%	26-Sep-17	155,022	3,095	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078
Total Division 43			2,716,397	126,612	166,836	166,836	166,836	166,836	166,836	166,836	166,836	166,836	166,836
Total Depreciation			15,367,716	1,343,278	1,581,935	1,356,143	1,184,135	1,046,860	933,912	839,738	759,013	690,149	629,961

11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	26-Sep-17	301,741	22,899	30,174	30,174	30,174	30,174	30,174	30,174	30,174	30,174	30,174
Boom gates:													
Hydraulically operated boom gates	10.00%	26-Sep-17	4,873	370	487	487	487	487	487	487	487	487	487
Cleaning equipment													
Vacuum cleaner, ducted system, hoses, motors & wands	10.00%	26-Sep-17	5,060	384	506	506	506	506	506	506	506	506	506
Computer systems													
General	20.00%	26-Sep-17	8,772	1,331	1,754	1,754	1,754	1,754	424				
General	18.75%	26-Sep-17	2,631	493	802	501	313	196	122	76	48	30	19
Electrical Machinery & Equipment :													
Switchboards	5.00%	26-Sep-17	48,731	1,849	2,437	2,437	2,437	2,437	2,437	2,437	2,437	2,437	2,437
Distribution boards	10.00%	26-Sep-17	146,193	11,095	14,619	14,619	14,619	14,619	14,619	14,619	14,619	14,619	14,619
Refrigeration assets:													
Generally (including blast chillers, condensers, evaporators, refrigeration cabinets, standalone freezers and standalone refrigerators)	10.00%	26-Sep-17	1,754	133	175	175	175	175	175	175	175	175	175
Compressors, condensers, evaporators etc	6.67%	26-Sep-17	15,594	789	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Insulation panels used in cool or freezer rooms	2.50%	26-Sep-17	83,817	1,590	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095
Food preparation and service assets:													
Bench top appliances – small portable type (including blenders, food processors, grills, rice cookers and toasters)	33.33%	26-Sep-17	2,924	740	975	975	234						
Hot food display assets (including bain marie)	10.00%	26-Sep-17	2,729	207	273	273	273	273	273	273	273	273	273
Preparation benches, freestanding	5.00%	26-Sep-17	11,793	447	590	590	590	590	590	590	590	590	590
Wok burners, large commercial type	12.50%	26-Sep-17	6,822	647	853	853	853	853	853	853	853	204	
Dishwasher machines	12.50%	26-Sep-17	14,619	1,387	1,827	1,827	1,827	1,827	1,827	1,827	1,827	443	
Kitchen exhaust fans	20.00%	26-Sep-17	35,086	5,325	7,017	7,017	7,017	7,017	1,693				
Fire control assets													
Detection & alarm systems, detectors	18.75%	26-Sep-17	28,817	5,403	8,780	5,488	3,430	2,144	1,340	837	523	327	204
Detection & alarm systems, fire indicator panel	8.33%	26-Sep-17	20,467	1,294	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706
Emergency warning & intercommunication system	8.33%	26-Sep-17	2,807	178	234	234	234	234	234	234	234	234	234
Hoses and nozzles	10.00%	26-Sep-17	31,383	2,382	3,138	3,138	3,138	3,138	3,138	3,138	3,138	3,138	3,138
Pumps, diesel & electric	4.00%	26-Sep-17	39,959	1,213	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598
Fire extinguishers	18.75%	26-Sep-17	1,949	365	594	371	232	145	91	57	35	22	14
Floor coverings (removable without damage)													
Carpets	20.00%	26-Sep-17	170,285	25,846	34,057	34,057	34,057	34,057	8,211				
Floating timber	6.67%	26-Sep-17	222,680	11,266	14,845	14,845	14,845	14,845	14,845	14,845	14,845	14,845	14,845
Linoleum & vinyl	10.00%	26-Sep-17	196,483	14,911	19,648	19,648	19,648	19,648	19,648	19,648	19,648	19,648	19,648
Kiosks and other external standalone advertising panel structures	6.67%	26-Sep-17	11,189	566	746	746	746	746	746	746	746	746	746
Carried forward			1,419,159	113,112	150,970	147,154	144,028	142,303	108,872	97,961	97,598	95,338	94,548

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			1,419,159	113,112	150,970	147,154	144,028	142,303	108,872	97,961	97,598	95,338	94,548	
General Furniture	10.00%	26-Sep-17	27,726	2,104	2,773	2,773	2,773	2,773	2,773	2,773	2,773	2,773	2,773	
General Furniture	18.75%	26-Sep-17	6,867	1,288	2,092	1,308	817	511	319	200	125	78	49	
Office furniture, freestanding														
Bookcases - Timber	6.67%	26-Sep-17	780	39	52	52	52	52	52	52	52	52	52	
Cabinets - Timber/laminated	6.67%	26-Sep-17	5,555	281	370	370	370	370	370	370	370	370	370	
Boardroom assets	5.00%	26-Sep-17	3,528	134	176	176	176	176	176	176	176	176	176	
Reception assets	10.00%	26-Sep-17	2,924	222	292	292	292	292	292	292	292	292	292	
Multi function machines (includes fax, copy, print and scan functio	20.00%	26-Sep-17	1,793	272	359	359	359	359	85					
Hot water systems (excluding piping)														
Gas or electric	8.33%	26-Sep-17	64,325	4,068	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360	
Kitchen assets														
Cutlery & crockery	20.00%	26-Sep-17	156	24	31	31	31	31	8					
Microwave ovens	18.75%	26-Sep-17	585	110	178	111	70	43	27	17	11	7	4	
Refrigerators	8.33%	26-Sep-17	2,709	171	226	226	226	226	226	226	226	226	226	
Refrigerators	18.75%	26-Sep-17	975	183	297	186	116	72	45	28	18	11	7	
Lifts (including hydraulic & tractions lifts)	3.33%	26-Sep-17	68,223	1,726	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	
Lights														
Fittings (excluding hardwired)	18.75%	26-Sep-17	97,887	18,354	29,825	18,641	11,650	7,281	4,551	2,844	1,778	1,111	694	
Emergency lighting	18.75%	26-Sep-17	6,881	1,290	2,096	1,310	819	512	320	200	125	78	49	
Security systems & equipment														
Electronic	15.00%	26-Sep-17	17,446	1,986	2,617	2,617	2,617	2,617	2,617	2,375				
Solar power generating system assets	5.00%	26-Sep-17	6,822	259	341	341	341	341	341	341	341	341	341	
Large assets - assorted														
Track for powered rides	6.67%	26-Sep-17	3,898	197	260	260	260	260	260	260	260	260	260	
Tractors	12.50%	26-Sep-17	33,127	3,143	4,141	4,141	4,141	4,141	4,141	4,141	4,141	998		
Tools / equipment - assorted														
Power tools - chain saws	33.33%	26-Sep-17	13,530	3,422	4,509	4,509	1,089							
Hand tools - battery	33.33%	26-Sep-17	57,134	14,452	19,043	19,043	4,596							
Hand tools - air / electric	20.00%	26-Sep-17	106,982	16,238	21,396	21,396	21,396	21,396	5,160					
Hand tools - manually operated	10.00%	26-Sep-17	50,273	3,815	5,027	5,027	5,027	5,027	5,027	5,027	5,027	5,027	5,027	
Petroleum product storage tanks - fibreglass and steel	5.00%	26-Sep-17	4,678	178	234	234	234	234	234	234	234	234	234	
Trolleys	10.00%	26-Sep-17	7,415	563	741	741	741	741	741	741	741	741	741	
Ladders	10.00%	26-Sep-17	22,173	1,683	2,217	2,217	2,217	2,217	2,217	2,217	2,217	2,217	2,217	
Carried forward			2,033,550	189,312	257,898	241,149	212,073	199,611	146,489	128,109	124,137	117,963	115,694	

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				2,033,550	189,312	257,898	241,149	212,073	199,611	146,489	128,109	124,137	117,963	115,694	
Marina operation:															
Boat cradles	10.00%	26-Sep-17	701,724	53,254	70,172	70,172	70,172	70,172	70,172	70,172	70,172	70,172	70,172	70,172	
Forklift	9.09%	26-Sep-17	97,462	6,724	8,860	8,860	8,860	8,860	8,860	8,860	8,860	8,860	8,860	8,860	
Marina – wet berths (incorporating piling, decking and floating por	5.00%	26-Sep-17	9,812,638	372,343	490,632	490,632	490,632	490,632	490,632	490,632	490,632	490,632	490,632	490,632	
Ventilating plant															
Ventilation plant - fans only	5.00%	26-Sep-17	2,047	78	102	102	102	102	102	102	102	102	102	102	
Ventilation plant - fans only	18.75%	26-Sep-17	3,898	731	1,188	742	464	290	181	113	71	44	28		
Pooled Plant Total					28,217	45,853	28,658	17,911	11,194	6,997	4,373	2,733	1,708	1,068	
Effective Life Plant Total					594,224	782,999	782,999	764,392	758,472	709,439	693,616	691,241	686,065	684,420	
Total Division 40					12,651,319	622,441	828,852	811,657	782,303	769,666	716,436	697,989	693,974	687,773	685,488
Division 43 - Capital Works Allowance															
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10		
Building Works - Completed 1988	2.50%	26-Sep-17	881,040	60,408	79,599	79,599	79,599	79,599	79,599	79,599	79,599	79,599	79,599	79,599	
Building Works - Completed 1991	2.50%	26-Sep-17	331,420	18,068	23,808	23,808	23,808	23,808	23,808	23,808	23,808	23,808	23,808	23,808	
Building Works - Completed 1999	2.50%	26-Sep-17	198,653	6,933	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	
Building Works - Completed 2010	2.50%	26-Sep-17	628,620	14,636	19,286	19,286	19,286	19,286	19,286	19,286	19,286	19,286	19,286	19,286	
Building Works - Completed 2015	2.50%	26-Sep-17	229,662	4,585	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042	6,042	
Structural Improvements - Completed 1988	2.50%	26-Sep-17	211,355	14,491	19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095	
Structural Improvements - Completed 1991	2.50%	26-Sep-17	80,625	4,396	5,792	5,792	5,792	5,792	5,792	5,792	5,792	5,792	5,792	5,792	
Structural Improvements - Completed 2015	2.50%	26-Sep-17	155,022	3,095	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	4,078	
Total Division 43				2,716,397	126,612	166,836	166,836	166,836	166,836	166,836	166,836	166,836	166,836	166,836	166,836
Total Depreciation				15,367,716	749,053	995,688	978,493	949,139	936,502	883,272	864,825	860,810	854,609	852,324	

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 1988	1 Oct 87 to 28 Oct 88	3,183,956	2.50%	79,599	881,040
Building Works - Completed 1991	6 Jul 91 to 4 Sep 91	952,320	2.50%	23,808	331,420
Building Works - Completed 1999	15 Jun 99 to 30 Jun 99	365,420	2.50%	9,136	198,653
Building Works - Completed 2010	18 Apr 10 to 3 May 10	771,443	2.50%	19,286	628,620
Building Works - Completed 2015	3 Jun 15 to 1 Oct 15	241,680	2.50%	6,042	229,662

Sub-total 5,514,819 137,871 2,269,395

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 1988	1 Oct 87 to 28 Oct 88	763,807	2.50%	19,095	211,355
Structural Improvements - Completed 1991	6 Jul 91 to 4 Sep 91	231,672	2.50%	5,792	80,625
Structural Improvements - Completed 2015	3 Jun 15 to 1 Oct 15	163,134	2.50%	4,078	155,022

Sub-total 1,158,613 28,965 447,002

Totals 6,673,432 166,836 2,716,397

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.