



Commercial Tax Depreciation Report

Shop 14 Stockland Central Avenue,
Hervey Bay QLD 4655

Issue Schedule	
Issue Date:	Issued by:
January 2017	Mark Kilroy Bsc (Hons) MRICS

IPG Auscare Pty Ltd T/as Hervey Bay Wizard Pharmacy

18 January 2017

Job No: COM4655001

Tax Depreciation Report – Shop 14 Stockland Central Avenue, Hervey Bay QLD

To Kanti,

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 EXECUTIVE SUMMARY

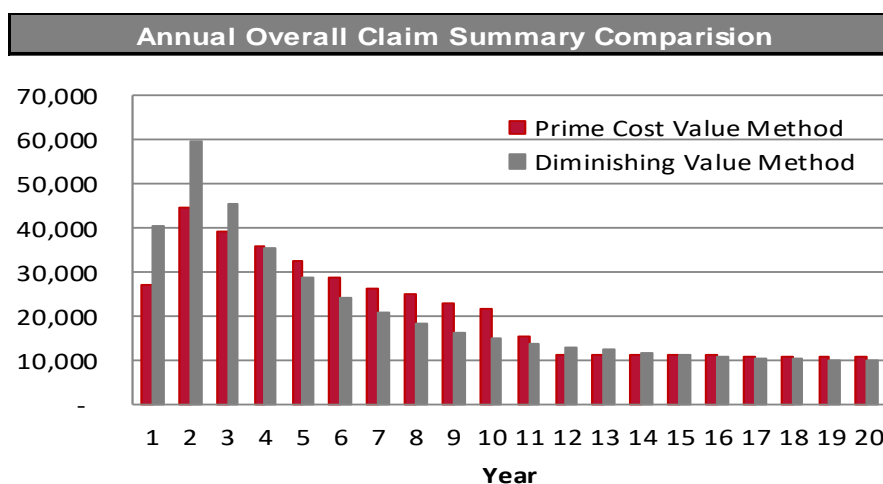
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	264,521	16%
Div 43 Capital Works Incl. Adds	319,443	19%
Repairs and Maintenance	-	0%
Capital Non Eligible	21,807	1%
Goodwill	1,069,254	64%
Total Purchase Cost	1,675,025	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/17		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	26,207	13,103
Div 40 - Low Value Pool	9,030	9,030
Div 43 - Capital Works	5,189	5,189
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	40,425	27,322

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IPG Auscare Pty Ltd T/as Hervey Bay Wizard Pharmacy
Property	Shop 14 Stockland Central Avenue, Hervey Bay QLD 4655
Property Type	Commercial Pharmacy
Date of Building Completion	01/05/2014
Date of first let	20/11/2016



3 REPORT DETAILS

3.1 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.

4 CAPITAL ALLOWANCES

4.1 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.

4.2 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 as detailed below:

$$\text{Qualifying Plant} = \frac{\text{Purchase Price} \times \text{Replacement Cost of Plant}}{\text{Land Value} + \text{Replacement Cost of Plant} + \text{Replacement Cost of Building}}$$

4.3 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.

4.4 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.

4.5 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.

4.6 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.				
$200 / 10 \text{ Years} = 20\% \text{ (Adjusted Value)}$				
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.				
$100 / 10 \text{ Years} = 10\% \text{ (Straight Line)}$				
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

5 CAPITAL WORKS

5.1 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.

5.2 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.

5.3 STRUCTURAL IMPROVEMENTS

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.

5.4 CAPITAL WORKS DEPRECIATION RATES

The following table demonstrates the various property types and depreciation rates for Capital Works 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

6 SUMMARY ANALYSIS

PROPERTY DETAILS	
Property Address	Shop 14 Stockland Central Avenue, Hervey Bay QLD 4655

PURCHASE DETAILS			
Exchange Date	20/09/2016	Settlement Date	20/11/2016
Purchase Price (Incl Fees)	\$1,675,025	Land Value (Est)	N/A

FITOUT DETAILS			
Construction Start Date	01/04/2014	Construction End Date	01/05/2014
Historic Construction Cost	\$605,771		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$264,521	This Tax Depreciation Schedule has been prepared based on the information provided for the construction or purchase of the said property. The apportionment of capital expenditure is based on this information.
Div 43 (Capital Works)	\$319,443	
Capital Non Deductable	\$21,807	
Goodwill	\$1,069,254	
Total Expenditure Analysed	\$1,675,025	

Notes	
Opening Values	This is based on the original construction costs incurred including variations
Effective Lives	Used In accordance with the Commissioner of Taxation Rates
Site Inspection	The site inspection includes the measurement, photographic records, and identification of depreciating assets.
Disclaimer	This schedule is provided for the sole use of the tax payer and may not be used by a third party without the permission of Koste Pty Ltd.

7 TAX SUMMARY

The following tables outline the depreciation entitlements for the remaining life of the property. **Note: First Year Allowances are for YE 30/06/17**

7.1 DIMINISHING VALUE METHOD

Diminishing Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 222 Days	583,964	26,207	9,030	5,189	40,425	543,539
Year 2 - Y/E 30-Jun-2018	543,539	36,466	14,673	8,531	59,671	483,868
Year 3 - Y/E 30-Jun-2019	483,868	27,606	9,171	8,531	45,308	438,560
Year 4 - Y/E 30-Jun-2020	438,560	21,354	5,732	8,531	35,617	402,943
Year 5 - Y/E 30-Jun-2021	402,943	16,814	3,582	8,531	28,928	374,016
Year 6 - Y/E 30-Jun-2022	374,016	13,435	2,239	8,531	24,205	349,810
Year 7 - Y/E 30-Jun-2023	349,810	10,869	1,399	8,531	20,800	329,010
Year 8 - Y/E 30-Jun-2024	329,010	8,887	875	8,531	18,293	310,718
Year 9 - Y/E 30-Jun-2025	310,718	7,335	547	8,531	16,412	294,305
Year 10 - Y/E 30-Jun-2026	294,305	6,105	342	8,531	14,977	279,328
Year 11 - Y/E 30-Jun-2027	279,328	5,120	214	8,531	13,865	265,463
Year 12 - Y/E 30-Jun-2028	265,463	4,326	133	8,531	12,990	252,472
Year 13 - Y/E 30-Jun-2029	252,472	3,679	83	8,531	12,294	240,178
Year 14 - Y/E 30-Jun-2030	240,178	3,150	52	8,531	11,733	228,445
Year 15 - Y/E 30-Jun-2031	228,445	2,713	33	8,531	11,276	217,169
Year 16 - Y/E 30-Jun-2032	217,169	2,350	20	8,531	10,901	206,268
Year 17 - Y/E 30-Jun-2033	206,268	2,046	13	8,531	10,590	195,677
Year 18 - Y/E 30-Jun-2034	195,677	1,791	8	8,531	10,331	185,347
Year 19 - Y/E 30-Jun-2035	185,347	1,576	5	8,531	10,112	175,235
Year 20 - Y/E 30-Jun-2036	175,235	1,392	3	8,531	9,926	165,308
Year 21 - Y/E 30-Jun-2037	165,308	1,235	5	8,531	9,771	155,537
Year 22 - Y/E 30-Jun-2038	155,537	1,100	-	8,531	9,631	145,906
Year 23 - Y/E 30-Jun-2039	145,906	983	-	8,531	9,514	136,392
Year 24 - Y/E 30-Jun-2040	136,392	881	-	8,531	9,412	126,980
Year 25 - Y/E 30-Jun-2041	126,980	792	-	8,531	9,323	117,657
Year 26 - Y/E 30-Jun-2042	117,657	714	-	8,531	9,245	108,413
Year 27 - Y/E 30-Jun-2043	108,413	645	-	8,531	9,176	99,237
Year 28 - Y/E 30-Jun-2044	99,237	584	-	8,531	9,115	90,122
Year 29 - Y/E 30-Jun-2045	90,122	529	-	8,531	9,060	81,061
Year 30 - Y/E 30-Jun-2046	81,061	481	-	8,531	9,012	72,049
Year 31 - Y/E 30-Jun-2047	72,049	437	-	8,531	8,969	63,081
Year 32 - Y/E 30-Jun-2048	63,081	398	-	8,531	8,930	54,151
Year 33 - Y/E 30-Jun-2049	54,151	363	-	8,531	8,895	45,257
Year 34 - Y/E 30-Jun-2050	45,257	332	-	8,531	8,863	36,394
Year 35 - Y/E 30-Jun-2051	36,394	303	-	8,531	8,834	27,559
Year 36 - Y/E 30-Jun-2052	27,559	277	-	8,531	8,808	18,751
Year 37 - Y/E 30-Jun-2053	18,751	254	-	8,531	8,785	9,966
Year 38 - Y/E 30-Jun-2054	9,966	232	-	7,129	7,361	2,605
Year 39 - Y/E 30-Jun-2055	2,605	213	-	-	213	2,392
Year 40 - Y/E 30-Jun-2056	2,392	195	-	-	195	2,197
Year 41+ - Y/E 30-Jun-2057	2,197	2,197	-	-	2,197	-
Totals		216,363	48,159	319,443	583,964	

7.2 PRIME COST METHOD

Prime Cost Value Method						
	Opening Value	Division 40 Allowances	Division 40 Low Value Pool	Division 43 Deductions	Total	Written Down Value
Year 1 - 222 Days	583,964	13,103	9,030	5,189	27,322	556,642
Year 2 - Y/E 30-Jun-2018	556,642	21,544	14,673	8,531	44,748	511,894
Year 3 - Y/E 30-Jun-2019	511,894	21,544	9,171	8,531	39,246	472,648
Year 4 - Y/E 30-Jun-2020	472,648	21,544	5,732	8,531	35,807	436,841
Year 5 - Y/E 30-Jun-2021	436,841	20,373	3,582	8,531	32,486	404,355
Year 6 - Y/E 30-Jun-2022	404,355	17,873	2,239	8,531	28,643	375,712
Year 7 - Y/E 30-Jun-2023	375,712	16,171	1,399	8,531	26,101	349,610
Year 8 - Y/E 30-Jun-2024	349,610	15,569	875	8,531	24,975	324,635
Year 9 - Y/E 30-Jun-2025	324,635	13,935	547	8,531	23,013	301,622
Year 10 - Y/E 30-Jun-2026	301,622	12,978	342	8,531	21,851	279,771
Year 11 - Y/E 30-Jun-2027	279,771	6,641	214	8,531	15,385	264,386
Year 12 - Y/E 30-Jun-2028	264,386	2,559	133	8,531	11,223	253,163
Year 13 - Y/E 30-Jun-2029	253,163	2,559	83	8,531	11,173	241,990
Year 14 - Y/E 30-Jun-2030	241,990	2,559	52	8,531	11,142	230,848
Year 15 - Y/E 30-Jun-2031	230,848	2,559	33	8,531	11,122	219,726
Year 16 - Y/E 30-Jun-2032	219,726	2,492	20	8,531	11,043	208,682
Year 17 - Y/E 30-Jun-2033	208,682	2,449	13	8,531	10,992	197,690
Year 18 - Y/E 30-Jun-2034	197,690	2,449	8	8,531	10,988	186,702
Year 19 - Y/E 30-Jun-2035	186,702	2,449	5	8,531	10,985	175,717
Year 20 - Y/E 30-Jun-2036	175,717	2,449	3	8,531	10,983	164,735
Year 21 - Y/E 30-Jun-2037	164,735	2,372	5	8,531	10,908	153,827
Year 22 - Y/E 30-Jun-2038	153,827	2,322	-	8,531	10,853	142,973
Year 23 - Y/E 30-Jun-2039	142,973	2,322	-	8,531	10,853	132,120
Year 24 - Y/E 30-Jun-2040	132,120	2,322	-	8,531	10,853	121,267
Year 25 - Y/E 30-Jun-2041	121,267	2,322	-	8,531	10,853	110,414
Year 26 - Y/E 30-Jun-2042	110,414	910	-	8,531	9,441	100,973
Year 27 - Y/E 30-Jun-2043	100,973	-	-	8,531	8,531	92,441
Year 28 - Y/E 30-Jun-2044	92,441	-	-	8,531	8,531	83,910
Year 29 - Y/E 30-Jun-2045	83,910	-	-	8,531	8,531	75,379
Year 30 - Y/E 30-Jun-2046	75,379	-	-	8,531	8,531	66,848
Year 31 - Y/E 30-Jun-2047	66,848	-	-	8,531	8,531	58,316
Year 32 - Y/E 30-Jun-2048	58,316	-	-	8,531	8,531	49,785
Year 33 - Y/E 30-Jun-2049	49,785	-	-	8,531	8,531	41,254
Year 34 - Y/E 30-Jun-2050	41,254	-	-	8,531	8,531	32,723
Year 35 - Y/E 30-Jun-2051	32,723	-	-	8,531	8,531	24,191
Year 36 - Y/E 30-Jun-2052	24,191	-	-	8,531	8,531	15,660
Year 37 - Y/E 30-Jun-2053	15,660	-	-	8,531	8,531	7,129
Year 38 - Y/E 30-Jun-2054	7,129	-	-	7,129	7,129	-
Year 39 - Y/E 30-Jun-2055	-	-	-	-	-	-
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-
Totals		216,363	48,159	319,443	583,964	

8 DIMINISHING VALUE (DV)

						OV as at 20-Nov-2016	First Year 20-Nov-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (222 Days)	Closing Value	Year 2 30/06/2018	Year 3 30/06/2019	Year 4 30/06/2020	Year 5 30/06/2021	
Equipment													
TB165	Computers > Generally	DV	4.00	50	6,250		1,901	4,349	2,175	1,087	544	272	
TB206	Signage > Signage for business identification	DV	10.00	20	4,340		528	3,812	762	610	488	390	
Furniture													
TB243	Furniture, freestanding > Mobile	DV	25.00	8	58,050		2,825	55,225	4,418	4,065	3,739	3,440	
TB245	Furniture, freestanding > Screens	DV	20.00	10	2,530		154	2,376	238	214	192	173	
Kitchen equipment													
TB266	Refrigeration assets > Generally	DV	10.00	20	3,300		401	2,899	580	464	371	297	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	5,700		1,156	4,544	1,515	1,010	673	449	
Security													
TB342	Access control systems > Door controllers	DV	5.00	40	3,500		852	2,648	1,059	636	381	229	
TB346	Closed circuit television systems > Monitors	DV	4.00	50	1,450		441	1,009	505	252	126	63	
TB351	Security systems > Control panels	DV	5.00	40	2,850		693	2,157	863	518	311	186	
Water Supply													
TB412	Hot water systems > Hot water installations	DV	15.00	13	1,650		134	1,516	202	175	152	132	
Retail - Floor Coverings													
RT101	Removable > Carpet	DV	8.00	25	19,550		2,973	16,577	4,144	3,108	2,331	1,748	
RT104	Removable > Vinyl	DV	10.00	20	4,803		584	4,218	844	675	540	432	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	DV	10.00	20	55,030		6,694	48,336	9,667	7,734	6,187	4,950	
RT107	Equipment > Shelving	DV	10.00	20	36,720		4,467	32,253	6,451	5,161	4,128	3,303	
Retail - Security													
RT112	Systems > Electronic article surveillance	DV	5.00	40	8,000		1,946	6,054	2,421	1,453	872	523	
Medical - Specialist Equipment													
ME100	Medial Equipment > Powered Medical Instruments	DV	7.00	29	2,640		459	2,181	623	445	318	227	
Total					216,363		26,207	190,156	36,466	27,606	21,354	16,814	

9 PRIME COST (PC)

						OV as at 20-Nov-2016	First Year 20-Nov-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (222 Days)	Closing Value	Year 2 30/06/2018	Year 3 30/06/2019	Year 4 30/06/2020	Year 5 30/06/2021	
Equipment													
TB165	Computers > Generally	PC	4.00	25	6,250		950	5,300	1,563	1,563	1,563	612	
TB206	Signage > Signage for business identification	PC	10.00	10	4,340		264	4,076	434	434	434	434	
Furniture													
TB243	Furniture, freestanding > Mobile	PC	25.00	4	58,050		1,412	56,638	2,322	2,322	2,322	2,322	
TB245	Furniture, freestanding > Screens	PC	20.00	5	2,530		77	2,453	127	127	127	127	
Kitchen equipment													
TB266	Refrigeration assets > Generally	PC	10.00	10	3,300		201	3,099	330	330	330	330	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	5,700		578	5,122	950	950	950	950	
Security													
TB342	Access control systems > Door controllers	PC	5.00	20	3,500		426	3,074	700	700	700	700	
TB346	Closed circuit television systems > Monitors	PC	4.00	25	1,450		220	1,230	363	363	363	142	
TB351	Security systems > Control panels	PC	5.00	20	2,850		347	2,503	570	570	570	570	
Water Supply													
TB412	Hot water systems > Hot water installations	PC	15.00	7	1,650		67	1,583	110	110	110	110	
Retail - Floor Coverings													
RT101	Removable > Carpet	PC	8.00	13	19,550		1,486	18,064	2,444	2,444	2,444	2,444	
RT104	Removable > Vinyl	PC	10.00	10	4,803		292	4,510	480	480	480	480	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	PC	10.00	10	55,030		3,347	51,683	5,503	5,503	5,503	5,503	
RT107	Equipment > Shelving	PC	10.00	10	36,720		2,233	34,487	3,672	3,672	3,672	3,672	
Retail - Security													
RT112	Systems > Electronic article surveillance	PC	5.00	20	8,000		973	7,027	1,600	1,600	1,600	1,600	
Medical - Specialist Equipment													
ME100	Medial Equipment > Powered Medical Instruments	PC	7.00	14	2,640		229	2,411	377	377	377	377	
Total					216,363		13,103	203,259	21,544	21,544	21,544	20,373	

10 LOW VALUE POOL

					OV as at 20-Nov-2016	First Year 20-Nov-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value	Year 1 (222 Days)	Closing Value	Year 2 30/06/2018	Year 3 30/06/2019	Year 4 30/06/2020	Year 5 30/06/2021	
Communications												
TB125	Telephones > Telephone hand sets	LVP	LVP	37.50	900	169	731	274	171	107	67	
Fire protection												
TB218	Fire control and alarm assets > Extinguishers	LVP	LVP	37.50	700	131	569	213	133	83	52	
TB222	Alarms > Smoke	LVP	LVP	37.50	1,100	206	894	335	209	131	82	
TB232	Emergency warning and intercommunication systems > EWIS Speakers	LVP	LVP	37.50	2,380	446	1,934	725	453	283	177	
Furniture												
TB241	Furniture, freestanding > Chairs	LVP	LVP	37.50	1,640	308	1,333	500	312	195	122	
TB243	Furniture, freestanding > Mobile storage units	LVP	LVP	37.50	1,030	193	837	314	196	123	77	
TB249	Cabinets > Timber/laminated	LVP	LVP	37.50	8,780	1,646	7,134	2,675	1,672	1,045	653	
TB250	Cabinets > Metal	LVP	LVP	37.50	780	146	634	238	149	93	58	
TB252	Tables > General	LVP	LVP	37.50	1,500	281	1,219	457	286	179	112	
Kitchen equipment												
TB265	Ovens > Microwave	LVP	LVP	37.50	149	28	121	45	28	18	11	
Light & power												
TB276	Equipment > Lighting Plant (electric)	LVP	LVP	37.50	4,200	788	3,413	1,280	800	500	312	
TB277	Equipment > Lighting System (fluorescent)	LVP	LVP	37.50	16,100	3,019	13,081	4,905	3,066	1,916	1,198	
Equipment												
TB294	Equipment > Equipment	LVP	LVP	37.50	550	103	447	168	105	65	41	
Retail plant												
TB337	Point of sale assets > Generally	LVP	LVP	37.50	1,050	197	853	320	200	125	78	
Security												
TB340	Security and monitoring assets > Camera scanning	LVP	LVP	37.50	5,950	1,116	4,834	1,813	1,133	708	443	
Specialist equipment												
TB364	Garbage disposal > Garbage Bins	LVP	LVP	37.50	475	89	386	145	90	57	35	
Ventilation												
TB390	Systems > Ventilation fans	LVP	LVP	37.50	345	65	280	105	66	41	26	
Retail - Furniture												
RT106	Equipment > Counters, freestanding	LVP	LVP	37.50	530	99	431	161	101	63	39	
Total					48,159	9,030	39,129	14,673	9,171	5,732	3,582	

The Low Value Pool Items are depreciated at 18.75% based on their opening value in the first year, and 37.5% each subsequent year on a diminishing basis.

11 CAPITAL WORKS (DIV 43)

							OV as at Date of First Let 20-Nov-2016	First Year 20-Nov-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017				
Code	Assets	Start Date	Completion Date	Historical Cost	Rate(%)	Annual Claim	Opening Value (\$)	Year 1 (222 Days)	Closing Value	Year 2 30/06/2018	Year 3 30/06/2019	Year 4 30/06/2020	Year 5 30/06/2021
Div 43 - Capital Works													
BZ 1	Div 43 - Capital Works - Fitout Expenditure	1-Apr-14	1-May-14	341,250	2.50%	8,531	319,443	5,189	314,254	8,531	8,531	8,531	8,531
Total				341,250		8,531	319,443	5,189	314,254	8,531	8,531	8,531	8,531

The fitout is estimated to have been completed in May 2014 and therefore does qualify for Div 43 capital works allowances charged at 2.5% annually.

12 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.

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