



Commercial Tax Depreciation Report

1/36 Murphy Street,
Point Vernon QLD 4655

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

IPG Point Vernon Pty Ltd T/as Wizard Pharmacy

18 January 2017
Job No: COM4655002

Tax Depreciation Report – 1/36 Murphy Street, Point Vernon QLD 4655

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

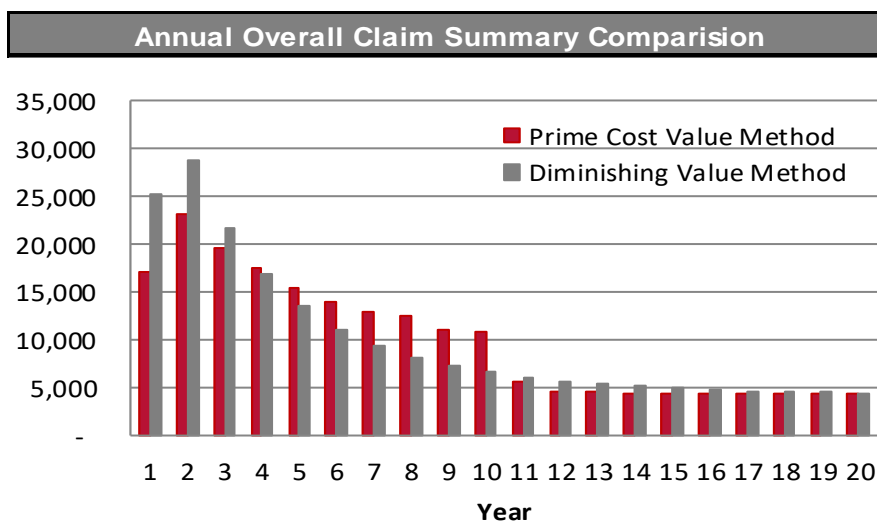
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	120,192	9%
Div 43 Capital Works Incl. Adds	155,262	11%
Repairs and Maintenance	-	0%
Capital Non Eligible	8,538	1%
Goodwill	1,073,784	79%
Total Purchase Cost	1,357,775	100%

1.2 FIRST YEAR EXPENDITURE

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	120,192	9%
Div 43 Capital Works Incl. Adds	155,262	11%
Repairs and Maintenance	-	0%
Capital Non Eligible	8,538	1%
Goodwill	1,073,784	79%
Total Purchase Cost	1,357,775	100%

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IPG Point Vernon Pty Ltd T/as Wizard pharmacy
Property	1/36 Murphy Street, Point Vernon QLD 4655
Property Type	Commercial Pharmacy
Date of Fitout Completion	01/08/2014
Date of first let	01/09/2016

Property Photo



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 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

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	1/36 Murphy Street, Point Vernon QLD 4655

PURCHASE DETAILS			
Exchange Date	01/08/2016	Settlement Date	01/09/2016
Purchase Price (Incl Fees)	\$1,357,775	Land Value (Est)	N/A

FITOUT DETAILS			
Construction Start Date	01/07/2014	Construction End Date	01/08/2014
Historic Fitout Cost	\$283,992		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$120,192	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)	\$155,262	
Capital Non Deductable	\$8,538	
Goodwill / Other	\$1,073,784	
Total Expenditure Analysed	\$1,357,775	

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 - 302 Days	275,454	16,324	5,632	3,388	25,344	250,109
Year 2 - Y/E 30-Jun-2018	250,109	15,639	9,152	4,095	28,885	221,224
Year 3 - Y/E 30-Jun-2019	221,224	11,885	5,720	4,095	21,700	199,524
Year 4 - Y/E 30-Jun-2020	199,524	9,166	3,575	4,095	16,836	182,688
Year 5 - Y/E 30-Jun-2021	182,688	7,150	2,234	4,095	13,479	169,209
Year 6 - Y/E 30-Jun-2022	169,209	5,626	1,396	4,095	11,117	158,092
Year 7 - Y/E 30-Jun-2023	158,092	4,458	873	4,095	9,426	148,666
Year 8 - Y/E 30-Jun-2024	148,666	3,553	545	4,095	8,194	140,473
Year 9 - Y/E 30-Jun-2025	140,473	2,847	341	4,095	7,283	133,190
Year 10 - Y/E 30-Jun-2026	133,190	2,291	213	4,095	6,599	126,591
Year 11 - Y/E 30-Jun-2027	126,591	1,852	133	4,095	6,080	120,511
Year 12 - Y/E 30-Jun-2028	120,511	1,504	83	4,095	5,682	114,829
Year 13 - Y/E 30-Jun-2029	114,829	1,226	52	4,095	5,373	109,456
Year 14 - Y/E 30-Jun-2030	109,456	1,004	33	4,095	5,131	104,324
Year 15 - Y/E 30-Jun-2031	104,324	826	20	4,095	4,941	99,383
Year 16 - Y/E 30-Jun-2032	99,383	682	13	4,095	4,790	94,593
Year 17 - Y/E 30-Jun-2033	94,593	566	8	4,095	4,669	89,924
Year 18 - Y/E 30-Jun-2034	89,924	473	5	4,095	4,573	85,351
Year 19 - Y/E 30-Jun-2035	85,351	396	3	4,095	4,494	80,857
Year 20 - Y/E 30-Jun-2036	80,857	334	2	4,095	4,431	76,426
Year 21 - Y/E 30-Jun-2037	76,426	283	3	4,095	4,381	72,044
Year 22 - Y/E 30-Jun-2038	72,044	241	-	4,095	4,336	67,708
Year 23 - Y/E 30-Jun-2039	67,708	206	-	4,095	4,301	63,407
Year 24 - Y/E 30-Jun-2040	63,407	178	-	4,095	4,273	59,134
Year 25 - Y/E 30-Jun-2041	59,134	154	-	4,095	4,249	54,885
Year 26 - Y/E 30-Jun-2042	54,885	134	-	4,095	4,229	50,657
Year 27 - Y/E 30-Jun-2043	50,657	117	-	4,095	4,212	46,445
Year 28 - Y/E 30-Jun-2044	46,445	103	-	4,095	4,198	42,247
Year 29 - Y/E 30-Jun-2045	42,247	90	-	4,095	4,185	38,062
Year 30 - Y/E 30-Jun-2046	38,062	80	-	4,095	4,175	33,887
Year 31 - Y/E 30-Jun-2047	33,887	71	-	4,095	4,166	29,720
Year 32 - Y/E 30-Jun-2048	29,720	64	-	4,095	4,159	25,562
Year 33 - Y/E 30-Jun-2049	25,562	57	-	4,095	4,152	21,410
Year 34 - Y/E 30-Jun-2050	21,410	51	-	4,095	4,146	17,264
Year 35 - Y/E 30-Jun-2051	17,264	46	-	4,095	4,141	13,123
Year 36 - Y/E 30-Jun-2052	13,123	41	-	4,095	4,136	8,986
Year 37 - Y/E 30-Jun-2053	8,986	38	-	4,095	4,133	4,854
Year 38 - Y/E 30-Jun-2054	4,854	34	-	4,095	4,129	725
Year 39 - Y/E 30-Jun-2055	725	31	-	359	390	335
Year 40 - Y/E 30-Jun-2056	335	28	-	-	28	307
Year 41+ - Y/E 30-Jun-2057	307	307	-	-	307	-
Totals		90,155	30,037	155,262	275,454	

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 - 302 Days	275,454	8,162	5,632	3,388	17,182	258,272
Year 2 - Y/E 30-Jun-2018	258,272	9,865	9,152	4,095	23,112	235,160
Year 3 - Y/E 30-Jun-2019	235,160	9,865	5,720	4,095	19,680	215,480
Year 4 - Y/E 30-Jun-2020	215,480	9,865	3,575	4,095	17,535	197,946
Year 5 - Y/E 30-Jun-2021	197,946	9,089	2,234	4,095	15,418	182,527
Year 6 - Y/E 30-Jun-2022	182,527	8,456	1,396	4,095	13,947	168,580
Year 7 - Y/E 30-Jun-2023	168,580	7,875	873	4,095	12,842	155,737
Year 8 - Y/E 30-Jun-2024	155,737	7,774	545	4,095	12,414	143,323
Year 9 - Y/E 30-Jun-2025	143,323	6,684	341	4,095	11,120	132,203
Year 10 - Y/E 30-Jun-2026	132,203	6,457	213	4,095	10,765	121,439
Year 11 - Y/E 30-Jun-2027	121,439	1,387	133	4,095	5,616	115,823
Year 12 - Y/E 30-Jun-2028	115,823	330	83	4,095	4,508	111,315
Year 13 - Y/E 30-Jun-2029	111,315	330	52	4,095	4,477	106,838
Year 14 - Y/E 30-Jun-2030	106,838	330	33	4,095	4,458	102,380
Year 15 - Y/E 30-Jun-2031	102,380	330	20	4,095	4,445	97,935
Year 16 - Y/E 30-Jun-2032	97,935	330	13	4,095	4,438	93,497
Year 17 - Y/E 30-Jun-2033	93,497	330	8	4,095	4,433	89,064
Year 18 - Y/E 30-Jun-2034	89,064	330	5	4,095	4,430	84,634
Year 19 - Y/E 30-Jun-2035	84,634	330	3	4,095	4,428	80,206
Year 20 - Y/E 30-Jun-2036	80,206	330	2	4,095	4,427	75,779
Year 21 - Y/E 30-Jun-2037	75,779	330	3	4,095	4,428	71,351
Year 22 - Y/E 30-Jun-2038	71,351	330	-	4,095	4,425	66,926
Year 23 - Y/E 30-Jun-2039	66,926	330	-	4,095	4,425	62,501
Year 24 - Y/E 30-Jun-2040	62,501	330	-	4,095	4,425	58,076
Year 25 - Y/E 30-Jun-2041	58,076	330	-	4,095	4,425	53,651
Year 26 - Y/E 30-Jun-2042	53,651	57	-	4,095	4,152	49,499
Year 27 - Y/E 30-Jun-2043	49,499	-	-	4,095	4,095	45,404
Year 28 - Y/E 30-Jun-2044	45,404	-	-	4,095	4,095	41,309
Year 29 - Y/E 30-Jun-2045	41,309	-	-	4,095	4,095	37,214
Year 30 - Y/E 30-Jun-2046	37,214	-	-	4,095	4,095	33,119
Year 31 - Y/E 30-Jun-2047	33,119	-	-	4,095	4,095	29,024
Year 32 - Y/E 30-Jun-2048	29,024	-	-	4,095	4,095	24,929
Year 33 - Y/E 30-Jun-2049	24,929	-	-	4,095	4,095	20,834
Year 34 - Y/E 30-Jun-2050	20,834	-	-	4,095	4,095	16,739
Year 35 - Y/E 30-Jun-2051	16,739	-	-	4,095	4,095	12,644
Year 36 - Y/E 30-Jun-2052	12,644	-	-	4,095	4,095	8,549
Year 37 - Y/E 30-Jun-2053	8,549	-	-	4,095	4,095	4,454
Year 38 - Y/E 30-Jun-2054	4,454	-	-	4,095	4,095	-
Year 39 - Y/E 30-Jun-2055	-	-	-	359	359	-
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-
Totals		90,155	30,037	155,262	275,454	

8 DIMINISHING VALUE (DV)

						OV as at 1-Sep-2016							
							First Year 1-Sep-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (302 Days)	Closing Value	Year 2 30/06/2018	Year 3 30/06/2019	Year 4 30/06/2020	Year 5 30/06/2021	
Air Conditioning													
TB106	System > Mini split system up to 20KW	DV	10.00	20	2,455		406	2,049	410	328	262	210	
Equipment													
TB165	Computers > Generally	DV	4.00	50	3,750		1,551	2,199	1,099	550	275	137	
TB206	Signage > Signage for business Identification	DV	10.00	20	1,795		297	1,498	300	240	192	153	
Furniture													
TB243	Furniture, freestanding > Mobile	DV	25.00	8	8,250		546	7,704	616	567	522	480	
Equipment													
TB266	Refrigeration assets > Generally	DV	10.00	20	3,300		546	2,754	551	441	353	282	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	3,500		965	2,535	845	563	376	250	
Security													
TB351	Security systems > Control panels	DV	5.00	40	2,850		943	1,907	763	458	275	165	
Retail - Floor Coverings													
RT101	Removable > Carpet	DV	8.00	25	10,540		2,180	8,360	2,090	1,567	1,176	882	
RT104	Removable > Vinyl	DV	10.00	20	3,315		549	2,766	553	443	354	283	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	DV	10.00	20	18,800		3,111	15,689	3,138	2,510	2,008	1,607	
RT107	Equipment > Shelving	DV	10.00	20	31,600		5,229	26,371	5,274	4,219	3,375	2,700	
Total					90,155		16,324	73,831	15,639	11,885	9,166	7,150	

9 PRIME COST (PC)

						OV as at 1-Sep-2016	First Year 1-Sep-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (302 Days)	Closing Value	Year 2 30/06/2018	Year 3 30/06/2019	Year 4 30/06/2020	Year 5 30/06/2021	
Air Conditioning													
TB106	System > Mini split system up to 20KW	PC	10.00	10	2,455		203	2,252	246	246	246	246	
Equipment													
TB165	Computers > Generally	PC	4.00	25	3,750		776	2,974	938	938	938	162	
TB206	Signage > Signage for business Identification	PC	10.00	10	1,795		149	1,646	180	180	180	180	
Furniture													
TB243	Furniture, freestanding > Mobile	PC	25.00	4	8,250		273	7,977	330	330	330	330	
Equipment													
TB266	Refrigeration assets > Generally	PC	10.00	10	3,300		273	3,027	330	330	330	330	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	3,500		483	3,017	583	583	583	583	
Security													
TB351	Security systems > Control panels	PC	5.00	20	2,850		472	2,378	570	570	570	570	
Retail - Floor Coverings													
RT101	Removable > Carpet	PC	8.00	13	10,540		1,090	9,450	1,318	1,318	1,318	1,318	
RT104	Removable > Vinyl	PC	10.00	10	3,315		274	3,041	332	332	332	332	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	PC	10.00	10	18,800		1,556	17,244	1,880	1,880	1,880	1,880	
RT107	Equipment > Shelving	PC	10.00	10	31,600		2,615	28,985	3,160	3,160	3,160	3,160	
Total					90,155		8,162	81,993	9,865	9,865	9,865	9,089	

10 LOW VALUE POOL

					OV as at 1-Sep-2016	First Year 1-Sep-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value	Year 1 (302 Days)	Closing Value	Year 2 30/06/2018	Year 3 30/06/2019	Year 4 30/06/2020	Year 5 30/06/2021	
Fire protection												
TB218	Fire control and alarm assets > Extinguishers	DV	LVP	37.50	350	66	284	107	67	42	26	
TB222	Alarms > Smoke	DV	LVP	37.50	440	83	358	134	84	52	33	
TB232	Emergency warning and intercommunication systems > EWIS Speakers	DV	LVP	37.50	145	27	118	44	28	17	11	
Furniture												
TB241	Furniture, freestanding > Chairs	DV	LVP	37.50	425	80	345	129	81	51	32	
TB242	Furniture, freestanding > Desks	DV	LVP	37.50	619	116	503	189	118	74	46	
TB245	Furniture, freestanding > Screens	DV	LVP	37.50	275	52	223	84	52	33	20	
TB249	Cabinets > Timber/laminated	DV	LVP	37.50	4,110	771	3,339	1,252	783	489	306	
TB252	Tables > General	DV	LVP	37.50	2,700	506	2,194	823	514	321	201	
Kitchen equipment												
TB265	Ovens > Microwave	DV	LVP	37.50	149	28	121	45	28	18	11	
Light & power												
TB276	Equipment > Lighting Plant (electric)	DV	LVP	37.50	2,800	525	2,275	853	533	333	208	
TB277	Equipment > Lighting System (fluorescent)	DV	LVP	37.50	5,020	941	4,079	1,530	956	597	373	
Security												
TB340	Security and monitoring assets > Camera scanning	DV	LVP	37.50	3,400	638	2,763	1,036	647	405	253	
TB346	Closed circuit television systems > Monitors	DV	LVP	37.50	485	91	394	148	92	58	36	
Equipment												
TB364	Garbage disposal > Garbage Bins	DV	LVP	37.50	245	46	199	75	47	29	18	
Ventilation												
TB390	Systems > Ventilation fans	DV	LVP	37.50	324	61	263	99	62	39	24	
Retail - Furniture												
RT107	Equipment > Shelving	DV	LVP	37.50	8,550	1,603	6,947	2,605	1,628	1,018	636	
Total					30,037	5,632	24,405	9,152	5,720	3,575	2,234	

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 1-Sep-2016	First Year 1-Sep-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017				
Code	Assets	Completion Date	Historical Cost	Rate(%)	Annual Claim	Opening Value (\$)	Year 1 (302 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-Aug-14	163,800	2.50%	4,095	155,262	3,388	151,874	4,095	4,095	4,095	4,095
Total			163,800		4,095	155,262	3,388	151,874	4,095	4,095	4,095	4,095

The fitout is estimated to have been completed in August 2016 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.

CONTACT DETAILS

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