



Commercial Tax Depreciation Report

Shop 3, Boat Harbour Drive,
Urangan QLD 4655

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

IPG Urangan Pty Ltd T/as Urangan Pharmacy

23 January 2017
Job No: COM4655004

Tax Depreciation Report – Shop 3, Boat Harbour Drive, Urangan 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

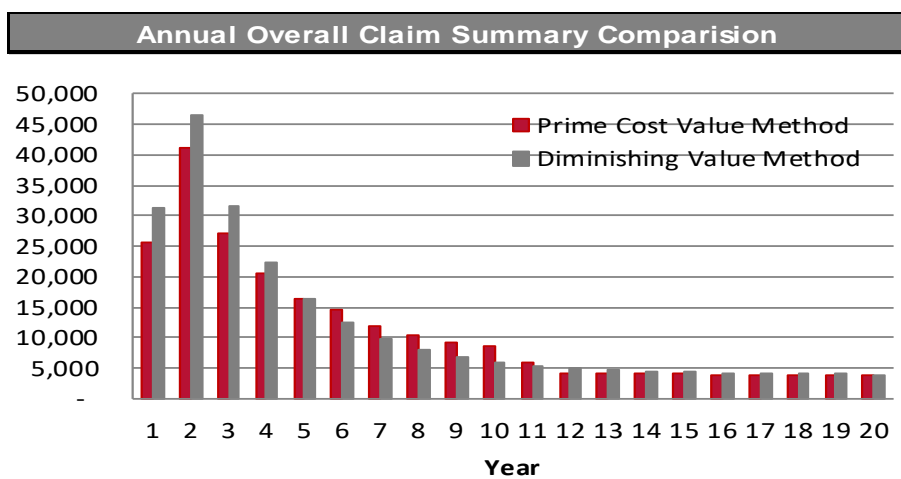
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	163,209	3%
Div 43 Capital Works Incl. Adds	141,602	2%
Repairs and Maintenance	-	0%
Capital Non Eligible	9,523	0%
Goodwill / Other	5,484,942	95%
Total Purchase Cost	5,799,275	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/17		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	11,405	5,702
Div 40 - Low Value Pool	17,502	17,502
Div 43 - Capital Works	2,432	2,432
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	31,339	25,637

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IPG Urangan Pty Ltd T/as Urangan Pharmacy
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Property	Shop 3, Boat Harbour Drive, Urangan QLD 4655
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Property Type	Commercial Pharmacy
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Date of Fitout Completion	01/05/2014
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Date of first let	07/11/2016
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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.				
$200 / 10 \text{ Years} = 20\% \text{ (Adjusted Value)}$				
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 3, Boat Harbour Drive, Urangan QLD 4655

PURCHASE DETAILS			
Exchange Date	07/10/2016	Settlement Date	07/11/2016
Purchase Price (Incl Fees)	\$5,799,275	Land Value (Est)	N/A

CONSTRUCTION DETAILS			
Construction Start Date	01/04/2014	Construction End Date	01/05/2014
Historic Fitout Cost	\$314,334		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$163,209	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)	\$141,602	
Capital Non Deductable	\$9,523	
Land Non Deductable	\$5,484,942	
Total Expenditure Analysed	\$5,799,275	

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 - 235 Days	304,811	11,405	17,502	2,432	31,339	273,471
Year 2 - Y/E 30-Jun-2018	273,471	14,300	28,441	3,778	46,519	226,952
Year 3 - Y/E 30-Jun-2019	226,952	10,192	17,775	3,778	31,745	195,207
Year 4 - Y/E 30-Jun-2020	195,207	7,465	11,110	3,778	22,352	172,855
Year 5 - Y/E 30-Jun-2021	172,855	5,588	6,944	3,778	16,310	156,545
Year 6 - Y/E 30-Jun-2022	156,545	4,256	4,340	3,778	12,374	144,171
Year 7 - Y/E 30-Jun-2023	144,171	3,286	2,712	3,778	9,776	134,395
Year 8 - Y/E 30-Jun-2024	134,395	2,564	1,695	3,778	8,037	126,358
Year 9 - Y/E 30-Jun-2025	126,358	2,018	1,059	3,778	6,856	119,502
Year 10 - Y/E 30-Jun-2026	119,502	1,600	662	3,778	6,040	113,462
Year 11 - Y/E 30-Jun-2027	113,462	1,276	414	3,778	5,468	107,994
Year 12 - Y/E 30-Jun-2028	107,994	1,023	259	3,778	5,060	102,934
Year 13 - Y/E 30-Jun-2029	102,934	825	162	3,778	4,765	98,169
Year 14 - Y/E 30-Jun-2030	98,169	668	101	3,778	4,547	93,622
Year 15 - Y/E 30-Jun-2031	93,622	543	63	3,778	4,385	89,237
Year 16 - Y/E 30-Jun-2032	89,237	444	39	3,778	4,261	84,976
Year 17 - Y/E 30-Jun-2033	84,976	364	25	3,778	4,167	80,809
Year 18 - Y/E 30-Jun-2034	80,809	300	15	3,778	4,094	76,715
Year 19 - Y/E 30-Jun-2035	76,715	249	10	3,778	4,036	72,679
Year 20 - Y/E 30-Jun-2036	72,679	207	6	3,778	3,991	68,688
Year 21 - Y/E 30-Jun-2037	68,688	173	10	3,778	3,961	64,727
Year 22 - Y/E 30-Jun-2038	64,727	145	-	3,778	3,923	60,803
Year 23 - Y/E 30-Jun-2039	60,803	123	-	3,778	3,901	56,903
Year 24 - Y/E 30-Jun-2040	56,903	104	-	3,778	3,882	53,020
Year 25 - Y/E 30-Jun-2041	53,020	89	-	3,778	3,867	49,154
Year 26 - Y/E 30-Jun-2042	49,154	76	-	3,778	3,854	45,300
Year 27 - Y/E 30-Jun-2043	45,300	65	-	3,778	3,843	41,456
Year 28 - Y/E 30-Jun-2044	41,456	56	-	3,778	3,835	37,622
Year 29 - Y/E 30-Jun-2045	37,622	49	-	3,778	3,827	33,795
Year 30 - Y/E 30-Jun-2046	33,795	43	-	3,778	3,821	29,974
Year 31 - Y/E 30-Jun-2047	29,974	37	-	3,778	3,816	26,158
Year 32 - Y/E 30-Jun-2048	26,158	33	-	3,778	3,811	22,347
Year 33 - Y/E 30-Jun-2049	22,347	29	-	3,778	3,807	18,540
Year 34 - Y/E 30-Jun-2050	18,540	26	-	3,778	3,804	14,736
Year 35 - Y/E 30-Jun-2051	14,736	23	-	3,778	3,801	10,935
Year 36 - Y/E 30-Jun-2052	10,935	20	-	3,778	3,799	7,136
Year 37 - Y/E 30-Jun-2053	7,136	18	-	3,778	3,796	3,340
Year 38 - Y/E 30-Jun-2054	3,340	16	-	3,157	3,174	166
Year 39 - Y/E 30-Jun-2055	166	15	-	-	15	151
Year 40 - Y/E 30-Jun-2056	151	13	-	-	13	138
Year 41+ - Y/E 30-Jun-2057	138	138	-	-	138	-
Totals		69,865	93,344	141,602	304,811	

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 - 235 Days	304,811	5,702	17,502	2,432	25,637	279,174
Year 2 - Y/E 30-Jun-2018	279,174	8,857	28,441	3,778	41,076	238,098
Year 3 - Y/E 30-Jun-2019	238,098	8,857	17,775	3,778	30,410	207,688
Year 4 - Y/E 30-Jun-2020	207,688	8,857	11,110	3,778	23,745	183,943
Year 5 - Y/E 30-Jun-2021	183,943	7,650	6,944	3,778	18,371	165,572
Year 6 - Y/E 30-Jun-2022	165,572	6,615	4,340	3,778	14,733	150,839
Year 7 - Y/E 30-Jun-2023	150,839	5,516	2,712	3,778	12,006	138,833
Year 8 - Y/E 30-Jun-2024	138,833	5,020	1,695	3,778	10,494	128,339
Year 9 - Y/E 30-Jun-2025	128,339	4,487	1,059	3,778	9,324	119,015
Year 10 - Y/E 30-Jun-2026	119,015	4,192	662	3,778	8,632	110,383
Year 11 - Y/E 30-Jun-2027	110,383	1,653	414	3,778	5,845	104,538
Year 12 - Y/E 30-Jun-2028	104,538	248	259	3,778	4,285	100,254
Year 13 - Y/E 30-Jun-2029	100,254	248	162	3,778	4,188	96,066
Year 14 - Y/E 30-Jun-2030	96,066	248	101	3,778	4,127	91,939
Year 15 - Y/E 30-Jun-2031	91,939	248	63	3,778	4,089	87,849
Year 16 - Y/E 30-Jun-2032	87,849	177	39	3,778	3,995	83,855
Year 17 - Y/E 30-Jun-2033	83,855	138	25	3,778	3,941	79,914
Year 18 - Y/E 30-Jun-2034	79,914	138	15	3,778	3,932	75,982
Year 19 - Y/E 30-Jun-2035	75,982	138	10	3,778	3,926	72,057
Year 20 - Y/E 30-Jun-2036	72,057	138	6	3,778	3,922	68,134
Year 21 - Y/E 30-Jun-2037	68,134	138	10	3,778	3,926	64,208
Year 22 - Y/E 30-Jun-2038	64,208	138	-	3,778	3,916	60,292
Year 23 - Y/E 30-Jun-2039	60,292	138	-	3,778	3,916	56,376
Year 24 - Y/E 30-Jun-2040	56,376	138	-	3,778	3,916	52,460
Year 25 - Y/E 30-Jun-2041	52,460	138	-	3,778	3,916	48,544
Year 26 - Y/E 30-Jun-2042	48,544	49	-	3,778	3,827	44,716
Year 27 - Y/E 30-Jun-2043	44,716	-	-	3,778	3,778	40,938
Year 28 - Y/E 30-Jun-2044	40,938	-	-	3,778	3,778	37,160
Year 29 - Y/E 30-Jun-2045	37,160	-	-	3,778	3,778	33,382
Year 30 - Y/E 30-Jun-2046	33,382	-	-	3,778	3,778	29,604
Year 31 - Y/E 30-Jun-2047	29,604	-	-	3,778	3,778	25,826
Year 32 - Y/E 30-Jun-2048	25,826	-	-	3,778	3,778	22,048
Year 33 - Y/E 30-Jun-2049	22,048	-	-	3,778	3,778	18,270
Year 34 - Y/E 30-Jun-2050	18,270	-	-	3,778	3,778	14,491
Year 35 - Y/E 30-Jun-2051	14,491	-	-	3,778	3,778	10,713
Year 36 - Y/E 30-Jun-2052	10,713	-	-	3,778	3,778	6,935
Year 37 - Y/E 30-Jun-2053	6,935	-	-	3,778	3,778	3,157
Year 38 - Y/E 30-Jun-2054	3,157	-	-	3,157	3,157	-
Year 39 - Y/E 30-Jun-2055	-	-	-	-	-	-
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-
Totals		69,865	93,344	141,602	304,811	

8 DIMINISHING VALUE (DV)

						OV as at 7-Nov-2016	First Year 7-Nov-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (235 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	7,500		2,414	5,086	2,543	1,271	636	318	
TB206	Signage > Signage for business identification	DV	10.00	20	1,255		162	1,093	219	175	140	112	
Furniture													
TB243	Furniture, freestanding > Mobile	DV	25.00	8	3,450		178	3,272	262	241	222	204	
Kitchen equipment													
TB266	Refrigeration assets > General	DV	10.00	20	5,500		708	4,792	958	767	613	491	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	8,350		1,792	6,558	2,186	1,457	972	648	
Security													
TB351	Security systems > Control panels	DV	5.00	40	2,850		734	2,116	846	508	305	183	
Water Supply													
TB412	Hot water systems > Hot water installations	DV	15.00	13	1,650		142	1,508	201	174	151	131	
Retail - Floor Coverings													
RT101	Removable > Carpet	DV	8.00	25	6,630		1,067	5,563	1,391	1,043	782	587	
RT104	Removable > Vinyl	DV	10.00	20	5,015		646	4,369	874	699	559	447	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	DV	10.00	20	19,665		2,532	17,133	3,427	2,741	2,193	1,754	
RT107	Equipment > Shelving	DV	10.00	20	8,000		1,030	6,970	1,394	1,115	892	714	
Total					69,865		11,405	58,460	14,300	10,192	7,465	5,588	

9 PRIME COST (PC)

						OV as at 7-Nov-2016	First Year 7-Nov-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (235 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	7,500		1,207	6,293	1,875	1,875	1,875	668	
TB206	Signage > Signage for business identification	PC	10.00	10	1,255		81	1,174	126	126	126	126	
Furniture													
TB243	Furniture, freestanding > Mobile	PC	25.00	4	3,450		89	3,361	138	138	138	138	
Kitchen equipment													
TB266	Refrigeration assets > General	PC	10.00	10	5,500		354	5,146	550	550	550	550	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	8,350		896	7,454	1,392	1,392	1,392	1,392	
Security													
TB351	Security systems > Control panels	PC	5.00	20	2,850		367	2,483	570	570	570	570	
Water Supply													
TB412	Hot water systems > Hot water installations	PC	15.00	7	1,650		71	1,579	110	110	110	110	
Retail - Floor Coverings													
RT101	Removable > Carpet	PC	8.00	13	6,630		534	6,096	829	829	829	829	
RT104	Removable > Vinyl	PC	10.00	10	5,015		323	4,692	502	502	502	502	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	PC	10.00	10	19,665		1,266	18,399	1,967	1,967	1,967	1,967	
RT107	Equipment > Shelving	PC	10.00	10	8,000		515	7,485	800	800	800	800	
Total					69,865		5,702	64,163	8,857	8,857	8,857	7,650	

10 LOW VALUE POOL

						OV as at 7-Nov-2016	First Year 7-Nov-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (235 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	DV	LVP	37.50	360		68	293	110	69	43	27	
Equipment													
TB206	Signage > Signage for business identification	DV	LVP	37.50	420		79	341	128	80	50	31	
Fire protection													
TB218	Fire control and alarm assets > Extinguishers	DV	LVP	37.50	1,050		197	853	320	200	125	78	
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	725		136	589	221	138	86	54	
Furniture													
TB241	Furniture, freestanding > Chairs	DV	LVP	37.50	1,615		303	1,312	492	308	192	120	
TB245	Furniture, freestanding > Screens	DV	LVP	37.50	240		45	195	73	46	29	18	
TB249	Cabinets > Timber/laminated	DV	LVP	37.50	3,550		666	2,884	1,082	676	423	264	
TB252	Tables > General	DV	LVP	37.50	1,585		297	1,288	483	302	189	118	
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	4,200		788	3,413	1,280	800	500	312	
TB277	Equipment > Lighting System (fluorescent)	DV	LVP	37.50	17,150		3,216	13,934	5,225	3,266	2,041	1,276	
Security													
TB340	Security and monitoring assets > Camera scanning	DV	LVP	37.50	5,950		1,116	4,834	1,813	1,133	708	443	
TB346	Closed circuit television systems > Monitors	DV	LVP	37.50	480		90	390	146	91	57	36	
Specialist equipment													
TB355	Ladders	DV	LVP	37.50	750		141	609	229	143	89	56	
TB364	Garbage disposal > Garbage Bins	DV	LVP	37.50	360		68	293	110	69	43	27	
Retail - Furniture													
RT107	Equipment > Shelving	DV	LVP	37.50	54,320		10,185	44,135	16,551	10,344	6,465	4,041	
Total					93,344		17,502	75,842	28,441	17,775	11,110	6,944	

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 7-Nov-2016	First Year 7-Nov-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Completion Date	Fitout Cost	Rate(%)	Annual Claim	Opening Value (\$)		Year 1 (235 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-May-14	151,125	2.50%	3,778	141,602		2,432	139,170	3,778	3,778	3,778	3,778	
Total			151,125		3,778	141,602		2,432	139,170	3,778	3,778	3,778	3,778	

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.

CONTACT DETAILS

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