



Commercial Tax Depreciation Report

Cnr. Village Way & Parkland Boulevard,
Little Mountain QLD 4551

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

IPG Little Mountain Pty Ltd T/as Wizard Pharmacy

24 January 2017
Job No: COM4551001

Tax Depreciation Report –Village Way & Parkland Blvd, Little Mountain 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

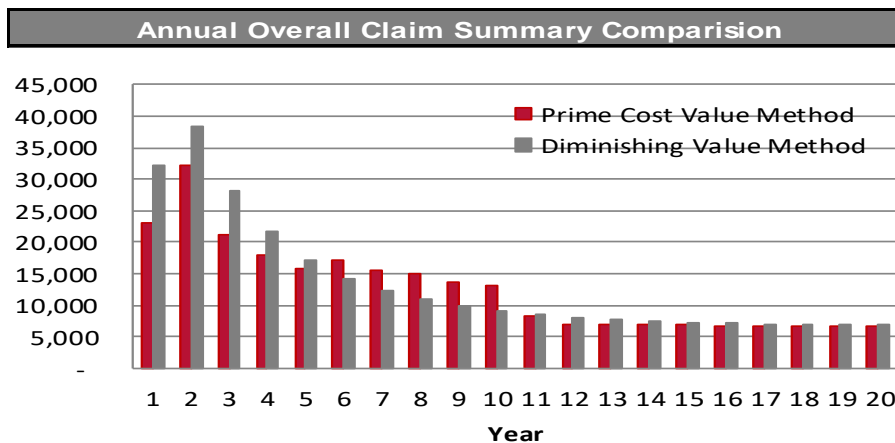
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	139,390	8%
Div 43 Capital Works Incl. Adds	249,330	14%
Repairs and Maintenance	-	0%
Capital Non Eligible	13,920	1%
Goodwill / Other	1,372,385	77%
Total Purchase Cost	1,775,025	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/17		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	18,527	9,264
Div 40 - Low Value Pool	8,559	8,559
Div 43 - Capital Works	5,247	5,247
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	32,334	23,070

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IPG Little Mountain Pty Ltd T/as Wizard Pharmacy
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Property	Cnr.Village Way & Parkland Boulevard, Little Mountain QLD 4551
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Property Type	Commercial Pharmacy
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Date of Fitout	01/08/2014
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Date of first let	12/09/2016
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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 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	Cnr.Village Way & Parkland Boulevard, Little Mountain QLD 4551

PURCHASE DETAILS			
Exchange Date	12/07/2016	Settlement Date	12/09/2016
Purchase Price (Incl Fees)	\$1,775,025	Land Value (Est)	N/A

CONSTRUCTION DETAILS			
Construction Start Date	01/06/2014	Construction End Date	01/08/2014
Historic Fitout Costs	\$402,640		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$139,390	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)	\$249,330	
Capital Non Deductable	\$13,920	
Land Non Deductable	\$1,372,385	
Total Expenditure Analysed	\$1,775,025	

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 - 291 Days	388,720	18,527	8,559	5,247	32,334	356,386
Year 2 - Y/E 30-Jun-2018	356,386	17,831	13,909	6,581	38,321	318,065
Year 3 - Y/E 30-Jun-2019	318,065	12,925	8,693	6,581	28,200	289,865
Year 4 - Y/E 30-Jun-2020	289,865	9,622	5,433	6,581	21,636	268,229
Year 5 - Y/E 30-Jun-2021	268,229	7,308	3,396	6,581	17,285	250,944
Year 6 - Y/E 30-Jun-2022	250,944	5,634	2,122	6,581	14,338	236,606
Year 7 - Y/E 30-Jun-2023	236,606	4,392	1,326	6,581	12,300	224,307
Year 8 - Y/E 30-Jun-2024	224,307	3,452	829	6,581	10,862	213,445
Year 9 - Y/E 30-Jun-2025	213,445	2,729	518	6,581	9,829	203,616
Year 10 - Y/E 30-Jun-2026	203,616	2,169	324	6,581	9,074	194,542
Year 11 - Y/E 30-Jun-2027	194,542	1,730	202	6,581	8,514	186,028
Year 12 - Y/E 30-Jun-2028	186,028	1,385	127	6,581	8,092	177,936
Year 13 - Y/E 30-Jun-2029	177,936	1,112	79	6,581	7,772	170,164
Year 14 - Y/E 30-Jun-2030	170,164	895	49	6,581	7,525	162,639
Year 15 - Y/E 30-Jun-2031	162,639	722	31	6,581	7,334	155,304
Year 16 - Y/E 30-Jun-2032	155,304	584	19	6,581	7,185	148,120
Year 17 - Y/E 30-Jun-2033	148,120	474	12	6,581	7,067	141,052
Year 18 - Y/E 30-Jun-2034	141,052	385	8	6,581	6,974	134,078
Year 19 - Y/E 30-Jun-2035	134,078	314	5	6,581	6,900	127,178
Year 20 - Y/E 30-Jun-2036	127,178	257	3	6,581	6,841	120,337
Year 21 - Y/E 30-Jun-2037	120,337	211	5	6,581	6,797	113,540
Year 22 - Y/E 30-Jun-2038	113,540	173	-	6,581	6,754	106,786
Year 23 - Y/E 30-Jun-2039	106,786	143	-	6,581	6,724	100,062
Year 24 - Y/E 30-Jun-2040	100,062	118	-	6,581	6,699	93,362
Year 25 - Y/E 30-Jun-2041	93,362	98	-	6,581	6,679	86,683
Year 26 - Y/E 30-Jun-2042	86,683	82	-	6,581	6,663	80,020
Year 27 - Y/E 30-Jun-2043	80,020	68	-	6,581	6,649	73,371
Year 28 - Y/E 30-Jun-2044	73,371	57	-	6,581	6,638	66,733
Year 29 - Y/E 30-Jun-2045	66,733	48	-	6,581	6,629	60,103
Year 30 - Y/E 30-Jun-2046	60,103	41	-	6,581	6,622	53,482
Year 31 - Y/E 30-Jun-2047	53,482	34	-	6,581	6,616	46,866
Year 32 - Y/E 30-Jun-2048	46,866	29	-	6,581	6,610	40,256
Year 33 - Y/E 30-Jun-2049	40,256	25	-	6,581	6,606	33,650
Year 34 - Y/E 30-Jun-2050	33,650	21	-	6,581	6,602	27,047
Year 35 - Y/E 30-Jun-2051	27,047	18	-	6,581	6,599	20,448
Year 36 - Y/E 30-Jun-2052	20,448	16	-	6,581	6,597	13,851
Year 37 - Y/E 30-Jun-2053	13,851	14	-	6,581	6,595	7,256
Year 38 - Y/E 30-Jun-2054	7,256	12	-	6,581	6,593	663
Year 39 - Y/E 30-Jun-2055	663	10	-	577	587	76
Year 40 - Y/E 30-Jun-2056	76	9	-	-	9	67
Year 41+ - Y/E 30-Jun-2057	67	67	-	-	67	-
Totals		93,740	45,650	249,330	388,720	

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 - 291 Days	388,720	9,264	8,559	5,247	23,070	365,650	
Year 2 - Y/E 30-Jun-2018	365,650	11,619	13,909	6,581	32,110	333,541	
Year 3 - Y/E 30-Jun-2019	333,541	11,619	8,693	6,581	26,894	306,647	
Year 4 - Y/E 30-Jun-2020	306,647	11,619	5,433	6,581	23,634	283,013	
Year 5 - Y/E 30-Jun-2021	283,013	9,457	3,396	6,581	19,434	263,579	
Year 6 - Y/E 30-Jun-2022	263,579	8,452	2,122	6,581	17,156	246,423	
Year 7 - Y/E 30-Jun-2023	246,423	7,766	1,326	6,581	15,673	230,750	
Year 8 - Y/E 30-Jun-2024	230,750	7,620	829	6,581	15,031	215,719	
Year 9 - Y/E 30-Jun-2025	215,719	6,519	518	6,581	13,618	202,101	
Year 10 - Y/E 30-Jun-2026	202,101	6,239	324	6,581	13,144	188,957	
Year 11 - Y/E 30-Jun-2027	188,957	1,492	202	6,581	8,276	180,681	
Year 12 - Y/E 30-Jun-2028	180,681	285	127	6,581	6,993	173,688	
Year 13 - Y/E 30-Jun-2029	173,688	285	79	6,581	6,945	166,743	
Year 14 - Y/E 30-Jun-2030	166,743	285	49	6,581	6,916	159,827	
Year 15 - Y/E 30-Jun-2031	159,827	285	31	6,581	6,897	152,930	
Year 16 - Y/E 30-Jun-2032	152,930	197	19	6,581	6,798	146,132	
Year 17 - Y/E 30-Jun-2033	146,132	175	12	6,581	6,768	139,364	
Year 18 - Y/E 30-Jun-2034	139,364	175	8	6,581	6,764	132,600	
Year 19 - Y/E 30-Jun-2035	132,600	175	5	6,581	6,761	125,839	
Year 20 - Y/E 30-Jun-2036	125,839	175	3	6,581	6,759	119,080	
Year 21 - Y/E 30-Jun-2037	119,080	35	5	6,581	6,622	112,458	
Year 22 - Y/E 30-Jun-2038	112,458	-	-	6,581	6,581	105,877	
Year 23 - Y/E 30-Jun-2039	105,877	-	-	6,581	6,581	99,296	
Year 24 - Y/E 30-Jun-2040	99,296	-	-	6,581	6,581	92,714	
Year 25 - Y/E 30-Jun-2041	92,714	-	-	6,581	6,581	86,133	
Year 26 - Y/E 30-Jun-2042	86,133	-	-	6,581	6,581	79,552	
Year 27 - Y/E 30-Jun-2043	79,552	-	-	6,581	6,581	72,971	
Year 28 - Y/E 30-Jun-2044	72,971	-	-	6,581	6,581	66,389	
Year 29 - Y/E 30-Jun-2045	66,389	-	-	6,581	6,581	59,808	
Year 30 - Y/E 30-Jun-2046	59,808	-	-	6,581	6,581	53,227	
Year 31 - Y/E 30-Jun-2047	53,227	-	-	6,581	6,581	46,646	
Year 32 - Y/E 30-Jun-2048	46,646	-	-	6,581	6,581	40,064	
Year 33 - Y/E 30-Jun-2049	40,064	-	-	6,581	6,581	33,483	
Year 34 - Y/E 30-Jun-2050	33,483	-	-	6,581	6,581	26,902	
Year 35 - Y/E 30-Jun-2051	26,902	-	-	6,581	6,581	20,321	
Year 36 - Y/E 30-Jun-2052	20,321	-	-	6,581	6,581	13,739	
Year 37 - Y/E 30-Jun-2053	13,739	-	-	6,581	6,581	7,158	
Year 38 - Y/E 30-Jun-2054	7,158	-	-	6,581	6,581	-	
Year 39 - Y/E 30-Jun-2055	-	-	-	577	577	-	
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-	
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-	
Totals		93,740	45,650	249,330	388,720		

8 DIMINISHING VALUE (DV)

						OV as at 12-Sep-2016	First Year 12-Sep-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (291 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													
TB109	System > Room units	DV	10.00	20	1,350		215	1,135	227	182	145	116	
Doors and Screens													
TB153	Door control and motor drive systems > External	DV	20.00	10	3,500		279	3,221	322	290	261	235	
Equipment													
TB165	Computers > Generally	DV	4.00	50	10,850		4,325	6,525	3,262	1,631	816	408	
TB206	Signage > Signage for business identification	DV	10.00	20	1,150		183	967	193	155	124	99	
Kitchen equipment													
TB266	Refrigeration assets > Generally	DV	10.00	20	15,400		2,456	12,944	2,589	2,071	1,657	1,326	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	4,300		1,143	3,157	1,052	702	468	312	
Security													
TB351	Security systems > Control panels	DV	5.00	40	2,850		909	1,941	776	466	280	168	
Water Supply													
TB412	Hot water systems > Hot water installations	DV	15.00	13	1,650		175	1,475	197	170	148	128	
Retail - Floor Coverings													
RT101	Removable > Carpet	DV	8.00	25	11,050		2,202	8,848	2,212	1,659	1,244	933	
RT104	Removable > Vinyl	DV	10.00	20	1,190		190	1,000	200	160	128	102	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	DV	10.00	20	22,600		3,604	18,996	3,799	3,039	2,432	1,945	
RT107	Equipment > Shelving	DV	10.00	20	17,850		2,846	15,004	3,001	2,401	1,920	1,536	
Total					93,740		18,527	75,213	17,831	12,925	9,622	7,308	

9 PRIME COST (PC)

						OV as at 12-Sep-2016	First Year 12-Sep-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (291 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													
TB109	System > Room units	PC	10.00	10	1,350		108	1,242	135	135	135	135	
Doors and Screens													
TB153	Door control and motor drive systems > External	PC	20.00	5	3,500		140	3,360	175	175	175	175	
Equipment													
TB165	Computers > Generally	PC	4.00	25	10,850		2,163	8,687	2,713	2,713	2,713	550	
TB206	Signage > Signage for business identification	PC	10.00	10	1,150		92	1,058	115	115	115	115	
Kitchen equipment													
TB266	Refrigeration assets > Generally	PC	10.00	10	15,400		1,228	14,172	1,540	1,540	1,540	1,540	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	4,300		571	3,729	717	717	717	717	
Security													
TB351	Security systems > Control panels	PC	5.00	20	2,850		454	2,396	570	570	570	570	
Water Supply													
TB412	Hot water systems > Hot water installations	PC	15.00	7	1,650		88	1,562	110	110	110	110	
Retail - Floor Coverings													
RT101	Removable > Carpet	PC	8.00	13	11,050		1,101	9,949	1,381	1,381	1,381	1,381	
RT104	Removable > Vinyl	PC	10.00	10	1,190		95	1,095	119	119	119	119	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	PC	10.00	10	22,600		1,802	20,798	2,260	2,260	2,260	2,260	
RT107	Equipment > Shelving	PC	10.00	10	17,850		1,423	16,427	1,785	1,785	1,785	1,785	
Total					93,740		9,264	84,476	11,619	11,619	11,619	9,457	

10 LOW VALUE POOL

					OV as at 12-Sep-2016	First Year 12-Sep-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value	Year 1 (291 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	LVP	LVP	37.50	600	113	488	183	114	71	45	
TB222	Alarms > Smoke	LVP	LVP	37.50	660	124	536	201	126	79	49	
TB232	Emergency warning and intercommunication systems > EWIS Speakers	LVP	LVP	37.50	360	68	293	110	69	43	27	
Furniture												
TB241	Furniture, freestanding > Chairs	LVP	LVP	37.50	425	80	345	129	81	51	32	
TB250	Cabinets > Metal	LVP	LVP	37.50	1,500	281	1,219	457	286	179	112	
TB252	Tables > General	LVP	LVP	37.50	600	113	488	183	114	71	45	
Kitchen equipment												
TB265	Ovens > Microwave	LVP	LVP	37.50	120	23	98	37	23	14	9	
TB266	Refrigeration assets > Generally	LVP	LVP	37.50	900	169	731	274	171	107	67	
Light & power												
TB276	Equipment > Lighting Plant (electric)	LVP	LVP	37.50	3,360	630	2,730	1,024	640	400	250	
TB277	Equipment > Lighting System (fluorescent)	LVP	LVP	37.50	8,750	1,641	7,109	2,666	1,666	1,041	651	
Security												
TB340	Security and monitoring assets > Camera scanning	LVP	LVP	37.50	5,950	1,116	4,834	1,813	1,133	708	443	
TB352	Security systems > Detectors	LVP	LVP	37.50	560	105	455	171	107	67	42	
Specialist equipment												
TB355	Ladders	LVP	LVP	37.50	250	47	203	76	48	30	19	
TB364	Garbage disposal > Garbage Bins	LVP	LVP	37.50	750	141	609	229	143	89	56	
Retail - Furniture												
RT105	Equipment > Furniture	LVP	LVP	37.50	3,305	620	2,685	1,007	629	393	246	
RT107	Equipment > Shelving	LVP	LVP	37.50	17,560	3,293	14,268	5,350	3,344	2,090	1,306	
Total					45,650	8,559	37,091	13,909	8,693	5,433	3,396	

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 12-Sep-2016	First Year 12-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 (291 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	263,250	2.50%	6,581	249,330	5,247	244,083	6,581	6,581	6,581	6,581	
Total			263,250		6,581	249,330	5,247	244,083	6,581	6,581	6,581	6,581	

The property is estimated to have been built in August 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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