



Commercial Tax Depreciation Report

Pharmacy, 2681 Gold Coast Highway,
Broadbeach QLD 4218

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

IPG Broadbeach Pty Ltd

24 January 2017
Job No: COM4218006

Tax Depreciation Report – 2681 Gold Coast Highway, Broadbeach QLD 4218

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

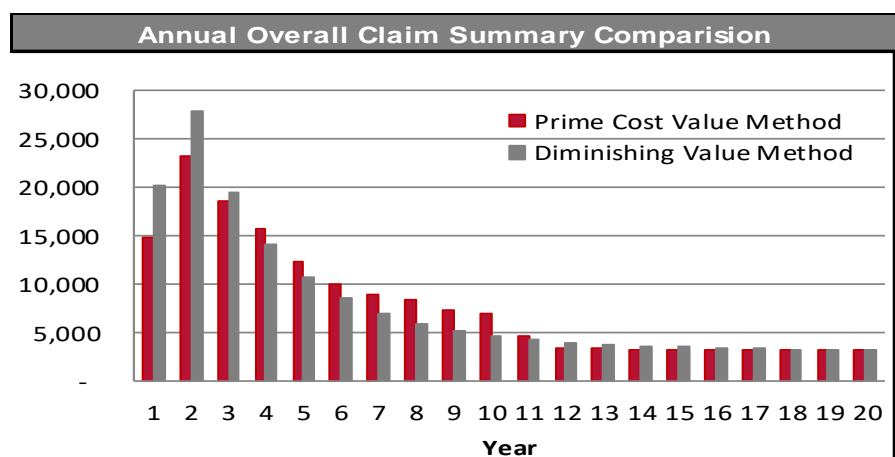
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	103,401	6%
Div 43 Capital Works Incl. Adds	110,421	6%
Repairs and Maintenance	-	0%
Capital Non Eligible	6,579	0%
Goodwill / Other	1,560,374	88%
Total Purchase Cost	1,780,775	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/17		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	10,716	5,358
Div 40 - Low Value Pool	7,506	7,506
Div 43 - Capital Works	1,939	1,939
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	20,161	14,803

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IPG Broadbeach Pty Ltd
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Property	2681 Gold Coast Hwy, Broadbeach QLD
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Property Type	Commercial Pharmacy
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Date of Building Completion	01/08/2014
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Date of first let	31/10/2016
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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	Pharmacy, 2681 Gold Coast Highway, Broadbeach QLD 4218

PURCHASE DETAILS			
Exchange Date	01/10/2016	Settlement Date	31/10/2016
Purchase Price (Incl Fees)	\$1,780,775	Land Value (Est)	N/A

FITOUT DETAILS			
Construction Start Date	01/06/2014	Construction End Date	01/08/2014
Historic Construction Cost	\$220,401		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$103,401	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)	\$110,421	
Capital Non Deductable	\$6,579	
Goodwill / Other	\$1,560,374	
Total Expenditure Analysed	\$1,780,775	

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 - 242 Days	213,822	10,716	7,506	1,939	20,161	193,660
Year 2 - Y/E 30-Jun-2018	193,660	12,784	12,198	2,925	27,907	165,753
Year 3 - Y/E 30-Jun-2019	165,753	8,961	7,624	2,925	19,509	146,244
Year 4 - Y/E 30-Jun-2020	146,244	6,513	4,765	2,925	14,203	132,041
Year 5 - Y/E 30-Jun-2021	132,041	4,875	2,978	2,925	10,778	121,264
Year 6 - Y/E 30-Jun-2022	121,264	3,731	1,861	2,925	8,517	112,746
Year 7 - Y/E 30-Jun-2023	112,746	2,905	1,163	2,925	6,993	105,753
Year 8 - Y/E 30-Jun-2024	105,753	2,291	727	2,925	5,943	99,809
Year 9 - Y/E 30-Jun-2025	99,809	1,826	454	2,925	5,205	94,604
Year 10 - Y/E 30-Jun-2026	94,604	1,466	284	2,925	4,675	89,929
Year 11 - Y/E 30-Jun-2027	89,929	1,186	177	2,925	4,288	85,641
Year 12 - Y/E 30-Jun-2028	85,641	965	111	2,925	4,001	81,640
Year 13 - Y/E 30-Jun-2029	81,640	789	69	2,925	3,783	77,857
Year 14 - Y/E 30-Jun-2030	77,857	649	43	2,925	3,617	74,240
Year 15 - Y/E 30-Jun-2031	74,240	536	27	2,925	3,488	70,751
Year 16 - Y/E 30-Jun-2032	70,751	445	17	2,925	3,387	67,364
Year 17 - Y/E 30-Jun-2033	67,364	371	11	2,925	3,307	64,057
Year 18 - Y/E 30-Jun-2034	64,057	312	7	2,925	3,243	60,814
Year 19 - Y/E 30-Jun-2035	60,814	263	4	2,925	3,192	57,622
Year 20 - Y/E 30-Jun-2036	57,622	222	3	2,925	3,150	54,472
Year 21 - Y/E 30-Jun-2037	54,472	189	4	2,925	3,119	51,354
Year 22 - Y/E 30-Jun-2038	51,354	162	-	2,925	3,087	48,267
Year 23 - Y/E 30-Jun-2039	48,267	139	-	2,925	3,064	45,203
Year 24 - Y/E 30-Jun-2040	45,203	120	-	2,925	3,045	42,158
Year 25 - Y/E 30-Jun-2041	42,158	104	-	2,925	3,029	39,129
Year 26 - Y/E 30-Jun-2042	39,129	91	-	2,925	3,016	36,113
Year 27 - Y/E 30-Jun-2043	36,113	79	-	2,925	3,004	33,109
Year 28 - Y/E 30-Jun-2044	33,109	70	-	2,925	2,995	30,114
Year 29 - Y/E 30-Jun-2045	30,114	61	-	2,925	2,986	27,128
Year 30 - Y/E 30-Jun-2046	27,128	54	-	2,925	2,979	24,148
Year 31 - Y/E 30-Jun-2047	24,148	48	-	2,925	2,973	21,175
Year 32 - Y/E 30-Jun-2048	21,175	43	-	2,925	2,968	18,207
Year 33 - Y/E 30-Jun-2049	18,207	38	-	2,925	2,963	15,244
Year 34 - Y/E 30-Jun-2050	15,244	34	-	2,925	2,959	12,285
Year 35 - Y/E 30-Jun-2051	12,285	31	-	2,925	2,956	9,329
Year 36 - Y/E 30-Jun-2052	9,329	27	-	2,925	2,952	6,377
Year 37 - Y/E 30-Jun-2053	6,377	25	-	2,925	2,950	3,427
Year 38 - Y/E 30-Jun-2054	3,427	22	-	2,925	2,947	480
Year 39 - Y/E 30-Jun-2055	480	20	-	256	277	203
Year 40 - Y/E 30-Jun-2056	203	18	-	-	18	185
Year 41+ - Y/E 30-Jun-2057	185	185	-	-	185	-
Totals		63,368	40,034	110,421	213,822	

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 - 242 Days	213,822	5,358	7,506	1,939	14,803	199,018	
Year 2 - Y/E 30-Jun-2018	199,018	8,081	12,198	2,925	23,204	175,814	
Year 3 - Y/E 30-Jun-2019	175,814	8,081	7,624	2,925	18,630	157,185	
Year 4 - Y/E 30-Jun-2020	157,185	8,081	4,765	2,925	15,771	141,414	
Year 5 - Y/E 30-Jun-2021	141,414	6,399	2,978	2,925	12,302	129,112	
Year 6 - Y/E 30-Jun-2022	129,112	5,166	1,861	2,925	9,952	119,161	
Year 7 - Y/E 30-Jun-2023	119,161	4,769	1,163	2,925	8,857	110,303	
Year 8 - Y/E 30-Jun-2024	110,303	4,665	727	2,925	8,317	101,986	
Year 9 - Y/E 30-Jun-2025	101,986	4,017	454	2,925	7,397	94,589	
Year 10 - Y/E 30-Jun-2026	94,589	3,688	284	2,925	6,897	87,692	
Year 11 - Y/E 30-Jun-2027	87,692	1,450	177	2,925	4,553	83,140	
Year 12 - Y/E 30-Jun-2028	83,140	313	111	2,925	3,349	79,791	
Year 13 - Y/E 30-Jun-2029	79,791	313	69	2,925	3,307	76,483	
Year 14 - Y/E 30-Jun-2030	76,483	313	43	2,925	3,281	73,202	
Year 15 - Y/E 30-Jun-2031	73,202	313	27	2,925	3,265	69,937	
Year 16 - Y/E 30-Jun-2032	69,937	313	17	2,925	3,255	66,682	
Year 17 - Y/E 30-Jun-2033	66,682	313	11	2,925	3,249	63,434	
Year 18 - Y/E 30-Jun-2034	63,434	313	7	2,925	3,245	60,189	
Year 19 - Y/E 30-Jun-2035	60,189	313	4	2,925	3,242	56,947	
Year 20 - Y/E 30-Jun-2036	56,947	313	3	2,925	3,241	53,706	
Year 21 - Y/E 30-Jun-2037	53,706	197	4	2,925	3,126	50,580	
Year 22 - Y/E 30-Jun-2038	50,580	138	-	2,925	3,063	47,517	
Year 23 - Y/E 30-Jun-2039	47,517	138	-	2,925	3,063	44,454	
Year 24 - Y/E 30-Jun-2040	44,454	138	-	2,925	3,063	41,391	
Year 25 - Y/E 30-Jun-2041	41,391	138	-	2,925	3,063	38,328	
Year 26 - Y/E 30-Jun-2042	38,328	47	-	2,925	2,972	35,356	
Year 27 - Y/E 30-Jun-2043	35,356	-	-	2,925	2,925	32,431	
Year 28 - Y/E 30-Jun-2044	32,431	-	-	2,925	2,925	29,506	
Year 29 - Y/E 30-Jun-2045	29,506	-	-	2,925	2,925	26,581	
Year 30 - Y/E 30-Jun-2046	26,581	-	-	2,925	2,925	23,656	
Year 31 - Y/E 30-Jun-2047	23,656	-	-	2,925	2,925	20,731	
Year 32 - Y/E 30-Jun-2048	20,731	-	-	2,925	2,925	17,806	
Year 33 - Y/E 30-Jun-2049	17,806	-	-	2,925	2,925	14,881	
Year 34 - Y/E 30-Jun-2050	14,881	-	-	2,925	2,925	11,956	
Year 35 - Y/E 30-Jun-2051	11,956	-	-	2,925	2,925	9,031	
Year 36 - Y/E 30-Jun-2052	9,031	-	-	2,925	2,925	6,106	
Year 37 - Y/E 30-Jun-2053	6,106	-	-	2,925	2,925	3,181	
Year 38 - Y/E 30-Jun-2054	3,181	-	-	2,925	2,925	-	
Year 39 - Y/E 30-Jun-2055	-	-	-	256	256	-	
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-	
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-	
Totals		63,368	40,034	110,421	213,822		

8 DIMINISHING VALUE (DV)

						OV as at 31-Oct-2016	First Year 31-Oct-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (242 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	5,300		703	4,597	919	736	588	471	
Doors and Screens													
TB153	Door control and motor drive systems > External	DV	20.00	10	3,500		232	3,268	327	294	265	238	
Equipment													
TB165	Computers > Generally	DV	4.00	50	10,150		3,365	6,785	3,393	1,696	848	424	
TB206	Signage > Signage for business identification (including lighting for signs)	DV	10.00	20	3,290		436	2,854	571	457	365	292	
Furniture													
TB240	Other > Floor coverings - linoleum and vinyl	DV	10.00	20	1,540		204	1,336	267	214	171	137	
TB243	Furniture, freestanding > Mobile	DV	25.00	8	3,450		183	3,267	261	240	221	204	
Kitchen equipment													
TB266	Refrigeration assets > Generally	DV	10.00	20	3,300		438	2,862	572	458	366	293	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	1,850		409	1,441	480	320	214	142	
Security													
TB351	Security systems > Control panels	DV	5.00	40	2,850		756	2,094	838	503	302	181	
Retail - Floor Coverings													
RT101	Removable > Carpet	DV	8.00	25	7,820		1,296	6,524	1,631	1,223	917	688	
RT104	Removable > Vinyl	DV	10.00	20	2,253		299	1,954	391	313	250	200	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	DV	10.00	20	8,265		1,096	7,169	1,434	1,147	918	734	
RT107	Equipment > Shelving	DV	10.00	20	9,800		1,300	8,500	1,700	1,360	1,088	870	
Total					63,368		10,716	52,652	12,784	8,961	6,513	4,875	

9 PRIME COST (PC)

						OV as at 31-Oct-2016	First Year 31-Oct-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (242 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	5,300		351	4,949	530	530	530	530	
Doors and Screens													
TB153	Door control and motor drive systems > External	PC	20.00	5	3,500		116	3,384	175	175	175	175	
Equipment													
TB165	Computers > Generally	PC	4.00	25	10,150		1,682	8,468	2,538	2,538	2,538	855	
TB206	Signage > Signage for business identification (including lighting for signs)	PC	10.00	10	3,290		218	3,072	329	329	329	329	
Furniture													
TB240	Other > Floor coverings - linoleum and vinyl	PC	10.00	10	1,540		102	1,438	154	154	154	154	
TB243	Furniture, freestanding > Mobile	PC	25.00	4	3,450		91	3,359	138	138	138	138	
Kitchen equipment													
TB266	Refrigeration assets > Generally	PC	10.00	10	3,300		219	3,081	330	330	330	330	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	1,850		204	1,646	308	308	308	308	
Security													
TB351	Security systems > Control panels	PC	5.00	20	2,850		378	2,472	570	570	570	570	
Retail - Floor Coverings													
RT101	Removable > Carpet	PC	8.00	13	7,820		648	7,172	978	978	978	978	
RT104	Removable > Vinyl	PC	10.00	10	2,253		149	2,103	225	225	225	225	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	PC	10.00	10	8,265		548	7,717	827	827	827	827	
RT107	Equipment > Shelving	PC	10.00	10	9,800		650	9,150	980	980	980	980	
Total					63,368		5,358	58,010	8,081	8,081	8,081	6,399	

10 LOW VALUE POOL

						OV as at 31-Oct-2016	First Year 31-Oct-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (242 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	350		66	284	107	67	42	26	
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	720		135	585	219	137	86	54	
Furniture													
TB241	Furniture, freestanding > Chairs	LVP	LVP	37.50	1,000		188	813	305	190	119	74	
TB242	Furniture, freestanding > Desks	LVP	LVP	37.50	500		94	406	152	95	60	37	
TB243	Furniture, freestanding > Mobile storage units (compactus type)	LVP	LVP	37.50	2,700		506	2,194	823	514	321	201	
TB249	Cabinets > Timber/laminated	LVP	LVP	37.50	1,000		188	813	305	190	119	74	
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	5,600		1,050	4,550	1,706	1,066	667	417	
TB277	Equipment > Lighting System (fluorescent)	LVP	LVP	37.50	3,000		563	2,438	914	571	357	223	
Security													
TB340	Security and monitoring assets > Camera scanning	LVP	LVP	37.50	5,100		956	4,144	1,554	971	607	379	
TB346	Closed circuit television systems > Monitors	LVP	LVP	37.50	240		45	195	73	46	29	18	
TB352	Security systems > Detectors	LVP	LVP	37.50	400		75	325	122	76	48	30	
Specialist equipment													
TB364	Garbage disposal > Garbage Bins	LVP	LVP	37.50	140		26	114	43	27	17	10	
Retail - Furniture													
RT107	Equipment > Shelving	LVP	LVP	37.50	18,035		3,382	14,653	5,495	3,434	2,146	1,342	
Total					40,034		7,506	32,527	12,198	7,624	4,765	2,978	

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 31-Oct-2016	First Year 31-Oct-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 (242 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	117,000	2.50%	2,925	110,421	1,939	108,481	2,925	2,925	2,925	2,925		
Total			117,000		2,925	110,421	1,939	108,481	2,925	2,925	2,925	2,925		

The fitout is estimated to have been completed 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

COMPANY DETAILS	
Company Name	Koste Pty Ltd
Postal Address	2/20 Welch Street, Southport QLD 4215
Office Number	1300 669 400
Office Email	info@koste.com.au

LEAD SURVEYOR DETAILS	
Surveyors Name	Mark Kilroy
Tax Agent Number	24370523
Contact Number	0468 849 299
Email	mark@koste.com.au

koste.com.au
info@koste.com.au
phone 1300 669 400

