



Commercial Tax Depreciation Report

Broadbeach Medical Centre,
2681 Gold Coast Highway, Broadbeach QLD 4218

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

IMG Broadbeach Pty Ltd

27 January 2017
Job No: COM4218005

Tax Depreciation Report – Broadbeach Medical Centre, 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

koste.com.au
info@koste.com.au
phone 1300 669 400
fax 1300 669 454



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1 EXECUTIVE SUMMARY

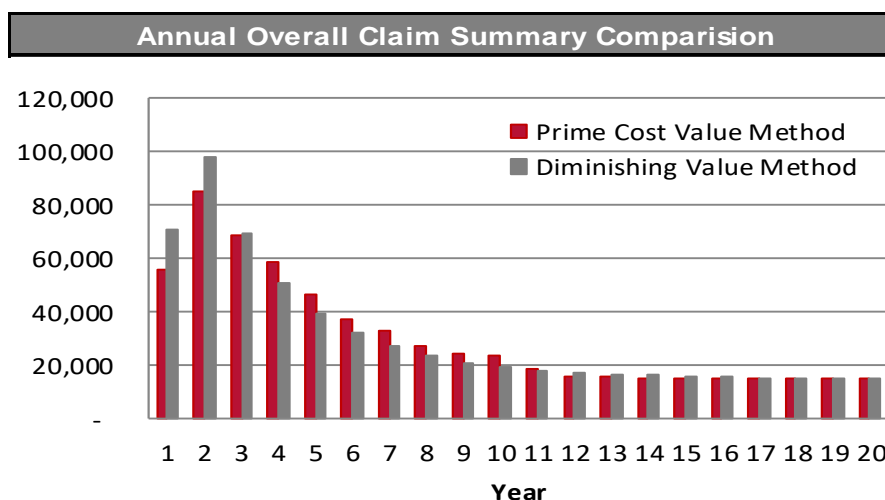
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	329,974	21%
Div 43 Capital Works Incl. Adds	541,386	34%
Repairs and Maintenance	-	0%
Capital Non Eligible	36,114	2%
Goodwill / Other	661,801	42%
Total Purchase Cost	1,569,275	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/17		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	38,887	19,444
Div 40 - Low Value Pool	21,930	21,930
Div 43 - Capital Works	9,572	9,572
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	70,389	50,946

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IMG Broadbeach Pty Ltd
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Property	Broadbeach Medical Centre, QLD 4218
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Property Type	Medical Centre
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Date of Fitout Completion	01/05/2014
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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.				
$200 / 10 \text{ Years} = 20\% \text{ (Adjusted Value)}$				
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	Broadbeach Medical Centre, 2681 Gold Coast Highway, Broadbeach QLD 4218

PURCHASE DETAILS			
Exchange Date	01/10/2016	Settlement Date	31/10/2016
Purchase Price (Incl Fees)	\$1,569,275	Land Value (Est)	N/A

CONSTRUCTION DETAILS			
Construction Start Date	01/04/2014	Construction End Date	01/05/2014
Historic Fitout Cost	\$907,474		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$329,974	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)	\$541,386	
Capital Non Deductable	\$36,114	
Goodwill / Other	\$661,801	
Total Expenditure Analysed	\$1,569,275	

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 - 242 Days	871,360	38,887	21,930	9,572	70,389	800,971
Year 2 - Y/E 30-Jun-2018	800,971	46,453	33,582	14,438	94,473	706,498
Year 3 - Y/E 30-Jun-2019	706,498	32,491	20,989	14,438	67,917	638,581
Year 4 - Y/E 30-Jun-2020	638,581	23,404	13,118	14,438	50,960	587,621
Year 5 - Y/E 30-Jun-2021	587,621	17,260	8,199	14,438	39,897	547,724
Year 6 - Y/E 30-Jun-2022	547,724	12,965	5,124	14,438	32,527	515,198
Year 7 - Y/E 30-Jun-2023	515,198	9,878	3,203	14,438	27,518	487,680
Year 8 - Y/E 30-Jun-2024	487,680	7,610	2,002	14,438	24,049	463,631
Year 9 - Y/E 30-Jun-2025	463,631	5,914	1,251	14,438	21,603	442,028
Year 10 - Y/E 30-Jun-2026	442,028	4,630	782	14,438	19,850	422,178
Year 11 - Y/E 30-Jun-2027	422,178	3,647	489	14,438	18,573	403,605
Year 12 - Y/E 30-Jun-2028	403,605	2,888	305	14,438	17,631	385,974
Year 13 - Y/E 30-Jun-2029	385,974	2,298	191	14,438	16,927	369,047
Year 14 - Y/E 30-Jun-2030	369,047	1,837	119	14,438	16,394	352,653
Year 15 - Y/E 30-Jun-2031	352,653	1,475	75	14,438	15,987	336,666
Year 16 - Y/E 30-Jun-2032	336,666	1,189	47	14,438	15,673	320,993
Year 17 - Y/E 30-Jun-2033	320,993	963	29	14,438	15,429	305,564
Year 18 - Y/E 30-Jun-2034	305,564	782	18	14,438	15,238	290,326
Year 19 - Y/E 30-Jun-2035	290,326	638	11	14,438	15,087	275,238
Year 20 - Y/E 30-Jun-2036	275,238	523	7	14,438	14,968	260,271
Year 21 - Y/E 30-Jun-2037	260,271	430	11	14,438	14,878	245,392
Year 22 - Y/E 30-Jun-2038	245,392	355	-	14,438	14,793	230,600
Year 23 - Y/E 30-Jun-2039	230,600	294	-	14,438	14,732	215,868
Year 24 - Y/E 30-Jun-2040	215,868	245	-	14,438	14,683	201,185
Year 25 - Y/E 30-Jun-2041	201,185	205	-	14,438	14,642	186,543
Year 26 - Y/E 30-Jun-2042	186,543	172	-	14,438	14,609	171,934
Year 27 - Y/E 30-Jun-2043	171,934	145	-	14,438	14,582	157,352
Year 28 - Y/E 30-Jun-2044	157,352	122	-	14,438	14,560	142,792
Year 29 - Y/E 30-Jun-2045	142,792	104	-	14,438	14,541	128,251
Year 30 - Y/E 30-Jun-2046	128,251	88	-	14,438	14,526	113,725
Year 31 - Y/E 30-Jun-2047	113,725	76	-	14,438	14,513	99,211
Year 32 - Y/E 30-Jun-2048	99,211	65	-	14,438	14,502	84,709
Year 33 - Y/E 30-Jun-2049	84,709	56	-	14,438	14,493	70,216
Year 34 - Y/E 30-Jun-2050	70,216	48	-	14,438	14,486	55,730
Year 35 - Y/E 30-Jun-2051	55,730	42	-	14,438	14,479	41,251
Year 36 - Y/E 30-Jun-2052	41,251	36	-	14,438	14,474	26,777
Year 37 - Y/E 30-Jun-2053	26,777	32	-	14,438	14,469	12,308
Year 38 - Y/E 30-Jun-2054	12,308	28	-	12,064	12,092	216
Year 39 - Y/E 30-Jun-2055	216	24	-	-	24	192
Year 40 - Y/E 30-Jun-2056	192	21	-	-	21	170
Year 41+ - Y/E 30-Jun-2057	170	169	-	-	169	-
Totals		218,491	111,482	541,386	871,359	

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	871,360	19,444	21,930	9,572	50,946	820,415
Year 2 - Y/E 30-Jun-2018	820,415	29,326	33,582	14,438	77,346	743,069
Year 3 - Y/E 30-Jun-2019	743,069	29,326	20,989	14,438	64,753	678,316
Year 4 - Y/E 30-Jun-2020	678,316	29,326	13,118	14,438	56,882	621,434
Year 5 - Y/E 30-Jun-2021	621,434	23,917	8,199	14,438	46,553	574,881
Year 6 - Y/E 30-Jun-2022	574,881	20,797	5,124	14,438	40,359	534,522
Year 7 - Y/E 30-Jun-2023	534,522	20,430	3,203	14,438	38,070	496,452
Year 8 - Y/E 30-Jun-2024	496,452	13,895	2,002	14,438	30,334	466,117
Year 9 - Y/E 30-Jun-2025	466,117	11,739	1,251	14,438	27,428	438,689
Year 10 - Y/E 30-Jun-2026	438,689	10,656	782	14,438	25,875	412,814
Year 11 - Y/E 30-Jun-2027	412,814	4,295	489	14,438	19,221	393,593
Year 12 - Y/E 30-Jun-2028	393,593	1,062	305	14,438	15,805	377,789
Year 13 - Y/E 30-Jun-2029	377,789	683	191	14,438	15,311	362,477
Year 14 - Y/E 30-Jun-2030	362,477	490	119	14,438	15,047	347,431
Year 15 - Y/E 30-Jun-2031	347,431	490	75	14,438	15,002	332,429
Year 16 - Y/E 30-Jun-2032	332,429	490	47	14,438	14,974	317,455
Year 17 - Y/E 30-Jun-2033	317,455	490	29	14,438	14,957	302,498
Year 18 - Y/E 30-Jun-2034	302,498	490	18	14,438	14,946	287,552
Year 19 - Y/E 30-Jun-2035	287,552	490	11	14,438	14,939	272,613
Year 20 - Y/E 30-Jun-2036	272,613	490	7	14,438	14,935	257,679
Year 21 - Y/E 30-Jun-2037	257,679	165	11	14,438	14,613	243,065
Year 22 - Y/E 30-Jun-2038	243,065	-	-	14,438	14,438	228,628
Year 23 - Y/E 30-Jun-2039	228,628	-	-	14,438	14,438	214,190
Year 24 - Y/E 30-Jun-2040	214,190	-	-	14,438	14,438	199,753
Year 25 - Y/E 30-Jun-2041	199,753	-	-	14,438	14,438	185,315
Year 26 - Y/E 30-Jun-2042	185,315	-	-	14,438	14,438	170,878
Year 27 - Y/E 30-Jun-2043	170,878	-	-	14,438	14,438	156,440
Year 28 - Y/E 30-Jun-2044	156,440	-	-	14,438	14,438	142,003
Year 29 - Y/E 30-Jun-2045	142,003	-	-	14,438	14,438	127,565
Year 30 - Y/E 30-Jun-2046	127,565	-	-	14,438	14,438	113,128
Year 31 - Y/E 30-Jun-2047	113,128	-	-	14,438	14,438	98,690
Year 32 - Y/E 30-Jun-2048	98,690	-	-	14,438	14,438	84,253
Year 33 - Y/E 30-Jun-2049	84,253	-	-	14,438	14,438	69,815
Year 34 - Y/E 30-Jun-2050	69,815	-	-	14,438	14,438	55,378
Year 35 - Y/E 30-Jun-2051	55,378	-	-	14,438	14,438	40,940
Year 36 - Y/E 30-Jun-2052	40,940	-	-	14,438	14,438	26,503
Year 37 - Y/E 30-Jun-2053	26,503	-	-	14,438	14,438	12,065
Year 38 - Y/E 30-Jun-2054	12,065	-	-	12,064	12,064	-
Year 39 - Y/E 30-Jun-2055	-	-	-	-	-	-
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-
Totals		218,491	111,482	541,386	871,359	

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	55,860		7,407	48,453	9,691	7,752	6,202	4,962	
Equipment													
TB165	Computers > Generally	DV	4.00	50	32,634		10,818	21,816	10,908	5,454	2,727	1,363	
Fire protection													
TB224	Detection and alarm systems > Fire indicator panels	DV	12.00	17	6,860		758	6,102	1,017	847	706	589	
Floor Coverings													
TB238	Carpets > Carpets used in commercial buildings	DV	8.00	25	25,725		4,264	21,461	5,365	4,024	3,018	2,263	
Furniture													
TB240	Other > Floor coverings - linoleum and vinyl	DV	10.00	20	9,310		1,235	8,075	1,615	1,292	1,034	827	
TB244	Furniture, freestanding > Reception	DV	10.00	20	3,185		422	2,763	553	442	354	283	
Kitchen equipment													
TB266	Refrigeration assets > Generally	DV	10.00	20	9,163		1,215	7,948	1,590	1,272	1,017	814	
Light & power													
TB276	Equipment > Lighting Plant (electric)	DV	20.00	10	4,312		286	4,026	403	362	326	294	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	1,617		357	1,260	420	280	187	124	
Security													
TB351	Security systems > Control panels	DV	5.00	40	2,793		741	2,052	821	493	296	177	
Water Supply													
TB390	Systems > Ventilation fans	DV	20.00	10	5,488		364	5,124	512	461	415	374	
Medical - Specialist Equipment													
ME100	Medial Equipment > Powered Medical Instruments	DV	6.67	30	43,120		8,577	34,543	10,363	7,254	5,078	3,555	
ME101	Medial Equipment > Hospital Beds	DV	10.00	20	18,424		2,443	15,981	3,196	2,557	2,046	1,636	
Total					218,491		38,887	179,604	46,453	32,491	23,404	17,260	

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	55,860		3,704	52,156	5,586	5,586	5,586	5,586	
Equipment													
TB165	Computers > Generally	PC	4.00	25	32,634		5,409	27,225	8,159	8,159	8,159	2,749	
Fire protection													
TB224	Detection and alarm systems > Fire indicator panels	PC	12.00	8	6,860		379	6,481	572	572	572	572	
Floor Coverings													
TB238	Carpets > Carpets used in commercial buildings	PC	8.00	13	25,725		2,132	23,593	3,216	3,216	3,216	3,216	
Furniture													
TB240	Other > Floor coverings - linoleum and vinyl	PC	10.00	10	9,310		617	8,693	931	931	931	931	
TB244	Furniture, freestanding > Reception	PC	10.00	10	3,185		211	2,974	319	319	319	319	
Kitchen equipment													
TB266	Refrigeration assets > Generally	PC	10.00	10	9,163		608	8,555	916	916	916	916	
Light & power													
TB276	Equipment > Lighting Plant (electric)	PC	20.00	5	4,312		143	4,169	216	216	216	216	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	1,617		179	1,438	270	270	270	270	
Security													
TB351	Security systems > Control panels	PC	5.00	20	2,793		370	2,423	559	559	559	559	
Water Supply													
TB390	Systems > Ventilation fans	PC	20.00	5	5,488		182	5,306	274	274	274	274	
Medical - Specialist Equipment													
ME100	Medial Equipment > Powered Medical Instruments	PC	6.67	15	43,120		4,288	38,832	6,468	6,468	6,468	6,468	
ME101	Medial Equipment > Hospital Beds	PC	10.00	10	18,424		1,222	17,202	1,842	1,842	1,842	1,842	
Total					218,491		19,444	199,047	29,326	29,326	29,326	23,917	

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	
Communications													
TB125	Telephones > Telephone hand sets	LVP	LVP	37.50	6,840		1,283	5,558	2,084	1,303	814	509	
Equipment													
TB165	Computers > Generally	LVP	LVP	37.50	4,802		900	3,902	1,463	914	572	357	
TB206	Signage > Signage for business identification	LVP	LVP	37.50	2,822		529	2,293	860	537	336	210	
Fire protection													
TB218	Fire control and alarm assets > Extinguishers	LVP	LVP	37.50	3,430		643	2,787	1,045	653	408	255	
Furniture													
TB241	Furniture, freestanding > Chairs	LVP	LVP	37.50	14,808		2,776	12,031	4,512	2,820	1,762	1,102	
TB242	Furniture, freestanding > Desks	LVP	LVP	37.50	14,455		2,710	11,745	4,404	2,753	1,720	1,075	
TB243	Furniture, freestanding > Mobile storage units	LVP	LVP	37.50	5,292		992	4,300	1,612	1,008	630	394	
TB247	Bookcases > Timber	LVP	LVP	37.50	3,038		570	2,468	926	579	362	226	
TB248	Bookcases > Metal	LVP	LVP	37.50	1,235		232	1,003	376	235	147	92	
TB249	Cabinets > Timber/laminated	LVP	LVP	37.50	1,960		368	1,593	597	373	233	146	
TB252	Tables > General	LVP	LVP	37.50	1,000		187	812	305	190	119	74	
TB253	Plants: > Live (indoor)	LVP	LVP	37.50	745		140	605	227	142	89	55	
Kitchen equipment													
TB265	Ovens > Microwave	LVP	LVP	37.50	363		68	295	110	69	43	27	
Light & power													
TB276	Equipment > Lighting Plant (electric)	LVP	LVP	37.50	6,860		1,286	5,574	2,090	1,306	816	510	
Specialist equipment													
TB355	Ladders	LVP	LVP	37.50	706		132	573	215	134	84	52	
Ventilation													
TB390	Systems > Ventilation fans	LVP	LVP	37.50	470		88	382	143	90	56	35	
Communications													
HT104	Audio visual equipment > Audio visual entertainment assets	LVP	LVP	37.50	490		92	398	149	93	58	36	
Kitchen equipment													
HT116	Food preparation and service assets: > Bench top appliances – small portable type	LVP	LVP	37.50	392		74	319	119	75	47	29	
HT119	Food preparation and service assets: > Crockery, cutlery and glassware	LVP	LVP	37.50	210		39	170	64	40	25	16	
Fitments													
AT107	Loose > Scales	LVP	LVP	37.50	2,063		387	1,676	629	393	246	153	
AT109	Loose > Housekeeping assets	LVP	LVP	37.50	1,985		372	1,612	605	378	236	148	
Kitchen equipment													
AT117	Appliances > Bar refrigerators	LVP	LVP	37.50	490		92	398	149	93	58	36	
AT118	Appliances > Cooking utensils	LVP	LVP	37.50	250		47	203	76	48	30	19	
Medical - Specialist Equipment													
ME100	Medial Equipment > Powered Medical Instruments	LVP	LVP	37.50	19,981		3,746	16,235	6,088	3,805	2,378	1,486	
ME101	Medial Equipment > Hospital Beds	LVP	LVP	37.50	2,940		731	2,209	828	518	324	202	
ME102	Medial Equipment > Trolleys	LVP	LVP	37.50	3,587		892	2,695	1,011	632	395	247	
ME103	Medial Equipment > Privacy curtains & tracks	LVP	LVP	37.50	10,270		2,554	7,717	2,894	1,809	1,130	707	
Total					111,483		21,930	89,553	33,582	20,989	13,118	8,199	

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 14th June 2014 31-Oct-2016	First Year 31-Oct-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 (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-May-14	577,500	2.50%	14,438	541,386	9,572	531,814	14,438	14,438	14,438	14,438		
Total			577,500		14,438	541,386	9,572	531,814	14,438	14,438	14,438	14,438		

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

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

