



Commercial Tax Depreciation Report

Terry White Chemist, Oasis Shopping Centre,
Broadbeach QLD 4218

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

IPG Oasis Pty Ltd

27th January 2017
Job No: COM4218004

Tax Depreciation Report – Oasis Shopping Centre, 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

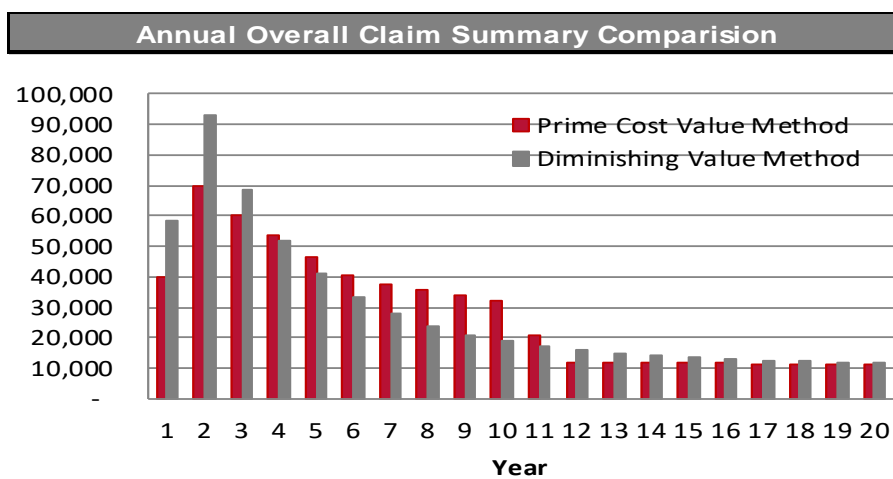
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	371,074	5%
Div 43 Capital Works Incl. Adds	403,642	6%
Repairs and Maintenance	-	0%
Capital Non Eligible	25,358	0%
Goodwill	6,268,202	89%
Total Purchase Cost	7,068,275	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/17		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	35,976	17,988
Div 40 - Low Value Pool	16,303	16,303
Div 43 - Capital Works	5,877	5,877
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	58,155	40,167

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IPG Oasis Pty Ltd
Property	Oasis Shopping Centre, Broadbeach QLD
Property Type	Commercial Pharmacy
Date of Building Completion	01/08/2014
Date of first let	12/12/2016

Property Photo



3 REPORT DETAILS

3.1 INTRODUCTION

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

Division 40 (Capital Allowances)

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

Division 40 (Capital Allowances) - Low Value Pool

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

Division 43 (Capital Works)

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

4 CAPITAL ALLOWANCES

4.1 ENTITLEMENT

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

4.2 QUALIFYING EXPENDITURE CALCULATION

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195 as detailed below:

$$\text{Qualifying Plant} = \frac{\text{Purchase Price} \times \text{Replacement Cost of Plant}}{\text{Land Value} + \text{Replacement Cost of Plant} + \text{Replacement Cost of Building}}$$

4.3 EFFECTIVE LIFE

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

4.4 IMMEDIATE WRITE-OFF ASSETS

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

4.5 LOW VALUE POOL

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

4.6 METHOD OF DEPRECIATION

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method				
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.				
Benefits				
<ul style="list-style-type: none"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 				
Calculation Example				
Under Diminishing Value method, the effective life is dividing by 200.				
$200 / 10 \text{ Years} = 20\% \text{ (Adjusted Value)}$				
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	Terry White Chemist, Oasis Shopping Centre, Broadbeach QLD 4218

PURCHASE DETAILS			
Exchange Date	12/11/2016	Settlement Date	12/12/2016
Purchase Price (Incl Fees)	\$7,068,275	Land Value (Est)	N/A

FITOUT DETAILS			
Construction Start Date	01/07/2014	Construction End Date	01/08/2014
Historic Construction Cost	\$800,074		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$371,074	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)	\$403,642	
Capital Non Deductable	\$25,358	
Land Non Deductable	\$6,268,202	
Total Expenditure Analysed	\$7,068,275	

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 - 200 Days	774,715	35,976	16,303	5,877	58,155	716,560
Year 2 - Y/E 30-Jun-2018	716,560	55,781	26,492	10,725	92,999	623,562
Year 3 - Y/E 30-Jun-2019	623,562	41,023	16,558	10,725	68,306	555,256
Year 4 - Y/E 30-Jun-2020	555,256	30,950	10,348	10,725	52,023	503,233
Year 5 - Y/E 30-Jun-2021	503,233	23,798	6,468	10,725	40,991	462,242
Year 6 - Y/E 30-Jun-2022	462,242	18,556	4,042	10,725	33,323	428,918
Year 7 - Y/E 30-Jun-2023	428,918	14,618	2,526	10,725	27,870	401,049
Year 8 - Y/E 30-Jun-2024	401,049	11,605	1,579	10,725	23,909	377,139
Year 9 - Y/E 30-Jun-2025	377,139	9,269	987	10,725	20,981	356,158
Year 10 - Y/E 30-Jun-2026	356,158	7,441	617	10,725	18,782	337,375
Year 11 - Y/E 30-Jun-2027	337,375	5,998	386	10,725	17,109	320,266
Year 12 - Y/E 30-Jun-2028	320,266	4,855	241	10,725	15,821	304,446
Year 13 - Y/E 30-Jun-2029	304,446	3,944	151	10,725	14,820	289,626
Year 14 - Y/E 30-Jun-2030	289,626	3,217	94	10,725	14,036	275,590
Year 15 - Y/E 30-Jun-2031	275,590	2,633	59	10,725	13,417	262,173
Year 16 - Y/E 30-Jun-2032	262,173	2,164	37	10,725	12,926	249,248
Year 17 - Y/E 30-Jun-2033	249,248	1,786	23	10,725	12,533	236,714
Year 18 - Y/E 30-Jun-2034	236,714	1,480	14	10,725	12,219	224,495
Year 19 - Y/E 30-Jun-2035	224,495	1,232	9	10,725	11,966	212,530
Year 20 - Y/E 30-Jun-2036	212,530	1,030	6	10,725	11,760	200,769
Year 21 - Y/E 30-Jun-2037	200,769	865	9	10,725	11,600	189,169
Year 22 - Y/E 30-Jun-2038	189,169	731	-	10,725	11,456	177,714
Year 23 - Y/E 30-Jun-2039	177,714	620	-	10,725	11,345	166,369
Year 24 - Y/E 30-Jun-2040	166,369	529	-	10,725	11,254	155,115
Year 25 - Y/E 30-Jun-2041	155,115	453	-	10,725	11,178	143,937
Year 26 - Y/E 30-Jun-2042	143,937	391	-	10,725	11,116	132,821
Year 27 - Y/E 30-Jun-2043	132,821	338	-	10,725	11,063	121,758
Year 28 - Y/E 30-Jun-2044	121,758	294	-	10,725	11,019	110,739
Year 29 - Y/E 30-Jun-2045	110,739	257	-	10,725	10,982	99,756
Year 30 - Y/E 30-Jun-2046	99,756	226	-	10,725	10,951	88,805
Year 31 - Y/E 30-Jun-2047	88,805	199	-	10,725	10,924	77,881
Year 32 - Y/E 30-Jun-2048	77,881	177	-	10,725	10,902	66,980
Year 33 - Y/E 30-Jun-2049	66,980	157	-	10,725	10,882	56,098
Year 34 - Y/E 30-Jun-2050	56,098	140	-	10,725	10,865	45,233
Year 35 - Y/E 30-Jun-2051	45,233	125	-	10,725	10,850	34,382
Year 36 - Y/E 30-Jun-2052	34,382	112	-	10,725	10,837	23,545
Year 37 - Y/E 30-Jun-2053	23,545	101	-	10,725	10,826	12,719
Year 38 - Y/E 30-Jun-2054	12,719	91	-	10,725	10,816	1,902
Year 39 - Y/E 30-Jun-2055	1,902	83	-	940	1,023	879
Year 40 - Y/E 30-Jun-2056	879	75	-	-	75	804
Year 41+ - Y/E 30-Jun-2057	804	804	-	-	804	-
Totals		284,125	86,949	403,642	774,715	

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 - 200 Days	774,715	17,988	16,303	5,877	40,167	734,548
Year 2 - Y/E 30-Jun-2018	734,548	32,828	26,492	10,725	70,045	664,503
Year 3 - Y/E 30-Jun-2019	664,503	32,828	16,558	10,725	60,110	604,393
Year 4 - Y/E 30-Jun-2020	604,393	32,828	10,348	10,725	53,901	550,491
Year 5 - Y/E 30-Jun-2021	550,491	29,150	6,468	10,725	46,343	504,149
Year 6 - Y/E 30-Jun-2022	504,149	25,803	4,042	10,725	40,570	463,578
Year 7 - Y/E 30-Jun-2023	463,578	24,267	2,526	10,725	37,518	426,060
Year 8 - Y/E 30-Jun-2024	426,060	23,212	1,579	10,725	35,516	390,544
Year 9 - Y/E 30-Jun-2025	390,544	22,048	987	10,725	33,760	356,785
Year 10 - Y/E 30-Jun-2026	356,785	21,087	617	10,725	32,429	324,356
Year 11 - Y/E 30-Jun-2027	324,356	9,991	386	10,725	21,102	303,254
Year 12 - Y/E 30-Jun-2028	303,254	837	241	10,725	11,803	291,451
Year 13 - Y/E 30-Jun-2029	291,451	837	151	10,725	11,713	279,739
Year 14 - Y/E 30-Jun-2030	279,739	837	94	10,725	11,656	268,083
Year 15 - Y/E 30-Jun-2031	268,083	837	59	10,725	11,621	256,462
Year 16 - Y/E 30-Jun-2032	256,462	837	37	10,725	11,599	244,863
Year 17 - Y/E 30-Jun-2033	244,863	837	23	10,725	11,585	233,278
Year 18 - Y/E 30-Jun-2034	233,278	837	14	10,725	11,576	221,702
Year 19 - Y/E 30-Jun-2035	221,702	837	9	10,725	11,571	210,131
Year 20 - Y/E 30-Jun-2036	210,131	837	6	10,725	11,568	198,563
Year 21 - Y/E 30-Jun-2037	198,563	837	9	10,725	11,571	186,992
Year 22 - Y/E 30-Jun-2038	186,992	837	-	10,725	11,562	175,430
Year 23 - Y/E 30-Jun-2039	175,430	837	-	10,725	11,562	163,868
Year 24 - Y/E 30-Jun-2040	163,868	837	-	10,725	11,562	152,306
Year 25 - Y/E 30-Jun-2041	152,306	837	-	10,725	11,562	140,744
Year 26 - Y/E 30-Jun-2042	140,744	378	-	10,725	11,103	129,640
Year 27 - Y/E 30-Jun-2043	129,640	-	-	10,725	10,725	118,915
Year 28 - Y/E 30-Jun-2044	118,915	-	-	10,725	10,725	108,190
Year 29 - Y/E 30-Jun-2045	108,190	-	-	10,725	10,725	97,465
Year 30 - Y/E 30-Jun-2046	97,465	-	-	10,725	10,725	86,740
Year 31 - Y/E 30-Jun-2047	86,740	-	-	10,725	10,725	76,015
Year 32 - Y/E 30-Jun-2048	76,015	-	-	10,725	10,725	65,290
Year 33 - Y/E 30-Jun-2049	65,290	-	-	10,725	10,725	54,565
Year 34 - Y/E 30-Jun-2050	54,565	-	-	10,725	10,725	43,840
Year 35 - Y/E 30-Jun-2051	43,840	-	-	10,725	10,725	33,115
Year 36 - Y/E 30-Jun-2052	33,115	-	-	10,725	10,725	22,390
Year 37 - Y/E 30-Jun-2053	22,390	-	-	10,725	10,725	11,665
Year 38 - Y/E 30-Jun-2054	11,665	-	-	10,725	10,725	-
Year 39 - Y/E 30-Jun-2055	-	-	-	940	940	-
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-
Totals		284,125	86,949	403,642	774,715	

8 DIMINISHING VALUE (DV)

						OV as at 12-Dec-2016	First Year 12-Dec-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (200 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	22,500		6,164	16,336	8,168	4,084	2,042	1,021	
TB206	Signage > Signage for business identification	DV	10.00	20	4,670		512	4,158	832	665	532	426	
Furniture													
TB243	Furniture, freestanding > Mobile	DV	25.00	8	20,925		917	20,008	1,601	1,473	1,355	1,246	
Kitchen equipment													
TB266	Refrigeration assets > Generally	DV	10.00	20	10,300		1,129	9,171	1,834	1,467	1,174	939	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	14,000		2,557	11,443	3,814	2,543	1,695	1,130	
Security													
TB346	Closed circuit television systems > Monitors	DV	4.00	50	4,350		1,192	3,158	1,579	790	395	197	
TB351	Security systems > Control panels	DV	5.00	40	2,850		625	2,225	890	534	320	192	
Retail - Floor Coverings													
RT101	Removable > Carpet	DV	8.00	25	17,000		2,329	14,671	3,668	2,751	2,063	1,547	
RT104	Removable > Vinyl	DV	10.00	20	29,750		3,260	26,490	5,298	4,238	3,391	2,713	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	DV	10.00	20	18,930		2,075	16,855	3,371	2,697	2,158	1,726	
RT107	Equipment > Shelving	DV	10.00	20	138,850		15,216	123,634	24,727	19,781	15,825	12,660	
Total					284,125		35,976	248,149	55,781	41,023	30,950	23,798	

9 PRIME COST (PC)

						OV as at 12-Dec-2016	First Year 12-Dec-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (200 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	22,500		3,082	19,418	5,625	5,625	5,625	2,543	
TB206	Signage > Signage for business identification	PC	10.00	10	4,670		256	4,414	467	467	467	467	
Furniture													
TB243	Furniture, freestanding > Mobile	PC	25.00	4	20,925		459	20,466	837	837	837	837	
Kitchen equipment													
TB266	Refrigeration assets > Generally	PC	10.00	10	10,300		564	9,736	1,030	1,030	1,030	1,030	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	14,000		1,279	12,721	2,333	2,333	2,333	2,333	
Security													
TB346	Closed circuit television systems > Monitors	PC	4.00	25	4,350		596	3,754	1,088	1,088	1,088	492	
TB351	Security systems > Control panels	PC	5.00	20	2,850		312	2,538	570	570	570	570	
Retail - Floor Coverings													
RT101	Removable > Carpet	PC	8.00	13	17,000		1,164	15,836	2,125	2,125	2,125	2,125	
RT104	Removable > Vinyl	PC	10.00	10	29,750		1,630	28,120	2,975	2,975	2,975	2,975	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	PC	10.00	10	18,930		1,037	17,893	1,893	1,893	1,893	1,893	
RT107	Equipment > Shelving	PC	10.00	10	138,850		7,608	131,242	13,885	13,885	13,885	13,885	
Total					284,125		17,988	266,137	32,828	32,828	32,828	29,150	

10 LOW VALUE POOL

						OV as at 12-Dec-2016	First Year 12-Dec-2016 to 30-Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (200 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	1,680		315	1,365	512	320	200	125	
Fire protection													
TB218	Fire control and alarm assets > Extinguishers	DV	LVP	37.50	1,050		197	853	320	200	125	78	
TB223	Detection and alarm systems > Alarm bells	DV	LVP	37.50	700		131	569	213	133	83	52	
Furniture													
TB241	Furniture, freestanding > Chairs	DV	LVP	37.50	1,470		276	1,194	448	280	175	109	
TB242	Furniture, freestanding > Desks	DV	LVP	37.50	750		141	609	229	143	89	56	
TB243	Furniture, freestanding > Mobile storage units (compactus type)	DV	LVP	37.50	3,600		675	2,925	1,097	686	428	268	
TB250	Cabinets > Metal	DV	LVP	37.50	1,365		256	1,109	416	260	162	102	
TB252	Tables > General	DV	LVP	37.50	900		169	731	274	171	107	67	
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	6,010		1,127	4,883	1,831	1,144	715	447	
TB277	Equipment > Lighting System (fluorescent)	DV	LVP	37.50	22,410		4,202	18,208	6,828	4,268	2,667	1,667	
Security													
TB340	Security and monitoring assets > Camera scanning	DV	LVP	37.50	17,850		3,347	14,503	5,439	3,399	2,124	1,328	
TB346	Closed circuit television systems > Monitors	DV	LVP	37.50	1,620		304	1,316	494	308	193	121	
TB352	Security systems > Detectors	DV	LVP	37.50	825		155	670	251	157	98	61	
Specialist equipment													
TB355	Ladders	DV	LVP	37.50	250		47	203	76	48	30	19	
TB364	Garbage disposal > Garbage Bins	DV	LVP	37.50	490		92	398	149	93	58	36	
Ventilation													
TB390	Systems > Ventilation fans	DV	LVP	37.50	530		99	431	161	101	63	39	
Windows													
TB413	Window coverings > Curtains and drapes	DV	LVP	37.50	1,080		203	878	329	206	129	80	
Retail - Furniture													
RT107	Equipment > Shelving	DV	LVP	37.50	24,220		4,541	19,679	7,380	4,612	2,883	1,802	
Total					86,949		16,303	70,646	26,492	16,558	10,348	6,468	

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-Dec-2016	First Year 12-Dec-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 (200 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	429,000	2.50%	10,725	403,642	5,877	397,765	10,725	10,725	10,725	10,725	
Total			429,000		10,725	403,642	5,877	397,765	10,725	10,725	10,725	10,725	

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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