



Commercial Tax Depreciation Report

2/184 Goondoon Street,
Gladstone QLD 4680

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

IPG Gladstone Pty Ltd

27 January 2017
Job No: COM4680001

Tax Depreciation Report – 2/184 Goondoon Street, Gladstone QLD 4680

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

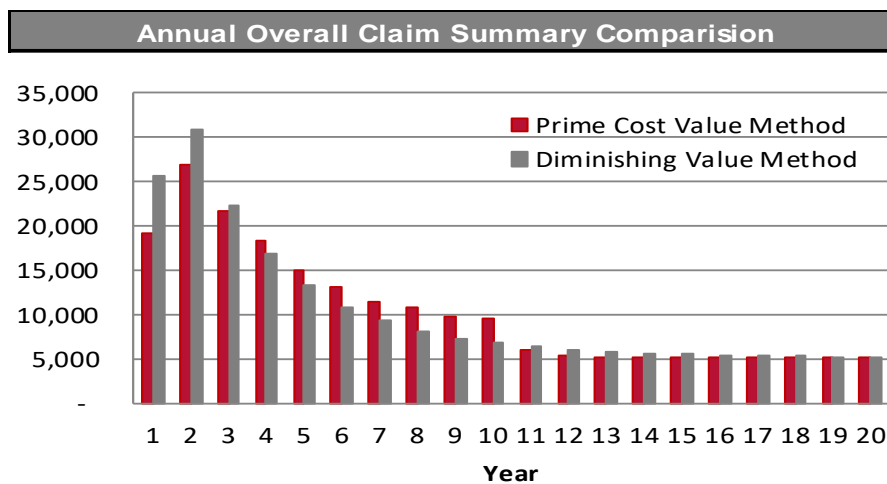
1.1 EXPENDITURE ANALYSED

Overall Expenditure Analysed		
Description	Value (\$)	%
Div 40 - Capital Allowances	107,705	10%
Div 43 Capital Works Incl. Adds	194,064	18%
Repairs and Maintenance	-	0%
Capital Non Eligible	10,686	1%
Goodwill / Other	780,945	71%
Total Purchase Cost	1,093,400	100%

1.2 FIRST YEAR EXPENDITURE

First Year Allowances Y/E - 30/06/17		
Description	Diminishing Value (\$)	Prime Cost (\$)
Div 40 - Depreciating Assets	13,083	6,542
Div 40 - Low Value Pool	8,479	8,479
Div 43 - Capital Works	4,221	4,221
Repairs & Maintenance	-	-
Write Off Expenditure	-	-
Total - Year 1	25,784	19,242

1.3 OVERALL CLAIM SUMMARY CHART



2 PROPERTY INFORMATION

Client	IPG Gladstone Pty Ltd
Property	2/184 Goondoon Street, Gladstone QLD 4680
Property Type	Commercial Pharmacy
Date of Fitout Completion	01/08/2014
Date of first let	02/09/2016

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	2/184 Goondoon Street, Gladstone QLD 4680

PURCHASE DETAILS			
Exchange Date	02/08/2016	Settlement Date	02/09/2016
Purchase Price (Incl Fees)	\$1,093,400	Land Value (Est)	N/A

FITOUT DETAILS			
Construction Start Date	01/07/2014	Construction End Date	01/08/2014
Historic Fitout Cost	\$312,455		

EXPENDITURE ANALYSED		
Div 40 (Capital Allowances)	\$107,705	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)	\$194,064	
Capital Non Deductable	\$10,686	
Land Non Deductable	\$780,945	
Total Expenditure Analysed	\$1,093,400	

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 - 301 Days	301,768	13,083	8,479	4,221	25,784	275,984
Year 2 - Y/E 30-Jun-2018	275,984	12,026	13,779	5,119	30,924	245,060
Year 3 - Y/E 30-Jun-2019	245,060	8,691	8,612	5,119	22,422	222,638
Year 4 - Y/E 30-Jun-2020	222,638	6,436	5,382	5,119	16,938	205,701
Year 5 - Y/E 30-Jun-2021	205,701	4,857	3,364	5,119	13,340	192,361
Year 6 - Y/E 30-Jun-2022	192,361	3,717	2,103	5,119	10,938	181,422
Year 7 - Y/E 30-Jun-2023	181,422	2,875	1,314	5,119	9,308	172,115
Year 8 - Y/E 30-Jun-2024	172,115	2,241	821	5,119	8,181	163,933
Year 9 - Y/E 30-Jun-2025	163,933	1,757	513	5,119	7,389	156,544
Year 10 - Y/E 30-Jun-2026	156,544	1,384	321	5,119	6,824	149,720
Year 11 - Y/E 30-Jun-2027	149,720	1,094	201	5,119	6,413	143,307
Year 12 - Y/E 30-Jun-2028	143,307	867	125	5,119	6,111	137,196
Year 13 - Y/E 30-Jun-2029	137,196	689	78	5,119	5,886	131,310
Year 14 - Y/E 30-Jun-2030	131,310	548	49	5,119	5,716	125,594
Year 15 - Y/E 30-Jun-2031	125,594	437	31	5,119	5,587	120,007
Year 16 - Y/E 30-Jun-2032	120,007	349	19	5,119	5,487	114,520
Year 17 - Y/E 30-Jun-2033	114,520	279	12	5,119	5,410	109,111
Year 18 - Y/E 30-Jun-2034	109,111	223	7	5,119	5,350	103,761
Year 19 - Y/E 30-Jun-2035	103,761	179	5	5,119	5,303	98,459
Year 20 - Y/E 30-Jun-2036	98,459	144	3	5,119	5,265	93,193
Year 21 - Y/E 30-Jun-2037	93,193	115	5	5,119	5,239	87,954
Year 22 - Y/E 30-Jun-2038	87,954	93	-	5,119	5,212	82,743
Year 23 - Y/E 30-Jun-2039	82,743	75	-	5,119	5,193	77,549
Year 24 - Y/E 30-Jun-2040	77,549	60	-	5,119	5,179	72,370
Year 25 - Y/E 30-Jun-2041	72,370	49	-	5,119	5,167	67,203
Year 26 - Y/E 30-Jun-2042	67,203	39	-	5,119	5,158	62,045
Year 27 - Y/E 30-Jun-2043	62,045	32	-	5,119	5,150	56,894
Year 28 - Y/E 30-Jun-2044	56,894	26	-	5,119	5,144	51,750
Year 29 - Y/E 30-Jun-2045	51,750	21	-	5,119	5,140	46,610
Year 30 - Y/E 30-Jun-2046	46,610	17	-	5,119	5,136	41,475
Year 31 - Y/E 30-Jun-2047	41,475	14	-	5,119	5,132	36,342
Year 32 - Y/E 30-Jun-2048	36,342	11	-	5,119	5,130	31,212
Year 33 - Y/E 30-Jun-2049	31,212	9	-	5,119	5,128	26,084
Year 34 - Y/E 30-Jun-2050	26,084	7	-	5,119	5,126	20,958
Year 35 - Y/E 30-Jun-2051	20,958	6	-	5,119	5,125	15,833
Year 36 - Y/E 30-Jun-2052	15,833	5	-	5,119	5,124	10,710
Year 37 - Y/E 30-Jun-2053	10,710	4	-	5,119	5,123	5,587
Year 38 - Y/E 30-Jun-2054	5,587	3	-	5,119	5,122	465
Year 39 - Y/E 30-Jun-2055	465	3	-	449	452	13
Year 40 - Y/E 30-Jun-2056	13	2	-	-	2	11
Year 41+ - Y/E 30-Jun-2057	11	11	-	-	11	-
Totals		62,481	45,224	194,064	301,768	

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 - 301 Days	301,768	6,542	8,479	4,221	19,242	282,526
Year 2 - Y/E 30-Jun-2018	282,526	7,933	13,779	5,119	26,830	255,696
Year 3 - Y/E 30-Jun-2019	255,696	7,933	8,612	5,119	21,663	234,032
Year 4 - Y/E 30-Jun-2020	234,032	7,933	5,382	5,119	18,434	215,599
Year 5 - Y/E 30-Jun-2021	215,599	6,575	3,364	5,119	15,058	200,541
Year 6 - Y/E 30-Jun-2022	200,541	5,821	2,103	5,119	13,043	187,498
Year 7 - Y/E 30-Jun-2023	187,498	5,124	1,314	5,119	11,556	175,942
Year 8 - Y/E 30-Jun-2024	175,942	4,996	821	5,119	10,936	165,005
Year 9 - Y/E 30-Jun-2025	165,005	4,259	513	5,119	9,891	155,114
Year 10 - Y/E 30-Jun-2026	155,114	4,102	321	5,119	9,542	145,572
Year 11 - Y/E 30-Jun-2027	145,572	809	201	5,119	6,128	139,444
Year 12 - Y/E 30-Jun-2028	139,444	109	125	5,119	5,353	134,091
Year 13 - Y/E 30-Jun-2029	134,091	109	78	5,119	5,306	128,785
Year 14 - Y/E 30-Jun-2030	128,785	109	49	5,119	5,277	123,508
Year 15 - Y/E 30-Jun-2031	123,508	109	31	5,119	5,258	118,250
Year 16 - Y/E 30-Jun-2032	118,250	19	19	5,119	5,157	113,093
Year 17 - Y/E 30-Jun-2033	113,093	-	12	5,119	5,131	107,962
Year 18 - Y/E 30-Jun-2034	107,962	-	7	5,119	5,126	102,836
Year 19 - Y/E 30-Jun-2035	102,836	-	5	5,119	5,123	97,713
Year 20 - Y/E 30-Jun-2036	97,713	-	3	5,119	5,122	92,591
Year 21 - Y/E 30-Jun-2037	92,591	-	5	5,119	5,124	87,468
Year 22 - Y/E 30-Jun-2038	87,468	-	-	5,119	5,119	82,349
Year 23 - Y/E 30-Jun-2039	82,349	-	-	5,119	5,119	77,230
Year 24 - Y/E 30-Jun-2040	77,230	-	-	5,119	5,119	72,111
Year 25 - Y/E 30-Jun-2041	72,111	-	-	5,119	5,119	66,993
Year 26 - Y/E 30-Jun-2042	66,993	-	-	5,119	5,119	61,874
Year 27 - Y/E 30-Jun-2043	61,874	-	-	5,119	5,119	56,755
Year 28 - Y/E 30-Jun-2044	56,755	-	-	5,119	5,119	51,636
Year 29 - Y/E 30-Jun-2045	51,636	-	-	5,119	5,119	46,518
Year 30 - Y/E 30-Jun-2046	46,518	-	-	5,119	5,119	41,399
Year 31 - Y/E 30-Jun-2047	41,399	-	-	5,119	5,119	36,280
Year 32 - Y/E 30-Jun-2048	36,280	-	-	5,119	5,119	31,161
Year 33 - Y/E 30-Jun-2049	31,161	-	-	5,119	5,119	26,043
Year 34 - Y/E 30-Jun-2050	26,043	-	-	5,119	5,119	20,924
Year 35 - Y/E 30-Jun-2051	20,924	-	-	5,119	5,119	15,805
Year 36 - Y/E 30-Jun-2052	15,805	-	-	5,119	5,119	10,686
Year 37 - Y/E 30-Jun-2053	10,686	-	-	5,119	5,119	5,568
Year 38 - Y/E 30-Jun-2054	5,568	-	-	5,119	5,119	-
Year 39 - Y/E 30-Jun-2055	-	-	-	449	449	-
Year 40 - Y/E 30-Jun-2056	-	-	-	-	-	-
Year 41+ - Y/E 30-Jun-2057	-	-	-	-	-	-
Totals		62,481	45,224	194,064	301,768	

8 DIMINISHING VALUE (DV)

						OV as at 2-Sep-2016	First Year 2-Sep-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (301 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	8,770		1,447	7,324	1,465	1,172	937	750	
Equipment													
TB165	Computers > Generally	DV	4.00	50	3,713		1,531	2,182	1,091	545	273	136	
TB206	Signage > Signage for business identification	DV	10.00	20	1,374		227	1,147	229	184	147	118	
Kitchen equipment													
TB266	Refrigeration assets > Generally	DV	10.00	20	2,178		359	1,819	364	291	233	186	
Retail plant													
TB337	Point of sale assets > Generally	DV	6.00	33	4,356		1,197	3,159	1,053	702	468	312	
Security													
TB346	Closed circuit television systems > Monitors	DV	4.00	50	2,871		1,184	1,687	844	422	211	105	
TB351	Security systems > Control panels	DV	5.00	40	2,822		931	1,891	756	454	272	163	
Water Supply													
TB412	Hot water systems > Hot water installations	DV	15.00	13	1,634		180	1,454	194	168	146	126	
Retail - Floor Coverings													
RT101	Removable > Carpet	DV	8.00	25	7,153		1,475	5,678	1,420	1,065	798	599	
RT104	Removable > Vinyl	DV	10.00	20	2,861		472	2,389	478	382	306	245	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	DV	10.00	20	16,830		2,776	14,054	2,811	2,249	1,799	1,439	
RT107	Equipment > Shelving	DV	10.00	20	7,920		1,306	6,614	1,323	1,058	847	677	
Total					62,481		13,083	49,398	12,026	8,691	6,436	4,857	

9 PRIME COST (PC)

						OV as at 2-Sep-2016	First Year 2-Sep-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (301 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	8,770		723	8,047	877	877	877	877	
Equipment													
TB165	Computers > Generally	PC	4.00	25	3,713		765	2,947	928	928	928	163	
TB206	Signage > Signage for business identification	PC	10.00	10	1,374		113	1,261	137	137	137	137	
Kitchen equipment													
TB266	Refrigeration assets > Generally	PC	10.00	10	2,178		180	1,998	218	218	218	218	
Retail plant													
TB337	Point of sale assets > Generally	PC	6.00	17	4,356		599	3,757	726	726	726	726	
Security													
TB346	Closed circuit television systems > Monitors	PC	4.00	25	2,871		592	2,279	718	718	718	126	
TB351	Security systems > Control panels	PC	5.00	20	2,822		465	2,356	564	564	564	564	
Water Supply													
TB412	Hot water systems > Hot water installations	PC	15.00	7	1,634		90	1,544	109	109	109	109	
Retail - Floor Coverings													
RT101	Removable > Carpet	PC	8.00	13	7,153		737	6,415	894	894	894	894	
RT104	Removable > Vinyl	PC	10.00	10	2,861		236	2,625	286	286	286	286	
Retail - Furniture													
RT106	Equipment > Counters, freestanding	PC	10.00	10	16,830		1,388	15,442	1,683	1,683	1,683	1,683	
RT107	Equipment > Shelving	PC	10.00	10	7,920		653	7,267	792	792	792	792	
Total					62,481		6,542	55,939	7,933	7,933	7,933	6,575	

10 LOW VALUE POOL

						OV as at 2-Sep-2016	First Year 2-Sep-2016 to 30- Jun-2017	C.W.D.V 30-Jun-2017					
Code	Assets	Method	EL	Rate(%)	Opening Value		Year 1 (301 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	356		67	290	109	68	42	27	
Fire protection													
TB218	Fire control and alarm assets > Extinguishers	DV	LVP	37.50	693		130	563	211	132	82	52	
TB222	Alarms > Smoke	DV	LVP	37.50	871		163	708	265	166	104	65	
Furniture													
TB241	Furniture, freestanding > Chairs	DV	LVP	37.50	846		159	688	258	161	101	63	
TB249	Cabinets > Timber/laminated	DV	LVP	37.50	2,683		503	2,180	817	511	319	200	
TB250	Cabinets > Metal	DV	LVP	37.50	386		72	314	118	74	46	29	
Kitchen equipment													
TB265	Ovens > Microwave	DV	LVP	37.50	147		28	119	45	28	17	11	
Light & power													
TB276	Equipment > Lighting Plant (electric)	DV	LVP	37.50	2,772		520	2,252	845	528	330	206	
TB277	Equipment > Lighting System (fluorescent)	DV	LVP	37.50	5,544		1,040	4,505	1,689	1,056	660	412	
Security													
TB340	Security and monitoring assets > Camera scanning	DV	LVP	37.50	842		158	684	256	160	100	63	
TB346	Closed circuit television systems > Monitors	DV	LVP	37.50	238		45	193	72	45	28	18	
Specialist equipment													
TB364	Garbage disposal > Garbage Bins	DV	LVP	37.50	183		34	149	56	35	22	14	
Retail - Furniture													
RT107	Equipment > Shelving	DV	LVP	37.50	29,266		5,487	23,779	8,917	5,573	3,483	2,177	
Medical - Specialist Equipment													
ME100	Medial Equipment > Powered Medical Instruments	DV	LVP	37.50	396		74	322	121	75	47	29	
Total					45,224		8,479	36,744	13,779	8,612	5,382	3,364	

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 2-Sep-2016	First Year 2-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 (301 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	204,750	2.50%	5,119	194,064	4,221	189,843	5,119	5,119	5,119	5,119	
Total			204,750		5,119	194,064	4,221	189,843	5,119	5,119	5,119	5,119	

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

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