

		ENTITY											
Blank Undo		0	1	2	3	4	5	6	7	8	9	10	
Pre-tax													
Value net assets		2000	1950	1932	1945	1986	2054	Combined value of all assets					
Net receipts		0	250	213	181	154	131	0	0	0	0	0	
Change in value		0	-50	-18	13	41	68	Net asset value increases from Year 3					
Income		0	200	195	193	195	199	Economic income = Net receipts + change in asset value					
Cash flow		-2000	250	213	181	154	2185	0	0	0	0	0	
Pre-tax return %	IRR Clr		0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0.0	
Post-tax													
Tax value		2000	1700	1490	1343	1240	1168	0	0	0	0	0	
Change in tax value			-300	-210	-147	-103	-72	30% annual depreciation allowances for asset depreciating at 15% pa					
Balancing adjustmt			0	0	0	0	276	Balancing adjustment on disposal of depreciating asset					
CGT bal adj			0	0	0	0	611	Realised gain on sale of of appreciating asset - not taxed					
Post-tax cash flow		-2000	250	213	181	154	2185	Entity tax rate 0% (with full distributions)					
Acc tax paid			0	0	0	0	0	Entity's 10% pre-tax return untaxed with full distributions					
Post-tax return %	IRR Clr		0.0	0.0	0.0	0.0	10.0						

ENTITY OWNERS/BENEFICIARIES													
Retain entity/sell (0/1)			1	1	1	1	0	Interests sold each year					
Retain/distribute			1	1	1	1	1	All cash distributed each year					
Value (share)		2000	1950	1932	1945	1986	0	With all cash from net receipts being distributed across the years, \$692 of accrued gains is effectively included in untaxed income prior to liquidation with a matching reduction in tax value of entity interests. In addition, \$68 return of capital occurs in Years 1 & 2 when cash distributed exceeds annual economic income. Therefore, only \$1240 of cash paid out on liquidation is counted as a return of capital compared to the original \$2000 capital contributed (\$2000 - \$68 - \$692). Thus, a capital loss of \$746 is realised on liquidation by those buying the entity in Year 4 (\$1986 - \$1240). \$461 total tax revenue (ie 47% x \$982 of total economic income from the entity's assets)					
Tax value adjusted		2000	1750	1737	1752	1828	746						
Franked div (share)			0	0	0	37	945						
Unfranked div (share)			200	195	181	117	0						
Return of cap (share)		-2000	50	18	0	0	1240						
Tax paid	10% to 5.3% post tax each year as economic income taxed at 47%		0	0	0	17	444						
CGT base			200	195	193	158	-746						
CGT			94	92	91	74	-351						
Post-tax cash flow		-2000	2106	2053	2035	2048	2091						
Post-tax return			0.0	0.0	0.0	0.0	0.0						
Return(sales)	Delete		5.30%	5.30%	5.30%	5.30%	5.30%						
Acc overall i/tax paid			94	186	276	368	461						

'Unfranked dividends' in a year reflect economic income of the entity, comprising accrued gains of assets, that is not included in taxable income in that year because of depreciation allowances. They reduce the tax value of entity interests and total \$692 across all years. 'Franked dividends' reflect income included in taxable income (losses are carried forward in the entity). They total \$982 across all years (including realised capital gains and balancing adjustments in final year), matching the economic income from the entity's assets.

FIXED TRUST: DISTRIBUTIONS AND SALES OF INTERESTS EACH YEAR