

| | | 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 depreciating asset and appreciating asset | | | | | |
| 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 increase 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 | 0 | 0 | 0 | 0 | 0 | |
| Post-tax return % | IRR Clr | | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 | Entity's 10% pre-tax return untaxed with full distributions | | | | | |

| ENTITY BENEFICIARIES | | | | | | | | | | | | | |
|--------------------------|---|-------|------|------|------|------|-------|--|--|--|--|--|--|
| Retain entity/sell (0/1) | | | 0 | 0 | 0 | 0 | 0 | No interests sold | | | | | |
| 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 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). Because the capital loss of \$692 realised on liquidation by those originally contributing capital (\$2000 - \$68 - \$1240) matches the prior reduction in tax values, there is no net capital loss for tax purpose on liquidation. | | | | | |
| Tax value (share) | | 2000 | 1750 | 1537 | 1357 | 1240 | 0 | | | | | | |
| 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 5.8% post tax over 5 yrs same for direct investor even though losses different | | 0 | 0 | 0 | 17 | 444 | | | | | | |
| CGT base | | | 0 | 0 | 0 | 0 | 0 | | | | | | |
| CGT | | | 0 | 0 | 0 | 0 | 0 | | | | | | |
| Post-tax cash flow | | -2000 | 250 | 213 | 181 | 136 | 1741 | | | | | | |
| Post-tax return | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | |
| Return(sales) Delete | | | | | | | 5.81% | | | | | | |
| Acc overall i/tax paid | | | 0 | 0 | 0 | 17 | 461 | \$461 total tax revenue (ie 47% x \$982 of total economic income) | | | | | |

'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 EACH YEAR AND NO SALES OF INTERESTS