

Blank Undo		INFRASTRUCTURE COMPANY											
Year		0	1	2	3	4	5	6	7	8	9	10	
<b>Pre-tax</b>													
Value net assets		1000	1100	1210	1331	1464	1391	1321	1255	1193	1133	1076	Asset value
Net receipts		0	0	0	0	0	220	209	198	188	179	170	
Cash flow		-1000	0	0	0	0	220	209	198	188	179	1246	
Pre-tax return %	IRR Clr		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	
<b>Post-tax</b>													
Tax value		1000	1000	1000	1000	1000	950	903	857	815	774	735	Tax value
Change in tax value			0	0	0	0	-50	-48	-45	-43	-41	-39	Depreciation balancing adjustment on asset sale
Balancing adjustmt			5% depreciation on \$1000 cap expenditure				0	0	0	0	0	341	
CGT bal adj			Entity tax rate 30%				0	0	0	0	0	0	
Post-tax cash flow		-1000	0	0	0	0	169	160	152	145	137	1104	
Acc tax paid			0	0	0	0	51	99	145	189	230	372	
Post-tax return %	IRR Clr		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.5	Entity's return higher than 7% because of no tax on up-front accrued gains
<b>SHAREHOLDERS</b>													
Retain entity/sell (0/1)			1	1	1	1	1	1	1	1	1	0	Shares sold each year
Retain/distribute			0	0	1	1	1	1	1	1	1	1	All cash distributed
Value (share)		1000	1100	1210	1331	1464	1391	1321	1255	1193	1133	0	
Tax value (share)		1000	1100	1210	1331	1464	1391	1321	1255	1193	1133	359	
Franked div (share)			0	0	0	0	119	113	107	102	97	331	10% pre-tax to 5.3% post-tax return each year as net receipts plus change in asset value taxed at shareholders 47% tax rate.
Unfranked div (share)			0	0	0	0	50	48	45	43	41	0	
Return of cap (share)		-1000	0	0	0	0	0	0	0	0	0	774	
Tax paid			0	0	0	0	52	50	47	45	43	80	
CGT base	Shareholders' taxed at 47% on annual accrued gains		100	110	121	133	-73	-70	-66	-63	-60	-359	
CGT			47	52	57	63	-34	-33	-31	-30	-28	-169	
Post-tax cash flow		-1000	1053	1158	1274	1402	1542	1465	1391	1322	1256	1193	
Post-tax return			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Return(sales)	Delete		5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	
Acc overall i/tax paid			47	99	156	218	287	352	414	473	529	583	
Because \$226 of unfranked dividends (economic income not in the company's taxable income) have been taxed to shareholders over the years, only \$774 of cash paid out on liquidation is a return of capital (ie \$1000 capital contributed less \$226). Thus, those buying shares in Year 9 for \$1133 make a capital loss on liquidation of \$359 (\$1133-\$774).											\$583 total tax revenue, ie 47% x \$1240 of economic income from infrastructure asset		

**INFRASTRUCTURE COMPANY: FULL IMPUTATION WITH DISTRIBUTION AND SALES OF SHARES EACH YEAR**