

		GEARED INVESTMENT PROJECT											
		0	1	2	3	4	5	6	7	8	9	10	
Blank	Undo												
Value assets		1400	1440	1499	1577	1673	1788	← Depreciating and appreciating assets					0
Value liabilities		0	0	0	0	0	0	← No debt					0
Gearing		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Year		0	1	2	3	4	5	6	7	8	9	10	
Pre-tax													
Value net assets		1400	1440	1499	1577	1673	1788	← Positive net receipts each year (no debt and no interest payments)					0
Net receipts		0	100	85	72	61	52						0
Cash flow		-1400	100	85	72	61	1840						0
Pre-tax return %	IRR	Clr	0.0	0.0	0.0	0.0	10.0	← Pre-tax return					0.0
Post-tax													
Tax value		1400	1280	1196	1137	1096	1067	← Annual depreciation deductions					0
Change in tax value			-120	-84	-59	-41	-29	← 110 claw-back of excess depreciation deductions					0
Balancing adjustmt			0	0	0	0	110	← 1/2 of 611 capital gain included in assessment					0
CGT bal adj			0	0	0	0	611						0
Post-tax cash flow		-1400	109	85	66	52	1634	← Cumulative 213 of tax revenue after 206 tax paid in Year 5 (47% of 1/2 611 gain plus 110 balancing adjust less 29 depreciation and 52 of net receipts)					0
Acc tax paid			-9	-9	-3	7	213						0
Post-tax return %	IRR	Clr	0.0	0.0	0.0	0.0	7.6	← Post-tax return					0.0
Negative tax amounts are tax savings from full loss offset													

INVESTMENT PROJECT WITH NO GEARING AND NO PRICE EFFECTS (DEPRECIATING AND APPRECIATING ASSETS COMBINED)