

Depreciation* Vs EzyWay - an example

Company Tax Rate (30%)

Depreciation

Electrical Goods \$5,000 (ex GST)

| Dep%# | | Book Value | | Tax Depreciation | Tax Benefit |
|---------------------------|----|------------|----|------------------|-------------|
| 15% | of | \$5,000.00 | is | \$750.00 | \$225.00 |
| 15% | of | \$4,250.00 | is | \$637.50 | \$191.25 |
| 15% | of | \$3612.50 | is | \$541.88 | \$162.56 |
| Tax Benefit after 3 years | | | | | \$578.81 |

Flexirent EzyWay

EzyWay Goods @ \$207 per month (inc GST) - for companies not registered for GST

| Year | | Monthly Payments | | Tax Deduction | Tax Benefit |
|---------------------------|--|------------------|----|---------------|-------------|
| 1 | | 12 x \$207 | is | \$2,484.00 | \$745.20 |
| 2 | | 12 x \$207 | is | \$2,484.00 | \$745.20 |
| 3 | | 12 x \$207 | is | \$2,484.00 | \$745.20 |
| Tax Benefit after 3 years | | | | | \$2,235.60 |

Flexirent EzyWay

EzyWay Goods @ \$188.18 per month (ex GST) - for companies registered for GST

| Year | | Monthly Payments | | Tax Deduction | Tax Benefit |
|---------------------------|--|------------------|----|---------------|-------------|
| 1 | | 12 x \$188.18 | is | \$2,258.18 | \$677.45 |
| 2 | | 12 x \$188.18 | is | \$2,258.18 | \$677.45 |
| 3 | | 12 x \$188.18 | is | \$2,258.18 | \$677.45 |
| Tax Benefit after 3 years | | | | | \$2,032.36 |

Based on 100% business use at a tax rate of 30%. This example compares the relative after - tax position at the end of three years EzyWay and diminishing value tax depreciation method. It does not account for the remaining write-off value of purchased equipment.

This example is for illustrative purposes only and individual circumstances may vary. If in doubt, consult your accountant or tax advisor.

Flexirent does not profess to be a tax advisor.

#Depreciation rates vary from item to item.

