

# PRACTITIONER OPEN COURSES FOR AUTUMN 2011

## MODULE PT2.1

### Product Pricing

*Tutor: Nick Pattenden, Director, Field Solutions Ltd*

*Date: 4th October 2011*

*Time: 0930 – 1300*

#### Topics

##### Leasing

Cost of funds and margin

##### Capital allowances

How they work in the current tax regime

Time apportionment and dis-application rules

Co-terminous and non-co-terminous year ends

Probable effects on a funder's pricing

Consideration of the different lease tax treatments

Measuring profitability

##### Evaluation

Gross or net?

The methods of evaluation and their effects on income

· gross actuarial, net after tax and dual rate of return

##### Price building

Fixed rate pricing

Risk based pricing

How brokers build prices

Pooling

The classes of asset pool

Short-life assets

Short life asset assumptions

Long-life assets

Evaluating leases on a pooled and de-pooled basis

The consequences of a change in assumptions

· sale for tax written down value (or more)

· sale for less than tax value

Terminating long funding finance and operating leases

Termination: the effect of re-investment rates

## MODULE PT2.2

### Asset Finance Accounting Part II

*Tutor: David Maxwell, Director, Classic Technology Ltd*

*Date: 4th October 2011*

*Time: 1400 – 1730*

#### Topics

##### Beyond the basics

##### Lease classification

###### Under UK GAAP

· what is UK GAAP?

· who accounts under SSAP 21 and FRS 5

· defining finance and operating leases under UK GAAP

· further issues for lessors and the lessees (SSAP 21 and FRS 5)

###### Under International GAAP

The growing importance of IAS 17

· who accounts under IAS 17 and IFRS 5

· defining finance and operating leasing under

International GAAP

· disclosure requirements

IFRIC 4

· recognising a lease

· the problems of exclusivity and control

Further lease classification developments

###### Under US GAAP

What is US GAAP?

· who accounts under US GAAP

· defining leases under US GAAP

How the UK, International and US accounting standards differ

##### Lessee Accounting

Lessee accounting – a recap of the basic methods

The current tax regime

Capital allowances and depreciation for long funding leasing

##### Lessor Accounting

Lessor accounting – the basic methods

· the challenge of profit recognition under IAS 17

· other challenges and the practical issues that face the UK asset finance industry

##### Tax Accounting

Accounting for timing differences

## MODULE PT2.3

### Asset Finance Taxation

*Tutor:*

*Date: 5th October 2011*

*Time: 0930 – 1300*

#### Topics

##### The current taxation system

The hierarchy of HMRC

The main tax laws that apply to leasing

The schedule system of taxation - how lease profits are taxed

##### IT leasing

Software and hardware – what is the right mix?

Capital allowance availability

Software: capital allowances and intangible asset rules

##### Recent tax changes

Why taxation aims to follow accounting principles

Business travel taxation

Corporate tax reform

Big-ticket: is there a future?

World-wide UK leasing – will it take off?

##### Capital allowances

The new tax regime

· rules to prevent double claims

· lessor's election and lessee's election

Sec.220 time apportionment dis-application

· coterminous and non-coterminous year ends

· the group relief position

##### Avoidance

The difference between evasion and avoidance

The ramifications of:

· the Mawson case and the Delta Finance case



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## MODULE PT2.4

### Service Contracts & Receivables Financing

Tutor: Alick Mulhall, FINANCE INDUSTRY TRAINING

Date: 5th October 2011

Time: 1400 – 1730

#### Topics

##### Commerciality

What is receivables financing?

· sale of HP instalments (block discounting); sale of rental income streams; sale of rental assets; sale of service contract income

What sort of company/supplier might benefit

The commercial drivers

· selling assets; and/or raising cash

##### Accounting

The standards that affect receivables financings

UK GAAP - FRS 5

International GAAP - IAS 18 - IFRIC 4 - IAS 17 - IAS 3

##### Taxation

Leases of background plant and machinery for a building

Transfers, assignments by a lessor

Sale of receivables to tax loss companies

## MODULE PT2.5

### Risk Analysis Part II

Tutor: Sally Holmes, FINANCE INDUSTRY TRAINING

Date: 6th October 2011

Time: 0930 – 1300

#### Topics

Enhancing one's understanding of the client's business

Business plans and forecasts -

· their uses and limitations

Assessing accounts in the context of operations

Financial ratios

· definition and calculation

Ratio analysis as an aid to credit assessment

Understanding cash flow and cash flow analysis

Assessing the need for supporting security

Credit scoring as a portfolio management tool

Risk management

Maintaining an acceptable risk exposure

Intensive care: the fundamental principles



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## MODULE PT2.6

### Law and Documentation

Tutor: Andrew Maskill, Addleshaw Goddard

Date: 6th October 2011

Time: 1400 – 1730

#### Topics

An in-depth look at asset finance law

Leasing and hire purchase documentation

All the major terms and conditions including

· rentals and rental adjustment provisions

· insurance and insurance termination

· maintenance and insurance clauses

· financial and non-financial covenants

Voluntary and compulsory termination and sales agency

##### New document additions

Vendor and vendor support agreements

Agency agreements

Split risk guarantees