



AUSTRALIAN EQUIPMENT
LESSORS ASSOCIATION
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10 May 2016

EARLY REGISTRATION

EQUIPMENT FINANCE MASTERCLASS & FINANCIAL COMPUTATIONS WORKSHOP

Executive Summary

Early registration is now open for the AELA Equipment Finance Courses in Sydney and Melbourne in August.

(A) EQUIPMENT FINANCE MASTERCLASS

(2) two-day course (9.00am – 5.30pm)

Sydney: 18-19 August – Radisson Blu Hotel

Melbourne: 22-23 August – Marriott Hotel

*This practical two-day course has been most successful since first offered by AELA in 1988, with over a thousand Australian equipment finance professionals having attended, and will again be presented by **Sudhir Amembal**, a leading educator in the leasing industry worldwide. The program has been broadened in recent years to encompass hire-purchase and chattel mortgage, in addition to leasing. The course will provide attendees with a broad overview of the Australian and global equipment finance industry through an examination of the financial, economic, tax and accounting perspectives and will provide attendees with an in-depth understanding of the world of equipment finance. The course will highlight the advantages of operating leases, apart from the current off-balance sheet treatment. It will be useful for staff at all levels, with a focus on enabling the business to grow volume (and profit). [The detailed course outline accompanies.](#)*

(B) UNDERSTANDING THE FINANCIAL COMPUTATIONS OF EQUIPMENT FINANCE USING LEASING CALCULATORS

Half-Day Workshop (Sydney only)

Wednesday 17 August 9.00am – 12.30pm – Radisson Blu Hotel

(a stand-alone course or in conjunction with Equipment Finance MasterClass)

The objective of this workshop is to enable attendees to gain a firm understanding of the financial concepts and applications that are the foundation of the world of equipment finance. The concepts of Present Value (PV) and Internal Rate of Return (IRR) and associated variants are the focus, as they underpin the day-to-day real world applications of pricing, structuring, accounting, and finance vs purchase analysis. This half-day hands-on workshop will fully acquaint attendees with these building blocks of equipment finance. [The detailed workshop program accompanies.](#)

REGISTRATION FORM ACCOMPANIES

JOHN BILLS
Director



EQUIPMENT FINANCE MASTERCLASS & FINANCIAL COMPUTATIONS

(A) Equipment Finance MasterClass

SYDNEY 18-19 August 2-day course 9.00am – 5.30pm	MELBOURNE 22-23 August 2-day course 9.00am – 5.30pm
\$1640 (includes GST)	\$1640 (includes GST)
\$1990 with 1/2 day workshop (Sydney)	\$1990 with 1/2 day workshop (Sydney)
Venue: Radisson Blu Hotel 27 O'Connell Street, Sydney	Venue: Marriott Hotel Cnr Exhibition and Lonsdale Streets, Melbourne

(B) Understanding the Financial Computations of Equipment Finance Using Leasing Calculators *1 half-day workshop (Sydney only)*

SYDNEY – 17 August – Morning Session only
9.00am to 12.30pm
Venue: Radisson Blu Hotel, 27 O'Connell Street, Sydney
Registration: \$440 (includes GST)

REGISTRATION DETAILS

(Please photocopy for multiple registrations)

(This document may be used as a Tax Invoice for Australian GST purposes when payment is made. ABN 19 054 908 520)

NAME: Mr/Ms/Mrs/Miss

POSITION:

COMPANY:

ADDRESS:

POSTCODE PHONE: FAX: EMAIL:

Your choice:

(A) **EQUIPMENT FINANCE MASTERCLASS (\$1640):** VENUE:

Please note additional cost for credit card payments

Visa-\$1675 MasterCard -\$1675 Amex-\$1690 Please Invoice

Please note additional cost for credit card payments

Visa-\$450 MasterCard -\$450 Amex-\$455 Please Invoice

(C) **COMBINED MASTERCLASS AND HALF-DAY WORKSHOP (\$1990):** VENUE:

Please note additional cost for credit card payments

Visa-\$2030 MasterCard -\$2030 Amex-\$2050 Please Invoice

Method of payment:

Cheque payable to Australian Equipment Lessors Association

Direct Credit: A/C 10044066 BSB 062022 – Commonwealth Bank, 48 Martin Place, Sydney

..... Expiry Date: Amount: \$

Signature: Name on Card: CCV/Security No.

(A) EQUIPMENT FINANCE MASTERCLASS

Two-day course (Sydney and Melbourne)

SYDNEY 18-19 August <i>2-day course</i> 9.00am – 5.30pm	MELBOURNE 22-23 August <i>2-day course</i> 9.00am – 5.30pm
\$1640 (includes GST)	\$1640 (includes GST)
\$1990 with ½ day workshop (Sydney)	\$ \$1990 with ½ day workshop (Sydney)
Venue: Radisson Blu Hotel 27 O'Connell Street, Sydney	Venue: Marriott Hotel Cnr Exhibition and Lonsdale Streets, Melbourne

COURSE OUTLINE

1. EQUIPMENT FINANCE OVERVIEW

- a. Global/Australian Perspective
- b. Varied Products
 - i. Finance Lease
 - ii. Operating Lease
 - iii. Rental
 - iv. Hire Purchase
 - v. Chattel Mortgage
- c. Varied Players and Competitive Dynamics
- d. Working With Brokers and US Broker Nuances

2. GAUGING CUSTOMER NEEDS

- a. Varied Product Benefits
 - i. Financial Reporting
 - ii. Tax
 - iii. Cash Management
 - iv. Technology
 - v. Convenience /Flexibility
 - vi. Financial
 - vii. Ownership Preference
- b. Perceived and Real Product Disadvantages
- c. Matching Product to Needs

3. FINANCIAL CONCEPTS

- a. Present Value
- b. Internal Rate of Return

4. MAXIMIZING FINANCIER BENEFITS

- a. Margins
- b. Tax
- c. Financial Leverage
- d. Auxiliary Services

5. MINIMIZING CUSTOMER COST

- a. The Equipment Acquisition Process
 - i. The Investment Decision
 - ii. The Financial Decision
 - iii. Financier Selection
 - iv. Product Selection
- b. Present Value After Tax Process (Equipment Finance Options)
- c. Using the Appropriate Discount Rate
- d. Break – Even Analysis
 - i. Discount Rate
 - ii. Salvage Value

6. IDEAL ATTRIBUTES TO POSSESS

- a. A Complete List
- b. Precluding Commoditization
- c. Adding Value

7. PRICING AND STRUCTURING

- a. Arriving at Pre-Targeted Yields
- b. Adjustments for Risk
- c. Pre - Tax Pricing and Structuring
- d. After - Tax Considerations in Pricing
- e. Pricing Broker Commissions

8. TAX AND ACCOUNTING DIMENSIONS

- a. Income Tax Treatment of Equipment Finance Products
- b. The Tax Benefit Transfer Concept
- c. Value of Tax Depreciation from Leases
- d. Accounting Impact on Customer and Financier
- e. Value of Tax Depreciation from Leases
- f. Criteria Distinguishing Finance versus Operating Lease
- g. Techniques to Structure Off Balance Sheet Financing
- h. Navigating the New Accounting Standard
- i. Pending Tax Issues

9. OPERATING LEASES

- a. Varied Definitions
- b. Unique Skills Needed to Offer Product
- c. Unique Benefits to Customer and Financier
- d. Understanding and Managing Unique Risks
 - i. Residual Risk
 - ii. Earnings Risk
 - iii. Funding Risk
 - iv. Pricing Risk
 - v. Analytical Risk
- e. Related Products
 - i. Synthetic Lease
 - ii. TRAC Lease
 - iii. Leveraged Lease

Note:

- *Participants in the 2-day MasterClass can choose to bring either an HP12C, HP17B, HP17B11 or HP19B to the course. If you choose to bring another calculator, it must be capable of present value and i.r.r. calculations, including with uneven cash flows. However, the Half-Day Workshop participants are required to bring only an HP12C calculator.*
- *A calculator pre-reading material will be sent out to participants of the Equipment Finance MasterClass on confirmation of registration.*
- *This two-day course will provide participants with 12 hours CPD.*
- *Lunch is included in the 2-day course fee.*

(B) Understanding the Financial Computations of Equipment Finance Using Leasing Calculators

1 half-day workshop (Sydney only)

SYDNEY
17 August - Morning session only
9.00am to 12.30pm
Venue: Radisson Blu Hotel
27 O'Connell Street, Sydney
Registration: \$440 (includes GST)

Course Objective

Fully understanding equipment finance includes a firm grasp on the financial aspects of the subject. Knowledge of the concepts and applications of Present Value (PV) and Internal Rate of Return (IRR) are critical to gain such a grasp. Every transaction uses either or both PV and IRR.

Though everyone has access to and uses spreadsheets and/or software for the varied financial applications, more often than not there is a tendency to simply “push buttons” to obtain the required calculation/application.

This half-day workshop will fully acquaint attendees with a solid knowledge of the concepts of PV and IRR, using the Hewlett—Packard (HP) 12C calculator.

Attendees must bring the HP12C calculator to the workshop.

This half-day workshop is strongly recommended as a pre-requisite to the two day Equipment Finance MasterClass course as time does not permit the instructor in the latter course to devote attention to the concepts and mechanics of the varied financial applications; yet large parts of the two day workshop require the participants to be familiar with such. Subjects in Equipment Finance MasterClass which involve financial calculations are: Lease Accounting; Pricing & Structuring; Lease versus Purchase Analysis.

Outline of half-day workshop

1. Definitions
 - Present value
 - Discounting
 - Modes of cash flow
 - Internal rate of return
 - Nominal and effective rates
2. Internal Rate of Return
 - Even cash flow
 - Uneven cash flow

Note:

The Workshop may also be attended by those who have previously attended Winning with Leasing or those who have no plans of attending the Equipment Finance MasterClass. This is a hands-on Workshop and no pre reading material will be sent out.