LeaseAccelerator   EZLease

Lease accounting demo

Easier IFRS 16 compliance

Agenda

1. Panel introductions and getting to know our audience

2. IFRS 16 – An unexpected journey

3. EZLease demonstration

4. R.O.I. considerations and Q&A session

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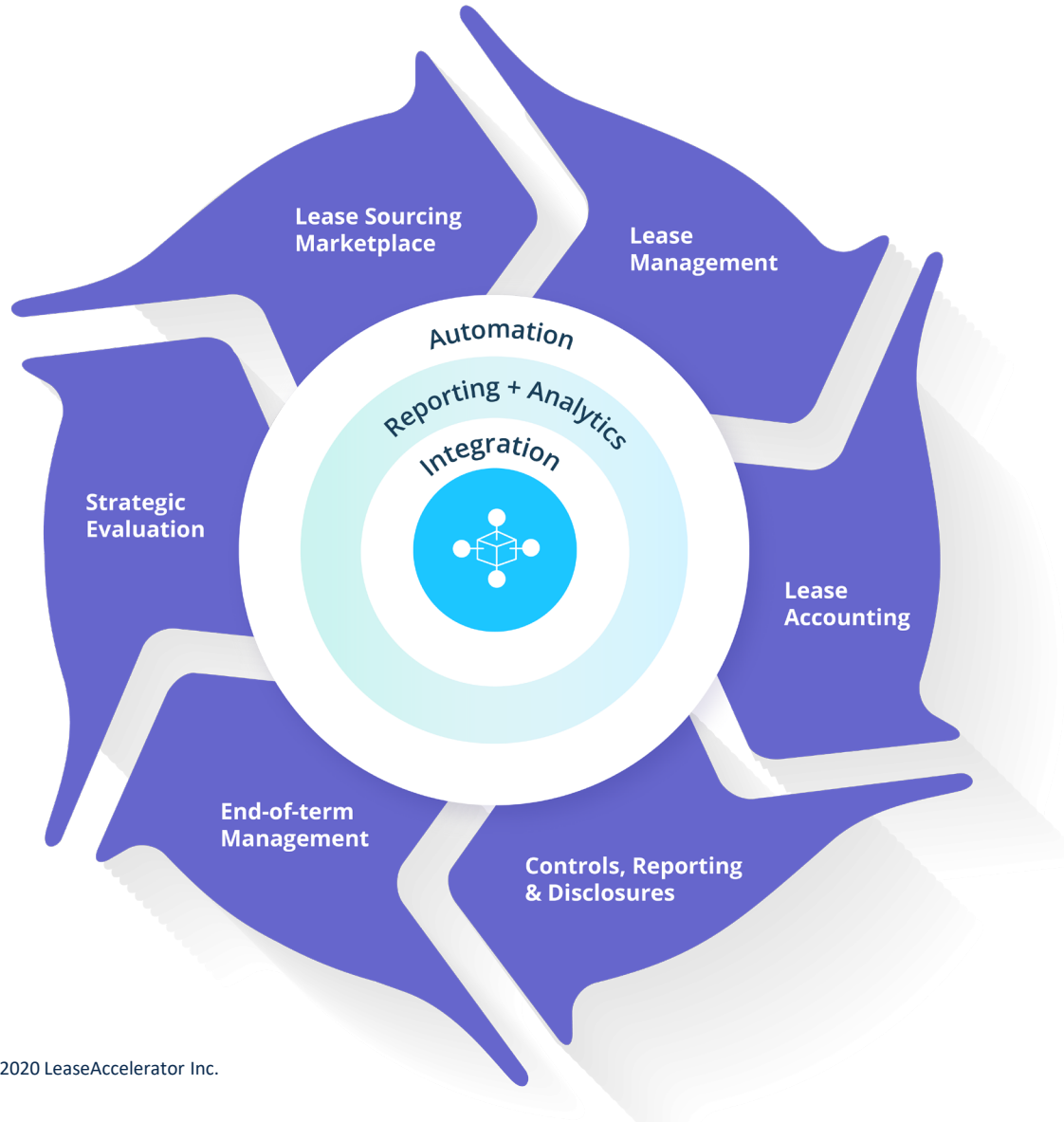# Panel introductions and getting to know our audience

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Panelists

Erica Venter

Account Executive
LeaseAccelerator

David Byrne

General Manager - APAC
LeaseAccelerator
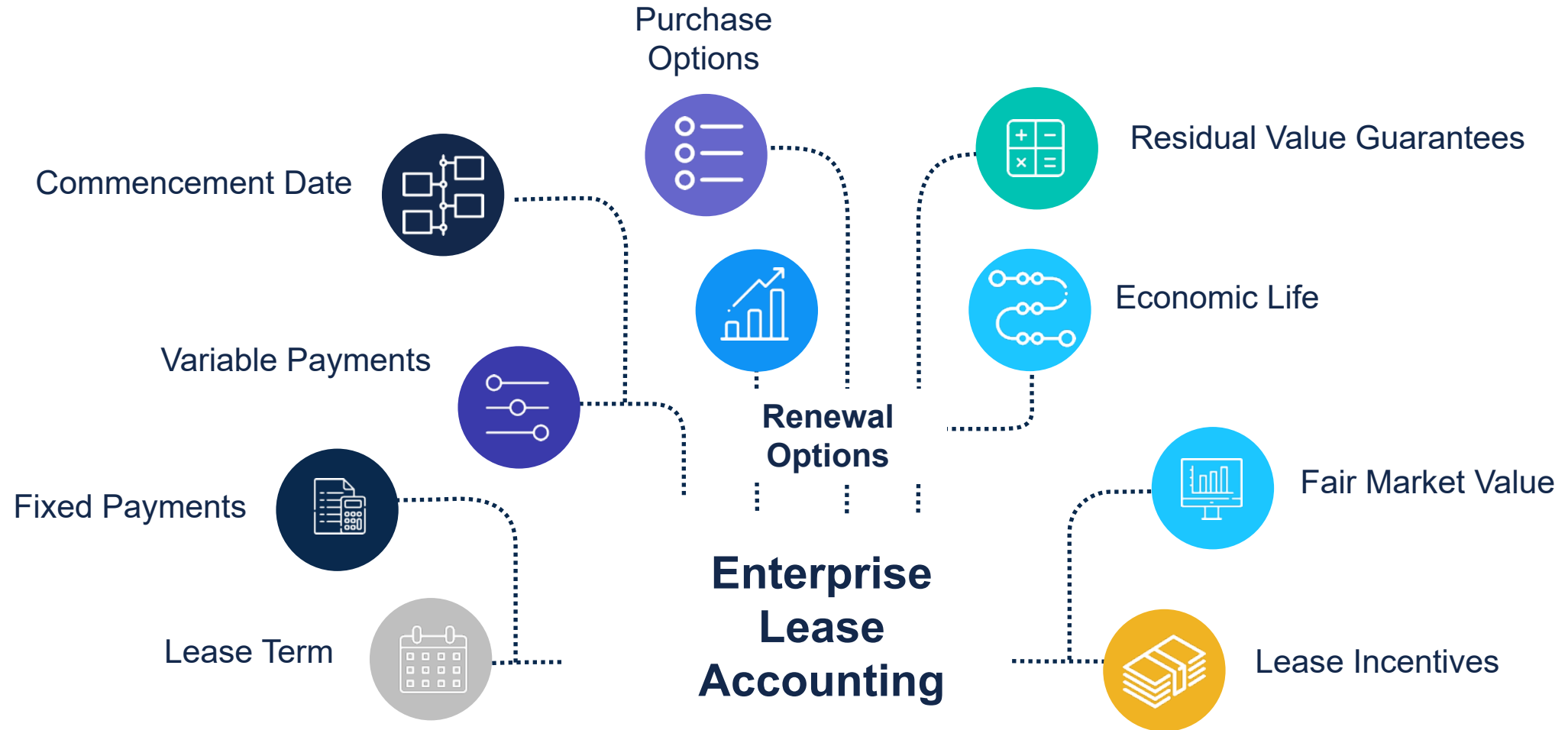
The lease lifecycle journey

Lease Sourcing Marketplace

Lease Management

Strategic Evaluation

Automation

Reporting + Analytics

Integration

Lease Accounting

End-of-term Management

Controls, Reporting & Disclosures

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- Enterprise
- Real Estate Mgmt.
- Compliance
- EZLease
- Sourcing

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IFRS 16 –
An unexpected journey

Accurate data is critical for lease accounting

Purchase Options

Commencement Date

Residual Value Guarantees

Variable Payments

Economic Life

Renewal Options

Fixed Payments

Fair Market Value

Lease Term

Enterprise Lease Accounting

Lease Incentives

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Lessons learned

Focus on the opportunity. Include the economic analysis

Inadequate or non-existent asset level accounting

Lack of system testing

Under-estimating the difficulty in finding knowledgeable and dedicated resources

Lack of preparedness for lifecycle changes to leases

Didn't go deep enough in understanding system capability.

Took the 'requirements doc tick' as proof.

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Key considerations for IFRS 16 compliance

Finance and Property					

Lease management			Lease accounting		
Sourcing	**Monitoring**	**End of life**	**Initial accounting**	**Subsequent accounting**	**Reporting**
Develop sourcing strategy	Maintain on-going relationship with lessors	Inspect, refurbish and return assets	Define accounting policies	Define modification policies	Define reporting requirements
Identify and shortlist lessors	Perform periodic asset maintenance	Evaluate and refresh leasing strategy	Define key accounting inputs and judgements	Update accounting inputs and judgements	Populate financial statement disclosure
Negotiate and finalise contracts	Initiate & reconcile payments	End-of-term decisions – Buy/return	Measure and recognise opening balances	Re-calculate lease balances	Populate management reporting disclosure
Populate lease register	On-going lease modifications		Populate general ledger	Update general ledger	Perform exception reporting
	Monitor & update lease register				

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EZLease demonstration

LeaseAccelerator

R.O.I. considerations and Q&A session

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Value your time

Finance and Property

Lease management

Task	Estimated Time (Per Month)	Annual Cost Per Year
Populate lease register	20 minutes	$240
Initiate & reconcile payments	10 minutes	$120
On-going lease modifications	30 minutes	$360
Monitor & update lease register	15 minutes	$180
Actual Cost of Time		**$900**

Lease accounting

Task	Estimated Time (Per Month)	Annual Cost Per Year
Update accounting inputs and judgements	60 minutes	$720
Re-calculate lease balances	300 minutes	$3,600
Populate general ledger	60 minutes	$720
Management/Finance reporting disclosure	120 minutes	$1,440
Actual Cost of Time		**$6,480**

The opportunity cost

Missing economic analysis →

- Lease vs. Buy
- End-of-term decisioning and accountability
- Free cash flow
- Divisional spend / better business decisions
- Data to arm lessees in negotiations

Risk and less tangible cost considerations →

- More manual = more risk
- Staff retention
- Better use of valuable resources
- Key person dependencies
- Cost of audit

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EZLease

EZLease free-trial walk-through

Tips to optimise your free trial

Choose regional settings	Select correct standard	Align fiscal calendar	Use in-app help!	Modify screen resolution

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Thank you

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