

## PFRS 16 LEASES

### Computation

Year	Lease payment	PV factor	PV of lease payments
	(A)	(B)**	(C=A*B)
2017	100,000.00	0.97087	97,087.38
2018	100,000.00	0.94260	94,259.59
2019	100,000.00	0.91514	91,514.17
2020	100,000.00	0.88849	88,848.70
2021	100,000.00	0.86261	86,260.88
<b>Total</b>	<b>500,000.00</b>		<b>457,970.72</b>

\*\*PV factor =  $(1 + \text{interest rate})^{-\text{period}}$

Year	Lease Liability	Lease Payment	Interest	Decrease in Liability	Difference (impact on equity)
	(A)	(B)	(C=A*3%)	(D=B-C)	(E=D-A)
2017	457,970.72	100,000.00	13,739.12	86,260.88	371,709.84
2018	371,709.84	100,000.00	11,151.30	88,848.70	282,861.14
2019	282,861.14	100,000.00	8,485.83	91,514.17	191,346.97
2020	191,346.97	100,000.00	5,740.41	94,259.59	97,087.38
2021	97,087.38	100,000.00	2,912.62	97,087.38	-
<b>Total</b>		<b>500,000.00</b>	<b>42,029.28</b>	<b>457,970.72</b>	

Year	IAS 17 Lease Expense	Interest Expense	Depreciation	Total	Difference (impact on equity)
	(A)	(B)	(C)**	(D=B+C)	(E=D-A)
2017	100,000.00	13,739.12	91,594.14	105,333.27	5,333.27
2018	100,000.00	11,151.30	91,594.14	102,745.44	2,745.44
2019	100,000.00	8,485.83	91,594.14	100,079.98	79.98
2020	100,000.00	5,740.41	91,594.14	97,334.55	(2,665.45)
2021	100,000.00	2,912.62	91,594.14	94,506.77	(5,493.23)
<b>Total</b>	<b>500,000.00</b>	<b>42,029.28</b>	<b>457,970.72</b>	<b>500,000.00</b>	<b>0.00</b>

\*\*PV of lease payments divided by 5 years (useful life of lease asset)