



Tax & Accounting for Project Finance 1-day Course

Why is accounting important?

Why is tax especially important in PFI projects?

VAT:

- Irrecoverable VAT;
- Situations with exempt supplies;
- Timing effects, both general and repayment cashflows;
- VAT on working capital.

Finance debtor v Fixed asset accounting:

- Which is appropriate (FRS 5 Appl n Note F);
- General effect;
- Service Income/Unitary Charge Control Accounts.

Capital allowance v Composite trader tax:

- Which is appropriate (Interest in land and occupation of facilities);
- Effect.

Capital Contributions:

- Under fixed asset accounting;
- Under finance debtor.

Costs of debt:

- Accounting for interest and fees;
- Tax deductions for capitalised costs;
- Tax deductions for unpaid interest.

Deferred Tax:

- Concept and recognition criteria;
- Capital allowance;
- Capitalised interest;
- Losses.

Recent developments:

- Transfer Pricing;
- IFRS.

Conclusion

Prerequisites for course

- Understand the nature of PFI contracts
- Familiarity with financial statements