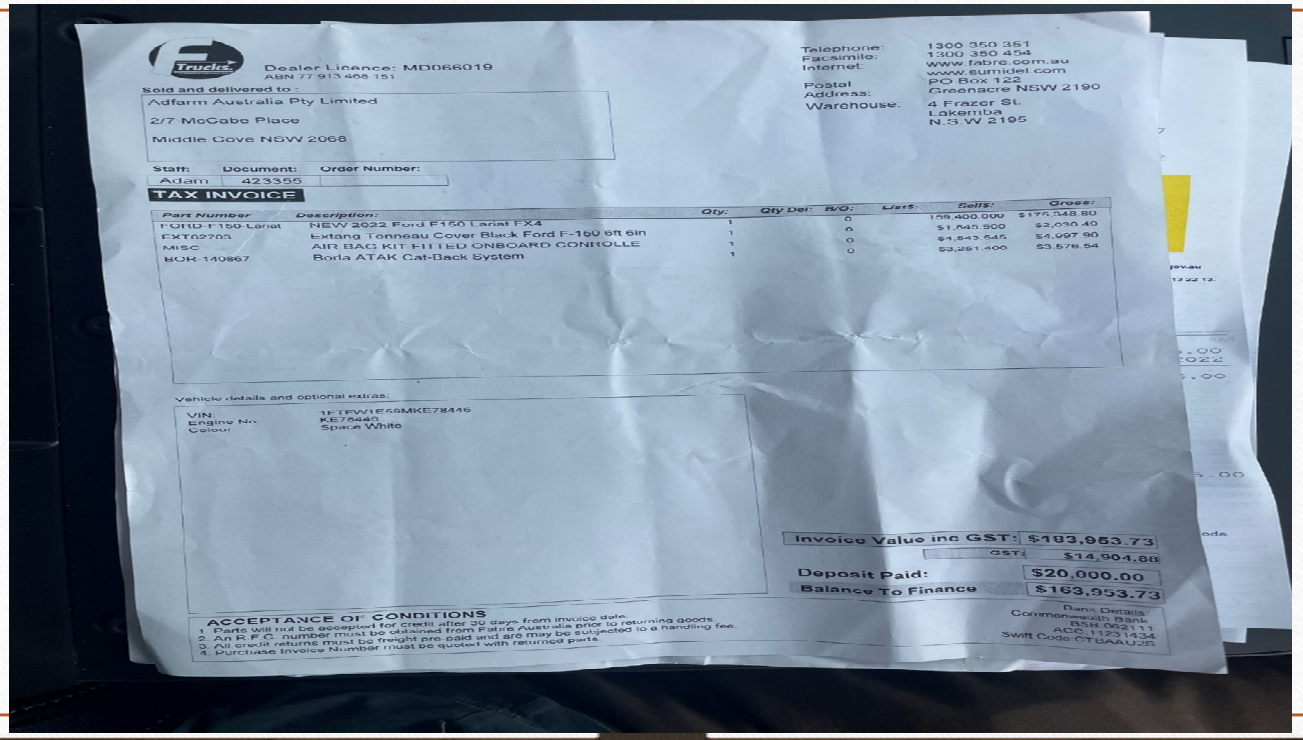
How to Reconcile Hire Purchase Loan

Step 1:

Verify the tax invoice of the assets purchased to check the actual amount financed.



Dealer Licence: MD066019
ABN 77 913 468 151

Telephone: 1300 350 351
Facsimile: 1300 350 454
Internet: www.fabre.com.au
www.sumidel.com
Postal Address: PO Box 122 Greenacre NSW 2190
Warehouse: 4 Frazer St. Lakemba N.S.W 2195

Sold and delivered to :
Adfarm Australia Pty Limited
2/7 McCabe Place
Middle Cove NSW 2068

Staff: Adam | Document: 423355 | Order Number:

TAX INVOICE

Part Number	Description:	Qty:	Qty Del:	B/O:	List:	Sells:	Gross:
FORD F150 Lariat	NEW 2022 Ford F150 Lariat FX4	1		0	159,400.000	$176,348.80	
EXT02703	Extang Tonneau Cover Black Ford F-150 6ft 6in	1		0	$1,845.900	$2,030.40	
MISC	AIR BAG KIT FITTED ONBOARD CONROLLE	1		0	$3,643.545	$4,997.90	
BOR-140867	Borla ATAK Cat-Back System	1		0	$3,261.400	$3,578.54	

Vehicle details and optional extras:
VIN: 1FTEW1E58MKE78446
Engine No: KE75445
Colour: Space White

Invoice Value inc GST: $183,953.73
GST: $14,904.88
Deposit Paid: $20,000.00
Balance To Finance: $163,953.73

ACCEPTANCE OF CONDITIONS
1. Parts will not be accepted for credit after 30 days from invoice date.
2. An R.F.C. number must be obtained from Fabre Australia prior to returning goods.
3. All credit returns must be freight pre-paid and are may be subjected to a handling fee.
4. Purchase Invoice Number must be quoted with returned parts.

Bank Details:
Commonwealth Bank
BSB 062111
ACC 11231434
Swift Code CTBAAU2S

Step 2:

Need to prepare the HP schedule by adding the description of the Asset, purchase price, Loan financed amount & Total payable amount.

Vehicle Information:

Make: Ford		☒ New ☐ Demo ☐ Used	
Model: F150 LARIAT		Body Style: Ute	
VIN/Serial No: 1FTFW1E59MKE78446		Engine No: KE78446	
Compliance Date: /	Rego. No: TBA	Odometer: 0	Colour: SPACE WHITE

Costs, Fees and Charges

Amounts to be Paid	
Price of vehicle (GST inclusive)	$183,953.73
Less Cash deposit (if any)	$20,000.00
Net Trade-in Allowance (if any)	$0.00
Sub-total payable to: The Asset Supplier	$163,953.73
Add Comprehensive MV Insurance payable to:	$0.00
Gap Insurance payable to:	$0.00
Extended Warranty Insurance payable to:	$0.00
Consumer Credit Insurance payable to:	$0.00
Add Credit related fees:	
Origination Fee payable to the Introducer	$990.00
Documentation Fee payable to the Branded Financial Services	$395.00
PPSR Fee	$6.00
Total Amount Financed	$165,344.73
Total Amount Payable *(Total Amount financed plus total interest charges payable)*	$199,664.61
Annual Percentage Rate per annum in ARREARS	7.25%

Step 3:

Investigate the loan document to determine the number of instalments, amount of repayment and the frequency of repayments

Repayments - Agreement Term 48 Months

	No. Instalments	Instalment Amount	Accounting Keeping Fee	Total Instalment Amount	Frequency
Total	48	$2,818.35	$5.50	$2,823.85	monthly

And at the expiration of the Agreement term: Net Balance Due (Balloon) $64,383.81

The first repayment is due 01 Oct, 2022 after the Disbursement Date with each subsequent repayment due on the same day in each successive ☐week ☐fortnight ☒month ☐quarter ☐half year ☐year

Step 4:

Check the Interest amount to match with the Loan document while preparing the HP schedule in excel.

Step 5:

As per the HP Schedule, need to record the Interest based on the instalments paid.

Step 6: Need to check whether any prepaid borrowing cost incurred in the loan document and record it in the respective account.

Step 7: For any difference occurred while preparing the HP Schedule, check for any Balloon payment or Residual amount.

Step - 8: If there is any difference in Loan repayment, check for any bank fees included and take up as bank charges.

Client:	**XYZ**
Year:	**2022-2023**
Subject:	**Hire Purchase Schedule**

Asset Name Ford

Loan Amount **165,344.73**

No of Installments	Total Intallment	Start date	Frequency
48	2,818.35	01-11-2022	Monthly

Total amount paid 135,280.80

Total Interest **34,319.76**

Internal rate of return (IRR) 0.60% per term

Interest rate 7.25% p.a approx

Asset Name Ford

Sl No	Date	Installment	Interest	Principal repaid	Outstanding Balance	Opening Balance	Bank Fee	
1	01-11-2022	2,818.35	998.96	1,819.39	163,525.34	165,344.73	5.50	
2	01-12-2022	2,818.35	987.97	1,830.38	161,694.95	163,525.34	5.50	
3	01-01-2023	2,818.35	976.91	1,841.44	159,853.51	161,694.95	5.50	
4	01-02-2023	2,818.35	965.78	1,852.57	158,000.94	159,853.51	5.50	
5	01-03-2023	2,818.35	954.59	1,863.76	156,137.18	158,000.94	5.50	
6	01-04-2023	2,818.35	943.33	1,875.02	154,262.16	156,137.18	5.50	
7	01-05-2023	2,818.35	932.00	1,886.35	152,375.81	154,262.16	5.50	
8	01-06-2023	2,818.35	920.60	1,897.75	150,478.06	152,375.81	5.50	7,680.13
9	01-07-2023	2,818.35	909.14	1,909.21	148,568.85	150,478.06	5.50	
10	01-08-2023	2,818.35	897.60	1,920.75	146,648.11	148,568.85	5.50	
11	01-09-2023	2,818.35	886.00	1,932.35	144,715.75	146,648.11	5.50	
12	01-10-2023	2,818.35	874.32	1,944.03	142,771.73	144,715.75	5.50	
13	01-11-2023	2,818.35	862.58	1,955.77	140,815.96	142,771.73	5.50	
14	01-12-2023	2,818.35	850.76	1,967.59	138,848.37	140,815.96	5.50	
15	01-01-2024	2,818.35	838.88	1,979.47	136,868.90	138,848.37	5.50	
16	01-02-2024	2,818.35	826.92	1,991.43	134,877.46	136,868.90	5.50	
17	01-03-2024	2,818.35	814.88	2,003.47	132,874.00	134,877.46	5.50	
18	01-04-2024	2,818.35	802.78	2,015.57	130,858.43	132,874.00	5.50	

19	01-05-2024	2,818.35	790.60	2,027.75	128,830.68	130,858.43	5.50	
20	01-06-2024	2,818.35	778.35	2,040.00	126,790.68	128,830.68	5.50	10,132.82
21	01-07-2024	2,818.35	766.03	2,052.32	124,738.36	126,790.68	5.50	
22	01-08-2024	2,818.35	753.63	2,064.72	122,673.64	124,738.36	5.50	
23	01-09-2024	2,818.35	741.15	2,077.20	120,596.44	122,673.64	5.50	
24	01-10-2024	2,818.35	728.60	2,089.75	118,506.69	120,596.44	5.50	
25	01-11-2024	2,818.35	715.98	2,102.37	116,404.32	118,506.69	5.50	
26	01-12-2024	2,818.35	703.28	2,115.07	114,289.25	116,404.32	5.50	
27	01-01-2025	2,818.35	690.50	2,127.85	112,161.40	114,289.25	5.50	
28	01-02-2025	2,818.35	677.64	2,140.71	110,020.69	112,161.40	5.50	
29	01-03-2025	2,818.35	664.71	2,153.64	107,867.05	110,020.69	5.50	
30	01-04-2025	2,818.35	651.70	2,166.65	105,700.39	107,867.05	5.50	
31	01-05-2025	2,818.35	638.61	2,179.74	103,520.65	105,700.39	5.50	
32	01-06-2025	2,818.35	625.44	2,192.91	101,327.74	103,520.65	5.50	8,357.25
33	01-07-2025	2,818.35	612.19	2,206.16	99,121.58	101,327.74	5.50	
34	01-08-2025	2,818.35	598.86	2,219.49	96,902.09	99,121.58	5.50	
35	01-09-2025	2,818.35	585.45	2,232.90	94,669.19	96,902.09	5.50	
36	01-10-2025	2,818.35	571.96	2,246.39	92,422.79	94,669.19	5.50	
37	01-11-2025	2,818.35	558.39	2,259.96	90,162.83	92,422.79	5.50	
38	01-12-2025	2,818.35	544.73	2,273.62	87,889.22	90,162.83	5.50	
39	01-01-2026	2,818.35	531.00	2,287.35	85,601.86	87,889.22	5.50	
40	01-02-2026	2,818.35	517.18	2,301.17	83,300.69	85,601.86	5.50	
41	01-03-2026	2,818.35	503.28	2,315.07	80,985.62	83,300.69	5.50	
42	01-04-2026	2,818.35	489.29	2,329.06	78,656.55	80,985.62	5.50	
43	01-05-2026	2,818.35	475.22	2,343.13	76,313.42	78,656.55	5.50	
44	01-06-2026	2,818.35	461.06	2,357.29	73,956.13	76,313.42	5.50	6,448.59
45	01-07-2026	2,818.35	446.82	2,371.53	71,584.60	73,956.13	5.50	
46	01-08-2026	2,818.35	432.49	2,385.86	69,198.74	71,584.60	5.50	
47	01-09-2026	2,818.35	418.08	2,400.27	66,798.47	69,198.74	5.50	
48	01-10-2026	2,818.35	403.57	2,414.78	64,383.69	66,798.47	5.50	
49	01-11-2026	64,383.81		64,383.81	(0.12)	64,383.69	-	

Step 9: While closure of Loan at the earliest period, need to take up rest of the Interest on the date of closure.

Step 10: Interest should be taken only for the repayments made in the Current Year, even if there is any default in repayments.

Step 11: Refinancing - New Loan amount will be considered from the Previous loan closing balance; we will need to calculate the new interest based on the amount & duration of repayment.

Step 12: Keep the HP Schedule, Loan document, Asset Tax Invoice as the supporting workpapers.

Step 13: JOURNAL ENTRY:

FIXED ASSET A/C	XXXX	
GST A/C	XXXX	
PREPAID BORROWING COST A/C	XXXX	
UNEXPIRED INTEREST A/C	XXXX	
TO HIRE PURCHASE LOAN A/C		XXXX