

PRINCIPLES OPEN COURSES FOR AUTUMN 2010

MODULE PR1.1

Principles of Asset Finance Part I

Tutor: Alick C Mulhall, FINANCE INDUSTRY TRAINING

Dates: 14th September 2010

Time: 0930 – 1300

Topics

Finance products, the market and legal environment

- Non-tax-based asset finance products
 - credit sale: hire purchase and conditional sale
- The derivatives
 - lease purchase and contract purchase
- Tax-based asset finance products: leasing
 - definition
 - the attractions and benefits of leasing

The market place

- How the asset finance market divides
- The supply chain – how leasing interacts
- The roles of:

- finance providers and brokers

Types of customers

The legal environment

The Consumer Credit Act 1974 (as amended by the Consumer Credit Act 2006)

- definitions of consumer credit and consumer hire agreements
 - regulated and unregulated agreements
 - exemptions for small business
 - exemptions for high net worth individuals
 - unfair relationships
 - HP flat rates and how interest is charged
 - HP - “half” and “third” rules
- The Sale of Goods and Services Act(s)

MODULE PR1.2

Principles of Asset Finance Part II

Tutor: Alick C Mulhall, FINANCE INDUSTRY TRAINING

Dates: 14th September 2010

Time 1400 – 1730

Topics

Essential technical information

- The salient features of finance and operating leases
- Comparison of the differences
- Methods of asset acquisition

Capital Allowances (I)

- A definition of plant or machinery
- The difference between accounting and tax depreciation
- Capital allowances
 - definition; rules for claiming and time apportionment
- The varying rates of allowance
- The funding lease tests
- Types of funding leases:
 - short funding finance and short funding operating leases
 - long funding finance and long funding operating leases
- Exemptions for short funding leases
 - Sec. 220 dis-application of time apportionment
 - the rules for finance leases and operating leases

Capital Allowances (II)

- Annual investment allowances
- Business travel taxation
- Integral fixtures
- Payable ECA'S

MODULE PR1.3

Pricing & Time Value of Money

Tutor: Alick C Mulhall, FINANCE INDUSTRY TRAINING

Dates: 15th September 2010

Time: 0930 – 1300

Topics

The basic concepts

- Simple interest
- Time value of money concept
- Flat rates
- How interest is charged
- Simple interest amount theory
- Discounting at simple interest

Building on the basics

- Compound interest
- Nominal rates
- Compound interest amount theory
- Discounting future values
- The Internal rate of return/implicit rate
 - as defined by SSAP 21
 - as defined by IAS 17
 - how it is calculated
- Discounting cash flows
- Net present value (NPV)
- True rates
- Annual percentage rates

MODULE PR1.4

Asset Finance Accounting Part I

Tutor: Alick C Mulhall, FINANCE INDUSTRY TRAINING

Dates: 15th September 2010

Time 1400 – 1730

Topics

Accounting Standards and Lease Classification

- UK Generally Accepted Accounting Principles-(GAAP)
- SSAP 21
 - the 90% test and how to carry it out
 - FRS 5
- International GAAP
 - IAS 17
 - IFRIC 4
 - IFRS 5
- US GAAP
 - FASB 13

Lessee accounting

- Accounting for finance charges
 - the actuarial method
 - sum of the digits (Rule of 78)
 - straight line method

Deferred Tax

- Depreciation – accounting and tax
- Understanding the term: “tax capacity”
- Deferred tax from the lessee and the lessor standpoint
- UK Generally Accepted Accounting Principles (GAAP)



FINANCE INDUSTRY TRAINING

A division of
Mulhall & Willingham Ltd



MODULE PR1.5

Principles of Risk Analysis Part I

Tutor: Sally Holmes, FINANCE INDUSTRY TRAINING

Dates: 16th September 2010

Time: 0930 – 1300

Topics

The essential principles of the “PARSERS” approach

- getting to know customers and their businesses

The relationships between amount and purpose

The ability to repay and the security available

Expediency and the granting of credit:

- deciding on the rate in relation to the risk

The risk analysis – sales partnership

- how to build a quality portfolio

- the real impact of bad decisions on a portfolio

- the causes and symptoms of business failure

- understanding financials from a credit perspective

Analysing the risks and rewards of transactions

The proper use of financial appraisal in risk analysis

How to differentiate between cash flow and profit

The overall picture

- getting the balance right

- making the right recommendations



MODULE PR1.6

Principles of Asset Finance Law

Tutor: Rachel Somerville, FINANCE INDUSTRY TRAINING

Dates: 16th September 2010

Time: 1400 – 1730

Topics

Asset finance law

The principal laws relating to asset finance

- bailment

- contract

- unfair contract terms

- the Consumer Credit Act(s)

- the Sale of Goods and Services Act(s)

Documentation

Lease documents for both small and middle ticket deals

- a review of typical clauses

Getting it wrong – the consequences

Complying with the current tax regime

Security

Understanding:

- guarantees and indemnities

- mortgages, fixed and floating charges

- charging of bank accounts

FIT

FINANCE INDUSTRY TRAINING

A division of

Mulhall & Willingham Ltd