

# Financial Statements Modelling and Analysis

This is a 'hands on' workshop – every participant must have a laptop. This workshop works best with groups of 8 -12 participants

## Day 1

Session 1 – Introduction, overview of Excel and accounting refresher

- Why build a financial model?
- Overview of the financial statements
- Navigation, fixing references, naming cells
- Shortcut keys and good modelling practice
- Creating and formatting worksheets, group editing

Session 2 – Setting up the model

- Establishing time frame
- Transposing and simplifying published financial statement 'Actuals'
- Using actual result to create forecasts
- Forecasting approaches and techniques
- Using a 'continuous balancing' approach to avoid errors

Session 3 – Building the model Part 1

- Modelling the Income Statement, Cash Flow Statement and Balance Sheet
- Building a Fixed Assets Schedule and modelling Depreciation
- Working Capital: Receivables, Payables and Inventory
- Provisions, dividends, and tax

Session 4 – Building the model Part 2

- Different approaches to modelling debt
- Provisions, dividends, and tax
- Different approaches to modelling debt

## Day 2

Session 5 – Refining the model

- Creating checks to ensure model integrity
- Managing finance costs to avoid the circular reference
- Building scenarios to create model flexibility

Session 6 – Refining the model part 2

- Adjusting accounting results for financial analysis
- Using ratios for performance and credit analysis

#### Session 7 – Applying the model for analysis

- Understanding cash flow, time and value
- Determining the value of the 'enterprise' and the value of equity
- 'What if' analysis using tables and goal seek
- Creating a dashboard to summarise outputs

#### Session 8 – Different models for different industries

- Apply what you have learnt by starting from scratch with the financial statements of a completely different company
- Make sure you can do it all again when you leave the classroom!
- Course review and summary