



UNDERSTANDING FINANCIAL Statements and Analysis

Course Introduction:

Financial Statements are the language of business indicating areas of profitability and loss, assets and liabilities and the cash flow position. Financial Analysis enables you to analyze and evaluate financial statements in order to assess past performance, perform SWOT analysis, improve decision making and aid with the strategic planning process.

Delegates will develop a clear understanding of the essential skills required to both prepare and analyze financial statements, which will enable you to:

- Improve your role in the workplace
- Increase your awareness of the major issues facing your business
- Enable you to further your professional skills
- Enable you to liaise effectively with line managers and other departments
- Improve your status in the organization as those around you realize and appreciate your knowledge and understanding

Course Objectives:

- Be able to Prepare Financial Statements
 - Income Statement
 - Balance Sheet
 - Accompanying notes
 - Cash Flow Statement
 - Cash Budgets
- Gain a basic understanding of the major IFRS and their impact
- Develop an understanding of the role and responsibilities of financial analysis and management as part of the Strategic Planning Process
- Be able to identify the key success factors/critical factors in their industry/division
Evaluate case studies using Excel® and the very latest techniques/methods of Financial Analysis focusing on profitability and cash flow
- Understand the limitations of Financial Analysis
- Be able to:
 - Assess past performance
 - Identify Strengths, Weaknesses, Opportunities and Threats
 - Improve Decision Making relating to future:
 - Divisional/Individual Performance
 - Capital Expenditure
 - Investment Opportunities
 - Implement and Evaluation Performance measures

- Aid the Strategic Planning Process
- Evaluate future market/competitive trends using:
 - SWOT Analysis
 - LE PESTE and Co Analysis
 - Porter's Analysis
- Be able to value businesses and evaluate/analyze business valuations based on:
 - Asset valuations
 - Earnings valuations
 - Market valuations

Who Should Attend?

- Those directly responsible for the preparation of financial statements
- Professionals with accounting and financial responsibilities
- Financial decision makers, whose techniques of decision making and analysis will be improved through attendance
- Professionals acting upon the financial decisions of others, who will gain an appreciation for decision making thereby ensuring shared values within the organization
- Analysts whose role involves evaluating and identifying market and competitive trends

Course Outline:

Preparing Income Statements and Balance Sheets together with accompanying notes

- Preparing Financial Statements:
 - the Profit & Loss Account (Income Statement);
 - the Balance Sheet
 - accompanying notes
- Key Elements - Defined and Explained
 - Profit
 - Revenue and Capital Expenditure
 - Assets - Fixed and Current
 - Liabilities - Current and Long-term
 - Reserves - Capital and Revenue
 - Working Capital
 - Net Worth
- An introduction to IFRS, International Financial Reporting Standards
- Annual Reports and Accounts
- Book Value versus Market Value

Preparing Cash Flow Statements and Cash Budgets

- Profit and Cash - what is the difference?
- The Cash Flow Cycle
- Working Capital - Analysis and Management
- Cash Flow Statements
 - Preparations
 - Roles
 - Interpretation
- Cash Budgets
 - Preparation
 - Role
 - Interpretation
- The Analysis of Financial Statements

The Role and Methods of Financial Analysis

- Financial Analysis as part of the Strategic Planning Process
- The Role & Responsibilities of Financial Analysis and Management
 - Identifying key success factors in your industry sector
 - Financial review compared to targets and expectations and Variance Analysis
 - Financial performance measurement systems
- Methods of Financial Analysis
 - Common Size Statements
 - Trend Analysis
 - Ratio Analysis
 - Du-Pont Analysis
 - Z scores
 - Investment Ratios
 - Cashflow Analysis
 - Peer Group/Industry comparison
 - Sensitivity & Scenario Analysis
- Establishing the need for both Financial and Non-Financial Analysis
- Non-Financial Analysis
 - SWOT Analysis
 - LE PESTE & Co Analysis
 - Porter's Analysis
- Techniques/Models Combining Financial and Non-Financial Analysis

Analysing and Evaluating Financial Performance

- The Analysis and Evaluation of various Case Studies using Excel® in order to:
 - Assess past performance
 - Identify Strengths, Weaknesses, Opportunities and Threats
 - Improve Decision Making relating to Future
 - Divisional/Individual Performance
 - Capital Expenditure
 - Investment Opportunities
 - Implement and Evaluate Performance Measures
 - Aid the Strategic Planning Process

Valuation and Business Performance

- Definitions of Value
- Methods of Business Valuation
 - Asset Based
 - Earnings Based
 - Market
- Value to the Investor
- Managing for Shareholder Value
- Creating Value in Restructuring and Combinations
- Business Valuation for Merger and Acquisition
- Business Restructuring and Reorganizations
- Summary
 - The essential skills required to both prepare and analyze financial statements in order to evaluate past performance and improve future financial performance - profitability and cash flow

Course Certificate:

International Center for Training & Development (ICTD) will award an internationally recognized certificate(s) for each delegate on completion of training.

Course Fees:

To be advised as per the course location. This rate includes participant's manual, and-Outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Course Methodology:

A variety of methodologies will be used during the course that includes:

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts
- Pre-test and Post-test
- Variety of Learning Methods
- Lectures
- Case Studies and Self Questionnaires
- Group Work
- Discussion
- Presentation

Course Timings:

Daily Course Timings:

08:00 - 08:20	Morning Coffee / Tea
08:20 - 10:00	First Session
10:00 - 10:20	Coffee / Tea / Snacks
10:20 - 12:20	Second Session
12:20 - 13:30	Lunch Break & Prayer Break
13:30 - 15:00	Last Session

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