

# Advanced Financial Statements Analysis & Interpretation

Evaluation and Interpretation of Financial Performance and Financial Position of the business

## Introduction

In today's unpredictable economic, political, and physical global business world, this interactive Course N Carry Advanced Financial Statements Analysis training course will refresh and enhance your abilities to analyse financial data, company operations, and the main hazards encountered. It will walk you through the critical processes of assessing new investments, reviewing financial documents, and gauging your organization's success. This course will help participants identify problem areas for corrective action, develop their ability to generate growth and improve profitability, and apply what they have learned to real-world issues and problems. Additionally, participants will gain technical knowledge and financial skills that will help them manage more effectively.

Every year, all organisations issue financial statements, which include income statements, balance sheets, and statements of cash flows. What do they signify, though? Do they have the truth on their side? How do they help us run our businesses more successfully and efficiently?

Even when you may believe your financial information and expertise to be current and sufficient, it most likely isn't!

It's time for non-financial managers to wake up to the fact that financial literacy is just as important as it is for accountants and financial managers.

### **This training session on Course N Carry will emphasise:**

- The importance of the annual report, the accounts, and other important financial data sources
- Using a variety of instruments and methods to assess financial performance and position
- The efficient procurement and management of monetary assets
- Evaluation and analysis of enterprises and capital investment projects
- Financial and corporate risk analysis and management

## Objectives

**After completing this GLOMACS training course, participants will know how to:**

- Examine and evaluate the annual report and accounting of an organisation.
- Analyse financial performance and position using ratio analysis.
- Utilise analytical methods to project future outcomes.
- Analyse the effect on financial condition critically.
- Utilising accounting policies' subjective character in practice
- Determine how profit, cash flow, and risk affect firm valuations and capital investment projects.

## Training Methodology

In order to use the financial tools and procedures in a real-world setting, this Course N Carry Advanced Financial Statements Analysis training course will be conducted in accordance with workshop principles, with formal presentations that contain relevant working examples and practical demonstrations. Case studies and interactive team-based activities support the application of all the concepts and ideas covered in the curriculum. These are strengthened with the instructor's guidance and assistance, as well as his vast practical experience and understanding of financial statements and analysis. Discussions in groups will encourage the sharing of ideas and experiences. The goal is to make studying mathematics entertaining, thus challenging ideas are reduced and presented in an understandable visual format wherever feasible.

## Organizational impacts

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## **Personal Impact**

### **Your financial analysis abilities will significantly increase after taking this Course N Carry training course, and you will also develop:**

- Enhanced comprehension of accounting and finance terminology
- Greater knowledge of financial analysis methods and tools
- Understanding the significance of cash flow as opposed to profit
- Increased self-assurance in handling novel circumstances
- The capacity to recognise, evaluate, and control risk and other issue areas
- A sharing of ideas and expertise with other experts

## **Who should attend?**

A broad variety of employees from businesses, organisations, and governmental bodies may benefit from this Course N Carry Advanced Financial Statements Analysis training course. This Course N Carry training programme will be very helpful not only to those employed in the departments of Finance, Accounting, Costing, Budgeting, and Planning, but also to:

- Professionals such as project managers
- The organization's treasurer, controller, and chief financial officer are in charge of its finances.
- Additionally, any other managers who want to update, renew, and enhance their knowledge of financial information analysis and how to apply it to sound decision-making
- Senior Bookkeepers

## **Course Outline**

### **Day 1**

## Overview of Advanced Financial Analysis

- Why is financial data analysis necessary?
- The people that use financial information are who?
- Financial Information Sources
- What's the aim of published annual reports and accounts?
- An Annual Report and Accounts' Format and Contents
- Financial Scandals, Creative Accounting, and the Agency Issue
- Reporting on Corporate and Social Responsibility (CSR), Sustainability, Ethics, and Corporate Governance
- The Three Main Financial Statements
- Income Statement
- Balance Sheet
- Statement of Cash Flows

## Day 2

### Examining the Accounts and Annual Report

- Assessing Financial Performance and Position via Ratio and Other Analysis of the Annual Report and Accounts
- Analysis of Cost-Volume-Profit (CVP) and Profitability
- Effectiveness and Working Capital
- Flow of Money and Immediate Solvency
- Investing and Expanding
- Structure of Finance and Long-Term Solvency
- Excel-Based Ratio Analysis
- Excel Trend Analysis for Comparability utilising Common-size Horizontal and Vertical Analysis

## Day 3

### Tools for Analysis, Cash vs. Profit, and Cash Forecasting

- Ratio Pyramids and the Dupont System of Ratio Analysis
- The Annual Report and Accounts: A Segmental Analysis and Value-Added Analysis
- The Essential Statistical Instruments and Visual Representations
- Financial Data Analysis and Forecasting using Statistical Methods
- The Effects of Alternative Asset Appraisal Techniques on Profitability and the Balance Sheet
- What's the best way to measure financial performance? Cash flow vs. profit
- The Operating Cycle of Cash Flow and Working Capital
- The cash flow forecast as well as the analysis of direct and indirect cash flow

## Day 4

### **Business Finance, Capital Project Finance, and Business Appraisal**

- Identification of Long-Term Debt and Equity, as well as Short-Term Financing, via Balance Sheet Analysis
- Capital Cost Models: Dividend Growth and Capital Asset Pricing Model (CAPM)-Based Cost of Equity; Debt-Based Cost
- Average Capital Cost Weighed Average (WACC) Models of Ideal Capital Structure to Reduce WACC
- Discounted cash flow (DCF), present values, and future values
- Analysing and Evaluating Capital Projects using Net Present Value (NPV), Internal Rate of Return (IRR), Modified Internal Rate of Return (MIRR), and Equivalent Annual Cost (EAC)
- The Justifications for Business Appraisals
- Models of Business Valuation

## Day 5

### **Examining and Forecasting Business and Financial Risk, as well as Corporate Failure**

- The Altman Z-score Model for Forecasting Financial Distress and Corporate Failure
- Hazard and Unpredictability
- Utilising Coefficient of Variation, Standard Deviation, and Expected Values in Risk Analysis
- Techniques for Sensitivity, Simulation, Scenarios, and Break-even Analysis
- The Tools of Analysis for Risk Management
- Financial, Business, Unsystematic, and Systematic Risks
- Financial Risk: Exposures to Interest Rate and Foreign Exchange Rates
- Managing and Reducing Risk with Insurance, Hedging, and Derivatives