

**This highly practical course is designed to give you the skills to apply spreadsheet techniques to key financial decision making. The leading course in South Africa in spreadsheet techniques! Excel is now one of the most feature-packed spreadsheet packages in the world.**

# **Financial Modelling**

**21st – 25th June 2010  
Ruslamere Spa & Conference Centre  
Cape Town, South Africa**

## **OBJECTIVES**

This course is designed around a series of mini-workshops where you will work on PC's to build spreadsheets in Excel

## **YOU WILL LEARN**

The most effective way to design a spreadsheet  
New optimisation tools for solving complex business problems  
How to transfer information between spreadsheets  
How to audit and debug your spreadsheet

## **YOUR PRESENTER COLIN HUMAN**

Colin is a qualified Chartered Accountant and Consultant with more than 25 years experience in senior management positions across the aluminum, financial, construction, ceramics, granite and education sectors. His roles included the strategic planning, marketing, organisation, implementation and control of group financial and management information systems and also covered general aspects of business. In addition to his consulting work, Colin regularly presents courses in Advanced Spreadsheet Techniques, Advanced Financial Modelling and Project Modelling around the world for leading companies

## **WHO WILL BENEFIT MOST**

MD/CEO

Financial Controllers  
Business and Financial analysts  
Business and Financial Planners  
Financial and Management Accountants  
Strategic Planners  
System Managers  
Merchant and Investment Bankers  
Business Unit Managers

## Conference Programme

# Financial Modelling

### Day 1 & 2 Advanced Spreadsheet Techniques

#### Outline

Over the two days of the course we will discuss various aspects of the Excel spreadsheet, covering most of the useful features so far as they affect the everyday preparation of models.

Participants will pick up a number of useful tips and some interesting techniques to aid in their own endeavors.

#### Methodology

The two days will be spent on demonstrating various techniques, interspersed with short hands-on exercises for certain of the more useful areas to reinforce the examples presented.

#### Day 1

Some useful tips..

- Identifying & protecting data in spreadsheets
- Naming cells, ranges & formulas
  - \* Naming & using cells & ranges
  - \* Naming & using formulas
- Creating your own formats
- Conditional formats
- Validating data & producing drop-down lists
- Multiple sheet models
- Summing through the sheets
- Drilling down

- \* Using the ctrl key
- \* Using hyperlinks
- Logical tests – the IF function
  - Sumif and Countif
  - Excel's database
    - \* Searching (filtering)
    - \* Extracting one of each (Unique)
    - \* Sorting using Excel's database
  - \* Creating sub-totals
  - Pivot Table Reports
  - Dfunctions

*Grouping data by account headings*

## Day 2

- Vlookup and Hlookup
- Lookup, Match & Index
  - \* Match
  - \* Index
  - \* Lookup
- Row & Column function
- Rows & Columns functions
- Using "masks"
- The Sumproduct function
- Max and Min
- Choose
- String functions
- Data Tables
- Outlining - Collapsing rows and columns
- Graphs
- Creating views
- Indirect cell addresses
- Working with arrays, array formulas and array constants
  - \* Array formulas
  - \* Array constants
  - \* Array formulas using multiple criteria
- Date functions
- Setting up controls on the spreadsheet
- Consolidating data from different files
- Introduction to macros
- Recording macros
- Assigning macros to buttons

Assigning macros to icons  
Uses of the Ctrl key

## Day 3 – 5 Corporate Financial Modelling

### Outline

Over the three days of the course we will discuss various aspects of financial modeling using Excel spreadsheet techniques, covering most of the useful features so far as they affect the everyday preparation of models.

Participants will pick up a number of useful tips and some interesting techniques to aid in their own endeavours.

### Methodology

The three days will be spent on demonstrating various techniques, interspersed with short hands-on exercises for certain of the more useful areas to reinforce the examples presented.

### Day 3

- Types of financial models
- Example of a deterministic model
- Model structure
- Example of a well structured model – review the file “20-year project.xls”
- Maintaining the integrity of the model
- Data validation techniques
- Hyperlinks
- Force-balancing the balance sheet (and getting the balances in the right place)
- Extracting positive & negative balances
- Calculating working capital items using the Choose function
- **Exercise** – Calculating inventory & purchases using the Choose function
  - **Exercise** – Model structure, Schedules, Inter-relationships
  - Logical tests – the IF function
- Multi-file models: Creating links and running files independently of each other
  - **Exercise** – File links, input overrides, and grouping sheets
    - **Exercise** – Goal seeking and creating views
    - Summarising data with SUMIF
    - **Exercise** – summarising data in a sales database
    - Pivot table reports
      - **Exercise** – Producing a pivot table report
  - **Exercise** - Consolidations – linking files and consolidating the results
  - **Exercise** – Converting the consolidated balance to foreign currency

## Day 4

### Financial Ratios

- **Exercise** - Constructing a set of financial statements – understanding ratios
  - **Exercise** - Viewing financial ratios graphically
    - Importing text files
    - **Exercise** – Importing text files
  - **Exercise** (Optional) - Building a model from limited information
    - Sensitivity analysis
    - Recording a macro
  - **Exercise** – Creating a sensitivity graph & recording a macro
    - Data tables (sometimes called Sensitivity tables)
    - The Weighted Average Cost of Capital (WACC)
    - An introduction to EVA<sup>TM</sup>
  - **Exercise** – EVA - is the business becoming more valuable?
    - Discounted cash flow – NPV and IRR
    - Discounted cash flow over unequal periods – XNPV
      - **Exercise** – Which project produces the best yield?

## Day 5

### Calculating Loan Capital and Interest payments – mind the traps!

- **Exercise** – Loans and loan repayments - a 20-year project model
- **Exercise** – Loans, cash flow, dividends, balance sheet - the 20-year project model
  - Measuring return on investment
  - **Exercise** – Calculating the returns in the 20-year project model
    - The MATCH function
    - Break-even points
- **Exercise** – Calculating the break-even point in the 20-year project model
  - Creating and comparing scenarios
  - **Exercise** – Creating 3 scenarios in the 20-year project model
    - Anticipating change
    - **Exercise** – Lease vs. Buy – Anticipating change
      - Valuing companies
      - Free cash flow
      - Example of calculating free cash flow
      - Valuing a company using free cash flow
    - **Exercise** – Using free cash flow to value a company
      - Optimisation models
      - **Exercise** – a simple optimisation model
      - **Exercise** – optimizing delivery routes

Basic forecasting – Moving averages, trends & Multiple linear regression analysis  
Probabilities & quantitative decisions – Monte Carlo simulation & highest expected monetary value

**CONFERENCE FEE:**  
**Financial Modelling**

**ZAR 14 000.00 excl VAT**

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