



أكاديمية الزمالة العربية البريطانية
Arab British Academy Fellowship
A.B.A.F





Advanced Financial Analysis: A Hands-On Workshop



Why Attend

This course brings together the key elements of financial statement analysis to help participants improve their financial analysis skills, enable them to ask the right questions, see the real risks facing businesses and investors, feel more confident in their ability to comment on business activities and performance and analyze financial health for management. These skills and the required technical knowledge will be put into practice throughout the course using interactive examples and case studies, putting theory and technique into context.

Course Methodology

The course uses a mix of interactive techniques, such as brief presentations by the consultant, group exercises and case studies using Excel to apply knowledge acquired throughout the course, followed by participants' presentations of the results..

Course Objectives

By the end of the course, participants will be able to:

- List and differentiate between the important components of basic financial statements
- Explain financial statements' ratios and formulate Excel sheets and graphs for financial statements analysis
- Illustrate creative accounting schemes and critique the validity of accounting rules used
- Assess quality of financial reports and evaluate quality of earnings and cash flows reported
- Analyze financial position and performance of a company over a period of time and draw conclusions regarding its sustainability



Target Audience

Chief accountants, accounting managers, senior accountants, finance directors, finance managers, financial analysts, financial controllers, heads of finance departments, credit controllers, corporate financiers, credit risk analysts, bankers, and relationship managers.

Target Competencies

- Understanding financial statements
- Financial and credit analysis
- Risk and financial management

- International Financial Reporting Standards (IFRS)
- Financial reporting
- Excel and PowerPoint



- Introduction to advanced financial analysis

- Users of financial data
- Content of the annual financial report
- Non-financial elements of the annual financial report and their importance
- Understanding the income statement, balance sheet and cash flow statement
- Other comprehensive income components

- Basics of industry analysis and analyzing ratios using Excel

- Top-down approach for analysis
- Macroeconomic factors to assess country exposure
- Indicators of GDP, unemployment rates, inflation and interest rates
- Deficit-to-GDP, debt-to-GDP and GDP growth rates
- Industry analysis: understanding Michael Porter's five forces shaping industry's long term profitability
- Starbucks, Apple Inc., Nike and McDonald's cases
- Common size analysis to improve comparability
- Calculating trends and growth patterns



- Ratio analysis to assess key aspects of company performance:
 - Profitability
 - Liquidity
 - Efficiency and working capital management
 - Financing structure and risk
 - Altman Z-score to assess potential bankruptcy
- **Financial cosmetics and creative accounting**
 - Valuing inventory at net realizable value: look for signals of obsolete inventory
 - Analyst's consideration when examining inventory
 - Evaluating how capitalizing versus expensing costs affect financial statements and ratios
 - Impairment and revaluation of property, plant and equipment
 - The choice of operating lease or finance lease
 - Using special purpose vehicles for balance sheet manipulation
 - Joint ventures: using equity method
 - Consolidation: inflating goodwill by using full goodwill instead of partial goodwill method
 - Stock options and stock grants instead of bonuses
- **Assessing quality of financial reports**
 - Framework for assessing company's quality of financial reports
 - Potential problems that affect quality of financial reports
 - Defining concept of sustainable and persistent earnings
 - Beneish Model: M-score to describe degree to which earnings are manipulated
 - Evaluating earnings quality of a company
 - Evaluating cash flow quality of a company



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