**MIND CYPRESS**

Theme: FINANCIAL DATA MODELLING TRAINING

Venue: IBIS Hotel Lagos Nigeria

Date: 17TH & 18TH – March – 2018

**Event Overview**

The main aim of this training was to extend my knowledge of modern finance, to better understand and forecast the meaning that lies behind the figures and strengthen my decision making and business modelling skills. As part of the training, I was made to design and structure various financial problems and translate them to excel, create robust models quickly, implement sensitivity and charting techniques and understand techniques to quickly audit the financial models. The entirety of the training was practical based, employing pre-designed case studies throughout the training.

The training consisted of two-days of intense practical oriented training, below is a breakdown of the two-day training and some personal takeaways.

**Day one**

**Excel as a Tool for Financial Modelling**

Participants in this phase were taken through the most useful excel functions, add-ons and formulas to build financial models, perform lookups, access risk and scenarios and build reports. We also studied Goal Seek, Solver and Data Tables for optimization and Scenario analysis.

**Building Layout for Scalable Financial Model**

Participants created the sensitivities on the assumptions sheet, which involved the generation of one off costs and creating a range of business case scenarios.  A depreciation schedule was generated which will be able to change with changing drivers (useful lives, asset classes).  A fully allocated loan schedule was created with generation of interest and principle repayments which are allocated to the various departments

**Building Growth Drivers for Revenue, Growth Drivers for Cost, and Asset and Debt Schedule**

Started with the overall case study and scaled down to cover individual drivers. We outlined how the company is expected to operate, then created our plan with a very concrete, tactical bottoms-up approach looking at the entire chain of events necessary to formulate a valid conclusion. In verifying our results, we adopted the top down approach. We accessed the overall market condition determining the growth pace, analyzed key metrics. Which assumptions have the most impact on our projections?

**Projecting P & L and Balance Sheet**

A P&L template was calculated from scratch and the worksheet acted as a template to generate up to 20 different reports.  An Excel Slicer was also created to act as the consolidated front end of the report.

**Day Two**

**Projecting Cash Flow Statement**

Participants built a model to try and predict cash inflows and outflow based on actual results for the past few years, by doing this we were able to calculate, accounts receivable, accounts payable, interest payable on overdrafts, interest on loans, yield to maturity, interest on bank deposits (interest income). Furthermore, we estimated both the fixed and variable expense. After calculating all these variables, we put them together to understand the company’s financial position.

**Circular References in Cash Interest**

The instructor took us through how circular reference could arise around debt and cash balances in financial modelling with examples like how cash flow in the model is going to depend on interest income on cash balances. But cash balances are going to depend on cash flow for the year, hence a circular reference.

**Analyzing Financial Statements with Ratios**

Participants were taken through a process of selecting, evaluating and interpretation of financial data, along with other pertinent information in other to formulate an assessment of a company’s present and future financial condition and performance. we adopted common size analysis method, specifically the horizontal common-size analysis method which uses the amounts in accounts in a specific year as the base, and subsequent years’ amounts are stated as a percentage of the base value. We also studied financial ratio analysis, to better gauge the performance of a company, we employed the following ratios: activity ratios, liquidity ratios, solvency ratios and profitability ratios.

**Other notable concepts taught include**

**1. Corporate Finance Concepts for Financial Modelling**

**2. Key Valuation Concepts**

**3. Valuation Using DCF and Comps Scenario Analysis.**

**Personal Takeaways from the Training**

1. Exposure to best in class modelling
2. Tips and ideas on using excel better for financial modeling and general problem solving
3. Access to selected material on financial modelling
4. Networking opportunities with fellow professionals
5. Email support for my financial modelling questions for the next 3 months.

As part of this training various materials were made available mostly in soft copy. Please find attached the case study used to design the financial model which was graded and a pass mark awarded which lead to the award of a certificate which I have attached as well.

**Closing Remarks**

I would like to start by appreciating the management for providing this opportunity to further sharpen my skills and add positive value immediately to my department and the secretariat. I intend to make the knowledge acquired available to aid my other colleagues in the dispensation of our duties. Thank you.