

# FINANCE & ACCOUNTING FUNDAMENTALS IN RESOURCES

## For Non-Finance Professionals

If your role requires you to manage assets, analyse investment proposals, read financial statements and prepare budgets, then this course will provide the essential skills you need

20-21 May 2019 • Perth



### Our Expert Course Instructor



#### James Hay

James Hay has over 25 years' experience in the Australian resources industry as an analyst & corporate trainer and has worked and consulted for companies including WMC, Woodside, Placer Dome & Minara Resources.

### Key Learning Objectives

- ▶ Demystify financial jargon to fully understand and interpret financial statements accurately
- ▶ Understand and interpret balance sheet and profit and loss statements
- ▶ Discover the distinction between cash flow and profit
- ▶ Gain an insight into how equity analysts value mining and energy shares
- ▶ Learn how to manage for increased shareholder value
- ▶ Have the framework and tools for discounted cash flow analysis
- ▶ Make correct investment and development decisions
- ▶ Understand currency and commodity price hedging issues and techniques
- ▶ Learn the difference between cash costs and full costing
- ▶ Improve your career prospects by moving from being a technician to a manager

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## ABOUT THE COURSE

A rapidly changing and increasingly competitive global resource industry has resulted in a focus on efficient financial management and astute financial decision making. For technical managers, this has meant a high level of technical expertise is no longer sufficient for superior management performance: they must now be conversant in principles of finance too.

This course is specifically designed for those with technical training and requires only basic mathematical ability as a prerequisite. The course is presented in a manner that reduces the jargon to basic principles and applies them to numerous real life examples. The course is not designed to train participants to be accountants, but rather, to give participants the confidence and ability to communicate with accountants and finance managers and to improve their own financial decision making.

The first day presents an overview of accounting statements and reports with particular reference to resource industry issues. The morning focuses on the structure of the key financial statements whereas the afternoon examines the interpretation of financial reports.

The second day considers financial decision making and the impact that correct (and incorrect) decisions can have on corporate value. The fundamentals of financial theory are reviewed and their application in a resources industry context is then applied in detail.

## WHO SHOULD ATTEND

- Geologists
- Engineers
- Geoscientists
- Metallurgists
- Business analysts
- Lawyers, accountants
- Technical & operations managers
- Business executives, professionals

### Would You Like To Run This Course On-Site?

#### Informa Corporate Learning: On-site & Customised Training

If you have **8+** interested people, an onsite course can be an ideal solution. Speak with **Anton Long** or **Holly Baldwin** on **+61 (02) 9080 4454** to discuss your customised learning solution, or email **training@informa.com.au**

## EXPERT COURSE INSTRUCTOR



### James Hay

James has over 25 years' experience as a corporate treasury executive, financial analyst and executive trainer. James has held roles in risk management, corporate finance and capital budgeting with some of Australia's largest resource companies.

More recently, he has established a corporate advisory and training business providing investment appraisal and financial educational services to a range of corporate and institutional clients. In addition to his consulting business, James is currently a Visiting Fellow at Macquarie University where he teaches Resources Industry Investment Analysis in the Master of Applied Finance program.

Since 1998, James has been the managing director of J.L. Hay & Co. Pty Ltd. He has advised on project investment decisions, business planning, and asset acquisitions and divestments. His clients include Japan Australia LNG (MIMI), Woodside, Placer Dome, ExxonMobil, and Minara Resources. From 1987 to 1998, James worked for WMC Resources Ltd initially in the Corporate Treasury in Melbourne and then in the Nickel, Gold and Petroleum divisions in Perth as a Senior Financial Analyst.

Since establishing his consultancy in 1998, James has developed and presented numerous workshops to corporate and institutional clients in financial management and analysis. James holds a BSc from Monash University in applied mathematics and earth science, an MBA in finance and accounting from Cornell University, and a BLitt(Hons) and PhD from The University of Melbourne in political science.

*"Over the years I have attended many training courses provided by [Informa Corporate Learning]. I have always found the course content to be relevant and accurate and the course facilitators to be leaders in their field."*

Analyst, ENI Australia Ltd.

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## 2-Day Course Outline

### DAY 1

#### Accounting and Financial Management

##### Introduction

- The role of the technical manager in value creation
- Corporate stakeholders
- The importance of correct financial decision making

##### The Financial Statements

- The balance sheet
- The profit and loss statement
- The cash flow statement  
(with specific reference to resource company issues)

##### Accounting Ratios and Key Performance Indicators

- What are the key financial ratios for resource companies
- How to use accounting KPIs to manage the business
- Trend analysis and comparative analysis

##### Cash v Profit

- The difference between cash flow and profit
- The concept and implications of accrual accounting
- Cash costs and full costs

##### Hedging and Risk Management

- What are the exposures a resource company should manage?
- Hedging instruments and strategies (incl. forwards and options)
- Are we reducing risk or creating risk? A few recent case studies

#### Review Day 1, End of Day Quiz

### DAY 2

#### Economic Analysis and Value Creation

##### Introduction to Financial Analysis Theory

- The time value of money
- Sources of capital
- The weighted average cost of capital (WACC)

##### Discounted Cash Flow Analysis

- Absolute and incremental approaches
- Revenue, capital and operating cost components
- Depreciation and tax implications

##### Ranking Competing Resource Investments

- Net present value (NPV), internal rate of return (IRR)
- Payback and capital efficiency ratios
- What ranking criteria do I use and when?

##### Issues Techniques and Traps

- Inflation: What are real and nominal cash flows?
- Sunk costs: How do I treat prior expenditure?
- Annuities and amortising loans

##### Risk Analysis

- Understanding uncertainty and risk
- Sensitivity analysis and probabilistic analysis

##### Resource Stock Valuation

- How do analysts value resource stocks?
- Valuation methods
- The valuation of shareholders equity

#### Course review, questions and discussion



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## Easy Ways to Register

1 **Web**  
[www.informa.com.au/financeinresources](http://www.informa.com.au/financeinresources)

2 **Telephone**  
+61 (02) 9080 4395

3 **Email**  
[training@informa.com.au](mailto:training@informa.com.au)

## Stay Connected



## Finance & Accounting Fundamentals in Resources

|           | Location | Course Dates | Super Early Bird price valid until 12 Apr 19 |                   | Early Bird price valid until 3 May 19 |                   | Standard price valid after 3 May 19 |                   | 4+ Dels Discount       |                   |
|-----------|----------|--------------|--|-------------------|---------------------------------------|-------------------|-------------------------------------|-------------------|------------------------|-------------------|
| P19GL28PE | Perth    | 20-21 May 19 | \$1,995 + \$199.50 GST                       | <b>\$2,194.50</b> | \$2,195 + \$219.50 GST                | <b>\$2,414.50</b> | \$2,295 + \$229.50 GST              | <b>\$2,524.50</b> | \$1,756 + \$175.60 GST | <b>\$1,931.60</b> |

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### Informa Corporate Learning – On-site & Customised Training

Informa Corporate Learning has a long-standing track record of delivering very successful customised learning solutions achieving real and measurable value for our clients through our senior training consultants.

If you have 8+ interested people, an on-site course can be the ideal solution – giving you the opportunity to customise our course content to your specific training needs, as well as attracting significant savings compared to public course costs.

### Why Choose On-site With Informa Corporate Learning?

1. **Custom design** – Together, we will identify the best blended learning solution for your culture, your people and your training objectives.
2. **Quality assured** – We design market-leading training programs, concepts and methodologies, with a 400+ course portfolio. Our rigorously selected 900+ instructor faculty are recognised experts in their field. Quality of their content and delivery methods is assured through continuous monitoring and evolution.
3. **On-site training** is a cost effective way to train your people and achieve your defined outcomes.

### Our Long Standing Clients Include:

Ambulance Victoria, BHP, Department of Planning, Transport & Infrastructure, SA, Origin Energy, Electricity Generating Authority of Thailand (EGAT), ActewAGL, Ajilon, Arrow Energy, Barrick, Chevron Australia, Coffey International, ConocoPhillips, Dalrymple Bay Coal Terminal, Department of Education, ENI Australia, Fortescue Metals Group, IBM, Jemena, Office of the National Rail Safety Regulator, Pacific National, PT Freeport, Public Transport Authority – WA, QGC – BG Group, Rio Tinto, UBS, Woodside, IP Australia, ANU, Health Purchasing Victoria, Telstra, Queensland Rail, EY, Litmus Group and more...

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