

Financial Modelling Course

PPP/P3 Projects

Overview

Construct a robust PPP/P3 model from scratch and use it to price a bid.

This course is aimed at those seeking a best practice approach to building a PPP/P3 financial model. Students are introduced to a well-known robust and reliable modelling methodology, and will use it to construct and test a complex model for use in the bidding process. The techniques and concepts learned will prove invaluable in future modelling assignments.

Content

Session 1

Model design and construction

- » The top down approach
- » The Principle of Error Reduction

Techniques for quick and efficient modelling

The inflation index

The cashflow drivers

- » The unitary charge
- » Variable and fixed costs
- » Working capital

Profits and Retained earnings

The cash flow and cash balances

The cash flow/profit and loss/ balance sheet relationship

Session 2

The audit sheet

Capital expenditure and depreciation

- » Life cycle cost
- » PPE

VAT

Tax and Accounting

- » Capital allowances
- » Deferred tax
- » Tax losses

Session 3

Financing

Senior debt

Peak exposure

Interest and circularities

Subordinated debt

Maintenance and debt service reserves

Cash cascade

Debt ratios

Session 4

The unitary charges

- » Setting the price
- » Setting the escalation formula
- » Developing a financing plan

Sensitivity analysis

Scenario management

Reporting

