

Interpretation of Company Accounts

1 Day ADCA

OVERVIEW

The final course in the series of company accounts courses that provide participants with practical knowledge of interpretive techniques such as ratio and trend analysis and risk assessment.

Topical issues and up-to-the minute examples bring alive this practical course. Building on knowledge of ratio and trend analysis, delegates consider some of the more technical issues and focus on analysing risk and how it is identified in the financial statements.

DESIGNED FOR

Suitable for delegates with a working knowledge of company accounts who want to develop their skill further. This is the third in the series of three company accounts courses and delegates are advised to attend Analysing Company Accounts prior to this course, or to have attained that level of knowledge.

LEARNING OUTCOMES

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

- Undertake more complex interpretation of company accounts by building on existing knowledge of ratio and trend analysis.
- Assess risk using this knowledge.
- Assess market risk and its potential impact on a business.
- Recognise techniques adopted in company accounts to disguise potential problems.
- Understand some of the non-financial sources of information available to assess company performance.

TOPICS COVERED

Background

- Understand what we mean by business and financial risk
- Consider different business sectors and identify the key financial features in each
- Refresher on the key financial statements
- Recognise the typical problems with using company accounts

Using Accounts to Assess Risk

- Refresher on the key ratios
- Types of shares and capital structure
- Types of debts and debt funding
- Significance of funding structure
- Understand the general warning signs of corporate 'poor health'
- Consider the financial warning signs
- Factoring on and off the balance sheet

Group Accounts

- Accounting for investment, associates and subsidiaries
- Goodwill and how to account for it
- Learn to identify the issues in group accounts

Advanced Interpretation

- Drawing together the 'soft' and financial information
- Predicting business failure: how to spot the problems early
- Why businesses fail
- Examples of creative accounting
- Topical issues and accounting developments



EXTRA NOTES

*Further Development:
Finance for Senior Managers & Directors (FND3)*