



Understanding company accounts – Foundation

Course objectives

This course is designed to help lawyers read and understand financial statements with confidence. The course will help attendees identify what are the key commercial and financial issues and help them to be better prepared to be able to provide an appropriate and effective professional service. The course is not specific to any one practice area as it is designed to provide the foundation knowledge required on which all the more specific issues can be built.

Typical content

- Reporting profit and loss and the key measures of profit such as gross profit, earnings and EBITDA
- Reading and understanding the balance sheet and understanding how it relates to the valuation of the entity
- Cash flow statements and the difference between accruals accounting and cash flow. What is meant by the terms, 'cash', 'cash equivalents' and 'debt'
- The regulation of accounts for companies and other entities such as LLPs and the obligations imposed on directors, officers and managers
- Latest key issues and developments

Typical practical work and case studies

- Case study review of listed company financial statements and assessment of company valuation
- Identification of key financial performance indicators and calculation of important financial ratios such as 'gearing'
- Practical examples of matters of judgement and uncertainty such as timing of reporting revenue and valuation and recognition of estimated liabilities (provisions)
- Quiz – key accounting finance terms and issues such as what does 'off-balance sheet' really mean

Duration and guideline fee

6 hour course with full case studies, examples and practical work – £1,700

A 3 hour course is available which will concentrate on the essential key issues – £850

Recommended maximum group size – No more than 40 works best for the practical aspects and to allow for more interaction and questions