

# Academy of Training

## Reading and Understanding Financial Statements

### Overview

A core competency for many professionals is the ability to read and understand Financial Statements, particularly:

- Statement of Comprehensive Revenue and Expenses
- Statement of Financial Position
- Statement of Cash Flows.

In addition, it is important that professionals not only understand the statements themselves but also are able to understand their relationship to each other and identify areas that may require deeper investigation. From this, staff must then be able to clearly articulate issues with reference to the appropriate sections of the relevant financial statements.

### Objective

The objective of this one-day workshop is to assist professionals in developing a full understanding of the nature and purpose of Financial Statements so that they can identify potential problems and clearly articulate areas that may require deeper investigation.

### Content

Topics covered in the workshop include:

- Nature, purpose and scope of accounting and finance
- General accounting and finance terminology simplified
- Principles of double entry
- Accruals, balance day adjustments and their impact on financial statements
- Reading and understanding the principal financial statements - statements of comprehensive revenue and expenses, financial position and cash flows
- Sources of cash and analysing the cash position and liquidity
- Interpreting and analysing financial statements
- Key ratios and performance measures
- Capital and operating expenditure – why the difference, how allocation affects financial results
- Depreciation and amortisation
- Evaluation and use of financial information.

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