

# Understanding Financial Statements

## By Lim Kaim Soon



Decide with Confidence

This course is designed to discuss the main features of the financial statements prepared by a business enterprise. The course is divided into 2 sessions. In the first session, participants will understand the meaning and fundamental structure of the financial statements, and the inter-relationship of the items in the statements. Thereafter, participants will learn to apply key management ratios to evaluate the strengths and weaknesses of the business operations.

### Outline

<b>1</b>	<b>What you want to know about the financial statements?</b>
	Nature and role of accounting; Desirable qualities of a financial report;; Accounting as an information system; Financial and management accounting compared; Fundamental accounting assumptions; Accounting policies; Objectives of financial statements. User groups and their areas of interest.
<b>2</b>	<b>Three basic financial statements</b>
	<i>Balance sheet</i> – source and use of funds approach; vertical format presentation; current assets; fixed assets; liabilities; shareholders funds; capital employed; net worth; working capital; long and short balance sheet analysis. <i>Profit and loss account</i> – timing adjustments; distribution or appropriation of profits; and cash flow statement. <i>Cash Flow Statement</i> – operating cash cycle; relationship between depreciation and cash flow; non-operating cash outflows and inflows.
<b>3</b>	<b>Interpretation of Auditors' Reports</b>
	Objectives and scope of audit; Reasonable assurance; True and Fair View; Auditors opinion – unqualified, emphasis of matters, qualified, disclaimer, adverse opinion.
<b>4</b>	<b>Analyzing Performance of An Enterprise</b>
	<b>Liquidity Ratios</b> Importance of liquidity; application, case study and interpretation techniques.
	<b>Profitability Ratios</b> Importance of profitability; meaning of return on investment; drivers of margin on sales; drivers of sales to total assets; operating profit model; application, case study and interpretation techniques.
	<b>Solvency Ratios</b> Importance of solvency; application, case study and interpretation techniques.
	<b>Asset Management Ratios</b> Importance of asset management; application, case study and interpretation techniques.
	<b>Stock Market Ratios</b> Application, case study and interpretation techniques.

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### Trainer Profile – Mr. Lim Kaim Soon

Kaim Soon is the corporate trainer specializing in accounting and financial management. Working with various local and overseas consulting and training institutes, he conducts regular workshops, seminars, and trainings to management and staff of statutory boards and business corporations including Hitachi

Cable, Housing and Development Board (HDB), Ministry of Community Development Youth & Sports (MCYS), Murata Electronics, YCH International Ltd, Times Publishing Ltd, AON Consulting, Singapore Law Society, etc. Through his firm, Analyz Business Consulting, he provides financial consultancy services to local as well as foreign companies, in Singapore and the People's Republic of China. His areas of specialization include financial and management accounting, corporate investment and financing, as well as corporate due diligence.

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**Date:** 15 March 2012, 9am – 5pm  
**Venue:** TBA

**Fee:** [ ] S\$530 (before GST) for D&B Subscriber [ ] S\$640 (before GST) for Non-subscriber  
(Includes materials, refreshments and lunch)

**EARLY BIRD – Fax in your registration before 15 Feb to receive a 10% off usual fee**  
**GROUP SAVINGS – Send 2 or more participants to enjoy a 10% off usual fee**

**Fax the completed registration form to 6778 3853**

### Participant's Profile

**Name 1:** \_\_\_\_\_ **Job Title:** \_\_\_\_\_  
**Email:** \_\_\_\_\_ **(DID):** \_\_\_\_\_  
**Name 2:** \_\_\_\_\_ **Job Title:** \_\_\_\_\_  
**Email:** \_\_\_\_\_ **(DID):** \_\_\_\_\_  
**Name 3:** \_\_\_\_\_ **Job Title:** \_\_\_\_\_  
**Email:** \_\_\_\_\_ **(DID):** \_\_\_\_\_

### Company Information

**Name of Company:** \_\_\_\_\_  
**Address:** \_\_\_\_\_ **(Postal Code)** \_\_\_\_\_  
**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_  
**Liaison Officer:** \_\_\_\_\_ **Job Title:** \_\_\_\_\_  
**Email:** \_\_\_\_\_ **(DID):** \_\_\_\_\_

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2. A substitute participant is welcome at no charge should you not be able to attend. Please provide the necessary details. Only cancellation made 7 working days before commencement is entitled to full refund of seminar charges (only applicable to cheque or credit card payment). No refund thereafter including no show during day of commencement. A complete set of materials will however be sent to you.
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