

Module Reference	AC01
Module Title	Accounting In The Oil & Gas Industry (5 days)

INTRODUCTION

Managers from all disciplines throughout a business organisation are required to contribute towards its financial success. This week long seminar will explain how companies report to shareholders and other stakeholders and how financial performance is judged against appropriate benchmarks.

In summary, delegates will learn about financial statements and what they mean, gain an understanding of what is really going on in a business and know the questions to ask when reviewing business figures. This seminar will challenge you to:

- Build knowledge about financial statements and their communications use
- Develop an understanding of business reality expressed in financial terms
- Turn strategic ideas into operational plans and budgets
- Recognise the set of questions to ask in performance review sessions

OBJECTIVES

- To study financial accounting reports and statements, accounting policies and standards and what they indicate about a business's performance.
- To define both basic and specialist financial terms, including those relating to financial structure and stock market reporting.
- To indicate the range of analytical techniques and ratios available for interpreting financial statements and develop skills in measuring business performance.



LEARNING OUTCOMES

You will be able to answer the following questions: -

- The meaning of financial statements - what do they reveal and hide?
- What is accounting and what is the reason behind accounting policies?
- Performance measures used by financial analysts - what are the key performance indicators [KPI]?
- Accounting Standards – who sets them? What are the most important in the Oil & Gas business? Why do they exist, what do they consist of and what they attempt to achieve - what happens if they are not followed?
- How do you value a business - why there are many possible values and which one is the best?
- What do cash flow statements reveal about a business - how they link with other information - what is the true cash position?
- How do you carry out detailed analytical reviews and bench marking exercises - how do you determine if the company is performing - do the figures really add up?

WHO SHOULD ATTEND?

- Anyone who needs to improve their financial analytical skills and numerical dexterity with financial ratios and calculations.
- Employees who need to know more about the key financial indicators that act as signposts to improving their financial performance.
- Employees from all disciplines within the company who need to understand more about financial reporting, financial measurement and management of the business as a going concern.



SEMINAR OUTLINE

Day 1

AN OVERVIEW OF EXTERNAL FINANCIAL REPORTING

- The income statement
- The balance sheet
- Statement of changes in equity
- Cash flow statement
- Notes
- Criteria for measuring "good" financial statements
- Accounting standards and their effect on financial reporting
- External audit

Day 2

MEASURING BUSINESS PERFORMANCE.

- What is ratio analysis?
- Benefits and dangers in calculating ratios.
- The key ratio tree.
- Profitability measures.
- Finance and liquid resources measures.
- Working capital measures.
- Shareholder and stock market measures.
- Financial analysis and published accounts.

Day 3

CASH IS KING!

- The flow of money in business.
- Managing the working capital cycle.
- Funding business operations.
- The difference between profit and cash.

BALANCE SHEETS & VALUATIONS.

- Assets employed in business.
- Capital employed and business funding.
- Asset valuations.
- Company valuations.

DAY 4

BUSINESS RISK

- Identify business risk
- Why appraise - the stark economic realities
- Personal risk profile affects 'risk neutral' corporate risk decisions
- The short and long term results of not appraising business expenditure
- The process of risk management

- Application in a decision setting (CAPEX)

DAY 5

ADVANCED FINANCIAL PLANNING AND CONTROL FOR STRATEGY

- Overall approach to advanced financial planning and control
- Meeting global shareholder and stakeholder objectives
- Realistic and rigorous long term planning
- Role of Key Performance Indicators
- Performance measures – leading and lagging
- KPIs – leading and lagging

CASE STUDY

To go over what has been learnt, delegates will be asked to carry out a comprehensive company financial performance review, using published accounts and other data to ensure that they fully understand what has been taught through the week.

There will be an opportunity for a Question and Answer session.

Delegates will receive a Certificate of Attendance on completion of the course.