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COURSE BROCHURE

Advanced Financial Statements Analysis Training Course

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Registered in the United Kingdom and Saudi Arabia

Advanced Financial Statements Analysis Training Course

Advanced Financial Statements Analysis is a 2-week training course for credit analysts, investment analysts, finance managers and auditors who must judge a company from its published accounts, and each participant completes an analyst report on a listed or private company. Lenders, investors and audit committees now expect conclusions that survive scrutiny of earnings quality and cash conversion, not ratios read in isolation. Jupiter Prime Training offers this advanced course in financial statements analysis.

Why Financial Statements Analysis Matters Now

Three pressures shape financial statements analysis today. Reporting has grown more judgement-heavy, so headline profit depends on estimates for revenue timing, lease accounting, expected credit losses and asset impairment. Lenders and investors face tighter margins for error as refinancing costs rise and covenant headroom narrows. Audit committees and boards ask harder questions after high-profile accounting failures. An analyst who reads the notes, restates aggressive choices and follows the cash spots distress early; one who trusts reported figures prices risk wrongly. The course rests on International Financial Reporting Standards IFRS issued by the International Accounting Standards Board IASB, notably IFRS 15, IFRS 16, IFRS 9 and IAS 36.

Who Gains Most from Financial Statements Analysis

- Credit analysts who rate borrowers, set limits and monitor covenant headroom
- Investment analysts who build earnings forecasts and recommend positions in equities or bonds
- Finance managers who benchmark their own company against peers and answer lender questions
- External and internal auditors who test whether reported results reflect underlying economics
- Risk officers who review counterparty exposures and early warning indicators

A credit or investment desk gains most when several analysts attend together, because they leave with one shared adjustment policy, one cash flow template and one standard for what a defensible report contains.

Financial Statements Analysis Capabilities

Participants move from reported numbers to adjusted, comparable figures and then to a reasoned credit or valuation opinion backed by evidence from the notes.

- Calculate adjusted profitability, leverage and liquidity ratios after normalising one-off items — credit committee
- Assess the quality of earnings through accruals, revenue recognition and provisioning choices — investment committee
- Build a free cash flow bridge from operating profit to cash available for debt service — lender
- Test statements for warning signs of manipulation using forensic ratios and note analysis — audit committee
- Weigh probability of default and recovery from statement-based scoring and stress cases — risk officer
- Communicate a rating or valuation view in a structured analyst report — portfolio manager

Key Financial Statements Analysis Terms

- Common-size statements — statements restated as percentages of revenue or total assets so companies of different scale can be compared directly.
- Quality of earnings — the extent to which reported profit is recurring, cash-backed and free of aggressive accounting estimates.
- Accruals ratio — the gap between net income and operating cash flow scaled by assets; a high value can signal weak earnings.
- Cash conversion cycle — days of inventory plus days of receivables minus days of payables, showing how long cash is tied up.
- Interest cover — operating profit or EBITDA divided by interest expense, a core measure of a borrower's capacity to service debt.
- Beneish M-Score — a model combining eight financial ratios to estimate the likelihood that a company has manipulated reported earnings.

Financial Statements Analysis Day by Day

Day 1: The Analyst's Lens and Reporting Framework

- User Perspectives of Lenders, Investors and Auditors — Framing the Question
- IFRS Conceptual Framework Elements — Recognition and Measurement Choices
- Reading the Annual Report Structure — Where Judgement Hides in Notes
- Accounting Policy Disclosures — Spotting Choices That Shift Profit
- Auditor's Report and Key Audit Matters — Signals of Reporting Risk

Day 2: Ratio and Trend Foundations at Depth

- Common-Size and Horizontal Analysis — Isolating Structural Shifts Over Time
- Profitability Ratios and Margin Drivers — Explaining Changes in Returns
- DuPont Decomposition of Return on Equity — Separating Margin, Turnover, Leverage
- Peer Benchmarking Sets — Choosing Comparable Companies and Periods
- Segment Reporting Analysis — Locating Value and Losses by Business Line

Day 3: Revenue, Leases and Financial Instruments

- IFRS 15 Five-Step Revenue Model — Judging Timing and Variable Consideration
- Contract Assets and Deferred Revenue Trends — Testing Revenue Sustainability
- IFRS 16 Lease Capitalisation — Restating Leverage and EBITDA Comparisons
- IFRS 9 Expected Credit Loss Provisions — Reading Customer Credit Risk
- IAS 36 Impairment Testing Disclosures — Challenging Goodwill and Asset Values

Day 4: Quality of Earnings

- Accruals Ratio and Earnings Persistence — Separating Cash Profit From Estimates
- Non-Recurring and Alternative Performance Measures — Normalising Headline Profit
- Provisions and Reserve Movements — Detecting Earnings Smoothing
- Capitalised Costs and Development Spending — Judging Expense Deferral
- Normalised EBITDA Schedule — Agreeing a Defensible Earnings Base

Day 5: Cash Flow Analysis

- Indirect Method Reconciliation — Linking Profit to Operating Cash
- Working Capital and Cash Conversion Cycle — Tracing Cash Absorption
- Free Cash Flow Bridge — Measuring Cash Available for Debt Service
- Classification Choices in Cash Flow Statements — Spotting Flattering Presentation
- Supplier Finance and Factoring Arrangements — Uncovering Hidden Borrowing

Day 6: Detecting Accounting Manipulation

- Beneish M-Score Model — Screening for Earnings Manipulation Risk
- Red-Flag Patterns in Receivables and Inventory — Questioning Reported Growth
- Related-Party Transactions and Off-Balance-Sheet Entities — Assessing Concealed Exposure
- Restatements and Policy Changes — Interpreting Management Intent
- Case Studies of Reporting Failures — Learning the Recurring Warning Signs

Day 7: Balance Sheet Strength and Liquidity

- Adjusted Net Debt Calculation — Capturing Leases, Pensions and Guarantees
- Liquidity Ratios and Debt Maturity Profile — Judging Refinancing Risk
- Asset Quality and Recoverable Values — Estimating Realistic Collateral Cover
- Contingent Liabilities and Commitments Notes — Sizing Exposures Outside Debt
- Covenant Headroom Testing — Forecasting Breach Points Under Stress

Day 8: Credit Assessment From Statements

- Statement-Based Credit Scoring — Mapping Ratios to Default Probability
- Altman Z-Score and Distress Models — Flagging Insolvency Risk Early
- Debt Service Coverage Projections — Setting Limits and Tenor
- Downside Stress Scenarios — Testing Resilience to Revenue and Margin Shocks
- Internal Rating Rationale — Documenting a Defensible Grade

Day 9: Valuation From Financial Statements

- Adjusted Earnings and Cash Flow Forecasts — Building Credible Projections
- Discounted Cash Flow From Restated Figures — Estimating Intrinsic Value
- Trading Multiples on Normalised Earnings — Testing Market Pricing
- Residual Income and Book Value Approaches — Valuing Financial Companies
- Sensitivity and Scenario Ranges — Expressing Valuation Uncertainty

Day 10: Practising the Analyst Report

- Restating a Retail Chain's Accounts — Applying Days 3 and 4
- Cash Flow and Manipulation Screen for a Construction Contractor — Applying Days 5 and 6
- Credit Grade and Valuation Range — Applying Days 8 and 9
- Peer Challenge of Adjustments and Conclusions — Defending Analytical Choices
- Analyst Report — Findings, Adjusted Figures, Rating and Recommendation

Applying Financial Statements Analysis After the Course

- Rerun the quality of earnings and cash flow bridge on one current borrower or holding and present the adjusted figures to the credit or investment committee
- Draft a desk adjustment policy covering leases, non-recurring items and supplier finance so every analyst restates statements the same way

Financial Statements Analysis Questions FAQ

What is advanced financial statements analysis and why does it matter now?

Advanced financial statements analysis turns reported accounts into adjusted, comparable figures that support credit and investment decisions. It matters now because judgement-heavy reporting standards and tighter lending conditions make headline profit an unreliable guide on its own.

Which roles gain most from financial statements analysis training?

Credit analysts, investment analysts, finance managers, auditors and risk officers gain most. Cases from a retail chain and a construction contractor show how lease-heavy and contract-based businesses demand different adjustments before ratios mean anything.

How does advanced financial statements analysis differ from a finance course for non-finance managers?

It assumes participants already read statements fluently. Instead of explaining the basics, it restates accounts, tests earnings quality, screens for manipulation and converts the findings into credit grades and valuation ranges.

What do you bring back from financial statements analysis training?

You bring back a completed analyst report on a real or realistic company, with restated figures, a cash flow bridge, a manipulation screen, a credit view and a valuation range ready for your committee.

Financial Statements Analysis: The Way Forward

The analyst report brings restated figures, earnings quality findings, cash flow evidence and a credit or valuation conclusion into one document. Its first use is to support or challenge a lending or investment decision already on the committee agenda. Credit and investment committees rely on it; after its first use, the adjustment choices deserve fresh scrutiny against the next set of published results.