



Institut Luxembourgeois
des Administrateurs

Financial Reporting for Directors

“Making sense of financial statements”

19th June 2017

FINANCIAL REPORTING FOR DIRECTORS

The purpose of this specific training is to provide directors with practical knowledge on financial reporting in order to understand how to read and interpret financial reports as an independent director.

This program will enable participants to:

- Review the key foundations of financial reporting: accounting conventions and principles;
- Understand the key components of financial statements and their information usefulness;
- Become aware of some of the paradoxes of financial reporting;
- Feel comfortable reading the company's financial report as an independent director;
- Discuss more effectively the performance and the financial position of their company;
- Contribute more prominently to boardroom discussion with regard to the financial reports of the company;

This course is dedicated to non-executive directors that do not have a professional accounting background but that would like to acquire insight on how to read and interpret financial statements. To fully benefit from this introductory class, participants are expected to have a basic knowledge of corporate accounting.

This class is **not designed** for qualified accountants, chief financial officers, controllers and similar professionals dealing with financial figures on a day-to-day basis.

The **objective** of this course is to offer participants a **hands-on experience** rather a theoretical class. As such, participants will be provided with multiple **real-life financial reports** for review, analysis and class discussion.

The number of participants is **limited to 15 participants** to ensure optimum interaction, adequate coaching and discussion.

OUR TRAINER



David Burbi

David is a part-time lecturer at the University of Luxembourg where he focuses on accounting and financial reporting & literacy. He writes on accounting and financial reporting for Wolters Kluwer and other publishers in Luxembourg and abroad.

David Burbi works at CNC Luxembourg, a public-private partnership that has been set up to formalise existing accounting practices in Luxembourg as well as to participate to the accounting debate in the international and European accounting arena.

Prior to joining CNC Luxembourg, David has worked for 12 years within a major accounting firm both in Luxembourg and in the USA where he worked in various capacities within the audit department, the accounting and tax compliance department and finally within the technical department.

OUR PROGRAM

8.15am *Welcome coffee and registration*

8.30am *Introduction*

8.45am **Ice-breaker: comparing companies through financial reporting**

- Analyzing the financial position
- Analyzing performance
- Identifying financial risk factors
- Identifying performance opportunities
- Preliminary conclusion on the nature of accounting

Financial reporting & general-purpose financial statements: defining terms & concepts

- Financial reporting vs. management reporting: a focus on external users vs. internal users
- General-purpose financial statements vs. special-purpose financial statements: whom and why are we reporting?
- The stakeholders in the accounting arena: preparers, auditors and users
- Financial accounting framework: the language and accents of accounting
- Financial and non-financial reporting: the evolution of external reporting (CSR, CBCR, etc.)
- Illustrative examples

10.45am *Coffee break*

11.00am **Legal & regulatory aspects of accounting & financial reporting**

- Accounting, tax & financial reporting as a set of legal & regulatory requirements;
- The Luxembourg accounting framework: LUX GAAP, LUX GAAP-JV, IFRS-EU;
- The categorization of entities into small, medium, large and PIE: practical implications;
- Independent audit of financial information : *réviseur d'entreprises agréé* vs. *commissaire*
- The Luxembourg tax approach: a quasi-dependent approach;
- Understanding the concept & implication of book-to-tax differences;
- Filing obligations: RCS, ACD, AED, CSSF, BCL;
- Illustrative examples

The components of financial statements and annual report

- The primary financial statements
- The other financial statements
- The reports related to financial statements
- The audit function

12.30pm *Lunch*

2.00pm

The balance sheet: the statement of financial position

- A structured representation of the entity's financial position;
- Assets, liabilities & equity: concepts, conventions & paradoxes;
- The influence of the financial framework on the balance sheet;
- The balance sheet as a representation of the past: what to expect in terms of predictive value?
- Individual balance sheet vs. consolidated balance sheet: the book value(s) of the entity;
- Accounting for value: the paradoxes & limitations of accounting;
- Illustrative examples.

The profit & loss account: the statement of performance

- A structured representation of the entity's performance;
- Income & expenses, gains & losses, cash items & non-cash items: concepts, conventions & paradoxes;
- The influence of the financial framework on the profit & loss account;
- The profit & loss account as a representation of the past performance: predictive value?
- Profitability & cash generation: the relationship between profit & cash;
- Illustrative examples.

The cash-flow statement: generation & use of cash

- A structured representation of the entity's cash inflows & outflows;
- The operating, financing & investing cycles;
- The value relevance of the cash flow statement;
- Does loss-making imply liquidity issues?
- Illustrative examples.

4.00pm

Coffee break

4.15pm

The other components of financial statements

- The notes to the financial statements: making sense of the primary financial statements;
- The statement of other comprehensive income (OCI);
- The statement of changes in equity;
- Illustrative examples.

The reports associated with financial statements

- The (consolidated) management report a.k.a MD&A;
- The governance declaration;
- The other statements of responsibility;
- Illustrative examples.

A new generation of external reports

- The Country-by-Country Reporting (CBCR):
 - a. The tax transparency CBCR (multinational companies);
 - b. The anti-corruption CBCR (extractive industries);
- The non-financial reporting (NFR): social & environmental reporting (CSR);
- Illustrative examples.

6.00pm

Closing of the day

PRACTICAL INFORMATION

WHEN

Monday 19 June 2017
From 8.15 to 18.00

WHERE

Chambre de Commerce
7, rue Alcide de Gasperi - L-2981 Luxembourg
Parking available at your own expenses

REGISTRATION FEES

- 540.00 € for ILA members
- 650.00 € for non-members

The fees are excluding 3% VAT, and cover tuition, handouts, coffee breaks and lunch.

ILA is authorized as a provider of continuing vocational training by the Ministry of Education (agreement dated 11 October 2011). Fees are eligible for State co-financing.

LANGUAGE

The course is conducted in English.

REGISTRATION

Available online via www.ila.lu. A confirmation email will be sent to the participant together with the invoice.

PAYMENT

Payment of the invoice is due upon reception. Payment prior to the course is a condition for participation.

CANCELLATION POLICY

Any cancellation should be communicated in writing to v.vansaen@ila.lu.

In case of cancellation received less than 5 working days prior to the event, 100% fee remains due.

Substitution of one participant by another is possible. It should be done in writing at least 2 working days prior to the event.

CERTIFICATE OF PARTICIPATION

A certificate of participation will be provided to participants at the completion of the course.

CPD ACCREDITED HOURS

This course is providing credits in the context of the CPD Program for ILA Certified Directors (8 hours).

CONFIDENTIALITY AGREEMENT

All ILA courses are conducted under the Chatham House Rules (confidentiality of discussions). Trainers & participants must respect the confidential nature of discussions that take place during the sessions.

ILA reserves the rights to use photographs that may be taken during the event for its communication, and to publish them on its website/social networks and/or promotional material.