Accounts Analysis for Investors: Earnings Quality, Cash Conversion, Red Flags and Valuation Course

23 – 27 November 2026
Paris

Accounts Analysis for Investors: Earnings Quality, Cash Conversion, Red Flags and Valuation Course

Ref: 743_35734 **Date:** 23 – 27 November 2026 **Location:** Paris **Fees:** 5500 GBP

Programme Summary

Accounts analysis for investors is the subject of this one-week training course for finance, investment and credit leaders at managerial level, ending in an investment memorandum on one listed company. Reported profit often looks stronger than the cash behind it, and warning signs are missed under deadline. The programme moves from reading statements to earnings quality, cash conversion, red flags and valuation. Mars Training Centre UK delivers this programme on accounts analysis for investors to mixed-organisation cohorts.

The Business Case

Capital is committed, lent or withheld on the strength of published accounts. When ratios are read in isolation, one-off gains are left in profit and borrowing hidden in leases goes unnoticed, the recommendation rests on a weak base. Leaders who test the figures against cash and against peers present a clearer case to an investment committee.

- Recommendation Quality: Improves as each view carries adjusted figures and a stated reason.
- Loss Exposure: Falls as red flags are logged before capital is committed.
- Review Time: Shortens as analysts follow one shared method and template.

Principles and Evidence Base

- IFRS Presentation Requirements IAS 1: Used to read the statements, notes and segment data on a like-for-like basis, applied in Sessions 1 and 2.
- IAS 7 Statement of Cash Flows: Used to rebuild operating, investing and financing cash and test how far profit converts into cash, applied in Session 3.
- IFRS 15 Revenue and IFRS 16 Leases: Used to test when revenue is recognised and to bring lease obligations into the debt view, applied in Session 2.
- CFA Institute Financial Reporting and Analysis curriculum: Provides the investor-oriented approach to ratios, DuPont decomposition and forecasting, applied in Sessions 3 and 4.

Intended Participants

- Investment and portfolio leaders who recommend buy, hold or sell positions.
- Credit and lending managers who set limits on corporate borrowers.
- Corporate finance and strategy leaders who assess acquisition and partnership targets.
- Finance leaders who review analyst work before it reaches an investment committee.

Typical settings include banks, asset managers, sovereign and pension funds and corporate treasury or strategy teams.

Learning Outcomes

1. Participants will be able to construct a comparable set of statements that adjusts for policy differences between companies.
2. Participants will be able to evaluate earnings quality using revenue tests, accruals and non-recurring items.
3. Participants will be able to diagnose the gap between reported profit and cash using a rebuilt cash flow statement.
4. Participants will be able to prioritise red flags by their effect on value and credit risk.
5. Participants will be able to calculate a valuation range from forecast drivers, multiples and discounted cash flow.
6. Participants will be able to justify a buy, lend or hold recommendation to an investment committee.

Programme Structure

Day 1: Reading the Statements as an Investor

What do the statements say, and what do they leave out?

- Statement Linkage Map
- Accounting Policy Comparison Sheet
- Common-Size Statement Method
- Peer Group Selection Matrix
- Segment and Notes Reading Checklist

Day 2: Earnings Quality and Red Flags

How reliable is reported profit, and which signals warn of trouble?

- Revenue Recognition Test
- Accruals Ratio Screen
- Non-Recurring Item Adjustment Schedule
- Lease and Debt-Like Item Normalisation
- Red Flag Register

Day 3: Cash Conversion and Return Drivers

Does profit turn into cash, and what drives the return on capital?

- Cash Flow Statement Reconstruction
- Cash Conversion Cycle Analysis
- Free Cash Flow Bridge
- DuPont Decomposition
- Leverage and Coverage Ratio Set

Day 4: Forecasting and Valuation

How are forecasts built and turned into a value range?

- Forecast Driver Model
- Scenario and Sensitivity Table
- Trading Multiples Comparison
- Discounted Cash Flow Cross-Check
- Credit Stress Test Worksheet

Day 5: Investment Memorandum for One Company

Do the earlier tools support one recommendation that a committee can challenge?

- Applying the Session 2 Red Flag Register
- Applying the Session 3 Free Cash Flow Bridge
- Reviewing the Session 4 Sensitivity Table
- Recommendation and Dissent Log
- Completing the Investment Memorandum

Methodology

The programme uses case analysis built on a prepared company file for two listed companies in different sectors, each with several years of statements, notes and a peer set. Participants work in small groups, adjust the figures and defend their conclusions as an investment committee would.

- Suggested activity: Restating profit for one-off items and testing the effect on the ratios.
- Suggested activity: Rebuilding cash flow for a company whose profit and cash diverge.
- Suggested activity: Presenting a recommendation and answering challenge from another group.

Capstone Output

Each participant completes an investment memorandum on one listed company. It holds adjusted statements, an earnings quality scorecard, a cash conversion review, a red flag register, a valuation range and a recommendation. The memorandum is used at work to brief an investment or credit committee and as a template for later reviews.

Frequently Asked Questions

Is a course on accounts analysis for investors suitable for leaders who do not prepare accounts?

Yes. Accounts analysis for investors is taught through prepared cases and templates. It assumes familiarity with the three primary statements and basic ratios, but no experience as a preparer of accounts.

Which standards does accounts analysis for investors rest on?

It rests on IFRS presentation requirements, IAS 7 for cash flows, IFRS 15 for revenue, IFRS 16 for leases and the investor-oriented approach of the CFA Institute curriculum.

How is the memorandum from accounts analysis for investors used at work?

You use the investment memorandum to brief a committee, record the adjustments and red flags behind a recommendation, and repeat the same method on the next company.

How does accounts analysis for investors differ from a financial modelling course?

Accounts analysis for investors concentrates on testing reported figures and judging value, while a financial modelling course concentrates on building the model structure and its formulas.