

Finance & Accounting for the Oil & Gas Industry

INTRODUCTION

- This Finance and Accounting for the Oil & Gas Industry training course provides the essential financial knowledge and skills to enable delegates to successfully recommend appropriate methods of finance and to prepare, understand and evaluate financial accounts for the Oil & Gas industry. It focuses on the finance and accounting issues specifically affecting the industry including: IFRS 6 Exploration for and Evaluation of Mineral Assets, Accounting Approaches, The “Successful Efforts” and “Full Cost” (FC) Method, Accounting for Reserves, Resources & Assets.

This training course will feature:

- A detailed understanding of finance and accounting in the Oil & Gas industry, focusing on leading international practice
- Examination and evaluation of the latest techniques
- Skills development via interactive sessions
- Key discussion of the latest accounting issues currently facing the Oil & Gas industry

PROGRAMME OBJECTIVES

- Recommend appropriate methods of financing capital projects
- Evaluate capital investment proposals
- Prepare financial statements in line with International Financial Reporting Standards
- Evaluate financial statements to identify and recommend improvements within their own organization

WHO SHOULD ATTEND?

This training course is specifically tailored for those working or wishing to work in the Oil & Gas industry. It is particularly suited to:

- Those responsible for raising and managing finance
- Those responsible for making or contributing to capital decisions
- Professionals who require a more in-depth understanding of finance and accounting
- Line heads with direct finance and accounting responsibility
- Those responsible for making decisions based on finance budgets

TRAINING METHODOLOGY

- The Finance and Accounting for the Oil & Gas Industry training course uses training methods chosen to ensure effective learning, to reinforce understanding, to develop practical skills and to promote the critical evaluation of information. Interest is maintained throughout each session using a variety of formats, including:
- Real world Oil & Gas case studies demonstrating the practical application of each topic
- Illustrative extracts from the annual reports of international Oil & Gas companies
- Discussion of relevant issues raised by participants
- Illustrated presentations of Oil & Gas accounting issues focusing recent events and strategic issues facing companies today

PROGRAMME SUMMARY

- This training course begins with a review of the financial issues facing the Oil & Gas Industry. It then focuses on the finance and accounting issues facing the industry enabling delegates to prepare and evaluate financial statements in line with international requirements.

PROGRAM OUTLINE

Financing Growth & Capital Projects

- The Business & Financial Environment
- Risks facing the Oil & Gas industry
- Identifying Growth opportunities
- Financing Growth via Equity, Debt and/or alternative sources
- Evaluating Capital Investment using Payback, ARR, NPV & IRR
- Capital Rationing – Internal & External

Accounting in the Oil & Gas Industry

- The Accounting System
- Understanding the Annual Report
- Preparing Financial Statements in accordance with IFRS
- IAS 18: Revenue & IFRS 17 Revenue from Contracts with Customers
- IFRS 6: Exploration for and Evaluation of Mineral Assets
- Accounting Approaches – The “Successful Efforts” (SE) Method or the “Full Cost” (FC) Method

Accounting for Reserves, Resources & Assets

- Resources & Reserves – the size and importance
- Reserve Classification & Reserve Quantity Disclosures
- Accounting for Assets & Relevant IFRS requirements: IAS 16, 36, 37, 38 & 39
- Depreciation, Depletion and Amortisation (DD&A)
- Ceiling or Impairment Tests
- Decommissioning, Removal & Restoration of Assets

Business Combinations, Joint Arrangements & Production Sharing Agreements

- The Need for Co-operation in a Capital Intensive industry
- IFRS 3 Business Combinations
- IFRS 10 Preparing and Presenting Consolidated Statements
- IFRS 11 Joint Arrangements, Joint Operations & Joint Ventures
- Production Sharing Agreements
- Revenue, Cost, Cashflow & Reserve Implications

Financial Analysis to Evaluate Performance and Improve Efficiency

- Analysis of Financial Statements
- Profitability, Liquidity, Operational & Solvency measures
- Off Balance Sheet Items & Contingencies
- Investment Measures of Leading International Oil & Gas companies
- Improving Return on Equity

Implementing change in the light of analysis