



Inspiring business

“An excellent course for someone venturing into this field for the first time, and extremely well presented throughout.”

Ian McNaught
Deputy master, Trinity House

**Finance for Non-Financial
Directors
3-day modular award**



IoD modular awards

Modular awards cover the key areas of governance, leadership, finance and strategy. Each award contributes to the **IoD Certificate in Company Direction** and can also be taken as a stand-alone course.



Course overview

In today's business world, every director needs to recognise the key financial concepts and terminology that underpin a successful understanding of their organisation's financial position.

This course designed for non-financial directors will demystify the world of finance, allowing you to monitor the financial health of your business, evaluate business plans with confidence and contribute more effectively to boardroom discussion.

Learning objectives

- Identify the financial role and responsibilities of directors
- Interpret financial statements in accordance with accounting principles and standards
- Establish the financial health of a business using accepted financial ratios
- Distinguish between management accounts and the statutory financial reports of a company
- Differentiate between the various sources of finance available to a company and their relative advantages and disadvantages
- Interpret the key components of capital investment appraisal

Course topics include:

The financial role and responsibilities of directors

- Collective responsibility
- Duties and responsibilities
- Financial strategy

Understanding and interpreting financial statements in accordance with accounting principles and standards

- Financial concepts, conventions and terminology
- The basis of profit measurement and the difference between profit and cash flow
- The statutory financial statements
- The effects of transactions on financial statements

Assessing financial health: A structured framework for financial analysis

- Use of typical ratios
- Cash flow and liquidity analysis

Distinguishing between management accounts and the statutory financial reports of a company

- Financial measures appropriate in different organisations; the level of detail and frequency of reporting needed for the effective direction of a company
- The role of budgets in directing a business
- Costing systems
- Break-even analysis
- The cash flow forecast
- The relationship between financial and non-financial performance measures in directing a business

The various sources of finance available to a company and their relative advantages and disadvantages

- Why businesses need funding
- Short- and medium-term finance
- Sources of long-term finance (to include an overview of stock exchanges)
- Private equity financing
- How to approach banks and investors
- Capital gearing
- Dividend policy

Creating value

- Cost of capital
- Project appraisal techniques to include: payback, discounted cash flow (DCF), net present value (NPV) and internal rate of return
- Business valuations

“We look at the emotional intelligence of leaders – we want you to look at yourself and think about the sort of leader you want to be”

Corporate failures

- Why businesses fail
- Recognising the early signs of business distress
- Assessing and managing risk

Why train with the IoD?

- Meet course leaders and guest speakers with unique experience from within the boardroom and wider business community
- Experience an interactive workshop approach with real-world case studies, practical examples and scenarios
- Take advantage of opportunities for focused peer-learning and networking
- Access cutting-edge content underpinned by a solid foundation of professional research and theory
- Achieve an understanding of best practice and practical application in the workplace

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The Institute of Directors

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