



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**



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## 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.

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## 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

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“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”

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### 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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