



## Introduction to Financial Analysis

PIK751-0825 UK-LDN-1



<b>Place:</b> London	<b>Venue:</b> INDUSTRIOUS (1 and 2, 245 Hammersmith Road Floors, London W6 8PW) - TBC	
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**If you can't train them,  
you can't blame them!**

### Short Description:

**COURSE OVERVIEW** The Basic Financial Analysis training program aims to provide participants with essential skills and knowledge necessary for understanding financial statements. By focusing on the core elements of financial reporting, this program enables individuals to interpret key financial documents effectively. Participants will learn how to identify significant components of balance sheets, income statements, and cash flow statements, which are crucial for assessing a company's financial health. Furthermore, the program emphasises the application of basic analytical techniques that empower participants to make informed financial decisions. Through hands-on exercises and real-world examples, individuals will develop the ability to analyse financial data critically and recognise trends and patterns. This foundational understanding of financial analysis is vital for anyone looking to enhance their decision-making capabilities in a business context.

### Course Overview:

#### **COURSE OBJECTIVES**

By the end of the program, participants will be able to:

- Understand key financial concepts and terminology.
- Analyse financial statements to assess business performance.
- Apply basic financial ratios for analysis.
- Interpret cash flow statements and budgeting processes.
- Gain insights into financial decision-making.

### **TARGET AUDIENCE**

- Aspiring finance professionals seeking foundational knowledge in financial analysis.
- Business owners wanting to improve their financial decision-making skills.
- Entry-level employees in finance-related roles.

## **Program Outline:**

### **DAY 1: Introduction to Financial Analysis**

1. Definition and Importance of Financial Analysis.
2. Key Financial Terminology.
3. Overview of Financial Statements.
4. Users of Financial Analysis.
5. Ethical Considerations in Financial Analysis.

### **DAY 2: Understanding Financial Statements**

1. Income Statement: Structure and Components.
2. Balance Sheet: Assets, Liabilities, and Equity.
3. Cash Flow Statement: Understanding Inflows and Outflows.
4. Notes to Financial Statements.
5. Limitations of Financial Statements.

### **DAY 3: Financial Ratios and Analysis Techniques**

1. Introduction to Financial Ratios.
2. Liquidity Ratios: Current and Quick Ratios.
3. Profitability Ratios: Gross Margin, Net Margin, and ROE.
4. Efficiency Ratios: Asset Turnover and Inventory Turnover.
5. Solvency Ratios: Debt to Equity and Interest Coverage.

### **DAY 4: Cash Flow Analysis and Budgeting**

1. Importance of Cash Flow in Financial Analysis.
2. Analyzing Cash Flow Statements.
3. Operating, Investing, and Financing Activities.
4. Budgeting Basics: Types and Purposes.
5. Variance Analysis: Comparing Budgeted vs. Actual Figures.

## **DAY 5: Making Informed Financial Decisions**

1. Introduction to Capital Budgeting.
2. Time Value of Money: Present and Future Value.
3. Break-Even Analysis.
4. Financial Forecasting and Projections.
5. Understanding Financial Risks and Returns.