



Financial Statements Analysis: Preparation & Interpretation

PIK110-0325 LON-1



Place: London (UK)

Venue:

Start Date: 10-03-2025

End Date: 14-03-2025

PPP: £4350



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**If you can't train them,
you can't blame them!**

Short Description:

This interactive course will develop your skills in analysing business activities. It will guide you through the key steps of analysing financial statements, appraising new investments and measuring performance at all levels of your organization. It will develop your ability to generate growth and improve profitability, as well as pinpointing problem areas for remedial action. Over the five modules delegates will acquire skills and technical knowledge which will enable them to manage more effectively. This course will also focus on the key risks that businesses face in today's uncertain economic, political, and physical environment. Effective risk management is of vital importance in today's business environment and the seminar will promote the understanding of risks and how to minimise the business exposure to them. Practical case studies will be used in each session, to ensure that delegates can relate their learning to real-world problems. The highlights of this program will be: • Introduction to Financial Analysis. • Meaning & Features of Financial Statements. • Significance Limitations of Financial Statements. • Objectives of Financial Statement Analysis. • Tools of Financial Statements Analysis.

Course Overview:

Objectives

At the end of this course participants will be able to:

- Read and understand their organisation's Annual Financial Report.
- Evaluate their firm's financial performance.
- Understand and use analytical tools and techniques in practical case-study situations.
- Identify business risks, and consider how these should be managed.
- Appreciate the importance of new investments in maintaining growth and competitiveness, and how these investments should be evaluated.
- Improve their management skills and increase their value to the organization.
- Understand capital investment decisions.

Methodology

The course will be conducted along workshop principles with formal lectures, case studies and interactive worked examples. Relevant case studies will be provided to illustrate the application of each tool in an operations environment. Each learning point will be re-inforced with practical exercises. Discussion in groups will promote exchange of concepts and ideas.

Organisational Impact

What will your organisation gain from sending employees to attend this course?

- Awareness of the relevance and importance of financial statements.
- Understanding of the tools and techniques that can monitor and improve performance.
- Ability to identify problem areas, and suggest realistic solutions.
- Ability to identify and analyse financial risks, and how these can be effectively managed.
- The financial knowledge to make better, more informed, decisions.

Personal Impact

What will the employee gain from attending this course?

- Exchange of ideas and knowledge with other professionals.
- Increased awareness of techniques in financial analysis and capital appraisal.
- Better understanding of the language of finance and accounting.
- Knowledge and understanding of business risk.
- Increased ability to identify problem areas.
- Increased confidence to tackle new situations.

Program Outline:

Day 1: Introduction to Advanced Financial Analysis

1. Who are the users of financial data?

2. Why does financial data have to be analysed?
3. Sources and types of financial information.
4. Understanding the cash flow cycle vs. the operating cycle.
5. Categories of ratios, and what they reveal about the company.

Day 2: Financial Statements

1. How to use common sizing to compare performance and position.
2. The format and structure of the Balance Sheet/Statement of Financial Position.
3. Preparing projections for financing sources.
4. Break-even analysis.
5. Should we lease or buy our equipment?

Day 3: Analytical & Performance Tools & Techniques

1. Finding and using data and information.
2. Using graphical representation.
3. The fundamental statistical tools.
4. Fitting statistical techniques to financial data.
5. Reports and reporting.

Day 4: Capital Project Analysis

1. How new investment projects can meet corporate objectives.
2. Investment projects - model-building and forecasting.
3. Incorporating the value of timing - Net present Value vs. Internal Rate of Return.
4. Measuring the company's capital structure, and estimating the cost of capital.
5. The dividend valuation model or capital asset pricing model, which is best?

Day 5: Coming to Terms with Risk

1. Financial risk-management principles – what can be done and methods for analysing financial risk.
2. How your bankers can help you to manage financial risk.
3. Analytical tools for measuring risk.
4. How to minimize the risk factors we find.
5. Case study.