



Understanding company accounts – ½ day



Course Objectives

This course is designed to give managers and staff a rapid step improvement in their ability to read and interpret published financial information. Participants will learn to read a set of company accounts, including the balance sheet, profit and loss account, cash flow statement and the notes.

Prerequisites

This course requires no prior experience or training in finance. It is suitable for those who need to use accounts to appraise customers, suppliers and other business partners. Those with some financial experience will develop their ability to assess investment potential, financial health and company performance from accounts.

Exercises

This course is instructor led, but also involves discussion, and individual and group work among delegates, including direct work with sets of company accounts.

Exams and qualifications

This course does not involve an exam or qualification, but delegates may wish to use it to gain familiarity with company accounts in preparation for formal study later on.

About accounts

- The purpose of accounts
- Who uses accounts?
- Formats for accounts
- Regulation of accounts
- Where to obtain accounts

Reading accounts

- The balance sheet
- The profit and loss account
- The cash flow statement
- Notes to the accounts
- Accompanying information

Calculating ratios

- Investor ratios
- Financial health ratios
- Performance ratios
- Uses and limitations of ratios

Evaluating companies

- Valuing companies
- Judging company performance
- Buy and sell decisions
- Reading between the lines