

# Finance for directors

## A one-day workshop

### Overview

This stimulating and challenging programme is designed to emphasise the need – no, duty – of every director to understand financial statements and practices to be able to communicate with their CFO, the finance team and auditors. And, when necessary, with their banks, strategic business partners and stakeholders.

Businesses thrive on sales, controlled costs, cash flowing, calculated investment and activity – making assets work. Financial statements track what the business is achieving – or not. You need to know what the numbers are telling you.

This session gives a Board the opportunity collectively to join up the dots, to question the way in which they use the financial statements and to review how they each contribute as individual directors in the best way to achieve sustainable results. It is an opportunity, in particular, to enhance understanding of how the finance team should help drive the business, not simply 'keep score'.

### Objectives

This session is an opportunity for directors to:

- Really dig into their own (or their competitors') accounts
- Refresh their understanding of the key financial statements and the underlying principles
- Reassure themselves that they are complying with the relevant legal and fiduciary duties
- Recognise the value of the numbers in helping them perform their individual roles as directors as well as collectively as a board
- Review how they work with the finance team

### Who should attend?

There is great value in the entire board taking part in this programme, even (or especially) the FD – their presence can help keep the focus of the day on the practical application of financial principles and best practice in your specific business. To get the most from the day, share your accounts with the trainer in advance so that the discussion on the day can be as relevant as possible.

### Workshop format

- A thoroughly practical one-day session with exercises, formal input and facilitated discussion
- The workshop material has been developed to meet the needs of many successful companies by supporting their management improvement programmes
- The programme can be tailored to meet the needs of individual organisations of any size within any sector – private sector, public sector, voluntary organisations and charities
- Highly focused, with plenty of discussion around issues of specific concern to you and your organisation
- Can be run as an abbreviated half-day session if preferred, focused on key topics

### Special features

This workshop can be tailored to meet your specific requirements – it should certainly be based around your own accounts. You can choose to follow the agenda set out below or you can talk it through with the trainer and set a new one. The choice is yours.

### Meet the trainer

[Ralph](#) is a very popular and highly experienced trainer and author in this subject, running sessions in the UK and internationally for organisations on an in-house basis and also open programmes for accountants and auditors in practice.

## Agenda

*This is an indicative agenda – a starting point for a conversation with you. Ralph would be happy to tailor it to your precise requirements.*

### 1 Introduction – the fundamentals

- The structure, terms and uses of:
  - Balance sheets (statements of financial position)
  - Profit and loss accounts (performance measurement statements)
  - Statements of cash flows
- Fundamental accounting principles
- Judgements and estimates

### 2 What's your purpose – why be in business?

- Why you need to ask these questions
- Why be in business? – the financial perspective
- How does purpose link with ROI?
- How does purpose fit in with the vision and mission?
- Linking purpose to budgets and budgets to purpose

### 3 Cash flow

- Cash flow statements
- Cash flow forecasts
- 'Going concern'
- Liquidity and solvency

### 4 Budgets

- The philosophy of the business
- The importance of having an aligned vision and culture
- The need for detailed business objectives linked to purpose
- How budgets help – or hinder – the achievement of business objectives
- Budgetary control measures
- Designing budget reports – for action
- ZBB – much more than starting with a clean sheet of paper

### 5 Investment appraisal

- Investment can be in a single machine, a new IT or ERP system, or the acquisition of a business – the principles are the same
- Valuation of projects and investments
- The principles of cash flow analysis
- NPV, IRR and other measures

### 6 Reviewing financial statements

- Directors must understand their own financial statements – even if they are not signatories to them
- Directors need the ability to understand competitors', suppliers' and customers' financial statements
- A short case study to improve skills at focusing on the key numbers
- A structured overview of a plc's accounts

**For a no-obligation discussion about running this workshop for your organisation on an in-house basis, just give us a call on 01582 463465.**