



Financial Tuition

Understanding working capital

Overview

Working capital is one of the most important concepts in accounting.

This course will explain how a company's debtors, creditors, cash and stock balances combine to make the most important equation in an organisations balance sheet – working capital.

Even organisations that do not produce a balance sheet must know the cash balance, understand how quickly customers are paying and how quickly they pay their creditors. It is also important to see how stock levels influence how much working capital the owner will need to invest to support the operation.

Delegates will be shown that it is more than possible for a highly profitable company to go out of business because it has run out of cash!

Key Content

- Cash inflows and outflows
- Current assets including trade debtors and cash
- Current liabilities including trade creditors
- Stock movements
- Working capital management



Audience

The course is designed for business owners and managers who have no formal financial training but want to understand clearly how cashflow works and how to prepare a cashflow forecast.

There may be concerns that they only see the accounts when the quarterly VAT and when the annual tax returns are completed and this does not provide them with sufficient information to properly manage their business.

Course Objectives

Course delegates should be able to:

- Understand why it is important to manage working capital
- Understand how the time it takes for customers to pay influences working capital
- Understand how overtrading may result in a business running out of cash

Course Requirements

Delegates on this course do not require any qualifications or accounting knowledge. It would help the delegates understanding if they have some involvement with finances and financial information.

TO MAKE A BOOKING
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