



Management

USES OF PUBLISHED FINANCIAL STATEMENTS IN FUNDING DECISIONS

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Abstract

The study aimed to show financial items that used in the analysis of the decision to grant funding or not, to let parties in the funding decision of the important indicators even be no need to borrow, study the problem of the lack of use of published financial statement analysis we used a sample of a private company, Hypotheses (financial reports iteming and analysis methods lead to make funding decision, there are ways, methods and tools of procedural accounting represents a tools of helping the parties to pay loans.

Result: Priority financial statements are important grant funding decision, there is a relationship between tripping to fulfill their financial obligations and fairness of the financial reports submitted.

Recommendations: Must increase disclosures in the financial statements published, new studies to read of financial statements polices and for grant funding policies before the financial reports published analysis.

Keywords: Financial Statements; Marginal Profit; Margin of Safety; Credit; Financial Analysis; Reserve Balance; The Guarantor; Retained Earnings; A Documentary Audit.

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1. Introduction

Published Financial statements as accounting a benefit product of in determining the position of the facility in terms of its strength and credit weakness is used in the decision-making process because they contain the amount of information that can influence the decisions maker of these financial statements from inside or outside the firm, such as employees and shareholders for many purposes, but are also used by external parties such as banks and credit houses and loners of individuals and firms other creditors customers, suppliers and others, because these financial statements have a strong relationship with their decisions in dealing with the firm in the future, its current state and then make decisions that suitable those external parties, all these decisions need

to be accurate and complete information, published Financial statements, short of many because of the difference in the application of the financial procedures, because of the difference in the stand the concepts and accounting policies that affect the values of the items on the lists and then analyzed and whether they are true and representation to actual status of firms, which has been prepared by the financial statements.

1.1. Research Problem

Some donors depend on the financial position information of the loaners without deep information and analysis detail or study the financial position of the components, the purpose of preparing such lists, the problem in the find most of the funding applicants to the liabilities on the Bank, because of the weakness statements, failure to comply with accounting requirements in the preparation of a status report request for funding and the problem is that these lists does not represent the overall situation of the loaners, loan problem of the study in the adoption of partial lists for loaners funding between them and the rest of the non-disclosure of financial statements that affect the credibility of the financial statements published and thus do not represent the financial position of the group is honestly, fairly and transparently, and are granted loaners funding based on those partial lists, especially in the case of lack of preparation of audited financial statements from certified public accountant representing the overall position of the client, and the problem of masking financial evidence listed inadequately when the loan application.

1.2. The Study Importance

Gives the analysts loan requests benchmarks important about funding requests, assisting senior management in the banking department in the performance of its functions in the control and application of laws governing the process of financing and lending and regulations, discuss the benefits of the application of accounting disclosure.

1.3. Study Aims

The aims of this study was to achieve a set of objectives, namely, (high light on the concept of targets, methods, the principles and rules of preparation of financial statements, work to explain the methods of preparing menus and methods of presentation, which affect the funding decision, demonstrate the importance of the audited financial position and the income statement in the case of financing, make accounting methods essential source of information essential for loans, know accounting methods for processors menus is final when the multi-collateral financing, identify the bank financing and the foundations of him and how collected and problems bogging, suggest ways of accounting to help reduce the chances of tripping parties financing.

1.4. Methodology

We use a set of scientific methods which will help to identify the fundamental concepts of the Framework theoretical also methods that helps in the application of theoretical concepts to the applied of the accounting application when the implementation of the accounting procedural of issuing financial reports have such as deductive and inductive method and scientific method of accounting and historical method.

1.5. Hypotheses

(The methods of analysis of financial reports lead views to direct funding decision).
there are ways , methods and tools of procedural accounting represents a tools of helping the parties to pay loans.

1.6. Previous Studies

1) Zugheib Malika and Gulab Naima 2009

Of funding and analysis of economic institutions methods in Algeria the problem of the Algerian public economic institution due to the imbalance in the financial structures and lower steering and marketing efficiency, - the determinants of choosing the right financing.

Results: The Ghibli group is suffering from an imbalance in the financial structure. Total debt to total assets far in excess of 50%, and is growing from year to year in total,

Recommendations: Algerian economic enterprise that takes into account both internal and external factors mainly represented in the enterprise environment, the economic situation of the country, the sector that belong to him, the collection system of money and development of the financial market. - The financial situation analysis and disclosure of the various sources of funding uses.

2) Youssef Mahmoud Jarbou and Abdullah Salem Helles, 2006

The study examined the analysis and assessment of the extent of use of international accounting standards at the presentation, disclosure, the problem, the introduction of a unified global standards in developing countries there are difficulties of relativity to be applied, and the question Is the use of international accounting standards at the presentation and disclosure in the consolidated financial statements by banks, financial institutions in the State Palestine? Hypotheses there were no statistically significant differences between banks and similar financial institutions presentation, disclosure in financial statements commitment, and the application of International Accounting Standards relationship. "Results have been introduced globalization system, substantial, there is interest financing.

Recommendations: Banks should be similar of financial a institution that is committed to the application of international accounting standards.

3) Lateef Zayoud and Others Study

Evaluating the performance of banks using financial analysis tools, problem of poor performance in the evaluation process, the problems of the improvement and development performance.

Hypotheses: Performance evaluation urges banks to activate their role in the development process,

Results: Improved lending and credit process for the private literal sector compared to the public sector, is considered a positive point in the activity of banking management and reflect the high efficiency in the development of bank. Mechanism of action sufficient disclosure accounting data and information properly and accounting standards,

Recommendations: Continue to follow up distressed debt. Reliance on financial analysis system in the banking sectors in general, the simplification of procedures relating to the granting of investors and industrialists loans.

2. Chapter One: Financial Statements Uses

Financial data is one of the most important in business, accounting results in the accounting of its known, and cannot be treated with these data on the basis that the date of lapse cannot be contributing to the present industry and directing the future, but the characters shown in the current financial statements lead role, financial statements on a multiplicity of about achievements differences basic ways, view, and how to disclosure.

All of its provisions, which requires reading this statements through analytical points so the tools which in turn result in different roles (The tools relied upon by the accounting analysis is not collected a single and a specific, coherent entity helps the possibility of maximum benefit and help to add to, develop it and benefit from it in the area of decision-making, which requires with the presence of new standards (Elbahar 0.1998: p. 11).

This is what makes analytical of financial statements affect the users of decisions in banking credit when deciding to grant specific funding for loaners audited financial statements showing the financial position and determines how much the security of the loan, which the Bank can be granted so the current borrower or expected according to the available data on the financial statements provided that customers seeking bank loans as collateral for relevance and customer financial position .financial statement: "statement of financial position is those existing economic union rights and liabilities appear on those rights and that at a certain date. Called economic union rights assets, The commitments on those rights is called by opponents" (Badawi, 2006: p. 21). Financial statements form part of the financial reports and include integrated group financial statements of financial position (balance sheet) and the income statement and statement of changes in financial position.

Which may be displayed in several ways, for example as a statement of cash flows or a statement of funds flows (and this after he is preparing the trial balance is disclosed prepared by the accountant at the end of the financial period includes totals or balances Accounts receivable and payable for all accounts in ledger) (Abbas: 2001 0.75) In addition to the notes, and other data and interpretations which are considered an integral part of the financial statements. It may also include tables and additional information derived from these data is expected to read it. These may include information tables and additional financial information on the sectors of activity or geographical segments, for example disclosure of the effects of price changes.

Financial statements do not include items as a report or a statement of the board chairman of the board or any other analytical data annual financial report may be included within. (Accounting Standards Committee: 1989, p. 4) Is a detailed expose contain balances of accounts receivable and payable remaining in the general ledger at end of the period without the close of account, after posting trading account and profit and loss, budget that name and renamed it must be equal or balanced. (Assi, 2001 p. 151) That the financial statements represent the final and the basic work of accounting in any economic unit output, which arise as a result of conducting a range of

accounting transactions on the data associated with events and activities carried out by the economic unit for the purpose of providing an overall summary to all sides, and is determined by the overall objective of the financial statements of the general aim of accounting and providing the necessary data and useful for many of the actors that have to do and information (direct or indirect) economic unity in order to make decisions.

Additional Notes

Tables also contain financial statements notes Additional tables and other information, for example, may contain additional information on financial data items which are considered appropriate to the needs of financial statements users. It may include disclosure of risk factors and uncertainties affecting the entity, as well as any resources or obligations not shown by the budget (such as the reserve of mineral resources) It can provide information on geographical segments and sectors of activity of the firm and the effects of price changes in the form of additional information. The financial statements are considered the primary means by which information is communicated to external parties (Eldahraoy 2004: p. 13).

Notes

It is a detailed explanation of the total of the components of the statement in general but not assist or a sample of the total audited balance of the accounting period, which is by the existing financial journals so the notes must contain an explanation of the core issues that perhaps absent from the users of the financial statement, or explain the circumstances of preparation these lists are often an expression of accounting adjustments has some accounting items, such as to be clarified about the accounting policies that formed the number of debtors and the reason for the execution of some debt or determine the level of uncertainty and how to put the proportion of doubtful debt notes is disclosure, such as to be clarified for the total receivables that this item contains intermediate accounts or similar items group was being item containing trade receivables and receivables customers and debtors staff (staff advances) or receivables institutions because the relationship with the institution and what is the financial position of each of these items and therefore the illustration table that contains details that are prepared by an accountant who has disclosed the detailed content of the list shown in the form of illustrations attachments is also the basis of loss is explained, according to the decisions of the board of directors, or the approved accounting policy, which already handled by the institution of any application of the principle of consistency in accounting policies to enforce consistency in the financial statements.

And it must find the financial statements of some notes and observations that show a description of the accounting policies of the mission, in addition to full disclosure of all important events or circumstances which are reflected in the financial statements, or otherwise required by generally accepted accounting issued by professional associations in the field of accounting and auditing principles (Mustafa: 1991.253) The primary financial statements are the public reports sense that it is the financial position and as a result of the project work as one unit appears This is the aggregate data historical data in it nature. the multiplicity of interested stakeholders ordered economic unity reflects the differences in their goals and conflict of motives which is reflected on the quality of information they need to rationalize their decisions and that not expected that accounting produces private information to each part independently (Abou El Makarem 2004: p.

26) In order to determine the objectives of general purpose of financial reports requires knowledge of parties using financial reporting purposes who using these reports, the nature of the information they need users, the amount of information they need and must be submitted through the financial reports, the general framework within which to provide such information to the where the shape and timing of the submission and Qualitative characteristics of information in the financial reports, that knowledge of the items above the following aspects require study, the environmental conditions surrounding the use of financial reporting the most important categories used for financial reporting, the limited of information uses in the financial reports (ALatgama: 1986, p. 55) Economic, legal, political and social-based factors influence in determining the objectives of financial reporting, where there is in advanced societies with free economy sophisticated and active financial markets and take the individual economic decisions in order to achieve optimal allocation of resources, and play the financial markets to these communities a key role in directing the savings towards investment in units which use those resources much more efficiently and effectively Therefore, the making of information to users who take investment decisions related to economic units will increase the efficiency of these markets in the allocation of those resources, and therefore, in accordance with the requirements of environmental conditions can be said that the primary objective of financial reporting is to provide adequate and useful information to users of this information make economic decisions It should be noted here that several attempts have been made to determine the objectives of financial reporting was the most important attempt by the(Certified public Accountants in 1971, where he formed a committee known as (True Blood members) and commissioned by identifying the objectives of financial reporting, based on studies and interviews conducted by the Commission released a report in 1973 it identified a dozen of financial reports aims (Radwan 2003: 371) the primary objective of financial reporting is to provide useful information in the area of decision-making and user groups that do not have the ability or potential to request information directly service, making them rely on financial reports as the primary source of information on the economic activities of the project.

Also, provide useful information to investors and lenders for comparisons and predictions and an instruction of expected cash flows in terms of magnitude and timing and the uncertainty associated with it and also supply the users of these reports with the necessary information to make predictions and comparisons and evaluate the firm ability to monetize, And provide published financial statements for evaluating management performance in the various departments and levels towards the optimal use of available resources in order to achieve the objectives of short and long-term enterprise information, and the historical registration data routine find realistic and explanatory information on the processes and events that help to predict and comparison and evaluation of the ability to achieve the goals process planned like getting a certain amount of sales and profits and run a number of manpower, achieve quality, economies of production and team spirit, and others.

Income Statement

It the report which measures the success of the operations at the firm at a specified time of period, the report is used in determining the profitability of the firm, the value of investments and the ability of credit (Kiso 2003: 167). To the reader of the income statement of the importance of all aspects that affect the decision-making because the reflection of the numerous accounting standards borrowings effect of income statement, such as period and the principle of revenue recognition, verification, caution and others. a source of strength and confidence in the income

statement in wages indictments, because the income of which is extracted, at best, a rough estimate, and the reader of income not give her more than it deserves because of the importance of the reflection of the numerous accounting standards borrowings the income statement affect, such as accounting circle, the principle of revenue, the income statement provide investor's needs, creditors, information that helps them to predict the amount and the timing and the degree of uncertainty associated with the cash flows in the future, also helps accurate forecasts of cash flows in the continued future to estimate the economic value of the firm and the possibility of recovery of funds.

Income Statement Importance

The income statement provides information to internal and external users, such as creditors, customers and shareholders, management, banks and investors, which helps them to investigate by the timing and the degree of uncertainty associated with expected future cash flows, so profit and loss account after setting up a trading account we can set up the profit and loss account which (the account that determines the net profit or net loss) where they are grouped income and expense items to output trading account whether the overall gross profit or loss (Hassan: 2000.272) It helps determine the amount and value of accurate forecasts of cash flows in the foreseeable future to estimate the economic value of the firm and the possibility of verification profits and the possibility of using the money in different areas of Investment opportunities available and the concept of environmental expresses a range of internal and external influences or group parties and the factors affecting the accounting system, and no matter what concept of the environment, the accounting environment influenced a range of external and internal influences (Hammad: 2006.110).

Cash Flow Statement

It's a report shows the timing of cash involved flows in the form of revenue differ in the amount and the timing of , amount of cash flows and thus help in taking the necessary measures by the financial management of all current operational elements or future capital operations or those operations that are related to the aim of the report financial in the amount and timing of the degree of uncertainty, we can also measure the degree of uncertainty own cash flow, and displays a list of all income, the budget, the statement of retained earnings to some extent be an easy information on the cash flows of the entity during the period, such that the overall budget may be offered new assets that have been acquired or assets that have been disposed of as well as new and liabilities incurred by the company, or those that have to repay also provide income information on resources resulting from operations that were not in the form cash, and but does not impose any of these statements , and detailed summary of all cash inflows and outflows or sources and uses of funds during the period in which the preparation of the financial report.

Cash Flow Goal

The main purpose of cash flows statement is to provide appropriate information on outcomes and cash payments to the firms during the period. To achieve this objective seeks to know the need for the various parties used to statement and then provide as much information as possible, such as help investors, creditors and others in their analysis of outflows, stocks and bonds and the prices of capital funding movement within the capital markets or when ordinary loaners so this is the

statement of cash flows seeking to know the monetary effects of the firm during the period, the monetary effects of the financing firm, the effects of monetary operations established the net increase or decrease in cash during the period, and included current lists additional communication of financial information needed by decision-making process in business organizations was one of these financial statements, which is a response to this need is the so-called list of funds (shrouder : 2006.282),fund statement is uniformly one way created it considered a way that the report on the resources and their uses and relies on opponents funds detailed for the unit, replace the report divided the funds used to cash, working capital and the rest of the financial resources, prepare the report on the sources, uses of cash and the net increase or decrease of useful things because investors and creditors and other parties want to get to know the most cash in the company resources and use of appropriate modeling tools to achieve these goals and therefore is the statement of cash flows direct method or indirect and each but is considered the direct method is the most prevalent It is assumed in the financial statements (cash flows statement) to find out the necessary information to ensure the required performance display with sufficient information to allow the future prediction and determinants of future returns "(Lutfi: 2005.522), and often this methods are classified into three basic components of cash flow statement are (cash flows from operating activities, which contain the movement of cash receipts and payments for routine daily activities, a monetary measure in the short term and the availability of the required extent that it can be established to fulfill short-term commitments, making routine cash flows are of interest to the upper and middle monetary management to their relative importance, secondly, cash flows cash flows from investing activities Investing activities this flows out of securities, trade and the money movement of other activities are related other than the primary operating activities are those activities related to access to or disposal of long-term assets in addition to other investments that are not considered equivalent to cash, the traffic increase and decrease for those items, non-main activities is key to most of the industrial, commercial, real estate and other facilities, unlike some banks non- specialized in buying and selling stocks, bonds operations making profit, the firm's predominant losses from non-core activities, which would reflect the real sphere of the activity of the company and therefore can be revenue and expenditures movement based on the sector the facility in which they operate unfairly in the profitability ratios and expenses, excluded if the investment activities of the company operations this increase appears in the re-evaluation of assets do not show the value of limitation or good will also called by some of accountants, but it remains documentary profit available for distribution only at the death of company for this it must be obligate to administration to provide analytical information appropriate to the nature of each decision that must be taken 2000.6).

This statement affect and are affected by steps taken credit decision in banks which considered material in the decision-making process to bank loans financing or not multiple aspects of the process of the components of the decision, its determinants and help of an integrated information from the ease and facilitate the task of determining the client's position on the repayment and guarantee system, the process is the move of the hardest steps to take the decision, if that mistakes by the data analysis are difficult to treat because it is easily point upon which subsequent decisions about banks loan position in the case that the decision-maker through the screening did not reach the attic sufficient indicators to take the following:

Identify the Problem: The weaknesses in the financial statement submitted and the prospect of weakness and how to examine this statement, such as the presence of an item includes a relatively

large amount on the side of the fixed liabilities as the current shareholders account, and explains that one of these shareholders are from the loaners of the company providers in the case of receipt of the loan and the company need to receive money and current shareholders account as credit in short term as shareholder and this amount as a shareholder account must be withdrawn after three years at least in the case of demanding lose the submitted statement its credit rating and the loan amount that deserve a loaners and therefore asked, not to be withdraw this amount during the first three years of the loan as a condition of granting the loan.

Identify Alternatives: It is about the different ways that can be followed to resolve own inadequacy of financial statements and solve data problem as collateral for bank credit, such as the use of other guarantee off the statement, identify and check its ownership, integrity and alignment, or other measures to guarantee, such as mortgage, keep in a certain position, lease terms, or maintain the current situation without substantial amendments, and the more alternatives available to more complicated problem, but if there is only one alternative, it is no problem in the decision.

Evaluate Alternatives (Trade-Offs): By examining the costs of each alternative and return, express the sense of the advantages and disadvantages of each alternative in amounts, and the best are chosen accordingly. However, in many cases, we find that there are certain factors that affect the trade-offs between alternatives, such as laws, regulations, economic social customs, environmental protection and some other aspects that must be considered when analyzing the decision to grant the funding process and is left to the decision circumstances according to suitability and consultation with the decision-makers.

Decision-Making: After studying the different alternatives and assess the quantitative factors and non-quantitative, to decision maker either make the best possible decision or the search for new information to improve the situation, and are re-differentiation between the available alternatives in the case of access to new information, and must take into account the costs, time and its impact on both sides the above recognition that some observation and mentioning explains some sides deficiencies in the financial statements and the need for high-end decision-maker is aware of the actual need for the facility for a particular decision.

Changes Statement: It is part of the financial reports that are developed in terms of individuals so as to include detailed standards, principles and the broad measure, display and used by professionals in the preparation of accounting information and reports (Hakka 2006.46) the American Financial Accounting Standards Board has issued a published number (19) in March 1971 and for the preparation of the changes statement in financial position because the other financial statements (balance sheet, income statement) does not explain the sources of project funds and how to use those funds, it has come under the change statement the financial position of many of the criticisms was the following (known existing funds or financial resources as working capital has this definition criticized because the project obligations paid in cash rather than working capital, and the resulting difficulty of extracting cash effects of the project activities and its relations overlapping where it is supposed to display or operations related to operational starch statement reflect any activity normal enterprise and investment activity, which employ the surplus company funds and activity Lease, a private business operations of borrowing and lending, using the indirect method in the sources of funds of the core projects of operations, which begins with

a net profit with making necessary adjustments for items non-cash depreciation, provision for doubtful debts It should prepare a capital budget statement showing additions property fixed assets and how that we can make it available, the accountant must assist the administration in the preparation of this budget and the study of different alternatives and the best asset that can be acquired to achieve the objectives established (Alboshary. 2006.121) and the income statement is the report, which measures the success of the operations in the company until a specified period, the report is used in determining the profitability of the facility and the value of investments by the ability of credit (Gantt: 2003.167), so decisions financing process fast and complex issue aspects because the future results of the many parties and therefore investment decisions and credit in the credit projects shrouded ambiguity and uncertainty later if you do not inform parties accounting and financial forecast expectations in future (the purpose of the facility. temporal duration of the loan or facility, any time that the client wants access to the facility through it, and when will payment does actually suit the client capabilities. repayment source that the client borrower will repay the amount thereof. repayment method used, that will repay the loan or facility a single payment at the end of term, or will be repaid at regular premiums, commensurate with the customer's business With revenues and resources of the inflows does the type of facility required in line with the policy of lending in the bank or contradict them. Then the amount of the loan or facility is therefore particularly important, as it is whenever the amount exceeds a certain limit the bank keen on studies conducted by private that the results of non-payment of loan huge amount to be difficult and might affect the integrity of the financial position of the bank. (Aldgam 2006.197).

3. Chapter Two: Discussion and Analysis of Taking Decisions and Funding Process

The financial data provided by Khaled & Partners iron company (Riyadh, KSA) in order to obtain financing from a Saurian banks for the purpose of the data from the published financial reports concerning the application of the study, uses of the financial reports published (funding decisions analysis)" These data help to know important aspects that must be considered from both sides of Finance concerning the preparation, presentation , publication of financial data from the point of student financing, in terms of knowledge of the strengths and weaknesses in the financial statements provided to the donor of the loan in terms of the possibility of granting or not the loaners in terms of the amount or funding required, proposal amended in accordance with the financial position, it has been ratified ,we test the justice and stability.

Table 1: Financial statements of Khaled & Partners iron company (Riyadh, KSA) financial statement 31.12.2015(in Saudi riyal)

Comments	Amount	Comments	Amount
Fixed liabilities		Fixed assets	
Capital	4,000,000	Lands	3,954.487
Year profit	2,947,103	partner Omar factory	348.157
Accumulated earnings	1,947,783	Building	147.648
Reserves	1,113,356	Furniture	453.624
Total owners equity	10,058,242	Motors	849.258
Total liabilities		total fixed assets	5,754,154
Trade creditors	634,451	Current asset	
Payables securities	145,335	Cash in hand	1,254,547

Other creditors	458,009	Cash in banks	2,645,821
Accruals	96,554	Debtors	954,154
Provisions	354,456	Goods	347,652
		Notes receivable	145,944
		debts securities	645,845
Total current liabilities	1,688,805	Total current asset	5,993,873
Total liabilities	11,747,047	Total assests	11,747,047

Khaled & Partners for iron company financial statement 2015.

In Table 1: it is clear that financial statements are presented in terms of the order of financial items in the published statement for trading company due to the customs of accounting in accounting presentation methods that menus that display in the top of the statement it appear the item fixed assets but in the commercial companies, but banks which begins with cash and other items like cash, and fixed assets in the released statement shows that these assets represent a fundamental importance for Khaled & Partners for iron company, also it shows that fixed assets also represents the importance of the views that grant funding because there are some parties that grant funding requests real estate collateral which in these statement represent many items like which show in the released statement here are the fixed assets under land if accounted for 68.7% (3,954,487 / 5,753,174) of the total fixed assets of the company as a whole and the percentage of 33.7 (3,954,487 / 11,747,047) find more than two-thirds of the fixed assets (lands) and one-third of the total assets of an entity the territorial question emerges that the main area of work the company does not depend on the land because it was included in the fixed assets and not the goods in the event that the company's business operates in the activity of buying and selling land, as represented in this case is goods.

Table 2: Lands

Comments	Amount
Head office (land)	1,104,260
Investment966 (land)	1,240,109
Naif (land)	1,000,000
Marketing center (center)	610,118
Total lands	3,954,487

Khaled & Partners for iron company financial statement 2015

In table 2: this item is lands it represents the sum of (3,954,487), a ratio represents 68% of the total assets of the company is 3954487/5753174, a substantial proportion for fixed assets and for the company as a whole is also in the statute of the company, the company's main activity is the process of trafficking in consumer goods and services and not the property item and it shows that the company is going in the wrong direction for possessing these amount to the item of lands Without being utilized in profit-generating, which represents the objective basis for any work of a commercial activity and that the existence of extra addition loans from the shareholder (Nayef) at \$ 1,000,000 next to other investment land number. (961) and a total value of 1,240,109 and if the company intends to expand the company's activities and the need for the strategy requires owning company such land at the present time, the proposed centre for distribution can fulfill this

purpose in the near term perspective is the presence of this item a total value of (610 118) and the head office of the company occupies a land not leased and is valued at 1,104,260, this land without buildings which can be furnished and invest or rent to generate cash.

The proceeds and benefit from it in the process of creating profit and helped the land details disclosure in the financial statements shed light on some of the decisions that could be taken in light of the offer accounting for financial items this way in turn supports the study hypothesis (lead views and analysis financial reports to direct funding decision), the territory represents funding opportunities for the company could be one step closer to the implementation of the fundamental objectives of the company, a process of profit and collection of financial returns rather than fixed assets for cash represents 49% of total assets 5,753,174 / 11,747,047 of the total assets of the company which lead the company trending to be real rather than a commercial and turning fixed assets to commodities for sale and trafficking rather than keep them idle does not generate money.

Table 3: Cash

Comments	Amount
Cash(SR)	65,911
Cash (\$)	458,995
Cash(euro)	729,641
Total cash	1,254,547

Khaled & Partners for iron company financial statement 2015

View of the table (3) Cash, clear that the item is a fast operating traffic and transactions for the current company and shows that the company retains 21% of current assets 1,254'547 / 5993873 which means that there is idle cash, untapped as required despite the fact that the existence of cash means the possibility of fulfill its short-term obligations, and also clear that the company relies on imported steel, which means that the deal with the US dollar and the euro EU market are comparable between the two markets of the European (EUR) and the US (US \$), we find that a few quick ratio compared to normal liquidity values (current assets of other than inventory / current assets).

Table 4: Debit Securities

Comments	Amount
Samba company securities	124,641
Securities from Riyadh Stock Exchange	245,459
Dubai Mercantile Exchange	225,745
Sultan Al Harbi securities	50,000
total	645,845

Khaled & Partners for iron company financial statement 2015.

In view of the table (4) it is clear that the information that was presented in note details that the company has the activity is to work in the iron field which is investing in the financial markets by (645,845 / 5,993,873) in the range of 10.7% of the total current assets does not constitute an item into a fundamental decision in operations grant funding and borrowing where most of the money traded on the stock exchange with a return quasi-static rates profitability convergent and cannot rely on this item prescription to ensure that grant funding by donors, but a fundamental shift in the

published financial accounts if it is a step towards the market on behalf of the company , financial market thus necessary that the published accounts in line with international accounting standards on the amount of profits that can be obtained from carrying out their activities, which in turn supports the hypothesis (the methods of analysis of financial reports lead views to direct funding decision).

Table 5: Other Creditors

Comments	Amount
Atiaf trade company	310,100
Ahmaf .A.Almonaem	12,540
Naif .A.Altougry	114,478
Eiasa Moh. Eiasa	20,891
Total other credit	458,009

Khaled & Partners for iron company financial statement 2015

In view of the scale (5) it is clear that this company depends on the overall movement of the actual capital in economic operations as this activity constitutes a small percentage of the total financing operations (11,747,047 an area to work in the steel industry and the creditors mostly individuals, not institutions other than shades of the company, which confirms that those who can grant funding and influence the decisions granting whether they are individuals where the normal decision-making financing institutions many different when ordinary people in terms of procedures and methods that are made about funding requests and in terms of the safeguards that wish donor banks provided in the financial statements that are deployed to obtain financing, which confirms that the normal activity and procedures presentation of financial statements affected by the accounting work in grant funding or not

Statement Amount

Of the table (6) it is clear that the company's position in terms of opportunities for profit is not good to invest in operations is good, thereby hindering the granting this company additional funding because of the lack of need for financing emerges that the current fiscal year 2014 accumulated profit is not invested by (2947103) Real, which in turn refers to the company's inability to create cash because of the unemployed since the 2010 cash for a period of three consecutive years

Table 6: Accumulated Profit

Comments	Amount
accumulated Profits2010	354,354
accumulated Profits2013	2,952,995
Total accumulated Profits	2,947,103

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It is true that the company's ability to generate profits, but do not have the ability to recycle these profits and therefore the granting of additional funding it is a disruption of the criticism here should be to manage the company that operates alongside the investments that can increase the chance of

getting profit for the year 2013 ,the ratio (2592995/2947103) the amount of 88% of the profits accumulated to idle money for a whole year, which confirms the absence of investment of the company or the full weakness in the exploitation of available cash and this in turn supports the hypothesis (the methods of analysis of financial reports lead views to direct funding decision)

4. Results

Through theoretical knowledge and the intellectual framework for the study and field data that have been find them for the purposes of completing the requirements of this study has been reached on a set of findings and recommendations were the results are:

- 1) Companies use financial reports prepared internally facility in the decision-making Lease
- 2) The focus is on the balance sheet in the decision to recover the continued financing granted guarantees more than focus on the statement of the loan granted to run
- 3) Banks are not taken to deal with mortgage as a key option in the security operations for banks
- 4) Companies are approved setting a high rate relative to the relevance and the reputation of the client
- 5) There is a considered or publish most of the industrial enterprises in the Kingdom statement of cash flows
- 6) Loaners are not taken to analyze the statement of changes that are sometimes show it as complementary to the information users
- 7) The analytical of items and descriptive ways to build a funding decision more than those that rely financial analysis of the financial statements published internally.
- 8) There are interesting complementary explanations of the financial statements, which help in providing the needs of the various parties used the financial statements.
- 9) Industrial companies to own land highly focused financial values of idle cash
- 10) The procedural of accounting used in the preparation of financial statements directed in funding decision in most banks and donors

5. Recommendations

Based on previous findings, the recommendations is

- 1) Attention placed accounting framework applied binding of the money markets and banks to grant funding
- 2) Select clarifications complementary kept to minimum financial statements published
- 3) Increased attention means the quantitative analysis of data to make funding decision
- 4) The development of accounting for the uses of essential items in the financing plan decision
- 5) Find a detailed analysis of the lists is in breach of complementary financial statements
- 6) Failure to adopt the reports prepared internally in the decision-making Lease
- 7) Adoption of reports prepared internally after approval of the Board of Directors as an indicator only.

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