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Issues of Use of Financial Reports in Financial Management

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ABSTRACT: The importance of accounting (financial) reporting in the management of financial resources in modern economic conditions was studied and considered. Management of financial resources is management of the company's financial and economic activities with effective methods based on modern requirements. Our achievement of high results is related to the results of financial reporting. The multifaceted features of the use of financial reports in the organization of the company's effective activities and financial management at the current stage were considered in the article.

KEYWORDS: accounting (financial) reporting, enterprise management, financial analysis, financial management, financial indicators, financial resources.

Introduction: Any enterprise, as a result of its activity, makes certain decisions and carries out certain economic operations, and on this basis, each decision and economic operations are reflected in accounting. Therefore, it is impossible to manage the enterprise without information about its activities from the point of view of all its aspects. Management is based on activity analysis data, which in turn is based on accounting (financial) reporting data. By "reading" the reports, the analyst, administrator, manager can learn the information that is the basis for making various management decisions in the future. At the same time, reports provided for analysis must be reliable. In order to effectively manage business structures, it is important that managers have the necessary information and the ability to use it. This information should be processed appropriately, draw correct conclusions and use them to make management decisions to improve production efficiency. In addition, this information serves as a basis for attracting foreign investments for the enterprise.

Every employee involved in the analysis of the financial and economic activity of the enterprise, as well as using financial reporting data, should read and analyze the balance sheet and other forms, fully understand their meaning, have economic categories and indicators that describe them, as well as effective conclusions and recommendations. should give

Accounting (financial) tables provide information about the financial status of the enterprise: the availability of financial resources of the enterprise, their distribution and use, financial results (profit), availability, movement of debt capital, cash flows, receivables and payables, fixed and current assets, intangible assets etc

Through financial reports, we can present all the indicators that show the state of activity and operations of the entire enterprise, its financial strength in short.

Analysis of literature on the topic. The issues of using financial statements in financial management have been studied by many scholars and there are different definitions and views. For example: from the point of view of ADSheremet, AFIonova, financial management is the process of managing money circulation, the formation and use of financial resources of the shareholder society.

AN Gavrilova said that financial management is a financial management system of a commercial joint-stock company, aimed at improving and developing financial relations by constantly introducing new principles, forms, structures and methods of management in order to increase production efficiency.

YI Shokhina describes that financial management is a science that studies the solution of strategic goals and tactical issues set for itself by the effective management of funds and shareholdings of the society.

In SVGaliskaya's interpretation, financial management is defined as the management of the assets of enterprises and the sources of their formation.

Analysis and results. The resources of the enterprise (organization) represent the total amount of all sources of funds used for the formation of assets necessary for the implementation of all types of activities. The availability of the necessary amount of resources is a condition for the financial well-being of the enterprise, that is, its financial stability and solvency. Enterprise resource management is primarily a field of financial management. Its content is expressed in the management of cash flows to ensure future profitability and current solvency.

The financial manager must plan to build a specific financial strategy of the enterprise, its tactics, based on the analysis of financial reports and forecasting of income depending on the change of financing sources. It is an important task of the financial manager to study the structure of potential sources of financing, to choose a certain source depending on its feasibility and effective return. He is constantly engaged in solving various issues. How to meet the needs of business owners? Are the strategic goals set by the owners being met? Where is it necessary to invest financial resources? What should be the size and optimal composition of assets to achieve the set strategic goals? How are sources of financing formed, where can sources of financing be found, and what should be their composition? How efficient is the company? How to organize financial activities that provide useful work? Current financial and economic activity and balance How to ensure the rhythm of current payments and receipts? How to ensure unity of purpose between owners (directors) and management staff? The financial manager can answer all such questions by preparing financial reports and analyzing the current and previous state of the enterprise, predicting the future and seeing the future of the enterprise. By managing resources, the financial manager primarily manages the liquidity of funding sources, assesses capital expenditures, cash flows, settlements with customers, the organization of relations with banks and other investors, the adequacy of funds to ensure current operations, and profitability.

Losses can be substantial if the investment of the funds raised does not achieve the minimum required economic return to cover the capital costs, which could lead to a decline in production or bankruptcy. To prevent this, it is necessary to correctly calculate the composition of the company's sources of financing and assets depending on the period of their use and investment objects.

In modern conditions, it is more urgent to ensure the correct management of financial resources of enterprises, because some of them are still in a state of crisis due to the difficulties of forming market relations. Effective management of financial resources allows you to survive in difficult and intense competition.

Management of financial resources, like any management process, includes financial analysis that allows for the formation of an economically sound financing strategy. Using its tools (horizontal analysis, vertical analysis, trend analysis, coefficient analysis, factor analysis), he calculated indicators for determining structural changes, growth rates of the organization's assets and sources of financing, assessing its liquidity, financial stability, profitability, and its position in the capital market. evaluation is understood without.

The main information base of financial analysis is accounting (financial) reports and, above all, the balance sheet. Despite some limitations inherent in balance sheet data (retrospective, static, separation from market value of property, etc.), it is still in demand by users. The balance sheet answers the question of which funds the organization uses - itself or borrows and where to invest them, whether the organization will be able to justify its obligations to third parties - shareholders, investors, creditors - in the near future. With the help of balance data, financial planning of the organization is built, commercial risks are assessed. The reliability and completeness of the balance sheet information affects the effectiveness of the organization's financial and economic management, as it serves as an economic basis for management decisions.

The functions performed by the balance sheet are very diverse, and its features have determined the attitude of users to it, where today no report form has such functions. All this gives the right to the phrase that accurately describes the relationship between the balance and users: "the balance is the window of the enterprise".

The balance sheet performs not only a financial, but also an economic and legal function, which ensures the property isolation of the economic entity. Balance's modern content aims to inform the articles with a high level of analytics and allows users to identify areas for further detailed research.

The report on financial results shows the procedure for forming the financial result of the company's activity for the reporting period, which allows the analyst to understand what income and expenses were involved in its formation. Based on this information, profitability is analyzed, which is one of the most important indicators of the efficiency of any enterprise, regardless of the industry it operates in. Based on the data of such analysis, it is possible to develop a strategy for managing financial results.

Although the statement of cash flows is not considered the main form of accounting (financial) statements, its information is very useful in terms of rationalizing cash flows (inflows and outflows) for the management of enterprises. Proper cash flow planning and management can protect a company from excessive borrowing, prevent it from losing financial stability, and protect it from bankruptcy.

Management of the company's resources has two aspects: investment, which is related to a change in the composition of the asset balance, and financial, which is related to a change in the composition of the liability balance. Development of a policy for managing one's own financial resources involves the following steps:

- analysis of the process of formation of own financial resources in previous periods. According to the balance sheet, the available own financial resources are evaluated, the growth rates of the equity capital are compared with the growth rates of assets and the volume of sold products, the dynamics of the ratio of own resources in the total amount of financing resources are evaluated;
- analysis of sources of formation of own financial resources. It provides determination of own funds in circulation, calculation of financial independence, dependence, investment, fixed asset, capital maneuverability coefficients, ratio of external and internal sources of formation of own financial resources, analysis of growth dynamics of net assets of the organization.

In every organization, at some stage of its activity, there is a need to increase the sources of financing by attracting additional funds. The reasons for this may be the rapid growth of the company, implementation of important investment projects, seasonal business changes.

In the process of developing the policy of managing debt financial resources, it is envisaged to analyze the existing practices of attracting and using debt funds in previous periods. At this stage, the following are analyzed: the dynamics of debt capital, its composition and structure, efficiency of use, calculation and analysis of the turnover ratio. As a result, the debt capital of the organization is evaluated in the retrospective period. In the second stage, the parameters of attracting debt capital in the future period will be determined.

According to the report, the marginal coefficient of financial leverage is calculated and financial stability is evaluated taking into account the maximum amount of debt financing. For this purpose, absolute indicators of financial stability (short-term and long-term sources of debt funds, total amount of sources of funds) and relative indicators (financing coefficients, stability, bankruptcy forecasting) are calculated and analyzed. As a result, the limit of attraction of borrowed financial resources for the strategic period is determined. In every organization, at some stage of its activity, there is a need to increase the sources of financing by attracting additional funds. The reasons for this may be the rapid growth of the company, implementation of important investment projects, seasonal business changes. The process of attracting financial resources will be planned to discuss the types, amount and means of attraction.

Accounting (financial) reports should be considered not as a limit reached at a certain time, but as a movement, development, and incentive for the enterprise's activity. Analyzing the financial report, the financial manager reveals new internal relationships between all elements of the financial and economic activity of the enterprise and makes new directions and decisions for the development of the enterprise.

Conclusions and suggestions. Thus, the financial stability of the enterprise in the short, but also medium and long-term periods allows not only to maintain solvency and liquidity, its assets and liabilities, the complex nature of the state, it ensures the financial independence of the enterprise to a certain extent. includes

At the same time, the assessment of the financial situation, which includes the assessment of the financial stability of the enterprise, shows how successfully the enterprise works, financially independent, whether the assets and liabilities of the enterprise correspond to the tasks of its financial and economic activity or not, the resources are correct. It helps to make informed decisions about whether or not ri is distributed, as well as ways to improve financial stability.

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