

# ANALYTICAL FINANCIAL REPORTS ON THE SITUATION OF A COMPANY

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**ABSTRACT**

The team of researchers in the **Accounting and Finance Research Group** has accumulated years of experience in teaching and research on the analysis of the information contained in the annual accounts of companies.

This know-how allows the preparation of reports on solvency, liquidity and profitability, as well as the implementation of analytical accounting or the preparation of the non-financial information statement. All of this is based on company data and the use of proprietary software tools.

We are looking for companies interested in this type of studies or reports, especially medium-sized companies that do not have advanced business management tools.

**INTRODUCTION**

In the daily maelstrom of the administrative management of SMEs, most resources are devoted to the tasks of invoicing and cash control, so that accounting is relegated to tax and commercial compliance. As the size of a company increases, management tends to become more professional and the internal management of accounting information becomes more important as an essential decision-making tool. However, there is a very large gap between the two ends in which a high percentage of companies find themselves and which constitutes a real problem from the point of view of efficiency.

Faced with this problem, the Accounting and Finance Research Group proposes to provide the know-how developed, both in knowledge of the subject and in data processing, **to convert the information generated by their businesses into useful information for decision-making**, to show their situation to current or potential investors.

**TECHNICAL DESCRIPTION**

The Accounting and Finance Research Group has many years of experience in the analysis of financial information. This experience has resulted in the direction of hundreds of final degree and master's degree projects oriented precisely towards the analysis of the financial situation of companies, research articles published in journals of international impact, as well as a multitude of collaborations with various public and private organisations.

All this experience has allowed the development of **data processing programmes with access to databases** with all the information on annual accounts published by companies or sectorial comparison databases of the Bank of Spain and other organisations. The combination of the team's experience with the use of these programmes and the internal information provided by the company allows the production of reports and studies that would provide a plus in the management of its business.

Therefore, for all types of companies, the group can provide reports or studies that address issues such as those highlighted below:

- **Analysis and recommendations** for accounting to assist in the determination of costs incurred in the manufacture of products or provision of services.
- **Analysis of the company's financial situation** from the point of view of solvency, liquidity and profitability.
- **Completion of the non-financial reporting statement** that has become compulsory above a certain company size.
- **Comparative analysis** of the company against a group of competitors and/or sector of activity.
- **Economic valuation reports on projects and/or companies** beyond the accounting valuation of the net worth shown in their balance sheets.

## TECHNOLOGY ADVANTAGES AND INNOVATIVE ASPECTS

### MAIN ADVANTAGES OF THE TECHNOLOGY

In accordance with what was described in the previous section, the advantages that this type of report or study can bring to the company can be summarised as follows:

- **Cost savings** in relation to internal development thanks to the know-how of the research team and the economies of scale provided by the University of Alicante in accessing the necessary resources.
- **More accurate, timely and useful** reports thanks to the degree of specialisation achieved by the research team.
- **Time saving** in the company, which again translates into implicit cost savings by referring this type of report to the specialised team of the UA.
- **Flexibility** to adapt the design of the report to the specific needs of each company.
- **Advice** on the interpretation of the reports and recommendations based on their conclusions.
- Transfer of useful knowledge so that the bidirectional flow of knowledge of researchers and knowledge of entrepreneurs is translated into **more efficient management**.

### INNOVATIVE ASPECTS

The aim is to focus attention beyond the periodic tax and labour information that companies usually have outsourced, to additionally and simply use business information to provide feedback to management and **contribute to decision-making**. This change of focus would be a very relevant intangible innovation that the research group would like to promote. Reports that might seem inaccessible to most SMEs could be produced **quickly, efficiently and in a personalised** way through this type of collaboration.

## CURRENT STATE OF DEVELOPMENT

Currently, the research group would be available to adapt the use of the developed software and the programming of the work within approximately one month from the initial contact.

## MARKET APPLICATIONS

The reports and studies described in the introductory section can be developed and adapted to **any company regardless of its sector of activity**.

## COLLABORATION SOUGHT

Technical assistance agreements are sought with companies interested in the type of reports offered. The profile sought would include any company with a need to prepare a statement of non-financial information or with the objective of refocusing the use of its internal information for its synthesis into useful reports for decision making.

#### INTELLECTUAL PROPERTY RIGHTS

The developed *software* and *know-how* belong to the University of Alicante and is available for the development of the studies.

#### MARKET APPLICATION (1)

Economic Studies