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Evaluation of the Financial Statements of Omani Company and the Impact to Overall Financial Performance

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Abstract

This research study had focused on studying financial performance of Omani company with analysis of financial statements of this company. In addition, the research had used different financial ratios to evaluate the financial performance of the company. Furthermore, this research had combined different types of data such as quantitative and qualitative data which were sourced through interviews and use of secondary sources from journal articles and few case studies and researches about financial statements and financial ratios. This research study has recommended suitable framework to enhance the company's financial situation, and highlighted the most suitable financial ratios that can be used in evaluating the financial situation of the company.

Keywords: balance sheet, cashflow statement, financial ratios, financial statements, income statement

Introduction

The subject of this research is a company which produce 100% natural foods without chemicals that belongs to primary industry of natural resources and forestry in Oman. This research study has evaluated the 2022- 2023 financial performance of the company with analysis focusing on the income statement, balance sheet, and cashflow statements. The researcher has divided financial ratios into categories such as liquidity, profitability, efficiency, growth and valuation ratios. In addition, each category of these financial ratios explains different values from company's financial statements. For instance, ratios are not only used for financial analysis but can be used also for scientific, economical, and different other analyses. Finally, financial ratios can be used for comparison analysis to enhance company's financial situation (Suthar, 2018).

Statement of Problem

This research was done on a company were there was evaluation on its financial statements from the last two years in order to analyze and evaluate its profitability and to study its financial performance. Finally, to check if this company is good to be invested in or not. Analyzing the financial statements and getting the financial ratios will help the managers in assessing growth, and to compare the organization with the competitors in order to enhance the operations (Kariyawasam, 2019). Finally, this research will benefit the financial department of the company, alongside with stakeholders and future researchers.

Aim of the Study

The main aim of this research study is to evaluate and determine the financial performance of the company. Moreover, to propose the most suitable framework to enhance the company's financial situation if there is any need for improvement. Finally, this research also aims to make reading, understanding and analyzing of financial statements easier for people who doesn't know accounting and finance.

Research Objectives

1- To classify different financial ratios which can be used in assessing the profitability of the company.
2- To determine the financial performance using the financial statements.
3- To analyze and compare the financial performance of the company based on financial statements' evaluation.
4- To suggest the best framework that can be used in enhancing profitability of the company based on financial statements' evaluation.

Research Questions

1- What are the different financial ratios which can be used in assessing the profitability of the company?
2- What is the financial performance of the company according to its financial statements?
3- How to analyze and compare the financial performance of the company based on financial statements' evaluation?
4- What is the most suitable framework to enhance profitability of company according to the financial statements' evaluation?

Scope of Research

The scope of this study is to analyze financial statements of the company from the last two years using different ratios that can be implemented in cashflow statement, income statement, and balance sheet. Moreover, to check profitability of the company and how well the company is doing. Finally, proposing the most suitable framework to enhance profitability of the company.

This research focuses on the analysis of company's financial performance from the last two years presented and shown in form of different types of graphs alongside with tables which make it easier to understand.

Limitations of Research

1- **Time limitation**. To illustrate, there is lessening in time of data analyzation. So as a result, there will be a schedule followed to analyze the data correctly within the time period.

2- **Ethical matters**. To explain, in order to conduct anonymity of research there will not be mentioned of any details about the company in case if this work will be published.

3- **Lack of previous researches**. To elaborate, most of the previous researches were about types of financial ratios and not about ratios which can be implemented for each of the financial statement which had made it somehow difficult to understand about each ratio and which financial statement it does suits.

4- **Financial statements nature**. As an illustration, financial statements components differ from a company to another likewise for countries. For example, in Oman companies, income statements sales are stated as revenues, also sales are called revenues but in other countries they are known for different names. In USA, it is known as net sales, and this thing makes ratio analysis a bit harder. Finally, searching and looking for each component in the financial statements make ratio analysis a bit harder.

5- **Limited ratios**. To clarify, ratios used in industries differ from one to another. As an example, ratios used in financial sector differ from ratios used in industrial sector, and this limits the type of ratios which can be used by different companies. Finally, financial practices differ from a sector to another, and this can also affect the result of the ratio, where levels of ratios in each sector are different from the other.

Literature Review

Ratio analysis are tools used in measuring performance of the businesses. In addition, ratio analyzation helps businesses in comparing and measuring profitability, liquidity, solvency and efficiency of the company. Furthermore, different financial ratios has different and unique uses. Moreover, analyzation of financial ratios differ from a company to other depending on type of company. For example, ratios of commercial banks differ from ratios of manufacturing companies (Bloomenthal, 2024).

Theoretical Framework

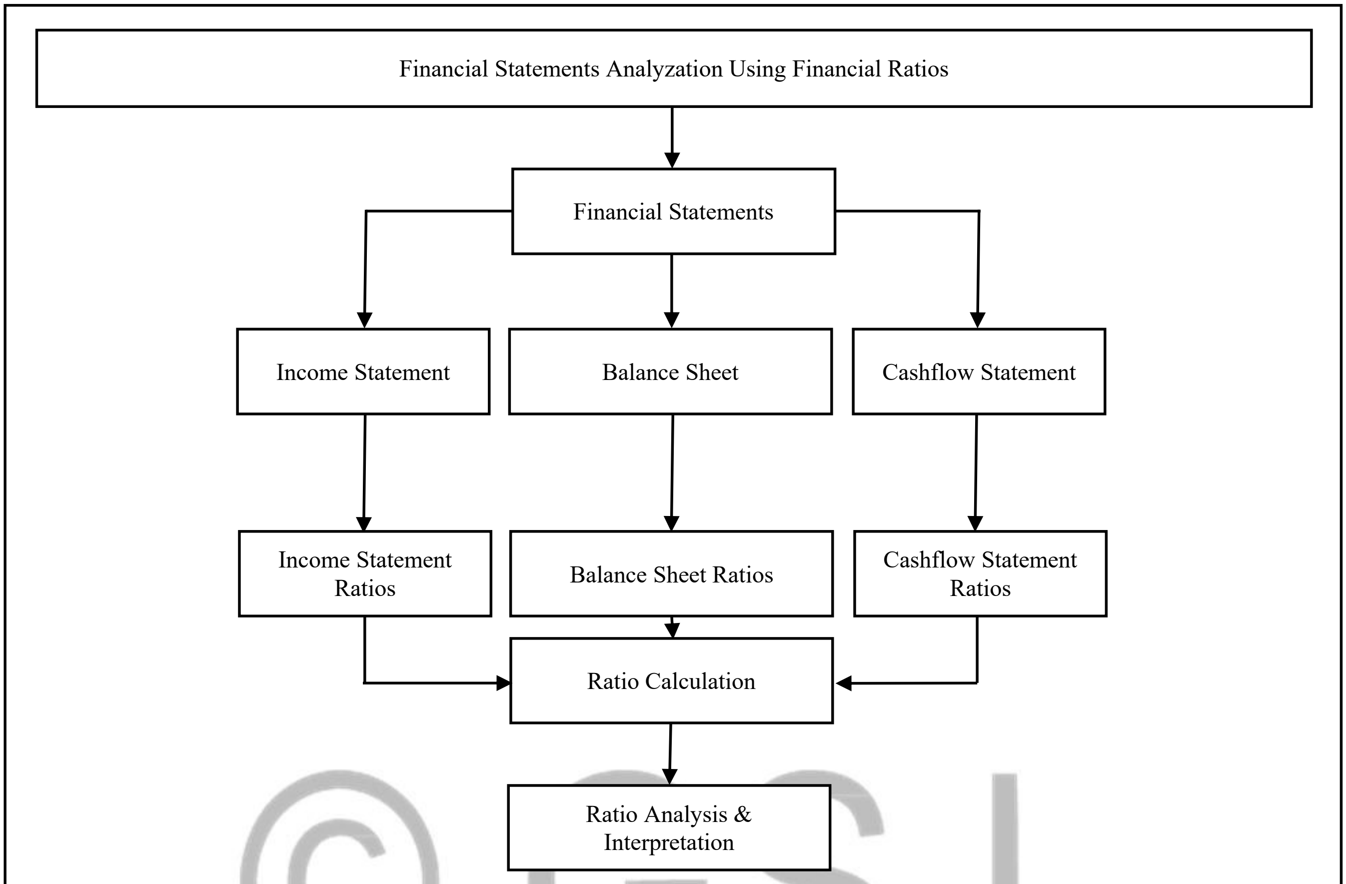


Figure (1): Theoretical Framework About Financial Statements Ratio Calculation.

Financial statements can be analyzed using financial ratios. Furthermore, there are different ratios for each different financial statement. In addition, the last step of ratio calculation is ratio analysis and interpreting this financial ratios (Maisharoh & Riyanto, 2020). Finally, interpretation of this ratios also depend on type of company the person is doing ratio analysis on, where the result meaning differ from a company to another based on company type.

Ratios of the Financial Statements

According to Maisharoh and Riyanto (2020) there are variety of financial ratios. Moreover, each ratio differ from one to other. For example, profit margin is a ratio used to measure percentage of total profits from sales for each dollar. Furthermore, gross margin is a margin used in analyzing trendlines of the company by the time and compare it with the same company or other company from the same industry. In addition, current ratio is a measurement tool used to measure companies' ability in covering their short term obligations using current assets; and also to measure companies' ability in paying their short term obligations after due. Finally, debt to equity ratio is used in measuring and calculating heavy and large debts of the company which become unprofitable.

According to Luther (2022) operating efficiency ratio measures how well the company is using the available resources spends in generating revenues. According to Mani (2021), current liability coverage ratio measures companies capability in managing their current liabilities. On the other hand, the cash asset efficiency ratio is a measurement tool used in comparing companies operating in the same industry and in measuring companies asset to yield net cash from the operations. Finally, according to Hayes (2024), the interest coverage ratio is used in measuring ability of a company in paying their unpaid interests on the outstanding debts.

Financial Performance Enhancement

There are so many methods to enhance financial performance and profitability of a company. Moreover, those methods differ from a company to other depending on type of company. Finally, enhancement of companies financial performance leads to enhancement of its profitability.

According to Susbiyani et al. (2021) financial performance can be enhanced through competitive advantage by comparing their advantages with competitors in order to satisfy their customers and identify the factors which can affect the customers and to avoid those factors. Moreover, having competitive advantage can help the company in enhancing their financial performance by observing market risks continuously and giving them ability of dealing with changes which occur in the market before their competitors.

According to Abolarinwa et al. (2020) financial performance can be enhanced by following internal growth strategies which is also called organic growth. On the other hand, there are also external growth strategies followed to enhance organizations performance such as acquisition or partnership of businesses. Finally, it was found that diversification enhances the financial performance of the organization.

Benefits of financial statements analysis

There are so many methods to analyze financial statements and each method has its own benefit which differ from one method to the other. For example, comparing financial statements is a method used to analyze profitability of the company and to compare financial situation of the company with other companies from the same industry. Likewise, other methods like horizontal and vertical analyses can be used for the same purpose.

According to Rambabu and Harika (2020), the main advantage of analyzing financial statements is to know and identify available information in the financial statements and to measure the profitability of the company alongside with forecasting the future prospects of the business; and to identify and evaluate the companies performance in terms of assets utilization.

According to Hasanaj and Kuqi (2019), analyzing the financial statements is beneficial for the firms to help the managers make better decisions for their businesses. Moreover, it helps in assessing financial performance and position of the businesses. Furthermore, it helps in identifying the trends of the company alongside with checking businesses' ability in meeting short-term liabilities consuming the existing current assets.

Financial statements analysis methods

Financial statements' analysis methods differ from a company to another depending on type of the company, for example, commercial banks' methods differ from manufacturing companies. Likewise, non-profitable organizations' methods differ from organizations which generate profits. Every organization has its own methods to analyze their financial statements.

According to Sinha (2012), he mentioned in his book the variety of methods to analyze financial statements like the vertical and horizontal analyses. Each one this methods has a unique way to analyze the financial statements. He discussed about financial ratios analyzation method where he mentioned about the different types of financial ratios categories and financial ratios.

According to Al Zadjali et al. (2023), the analysis of financial statements helps in maximization of organization value. Ratio analysis method is categorized to liquidity ratios, profitability ratios, debt ratios, cashflow ratios, and market value ratios, and each category emphasized different purpose than the others. For example, profitability ratios measure amount of profit the company is generating. On the other hand, liquidity ratios measure whether the company is able to meet their obligations or not.

Methodology

Research design and methods

This research used both quantitative and qualitative data. The quantitative data are the financial statements used to assess companies profitability. On the other hand, qualitative data are general information about the company alongside with perspectives which will make the financial statements easier to understand.

This research is an exploratory research where it will be beneficial for the employees, shareholders, investors, and the public. Employees would know how the company is examined and analyzed from outside. Shareholders would know the companies situation, and investors would use this for their investment decision.

Research Approaches

There are different approaches to analyze the financial statements. But, in this research ratio analysis approach will be conducted. For example, this method is used to calculate the value by using mathematical solutions then, comparing the results with previous years values or other companies values.

Research Instruments

In this research, financial ratios approach will be used to analyze the data as follows:

1- Income statement ratios:-

Profit margin:-

This ratio calculates the percentage of net profit after taxes from revenue or net sales (Al Zadjali et al., 2023).

$$Profit\ margin = \frac{Net\ profit\ after\ taxes}{Net\ sales} \times 100$$

Gross margin:-

This ratio calculates the percentage of gross profit from revenue or net sales (Suthar, 2018).

$$Gross\ margin = \frac{Gross\ profit}{Net\ sales} \times 100$$

Operating efficiency:-

This ratio calculates the total of expenses and cost of goods sold from revenue or net sales (Luther, 2022).

$$Operating\ efficiency = \frac{(Expenses + Cost\ of\ goods\ sold)}{Net\ sales} \times 100$$

2- Balance sheet ratios:-

Current ratio:-

This ratio checks businesses ability to pay its short terms obligations (Al Zadjali et al., 2023).

$$Current\ ratio = \frac{Current\ assets}{Current\ liabilities}$$

Quick ratio:-

This ratio is similar to current ratio but with the inventory (Quesada, 2019).

$$Quick\ ratio = \frac{(Current\ assets - Inventory)}{Current\ liabilities}$$

Debt to equity ratio:-

This ratio calculates the total of liabilities from total of shareholders equity (Suthar, 2018).

$$Debt\ to\ equity = \frac{Total\ liabilities}{Total\ equity}$$

3- Cashflow statement ratios:-

Current liability coverage:-

This ratio indicates amount of cashflow from operations to current liabilities (Mani, 2021)).

$$Current\ liability\ coverage = \frac{Cashflows\ from\ Operations}{Current\ liabilities}$$

Cash asset efficiency ratio:-

This ratio is used to compare operating companies from the same industry (Mani, 2021).

$$Cash\ asset\ efficiency\ ratio = \frac{Cashflows\ from\ operations}{Total\ asset}$$

Interest coverage ratio:-
This ratio indicates how well can a company pay their interests while being on outstanding debts (Hayes, 2024).

$$Interest\ coverage\ ratio = \frac{Earnings\ before\ interest\ and\ taxes}{Interest\ expenses}$$

Data Collection Techniques
The data collection technique used in this research was financial statements review from last five years. The case study has collected the last five years' balance sheet, cashflow statement, and income statement of the company; and the financial ratios as well. From here, the financial trends and financial performance of the company were identified and analysed.

This research collected both the primary and secondary sources through interviews with selected staff from finance department of the company. The secondary sources are the internet articles, journal articles, and books, and the last five years audited financial statements of the company.

Data Analysis

Ratio analysis, comparative analysis, and cashflow analysis were used in this study. With the ratio analysis technique, nine financial ratios were used for analysis. Comparative analysis technique was used to compare between results of financial ratios. Finally, cashflow analysis technique was used to check company's ability to deal with flow of the cash. The analyzed data will be presented in form of graphs.

Discussion of Interviews

In order to respect anonymity of respondents and privacy of company there will be no information shared about name of employees, people interviewed, and their positions. The interviews were conducted with selected employees in finance department of the company. Four questions were asked during the interview and these questions were based from the objectives of research. See below summary of the collected information from the interviews:

> "In order to assess profitability, the company maintain their performance using some ratios such as debt service reserve account ratio, debt service coverage ratio, and debt to equity ratio, and each ratio outcome differ. The use and formula of each ratio also differ. The financial statements showed that the company is generating profit well and the company is having ability to deal with interest issue. With company's continuous improvement, there was increase in gross margin and profits. Ratios showed that the company is performing well.
>
> The 2022 financial statements showed that the company is having bad times, but in 2023 the company managed and used successful strategies to overcome this bad times, and by following the appropriate procedures this loss had been converted to profit.

Trend analysis was considered as a suitable framework to enhance profitability of the company. The company also followed the social media trends and so consistent in checking the needs of the customers to enhance their profitability. For example, this company provided fresh chicken and meats alongside with different type of burgers, and zingers after knowing what people like. This is huge step used by the company to enhance its profitability".

Income Statement Analysis

The ratios used to analyze income statement are the profit margin ratio, gross margin ratio, and operating efficiency ratio.

	2022	**2023**
Net Profit After Tax	699,007	2,589,992
Net Sales	55,116,303	53,851,659
Gross Profit	12,199,825	14,627,339
Cost of Goods Sold	42,916,478	39,224,320
General and Administrative Expense	2,402,116	2,223,659
Selling, Distribution, and Marketing Expense	5,300,470	5,734,770

Table 1.0 Comparative Financial Data of the Company using Income Statement, 2022 and 2023.

4.3.2 Profit margin ratio

$$Profit\ margin = \frac{Net\ profit\ after\ taxes}{Net\ sales} \times 100$$

In 2022 profit margin $= \frac{699{,}007}{55{,}116{,}303} \times 100$

$= 1.268239998\% \approx 1.268\%$

Figure 1.0: Profit margin graph, 2022 and 2023.

In 2023 profit margin $= \frac{2{,}589{,}992}{53{,}851{,}659} \times 100$

$= 4.809493427\% \approx 4.809\%$

This graph shows profit margin in 2022 and 2023.

Gross margin ratio

$Gross\ margin = \frac{Gross\ profit}{Net\ sales} \times 100$

In 2022 gross margin $= \frac{12{,}199{,}825}{55{,}116{,}303} \times 100$

$= 22.13469398\% \approx 22.135\%$

In 2023 gross margin $= \frac{14{,}627{,}339}{53{,}851{,}659} \times 100$

$= 27.16228111\% \approx 27.162\%$

Operating efficiency ratio

$Operating\ efficiency = \frac{(Expenses + Cost\ of\ goods\ sold)}{Net\ sales} \times 100$

$Expenses\ in\ 2022 = 2{,}402{,}116 + 5{,}300{,}470$

$Expenses\ in\ 2022 = 7{,}702{,}586$

In 2022 operating efficiency $= \frac{(7{,}702{,}586 + 42{,}916{,}478)}{55{,}116{,}303} \times 100$

$= 91.84045599\% \approx 91.840\%$

$Expenses\ in\ 2023 = 2{,}223{,}659 + 5{,}734{,}770$

$Expenses\ in\ 2023 = 7{,}958{,}429$

In 2023 operating efficiency$= \frac{(39{,}224{,}320 + 7{,}958{,}429)}{53{,}851{,}659} \times 100$

$= 87.61614754\% \approx 87.616\%$

This graph shows operating efficiency in 2022 and 2023.

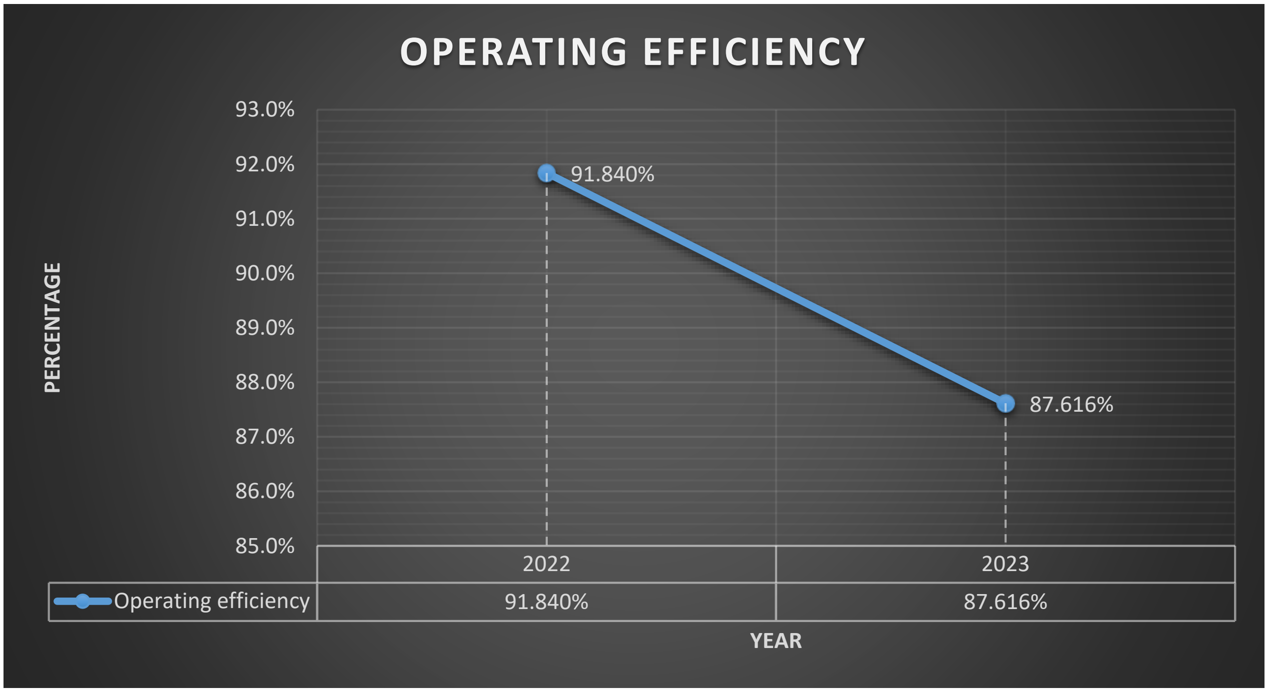


Figure 2.0: Operating efficiency graph using Balance Sheet 2022 and 2023.

Ratio analysis

Profit margin graph shows that there had been increased in 2023, from 2022 1.268% to profit margin of 4.809% in 2023 with difference of 3.541%, the increase is good but there should be more improvement, because this ratio indicates percentage of profit the company is generating from revenue.

Gross margin graph shows that the company was having higher gross in 2023. Moreover, in 2022 the company was having 22.135% of gross margin. On the other hand, in 2023 it had increased to 27.162%, the difference between the two years is 5.027% which is good. But the company has to increase the percentage of this ratio because the higher gross margin the better for company.

Operating efficiency graph shows that the company was doing better in 2023 as lower operating efficiency is better for company. Moreover, in 2022 the company was having 91.840% of operating efficiency which is high. On the other hand, it had decreased in 2023 to 87.616% which is better for the company.

Results of income statement ratio analysis

According to profit margin ratio, the company was doing well in 2023. Moreover, gross margin also shows that the company is doing better in same year. Operating efficiency also shows the same positive strength. The income statement analysis using profit margin, gross margin, and operating efficiency shows that the company was doing really well in 2023.

Balance Sheet Analyzation

Ratios used to analyze balance sheet are current ratio, quick ratio, and debt to equity ratio.

	2022	2023

Current Assets	27,330,722	34,985,981
Current Liabilities	59,551,640	61,558,095
Inventory	11,554,003	14,466,406
Total Liabilities	59,551,640	61,558,095
Total Equity	37,769,847	40,359,839

Table 1.0 Comparative Financial Data of the Company, 2022 and 2023

Current ratio

$Current\ ratio = \frac{Current\ assets}{Current\ liabilities}$

In 2022 current ratio $= \frac{27,330,722}{59,551,640}$

$= 0.4589415506 \approx 0.459$

In 2023 current ratio $= \frac{34,985,981}{61,558,095}$

$= 0.5683408656 \approx 0.568$

This graph shows current ratio in 2022 and 2023.

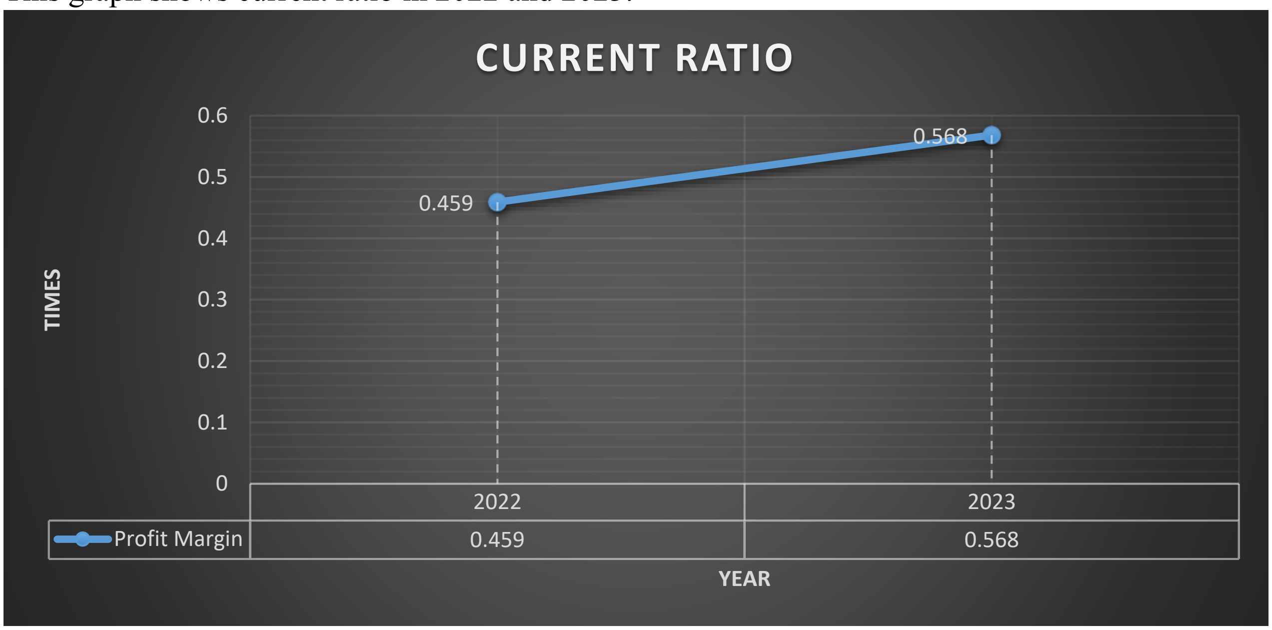


Figure 3.0: Current ratio graph, 2022 and 2023.

Quick ratio

$Quick\ ratio = \frac{(Current\ assets - Inventory)}{Current\ liabilities}$

In 2022 quick ratio $= \frac{(27,330,722 - 11,554,003)}{59,551,640}$

$= 0.264925013 \approx 0.265$

In 2023 quick ratio $= \frac{(34{,}985{,}981 - 14{,}466{,}406)}{61{,}558{,}095}$

$= 0.3333367447 \approx 0.333$

This graph shows quick ratio in 2022 and 2023.

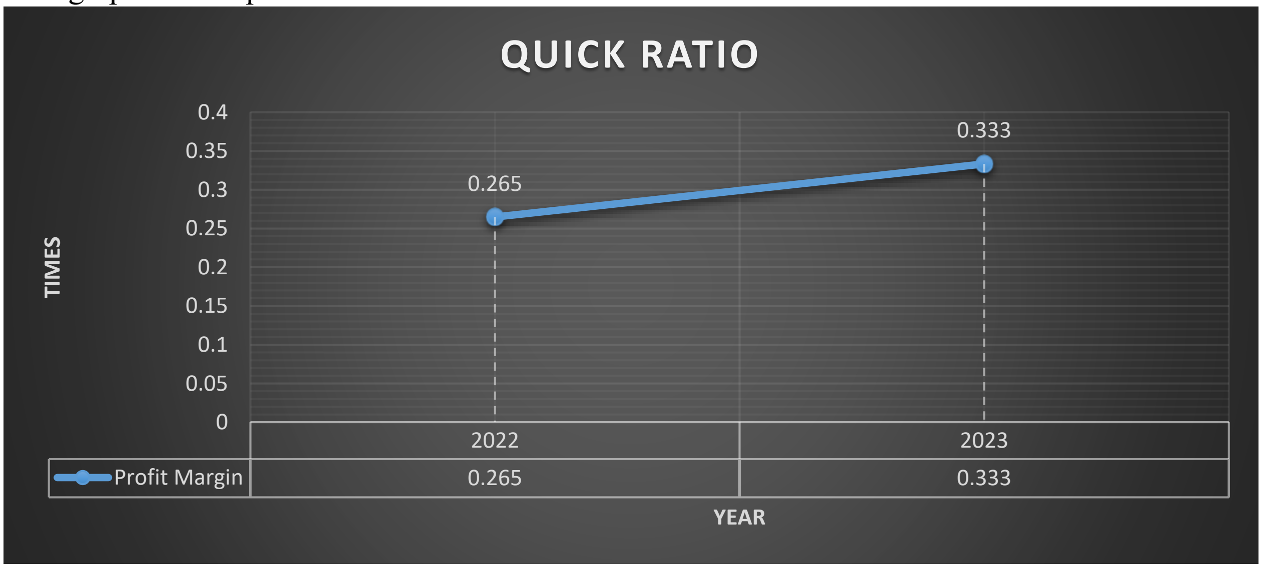


Figure 4.0: Quick ratio graph, 2022 and 2023.

Debt to equity ratio

$$Debt\ to\ equity = \frac{Total\ liabilities}{Total\ equity}$$

In 2022 debt to equity $= \frac{59{,}551{,}640}{37{,}769{,}847}$

$= 1.576697941 \approx 1.577$

In 2023 debt to equity $= \frac{61{,}558{,}095}{40{,}359{,}839}$

$= 1.525231431 \approx 1.525$

This graph shows debt to equity ratio in 2022 and 2023.

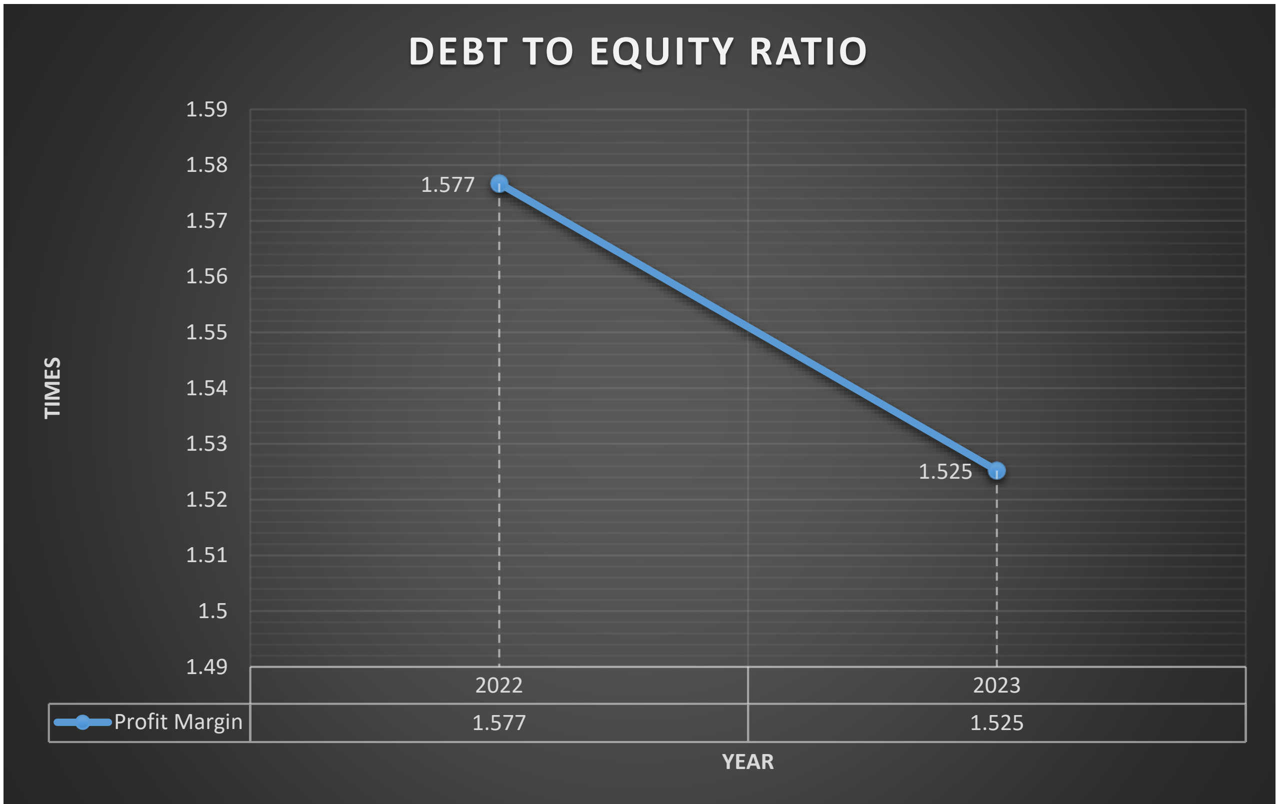


Figure 5.0: Debt to equity ratio graph, 2022 and 2023.

Ratio analysis

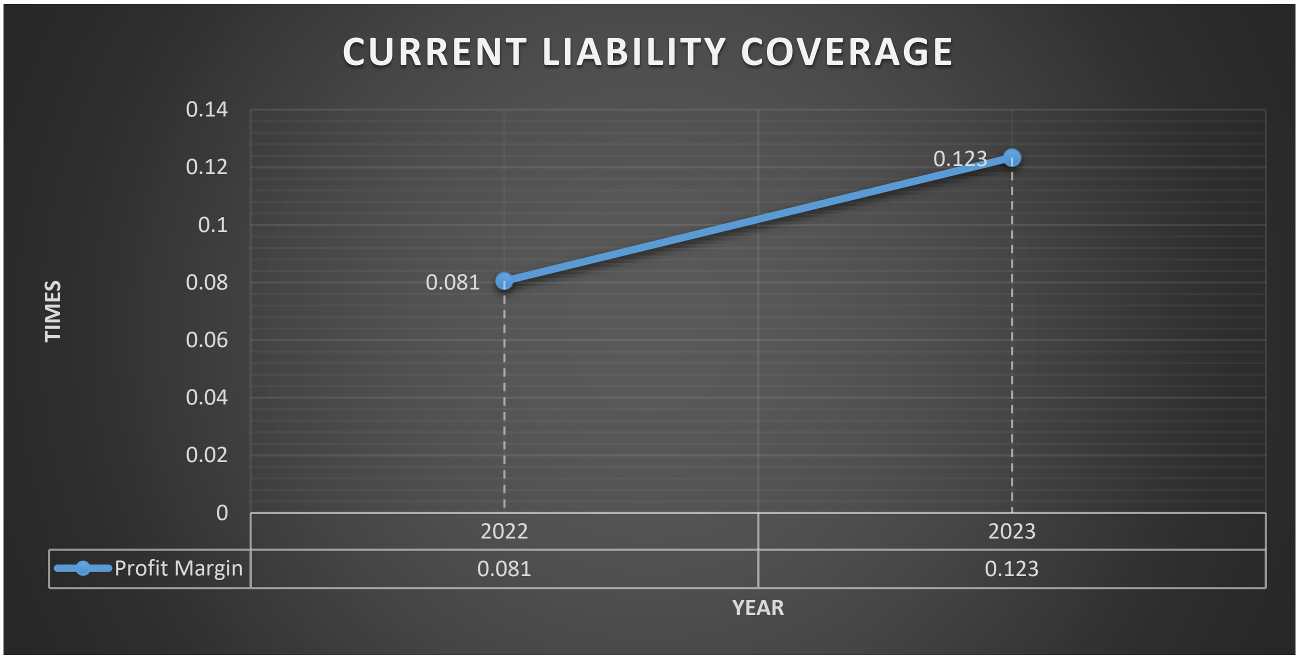
Current ratio graph shows that the company was not doing well in both years 2022 and 2023. Moreover, ratio below one means the company is not able to meet its liabilities. Furthermore, the ratio in 2022 is 0.459 and in 2023 it had increased to 0.568 which means the company had somehow improved by 0.109. So as a result, the company was doing its best in current ratio at 2023.

Quick ratio graph shows the company is not doing well in 2022 and 2023. Furthermore, below one ratio means that the company is not owning enough liquid assets. Moreover, the company is not able to meet its liabilities. In addition, in 2022 the ratio is 0.265 and in 2023 the ratio had increased to 0.333 which means the company had somehow improved by 0.068.

Debt to equity ratio graph shows that the company may face issues in future if they did not deal with their debts wisely. Moreover, the lower this ratio is, the better for the company. Furthermore, in 2022 the company was having 1.577 debt to equity which had decreased in 2023 to 1.525 with a slight difference of 0.052 which means the company is doing better in 2023 but there should be more decrease in this ratio. As a result, the company was doing its best in 2023.

Result of balance sheet ratio analysis

According to current ratio, the company was doing well in 2023. Moreover, quick ratio also shows that the company is doing better in the same year. The debt to equity ratio shows the same thing.



As a result, the balance sheet analysis using current ratio, quick ratio, and debt to equity ratio shows that the company was doing their best in 2023, and there had been improvement in performance of the company in 2023.

Cashflow Statement Analysis

Ratios used to analyze cashflow statement are the current liability coverage ratio, cash asset efficiency ratio, and interest coverage ratio.

	2022	2023
Cashflow from Operations	4,794,845	7,596,069
Current Liabilities	59,551,640	61,558,095
Total Asset	97,321,487	101,917,934
Earnings Before Interests and Taxes	912,649	3,321,734
Interest Expenses (Finance Costs)	3,016,512	2,816,859

Table 2.0 Comparative Financial Data of the Company 2022 and 2023 using Cashflow Analysis.

Current liability coverage ratio

$$Current\ liability\ coverage = \frac{Cashflows\ from\ Operations}{Current\ liabilities}$$

In 2022 current liability coverage $= \frac{4,794,845}{59,551,640}$

$= 0.0805157507 \approx 0.081$

In 2023 current liability coverage $= \frac{7,596,069}{61,558,095}$

$= 0.1233967523 \approx 0.123$

This graph shows current liability coverage ratio in 2022 and 2023.

Figure 6.0: Current liability coverage ratio graph.

Cash asset efficiency ratio

$$Cash\ asset\ efficiency\ ratio = \frac{Cashflows\ from\ operations}{Total\ asset}$$

In 2022 cash asset efficiency ratio $= \frac{4{,}794{,}845}{97{,}321{,}487}$

$= 0.04926810253 \approx 0.049$

In 2023 cash asset efficiency ratio $= \frac{7{,}596{,}069}{101{,}917{,}934}$

$= 0.0745312302 \approx 0.075$

Interest coverage ratio

$$Interest\ coverage\ ratio = \frac{Earnings\ before\ interest\ and\ taxes}{Interest\ expenses}$$

In 2022 interest coverage ratio $= \frac{912{,}649}{3{,}016{,}512}$

$= 0.3025510921 \approx 0.303$

In 2023 interest coverage ratio $= \frac{3{,}321{,}734}{2{,}816{,}859}$

$= 1.179233323 \approx 1.179$

Ratio analyzation

Current liability coverage graph shows that the company is not doing well in both years 2022 and 2023. Moreover, below one ratio means company is unable to generate cash for covering their current liabilities. In addition, in 2022 the ratio was 0.081 and in 2023 the ratio has increased a bit to 0.123 which mean the company did somehow better by 0.042. As a result, the company did

better in 2023 but there is still need of taking serious actions to increase this ratio.

Cash asset efficiency ratios graph shows that the company is not doing well in 2022 and 2023. To explain, this ratio shows how much cash the company is generating from its assets, in 2022 the ratio was 0.049 and has increased in 2023 to 0.075, the increase is good but the company has to improve its situation in order to get more cash returns from their assets. In addition, the difference between both years is 0.026 which is a slight increase.

Results of cashflow statement ratio analysis

According to current liability coverage ratio, the company was doing well in 2023. Moreover, cash asset efficiency ratio also shows that the company is doing better in same year. The interest coverage ratio also shows the same thing. As a result, the cashflow statement analysis using current liability coverage ratio, cash asset efficiency ratio, and interest coverage ratio shows that the company was doing well in 2023, and there had been improvement in performance of the company in 2023.

Findings

The research revealed that the company performance had been improved in 2023. To enhance profitability of the company, the trend analysis method is the most suitable framework. The company is facing some challenges managing its debts hence the failed to generate high profits. Moreover, the company is having ability to deal with interests issue, with continuous improvement has showed remarkable increase in both the gross margin and profits. Furthermore, in 2023, the company had managed and used successful strategies to overcome the 2022 bad times.

Conclusions

Income statement ratio analysis showed that the company was doing better in 2023. The 2023 profit margin has increased to 4.809%. Likewise, for gross margin has shown remarkable increase to 27.162%. On the other hand, a decrease in operating efficiency is better in 2023 as the ratio has decreased to 87.616%. Overall, this income statement ratio analysis showed that the company has improved and did better in 2023.

Balance sheet ratio analysis showed that the company did better in 2023. To illustrate, current ratio has increased by 0.568 which means it is better than 2022. Likewise for quick ratio has increased to 0.333. On the other hand, the debt to equity ratio has decreased in 2023 to 1.525 which is better for the company. A decrease in this ratio is better for the company. So as a result, balance sheet ratio analysis showed that the company has improved and did better in 2023.

Cashflow statement ratio analysis showed that the company did better in 2023. To elaborate, current liability coverage ratio has increased in 2023 to 0.123 and this increase is better than 2022. Likewise for the other ratios, cash asset efficiency ratio has increased to 0.075 in 2023. So as a result, cashflow statement ratio analysis showed that the company has improved and did better in 2023.

The research study discussed the methods to evaluate the financial performance of a company, focusing on analyzing the company's financial statements during the years 2022 and 2023. The study has analyzed the company's financial statements, relying on the income statement, balance sheet, and cash flow statement of the company. The study has aimed to determine the financial situation of the company in Sultanate of Oman and has provided valuable observations and recommendations for future research.

The company, through the use of unique methods alongside with appropriate measurement tools of financial statements analysis, had gained some benefits from this study, which helped them to enhance their operations in 2023.

Future Researches

There are still many methods to analyze financial statements. Future researches should cover this and so with how AI will be used to analyze the trends in order to conduct trend analysis method. Moreover, research should also be conducted on the benefits of trend analysis in decision making and how to connect between trend analysis and ratio analysis methods to make proper decisions.

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