Journal of Informatics Education and Research
ISSN: 1526-4726
Vol 6 Issue 2 (2026)

Financial Reports and Investment Decision Framework

Phd. Saddik Rahabi[1], P. Hakima Abouba[2]

[1]*University of Mohamed Cherif Messadia, Soukahras (Algeria), Email:Dr.saddik.rahabi@gmail.com*
[2]*University of Abbes Laghrour, Khenchela (Algeria), Email: miahakima3@gmail.com*

Received : 02-03-2026 ; Accepted : 25-05-2026 ; Published : 07-06-2026

Abstract:
This study examines the significance of financial reports and their role in supporting rational investment decision-making.it highlights the informational function of key financial statements-namely the balance sheet, income statement, and cash flow statement-in providing reliable data for evaluating firms' financial performance and economic position. The study further explores how financial transparency enhances investor confidence and contributes to the efficiency of financial markets. In addition, it discusses the use of financial data in performance analysis and investment evaluation, while identifying major challenges associated with financial reporting, including information asymmetry and analytical limitations. The study concludes that financial reports constitute a fundamental tool for informed investment decisions, with their importance expected to increase in light of ongoing technological advancements in financial reporting and analysis.

Keywords:
Financial reporting; Investment decision-making; Financial statement; Financial transparency; Financial analysis.

1. Introduction:

Financial reports are the bridge between management, the organization, and all other important parties, such as regulatory bodies or public, enabling them to investigate the key elements influencing the organization's performance and the results it achieves. It is noteworthy that the core focus of financial reports is complete and accurate financial information about the organization's performance in accordance with international accounting standards, which enjoy vital characteristics such as quality, transparency, and timely disclosure of financial information to interested parties.

The credibility and truth of this information play an important role in measuring and assessing the high risk to the organization's future, in addition to increasing its efficiency and rationalizing high-level decisions in economic units, through a clear picture that differentiates the results of risk assessments, control activities, and the control environment, identifying irregularities and errors during the fiscal year.

1.1. Problem of the Study:

Financial reports are the mirror that reflects the financial position of the institution, on the one hand, and the evaluation and improvement of financial performance , on the other hand ; which makes them a destination for capital providers in search of profitability and high stability .This leads us the following question : How do high-quality of financial reports lead to investors willingness to invest in this institutions ? what is the importance and the effect of financial reports in increasing the institution's capital, activity, and profits ?

1.2. The Importance of the Study:

The importance of studying financial reports and their impact on investment lies in the fact that it is one of the most interesting topics through clarifying the vision of the financial position of the institution thanks to the information it provides, which helps in making investment decisions and evaluating the risks of the institution and its financial obligations within the specified deadlines.

1.3. Objective of the Study:

This study aims to achieve the following objectives:
- provide investors and stakeholders with accurate information about institution's financial performance.
- Guiding investors on how to allocate and the ability to manage their capital effectively to institutions that demonstrate growth, profitability, and investors in managing their funds efficiently.

1.4. Previous Studies:

Prior research has consistently demonstrated the relevance of financial reporting to investment decision-making. **Healy and Palepu** (2001) showed that high-quality financial disclosure mitigates information asymmetry and enhances capital efficiency. Further studies, such as **Francis et al.** (2004), established a direct link between financial reporting quality and the cost of equity capital, indicating that transparent and reliable reports reduce perceived investment risk. In addition, **Bushman and Smith** (2003) emphasized the role of financial reporting in strengthening corporate governance through improved transparency and investor confidence.

1.4. Research Gap:

While existing studies primary examine specific attributes of financial reporting within developed markets, this study adopts an integrated analytical framework that evaluates the combined effect of financial statement types, analytical practices, and technological advancements on investment decisions. Moreover, it extends prior literature by incorporating a forward-looking perspective and addressing contemporary reporting challenges, particularly in emerging market contexts.

2. The Importance of Financial Reports:

Financial reports are the true picture that reflects the high status of institution and are credited with assessing risks and making informed investment decisions.

2.1. Definition of Financial Reports:

Financial reports (financial statements) are standardized official documents that serve as an institution's identification card, disclosing the institution's performance and financial position over the specific period of time. (Jorge, 2025)
High-level reports rely on specific accounting rules to ensure that readers (shareholders, regulatory bodies, and stakeholders) accurate information transforms it from union to the right investment. (Nathan & Shawn, 2023)
The confidence and transparency that financial reports give customers are the primary driver of investment recovery.

2.2. The Types of Financial Reports:

Financial reports typically include **four** core statement: the **balance sheet,** the **income statement,** the **cash flow statement,** and the **shareholders' equity**; which accurately depicts the financial position and performance of the institution.

- **Balance Sheet:** also known as the statement of financial position, it provides an overview of the value of the assets owned by the institutional unit or sector, the obligations and financial claims(liabilities)of this unit or sector, as well as the rights of its shareholders at the specified time, according to the following accounting equation:

Assets = liabilities + Owner's Equity

These create a permanent balance for this statement.

- **Income Statement:** also known as the profit and loss statement; it considered one of the most important reports that any institution relies on to monitor its financial statements. Through the institution's revenues, expenses, and net income over a specific period of time. It enables it to provide a comprehensive summary of the institution's efficiency in directing its revenues and rationalizing its expenses to achieve continuous profits.
- **Cash Flow Statement:** it is financial statement that studies the movement of cash in and out of the institution during a specific period of time. It highlights the institution's efficiency and ability to generate cash and make a good use of it, evaluate liquidity, and make effective investment decisions.

Cash flows are divided into **three** basic sections of activities:

1. Cash flows from operating activities: cash generated from the institution's activities, such as sales.
2. Cash flows from investing activities: are cash resulting from the purchase or sale of long-term assets, such as factories.
3. Cash flows in financing activities: This means the movement of cash to and from external sources, such as loans, issuance of bonds, and other securities.

- **Statement of Shareholders' Equity:** This statement is intended to help business owners keep track of any changes in retained earnings after dividends are released to shareholders earnings after dividends are released to shareholders. Its purpose is to report changes in shareholders' accounts during the period from investments by owners, distributions to owners, net income, and other comprehensive income. This is invaluable for providing insight to those supporting the business financially. It also provides more in-depth insight into a company's performance thanks to reporting on equity withdrawals and dividend payments''. (What Is Financial Reporting? Definition, Importance, and Types, 2024)

2.3. The Role of Financial Reports in Providing Accurate Information:

The accounting information contained in the financial statements and reports is an essential part of the information that contributes to making wise and rational investment decisions. It also evaluates performance of the institution thanks to its ability to accurately predict when making investment decisions and forming investment portfolios. Through its comprehensive view of the institution's high status in terms of costs, revenues, profits and losses; it enables it to allocate capital efficiently and estimating the degree of risk.

Moreover, the high level of information transparency and accuracy is the largest driver of the planning, analysis and forecasting process in order to identify opportunities and challenges facing in the investment.

2.4. The Impact of Transparency:

to define the impact of financial transparency, we must answer the following question: **How Financial Reports enhance Transparency and Confidence in Financial Markets?**
A simplified concept of high transparency can be presented based on access to financial information and its accurate and clear disclosure, following international accounting standards, which ensures the quality financial information, reduce errors, and makes financial reports more clear, reliable and credible. A transparency in financial markets reduce random fluctuations and increases the speed of response to new information, which creates financial stability and gives confidence to deal with it. It also builds stronger relationships with stakeholders, ensuring long-term growth and success. (Ballard, 2024)

3. The Impact of Financial Reports on Investment Decisions:
By relying on financial reports and highly accurate information about the institution's financial situation, the investor's vision becomes clear in order to make an investment decision, through assessing the underlying risks, analyzing the financial performance, and the expected returns and profits.

3.1. Financial Statement Analysis:
Knowledge of the institution's financial performance: financial statements examine and divide valuable information, thereby identifying its weak and strong points; drawing a conscious future plan based on different tools and techniques for analyzing financial statement: income statement, cash flow statement, balance sheet; in addition to using different global reasons.
This is what the institution says from the union, the right decision to invest, transform and expand further. So, we need to know: **How investors use data to make informed decisions?**
Investment represents a fundamental economic mechanism aimed at generating future economic value, thereby requiring the deliberate and efficient allocation of financial resources toward carefully selected institutions based on systematic and rigorous evaluation prior to the investment decision-making process. Such decisions encompass the allocation of capital as either sources or uses of funds, with the overarching objective of optimizing returns over both the short and long term. (Toucheboeuf, 2025)

Rigorous auditing procedures play a pivotal role in evaluating institutional financial performance and in assessing future sustainability, as they enable the identification, measurement and correction of improperly recognized or non-earned revenues. Moreover, fundamental analysis constitutes a central analytical framework for enhancing institutional effectiveness by fostering advanced management practices and improving the efficiency of resource allocation.

Collectively, these mechanisms strengthen an institution's financial credibility and competitive positioning, thereby increasing its attractiveness to market participants−particularly investors−and facilitating the formulation of rational, evidence-based investment decisions grounded in robust economic and financial theory.

3.2. Financial Performance Evaluation:
Methods for analyzing company's financial performance through reports are:

3.2.1 Horizontal Analysis of Financial Statements:

Horizontal analysis constitutes a quantitative technique employed to assess a firm's financial performance by examining changes in financial statement components over successive accounting periods. This approach focuses on identifying patterns of growth or decline in financial figures, thereby enabling a comprehensive evaluation of trends affecting the entity's financial position and operating results over time.

This method is primarily applied to the balance sheet and the income statement, provided that the financial statements are prepared in accordance with consistent accounting policies. Any deviation or modification in accounting practices should be explicitly disclosed, as such changes may significantly influence the analytical outcomes and their interpretation.

3.2.2 Vertical Analysis of Financial Statements:

Vertical analysis is concerned with examining the proportional structure of financial statements within a single reporting period. This is accomplished by expressing individual financial items as percentages of a selected base figure that reflects overall financial significance. Through this process, the relative weight of each component within the financial statements becomes more transparent.

The analytical value of vertical analysis lies in its effectiveness in facilitating comparisons across firms operating within the same industry, as well as across different periods for the same firm, irrespective of scale differences. furthermore, this technique provides meaningful insights into operational efficiency and financing patterns, thereby supporting advanced financial analysis and academic research.

3.2.3 Trends Analysis:

Trends analysis is regarded as an analytical approach employed to examine the future development of various variables by relying on historical data over a sequence of years. This method is based on monitoring relative changes that occur over time through the analysis of available data.

The **trends ratio** represents the quantitative relationship between the value of a variable in the base year and its corresponding values in subsequent years, thereby enabling accurate temporal comparisons. Analyzing the direction of these ratios facilitates the assessment of performance patterns, whether they indicate improvement, decline, or relative stability, which in turn assists in identifying managerial issues and evaluating the effectiveness of administrative practices.

3.2.4 Ratio Analysis:

Ratio analysis is considered one of the fundamental tools in financial analysis, as it is employed to evaluate financial performance based on data derived from financial statements, particularly the income statement and the balance sheet. This approach aims to interpret the relationships among various financial items, thereby enabling the assessment of profitability, liquidity, and operational efficiency, as well as identifying strengths and weaknesses in an entity's financial performance. The application of ratio analysis enhances the accuracy of financial evaluation and supports effective managerial decision-making.

3.2.5 Cash Flow Analysis:

Cash flow analysis focuses on examining the movement of cash inflows and outflows within an organization over a specific period. It represents a key analytical tool for assessing an entity's liquidity position, its ability to generate cash, and the sustainability of its operating activities, in addition to evaluating its capacity to meet financial obligations.

Table: Financial Analysis Tools and Their Objectives

Financial Analysis Tool	Analytical Focus
Horizontal Analysis	Comparison of financial statement items across consecutive periods
Vertical Analysis	Evaluation of financial statement components within a single period as percentages of a base figure
Ratio Analysis	Calculation and interpretation of financial ratios derived from accounting data
Trend Analysis	Long-term tracking of selected financial indicators
Cash Flow Analysis	Examination of cash inflows and outflows

Prepared by the researchers based on (Ncert.nin.in, 2014-2025)

3.3. Investment Decision Examples:
This study employs a case study methodology to analyze the role of financial data in supporting investment decision-making, we conducted a case study of **ten Indonesian public companies**. It focuses on evaluating the extent to which investors depend on financial information when selecting and managing their investments.

The research is based on the collection of primary data through structured questionnaires designed to measure key aspects of financial data usage in investment analysis. The collected data were analyzed using a descriptive and analytical approach, allowing for the identification of patterns and relationships between financial information and investment decisions.
Statistical analysis techniques were applied to ensure accurate interpretation of the data and to enhance the reliability of the results. These techniques contribute to assessing how financial indicators and analytical tools improve the quality and rationality of investment decisions. We categorized these industrial public companies into **three** sections:

Consumer companies, Banking companies, and Energy companies.
3.3.1 Consumer companies: consumption of products of all kinds is the most in demand and considered economical, whether in food products, medicines transportation equipment; the study was shown in the table below:

Table: Strategic Profiles of Selected Indonesian Companies

No.	Company	Industry Sector	Strategic focus	Key Strategic Characteristics	Expected Competitive Outcome
1	**PT Gudang Garam Tbk**	Tabacco Industry	Market Leadership Strategy	Large-scale production, extensive distribution network, strong brand equity, and cost efficiency	Sustained market dominance and stable consumer loyalty
2	**PT Kalbe Farma**	Pharmaceutical industr	Diversification and Innovation	High investment R&D, technological advancement, product	Enhanced competitiveness and adaptability to market

	Tbk	y	Strategy	quality enhancement, and portfolio expansion	changes
3	**PT Indofood Sukses Makmur Tbk**	Food Industry	Vertical Integration Strategy	Control over production, processing, and distribution; economies of scale; supply chain efficiency	Long-term growth, cost reduction, and operational resilience
4	**PT United Tractors Tbk**	Heavy Equipment and Mining Services	Expansion and Diversification Strategy	Strengthening market share in heavy equipment, expanding investment activities, and increasing participation in mining and energy sectors	Revenue growth, risk diversification, and enhanced long-term sustainability
5	**PT Telekomunikasi Indonesia Tbk (Telekom)**	Telecommunications and Digital Services	Digital Transformation and Infrastructure Development Strategy	Improving service quality, expanding digital connectivity, investing in telecommunications infrastructure, and enhancing customer-oriented solutions	Increased capital growth, technological leadership, and improved customer satisfaction
6	**PT Unilever Indonesia Tbk**	Fast-Moving Consumer Goods (FMCG)	Innovation-Driven and Sustainability-Oriented Strategy	Continuous product innovation, adoption of environmentally sustainable practices, enhancement of production efficiency, and investment in consumer-oriented brands	Increased production capacity, strengthened competitive advantage, and improved market penetration in regional and domestic markets

(Silitonga, Dina, Vista Alisha , & Fitri Yani, 2025)

Five-years Financial Performance Analysis of Selected Indonesian Companies (2019-2023):

The primary indicator employed is **annual revenue**, as it provides a consistent and comparable measure across industries.

Period of analysis:2019-2023

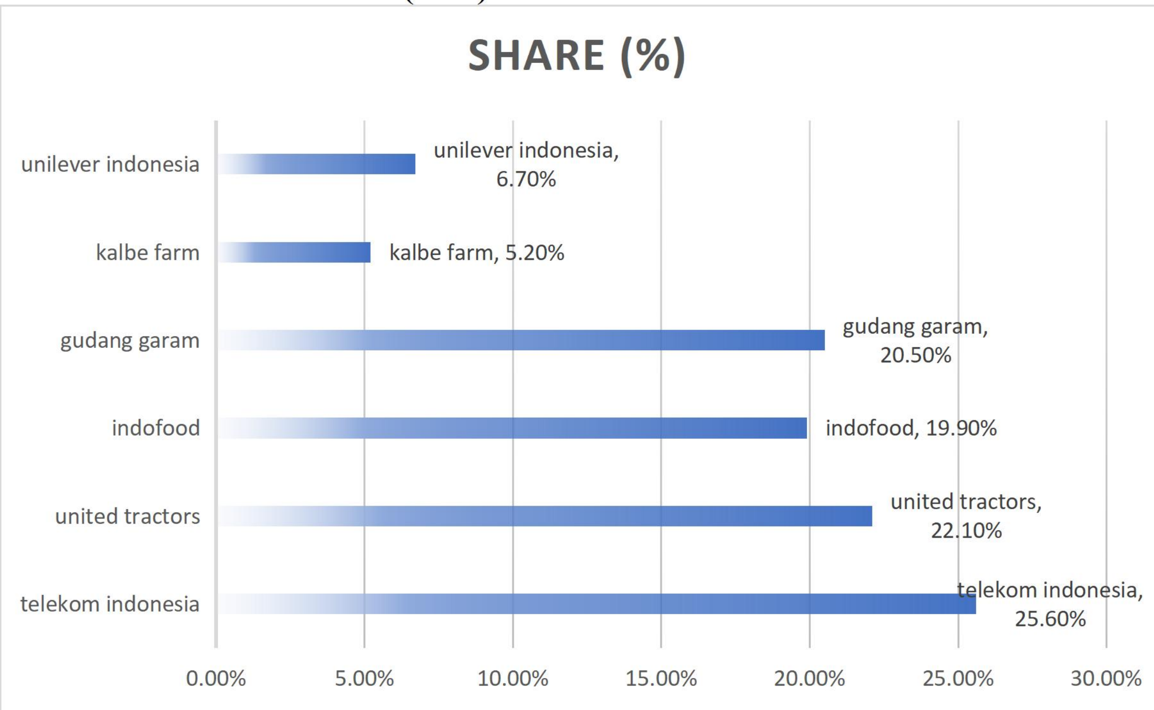
Unit: Trillion Indonesian Rupiah (IDR)

Table: Annual Revenues of Selected Indonesian Companies

company	2019	2020	2021	2022	2023	Growth Pattern
PT Gudang Garam Tbk	110.5	114.5	124.9	124.7	119.0	Stable with mild decline (www.gudangaramtbk.com, 2023)
PT Kalbe Farma Tbk	22.6	23.1	26.3	28.9	30.3	Strong and continuous growth (Relations., 2022-2023)

PT Indofood Sukses Makmur Tbk	76.6	81.7	110.8	111.6	115.8	Moderate, sustained growth (Annual Report 2023)
PT United Tractors Tbk	84.4	79.6	123.6	123.6	128.6	High growth (Website, 2023)
PT telekomunikasi Indonesia Tbk	135.6	136.5	143.2	147.3	149.2	Stable, low-risk growth (2023)
PT Unilever Indonesia Tbk	42.9	42.9	39.5	41.2	38.6	Relative contraction (2023 W. B., s.d.)

Relative Revenue Distribution (2023)



Total Revenue (2023): 581.5 trillion IDR

Prepared by the researchers

Revenue Trend Analysis:

The results indicate **substantial variation in revenue dynamics** across sectors:

- **PT Telekomunikasi Indonesia Tbk** demonstrates the **highest and most stable revenue performance**, reflecting the effectiveness of its **digital transformation and infrastructure development strategy.**
- **PT United Tractors Tbk** experienced a **sharp post-2020 revenue surge**, driven by the recovery of the **mining and energy sectors.**
- **PT Indofood Sukses Makmur Tbk** shows **consistent long-term growth,** supported by **vertical integration and supply-chain efficiency.**
- **PT Kalbe Farma Tbk** records the **highest relative growth rate**, confirming the success its **innovation-and R&D-driven strategy** in the pharmaceutical sector**.**
- **PT Gudang Garam Tbk** maintains **high but slightly declining revenue,** reflecting regulatory pressures and changing consumer behavior.

- **PT Unilever Indonesia Tbk** exhibits **revenue contraction and volatility,** indicating sensitivity to shifts in consumer demand and cost inflation.

Conclusion:
This five-years comparative analysis confirms that strategic orientation plays a decisive role in financial performance. Digital infrastructure development, supply-chain integration, and R&D investment emerge as critical drives of long-term revenue sustainability in emerging markets such as Indonesia.

Capital-intensive and infrastructure-based sectors (telecommunications, mining, and food production) collectively account for **over 65% of total revenues**, highlighting their structural dominance in the Indonesian economy.

3.3.2 Banking Companies: the multiplicity of banks and diversity services attract customers. All banks feel the need to increase their capital, stability, and profitability. The following table illustrates the extent to which financial data influences the decisions of investors in the banking sector:

Table: Technical Summary of Selected Indonesian Banks

Company	Analytical Focus	Key Outcome
PT Bank Central Asia Tbk (BCA)	Accounting information systems efficiency and liquidity optimization	Advanced AIS significantly enhance liquidity control and improve the precision of investment-related decisions
PT Bank Rakyat Indonesia Tbk (BRI)	Accounting information quality, risk management, and liquidity control	High-quality accounting information strengthens risk mitigation mechanisms and supports sustainable liquidity management

(Silitonga, Dina, Vista Alisha , & Fitri Yani, 2025)

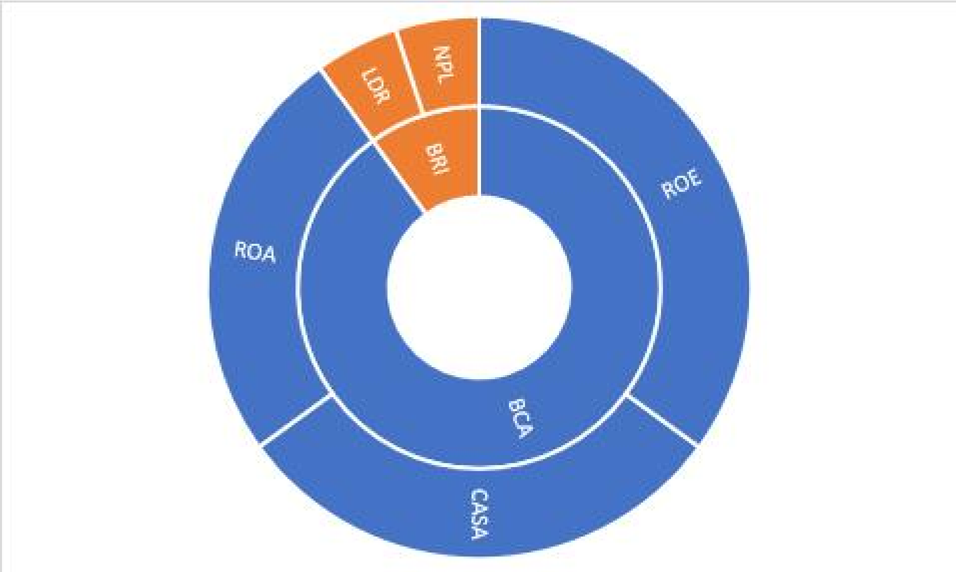
Five-years Financial Performance Analysis of Selected Indonesian Banks (2020-2024):
The data covers key financial indicators commonly academic studies, such as the CASA ratio as a measure of liquidity, NPL as a measure of asset quality, ROA, and ROE for profitability**.**

Table: Statistical Data of the two Banks (2020-2024)

Year	**BCA CASA Ratio (%)**	**BCA ROE (%)**	**BCA ROA (%)**	**BRI NPL (%)**	**BRI ROA (%)**	**BRI LDR (%)**
2020	76.6	24.6	3.9	**n / a**	1.98	82.33
2021	78.6	24.6	3.9	**n / a**	2.72	86.77
2022	80.3	24.6	3.9	**n / a**	3.76	79.19
2023	81.5	24.6	3.9	3.10	3.93	84.73
2024	81.6	24.6	3.9	3.21	**n / a**	**n / a**

(summary & NPL,ROA,and LDR for BRI, 2020-2024)

Pie Chart: Average Distribution of Key Performance Metrics (2020-2024)



Prepared by the researchers

Analytical Data in terms of Liquidity, Loan and Profit:

- **Liquidity (BCR vs BRI):** BCA 's CASA ratio remained **high and stable** (>76%) over the last 5 years, reflecting strong liquidity-i.e., major portion of deposits in low-cost accounts. BRI's Loan-to-Deposit Ratio (LDR) recovered after pandemic, indicating improved balance between lending and deposits.
- **Asset Quality:** BRI's Non-Performing Loan (NPL)remained consistently low (3%), which suggests **effective credit risk management**, though generally higher than BCAs reported low NPL performance in separate studies.
- **Profitability:** Return on Assets (ROA) for BCA (3.9%) and BRI (3-4%) reflects **sustained profitability**, with both banks showing resilience after COVID-19. Return on Equity (ROE) for BCA is consistently high (24.6%), indicating strong equity performance.

Conclusion:

The largest share comes from BCA's performance metrics (especially ROE and CASA), showing its strong market and financial position.

BRI's performance metrics represent a smaller combined share due to focus on asset quality ratios vs. Profitability measures in the data sources.

3.3.3 Energy companies: The energy and hydrocarbons are the stronger sector for any country, due to its global weight and power. Therefore, most countries resort to upgrading it and allocating large capital to develop and benefit from it. The following table illustrates this;

Table: Technical Summary of Selected in two Indonesian Energy Companies

Company	Independent Variable	Key Observed Effects	Measured Outcome	Interpretation
PT Perusahaan Gas Negara (PGN)	Use of financial data in strategic decisions	Expanded energy distribution reach	+15% geographic coverage (2024vs2023)	Enhanced operational coverage due to better investment

				decisions
PT Aneka Tambang Tbk (ANTAM)	Quality of data inputs	Higher decision accuracy	+18% efficiency in mining operations	Better data led to more precise resource allocation

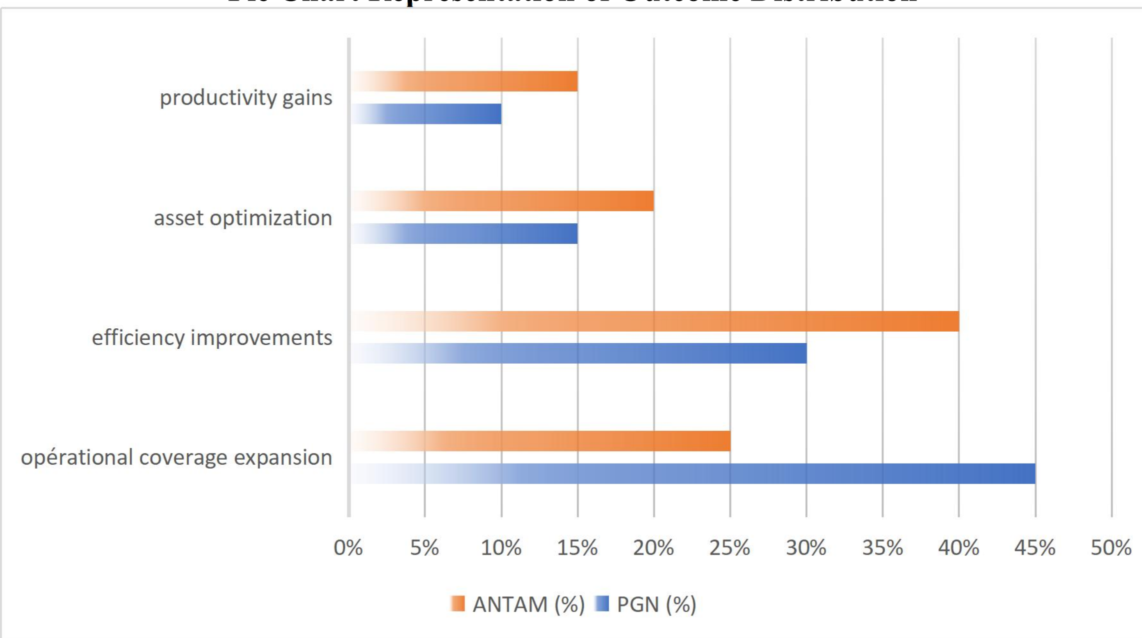
(smith, 2023)

Table: operational Improvement by Company

Outcome Category	**PGN (%)**	**ANTAM (%)**
Operational Coverage Expansion	45	25
Efficiency Improvements	30	40
Asset Optimization	15	20
Productivity Gains	10	15

(smith, 2023)

Pie Chart Representation of Outcome Distribution



Prepared by the researchers

Interpretation and Analysis:

- **PGN (PT Perusahaan Gas Negara): Financial decisions** based on data analytics resulted in **broader gas distribution coverage** across regions**. Asset acquisition decisions** have led to increased infrastructure holdings. This supports the claim that data-informed investment strategies enhance physical expansion and market presence.
- **ANTAM (PT Aneka Tambang):** Enhanced **data quality** improved operational forecasting and decision accuracy**.** Optimization of **resource allocation and workforce deployment** contributed to higher mining efficiency. Results indicate that data credibility directly impacts operational performance metrics.

4. Challenges and Future Trends:

The structured and reliable financial information provided by financial statements and related extracts is one of the most important reasons for the success of financial reporting. However, this success is not without its difficulties and challenges.

4.1. Challenges in using financial reports: Among the most important of these challenges are:

- Frequent updates and amendments to international standards and accounting principles, which make them more complex and confusing for users and preparers of high-quality data resulting from financial cries and globalization. To resolve this issue, we must stay up-to-date on organizational changes and utilize newly developed financial reporting tools, with strong alignment of various activities, making them easily accessible and ensuring participation in continuing professional development courses.
- Financial information and differences in the estimation of judgments and their users in financial reporting, such as revenue recognition and fair value measurement. To resolve this issue, we need the integration between accounting software and tools to ensure smooth data flow from one system to another, minimizing the risk of human error.
- The precautions taken by companies to present financial information positively and the conflict of interest among various stakeholders, which negatively affects transparency and accuracy. So, we need to use advanced, high-performance reporting software that supports the integration of Mult-source data.
- Globalization and technological developments: Despite the change that technology has brought about in the way companies operate and conduct high-quality transactions in terms of efficiency and opportunities, they face a great challenge in the form of cybersecurity risks and concerns about the privacy of valuable data. this makes them constantly keep pace with emerging technologies in high-quality reporting processes. With continuous learning and professional development in data analysis and financial modeling.
- It is a management task that worries accountants, especially during peak periods such as the end of the year, as it is difficult to manage time effectively while ensuring the accuracy of reports. To resolve this issue; we should simplify the process of creating financial reports by implementing a structured workflow with clear schedules, leveraging highly automated reporting tools that effectively reduce workloads. (Ballard G. , 2024)

4.2. Technological Development: How does technology affect financial reporting?

Technology has a significant impact on how companies report their business status to stakeholders such as shareholders and regulators. Technology provides a digital dashboard, helping decision-makers quickly access key performance indicators and make informed decisions without being concerned about accuracy or compliance standard worldwide.

Technology has enabled companies to create comprehensive financial reports at a lower cost and with fewer errors than traditional methods.

Automated processes are preferred, achieving high efficiency to improve operational insights and predictive analytics. Blockchain networks provide more secure storage options.

Computing platforms offer scalability thanks to the capabilities of natural language processing algorithms.

The use of artificial intelligence and robotics is also changing the course of business and regulatory transparency by making information clear at any time. (Smith, 2023)

This helps the company to maintain its competitive edge in the global market.

4.3. Future Trends: Prediction about how the role of financial reports in investment decision-making will evolve in the future

With the advancement of technology and its sophistication, the tools and methods used in preparing high-level reports have become more sophisticated, placing high-level reports on the cusp of major transformation. Among the prominent of these directions are:

- **Artificial intelligence and automation:** which are truely revolutionized financial reporting by reducing errors, automating complex tasks and providing a more efficient approach, as artificial intelligence will be able to detect errors, analyze large amounts of data and predict future trends.
- **The rise of high-resolution reporting:** where high-volume data is updated on a regular and periodic basis, allowing companies to make faster and more informed decisions.
- **The sustainability standards (Reports on Environment, Social and Governance and Corporate Governance) (ESG):** with the demand stakeholders need transparency regarding their sustainability practices within the company, slashing these standards has become an urgent necessity for achieving straight success.
- **Advanced reports and analytics visualizations:** will play a key role in the future of financial reporting, as advanced insights into their high-volume data, while visualization tools help present this data in structured, actionable, and compliable format. (Ballard G. , 2024)

Conclusion:

This study demonstrates that financial reporting, grounded in standardized accounting principles, constitutes a core mechanism for generating decision-useful information essential to rational investment behavior. The analysis highlights the critical role of the balance sheet, income statement, and cash flow statement in facilitating accurate measurement of financial performance, liquidity, and solvency. While challenges related to information asymmetry, measurement bias, and analytical limitations persist, high-quality financial reporting and enhanced disclosure practices significantly mitigate these constraints. Accordingly, continuous improvements in accounting standards, digital reporting systems, and financial analytics are expected to further reinforce the reliability, relevance, and comparability of financial information in investment decision-making.

References

1.
2. Annual Report 2023, I. I. (s.d.). Consulté le 12 30, 2025, sur www.indofood.com.
3. Ballard, G. (2024, JUL 21). *Financial Reporting and Future.* Consulté le october 30, 2025, sur REACHREPORTING: www.reachreporting.com
4. Ballard, J. (2024, 05). *Financial Transparency in Business Reporting.* Consulté le 09 08, 2025, sur REACHREPORTING: https://reachreporting.com/blog/financial-transparency-in-business-reporting
5. Jorge, L. (2025, May 12). *Financial Reporting Fundamentals: Beyond Complianceto Strategic Insight.* Consulté le August 28, 2025, sur Abacum: https://www.abacum.ai/blog/financial-reporting-fundamentals--beyond-compliance-to-strategic-insight.
6. Nathan, M., & Shawn, G. (2023, 11 21). *Financial Reporting / Definition,Analysis &Example.* Consulté le 08 28, 2025, sur Study.com: https://study.com/acagemy/lesson/what-is-financial-reporting-purpose-statement-examples-analysis
7. Ncert.nin.in. (2014-2025). Chapter 04Analysis of Financial Statements. SATHEE-IIT Kanpur, India: Prutor. Consulté le 11 16, 2025
8. Relations., K. F. (Éd.). (2022-2023). Consulté le 12 30, 2025, sur www.kalbe.co.id.
9. Silitonga, J. E., Dina, I., Vista Alisha , Z., & Fitri Yani, P. (2025, 06 30). The Effect of Financial Statements on Investment Decisions:Case Study of 10 Public Companies.

Advances in Accounting,Economics,and Management, 7-8. doi:https://doi.org/10.47134/aaem.v2i4.742

10. Smith, C. (2023, march 21). *The Impact of Technology onFinancial Reporting:Trends and predictions.* Consulté le october 30, 2025, sur iriscarbon: www.iriscarbon.com
11. smith, j. w. (2023). *Effect of Financial Data Utilization on Strategic Decision-Making in State-Owned Entreprises.* JOURNAL OF BUSINESS AND FINANCIAL AANALYTICS, 7(2),112-130. Consulté le 12 09, 2025
12. summary, B. a., & NPL,ROA,and LDR for BRI. (2020-2024). *CASA,ROA,ROE for BCA.* E-Journal Swadharma.
13. Toucheboeuf, R. (2025, 11 17). Head of Investment Analytics and Data Service,Securities Services. *From disclosure to decision,the evolving data imperative for sustainability*. Paris, BNP PARIBAS, France. Consulté le 12 30, 2025
14. Website, U. T. (2023). Consulté le 12 31, 2025, sur www.unitedtractors.com.
15. *What Is Financial Reporting? Definition, Importance, and Types.* (2024, 12 11). Consulté le 08 28, 2025, sur Freshbooks: https://www.freshbooks.com/hub/reports/financial-reporting
16. www.gudangaramtbk.com. (2023). Gudan Garam Corporate Website. indonesia. Consulté le 12 30, 2025
17. 2023, A. r. (s.d.). Consulté le 12 31, 2025, sur www.telekom.co.id.
18. 2023, W. B. (s.d.). (I. E. Update, Éditeur) Consulté le 12 26, 2025, sur www.worldbank.org.

19.