



LETTER OF COMMENT NO. 6

From: afizou [mailto:afizou@terra.net.lb]
Sent: Wednesday, February 11, 2009 10:51 AM
To: Kim Petrone
Cc: Amy Mayrhofer
Subject: Fw: FASB Comment Letter Acknowledgement

Dear Sir,

In addition to my letter of comment (No 6), here under some citations and summons on current creation of the statement of cash flow, direct and indirect method (extracted from numerous well published financial editions), my intend is to put in plain words the actual current needs and my proposed application:

- The statement of cash flows is conceptually simple: it is intended to show all the cash inflows and outflows of the firm during the period. However, as the cash flow statement must combine cash flows that are recognized on the balance sheet (purchases of assets, for example) and the income statement (cash received from the sale of goods, for example), it is computationally more difficult.
- Preparation of this statement is further complicated by differences between the time cash flows occur and when they are recognized as revenues or expenses. The accrual process (income statement recognition) is subject to management judgment, assumptions, and various estimates that effect both time series and cross-sectional analyses.
- The Cash flows – Direct Method: ... The primary advantage of the direct method is that it reports the sources and uses of cash in the statement of cash flows. Its primary disadvantage is that the necessary data may not be readily available and may be costly to gather.
- The indirect method of reporting cash flows from operating activities is normally less costly and more efficient than the direct method. In addition, when the direct method is used, the indirect method must also be used in preparing a supplemental reconciliation of net income with cash flows from operations. The 1999 edition of *Accounting Trends & Techniques* reported that 99% of the companies surveyed used the indirect method.
- To collect the data for the statement of cash flows, all the cash receipts and cash payments for a period could be analyzed. However, this procedure is expensive and time-consuming. A more efficient approach is to analyze the changes in the non-cash balance sheet accounts. The logic of this approach is that a change in any balance sheet account (including cash) can be analyze in terms of changes in the other balance sheet accounts...

- **The added-value of the proposal :**
 - It will answer all the underlines citations and summons and;
 - The application could be implemented and applied in any accounting and financial procedure system and;
 - A wide range of new financial ratios and statements could be emanated and;
 - Also the new concept is an “end-to-end” procedure.

I look forward to your response; I am also available to provide you any additional information you may need.

Sincerely yours,

Joseph F. El-Ashkar

Mobile: (00-961) 3 271 585

Email: afizou@terra.net.lb

Mailing address: 175 651 Mar Michael

Beirut 11042060 Lebanon

----- Original Message -----

From: Pryde Andrea
To: Afifi Jabre
Sent: Tuesday, December 02, 2008 3:29 PM
Subject: RE: Financial reporting measurement

Thank you for your email. May I suggest that you send your suggestions in as a response to our Discussion Paper on Financial Statement Presentation. Details of how to do so are available here:

<http://www.iasb.org/Current+Projects/IASB+Projects/Financial+Statement+Presentation/Discussion+Paper+and+Comment+Letters.htm>

Regards,

Andrea Pryde

From: Afifi Jabre [mailto:afizou@terra.net.lb]
Sent: 30 November 2008 16:42
To: Pryde Andrea
Subject: Fw: Financial reporting measurement

----- Original Message -----

From: Afifi Jabre
To: apryde@iasb.org.uk
Sent: Monday, November 24, 2008 2:31 PM
Subject: Fw: Financial reporting measurement

----- Original Message -----

From: Afifi Jabre
To: apryde@iasb.org.uk
Sent: Friday, November 14, 2008 4:05 PM
Subject: Fw: Financial reporting measurement

Dear Madam,

I am not pretentious, but I am sure and confident about my new terminology and concept. I think it could help, in someway about the actual current crisis, in developing new financial instruments and statements.

Awaiting your reply,

Sincerely,

Joseph F. EL-Achakar

----- Original Message -----

From: Pryde Andrea
To: Afife Jabre
Sent: Wednesday, September 29, 2004 11:09 AM
Subject: RE: Financial reporting measurement

Thank you for your e-mail.

I have passed your email to the staff working on the Performance Reporting project, who will bear it in mind for future considerations. Although this project does not plan to consider a fundamental re-think of cash flow reporting in the short term, the longer term project may do so.

However, due to the volume of technical questions that the IASB receives and the pressure that it places on our existing resources, we do not respond to enquiries on technical matters and are unable to comment.

Regards,

Andrea Pryde
Assistant Project Manager

International Accounting Standards Board
First Floor, 30 Cannon Street, London EC4M 6XH,
United Kingdom

Email: apryde@iasb.org.uk
Telephone: +44 (0)20 7246 6473
Fax: +44 (0)20 7246 6411
Website: www.iasb.org

-----Original Message-----

From: Afife Jabre [<mailto:ocg@cartage.org.lb>]
Sent: 27 September 2004 12:48
To: Tweedie David
Subject: Financial reporting measurement

Dear Mr. Chairman Sir David TWEEDIE,

Knowing that you are very busy, I will be very brief.

Over the years of any corporate, income and cash flows converge, and simultaneously differences, between the time cash flows occur and when they are recognized as revenues or expenses.

What I propose provides several value-added analyses of the results displayed in the current financial statements prepared in accordance with existing regulations.

The new concept provides simultaneously more depth to liquidity (Cash) management and its results, and also better clarity and transparency to financial statements.

An Additional classification, by operation nature, to the traditional accounting classification (Journal entries, T-accounts, and trial balance). Some operations nature:

- Sales or Main-revenues: - Ordinary operation
 - On down payment collection operation
 - Against barter (swap) operation

- Purchases or Main-charges: - Ordinary operation
 - On down payment disbursement operation
 - Against barter (swap) operation

- PP&E acquisition: - Ordinary operation
 - On down payment disbursement operation
 - Against barter (swap) operation
 - Etc....

The concept will track each operation nature through its economic life cycle by identifying the entries and all its subsequent activities with the period (year) when it was initiated and when it was settled.

This additional classification adds a horizontal presentation of financial information to the traditional vertical presentation that results from the application of the current accounting standards. In the vertical presentation, financial information is presented in different financial statements based on the nature of the T-accounts (Balance Sheet, Income statement, Cash Flow statement, etc...). The horizontal presentation relates in a single statement, the opening balances of the balance sheet-type accounts with the period's activity of the income statement-type accounts and cash movements to calculate the closing balances of the balance sheet-type account. The concept will also account for unusual transactions such as barter and adjusting entries. Numerous other additional reports and statements could be produced.

I hope that this attached explanatory draft will give you a general understanding and a quick glimpse into the project. I am very confident about the strength, maturity and the added value of the CFMR (Cash Flow Management & Results).

I look forward to your response and welcome your directives, guidance, comments and suggestions you may have. I am also available to provide you any additional information you may need.

Sincerely yours,

Joseph F. El-Ashkar

Mobile: (00-961) 3 271 585

Email: afizou@terra.net.lb

Mailing address: 175 651 Mar Mikhael

Beirut 11042060 Lebanon

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

This e-mail and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager or telephone 00 44 (0) 207 246 6444

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager or telephone +44 (0) 20 7246 6410

London Address: First Floor, 30 Cannon Street, London EC4M 6XH, United Kingdom.
Telephone: +44 (0)20 7246 6410 Fax: +44 (0)20 7246 6411

Email: iasb@iasb.org **Web:** www.iasb.org

The International Accounting Standards Committee Foundation is a not-for-profit organisation under the General Corporation Law of the State of Delaware, United States of America

Registered Office: 1208 Orange Street, Wilmington, New Castle County, Delaware 19801, United States of America.
