Theoretical and practical aspects of the annual close of the accounts

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Abstract. The purpose of this article is to study the problems arising at the stage of the annual closure. The object of the study is both the theoretical formulations and the practical aspects of the annual closure of accounts. An attempt is made to consider the stages of completion in their completeness and comprehensiveness, which determines the originality of the study. The methodology proposed in the study for annual closure of accounts, could, after some adaptation, be applied in real practice. The practical applicability of the results of the study is for accountants that have to choose the appropriate methods to close their accounts.

Key words: annual closing of accounts, stages of the annual closing of accounts, financial result, enterprises and applicable accounting standard
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1. Introduction

The fair presentation of information in the financial statements is one of the main challenges facing an enterprise at the end of the reporting period. Through this information, users can establish the state of the enterprise, and on this basis, make forecasts and make decisions. The information is obtained based on the annual financial statements of the enterprise, which are compiled because of the annual closure of accounts. Every trader is obliged to keep accounts in which he reflects the movement of the property of his enterprise. The objective of financial statements is to present the financial position, performance and cash flows of an enterprise and the results of the management of resources entrusted to management. Information in the financial statements must be presented truthfully, fairly, clearly and comprehensibly, which requires a fair presentation of the effects of transactions, other events and conditions in front of the financial statements.

2. Literature review

The enterprise (or Company within the meaning of the Commercial Act, 2019) as a set of rights, obligations and factual relations is a complex system that should be properly organized. Accounting as a separate system in the enterprise is also subject to organization. To create a proper accounting organization, it is necessary to comply with several general and specific requirements such as: compliance with the legal framework in the field of accounting and management requirements in the enterprise, knowledge in detail of the peculiarities of the business activity of the enterprise, development of well-founded accounting policy, etc. (Todorov 2005).

Observing the requirements of the current accounting framework, the activity of enterprises should be reflected continuously through current accounting and, subsequently, periodic consolidation of reporting data. The information is summarized and presented both about the status and changes in assets, liabilities and equity, as well as about the results of the overall activity of the enterprise. To form a financial result from the activity of an enterprise, it must be operational and have a good organization of accounting for the proper implementation of the reporting process. Observing the requirements of the current accounting legislation, enterprises organize the annual closing of accounts at the end of the reporting period, i.e. as of December 31, but covers thyroid from 01.01. to 31.12. of the current year. It is carried out in compliance with procedures specified by the enterprise, which are interrelated and have strict consistency. Rupska (2012), Todorov (2005), Genov (2016), Stefanov

(2015), Oresharov (2012) and Dosev (2014) have a similar view on organizational procedures, but with a different structural presentation that will be specified.

Through the annual closure procedures, undertakings shall develop an internal timetable for the activities, clearly indicating the deadlines for carrying out the individual activities related to the completion stages and the responsible activities. We support the opinion of St. Stefanov (2015) that the plan is usually secret in nature and should be proposed for confirmation by the head or a person authorized by him. The approved traffic should be strictly applied by the responsible persons after conducting a briefing. This preparatory stage ends within a deadline set by the management, but it is advisable to be earlier than December of the current year.

The annual closure covers a multitude of diverse stages with different temporal manifestations.

1. In the event of a change in the status of the enterprise, the composition and number of owners (e.g. new; or old, but with a change in their shareholding; or left the enterprise) or the amount of the registered capital, which should be reflected during the reporting period (Dosev 2014).
2. Carry out timely control of the documentation of the business operations carried out during the year - collection/issuance, check for omissions and errors, according to the regulatory framework, as well as check the correctness of the coatings/accounts on the synthetic and analytical accounts, and/or lack of the latter, etc.

The main stages of the annual closing of accounts can be presented in the following sequence

1. Carrying out an annual inventory of assets and liabilities and reporting its results.

Within the meaning of the Accountancy Act (2021), enterprises carry out an annual inventory of assets and liabilities during each reporting period. The law does not define inventory. This concept is not defined in the applicable standards, but inventory as an accounting method and as a means of control is established in theory and practice. It establishes the actual state of assets and liabilities, which is a prerequisite for the preparation of reliable annual financial statements. The materially responsible persons are not members of the committee because they are an interested party in carrying out the inventory. This order of the manager specifies the time limits within which the inventory should begin, end, as well as the time-limits within which the information should be presented in in the accounting. The actual state of inventory assets is established by their weighting, measurement, census, etc. Inventory assets are described by location and by material responsible persons, and in the inventories, they are individually indicated by inventory number, name and value.

As a result, shortages and surpluses of assets can be established and if there is a causal link between them, they can be compensated. The applicable regulations do not define the concepts of lack and surplus. The Labour Code (2022) regulates who is responsible for the lack of property and its amount when there is a proven fault of a particular person for the lack. When there is no proven fault of a specific person, the deficiencies are accounted for as an expense (loss) for the enterprise.

The accounting of missing assets in the enterprise is based on inventories and inventory records. Missing assets should be written off from the composition of the enterprise's assets in a decrease, which in different cases is reported differently:

When inventory is found lack, it can be:

- because of natural wastage, thefts, accidents and catastrophes for which the responsible persons do not have and the lack will be accounted for as a cost (loss) for the enterprise.
- caused by natural disasters - the absence of non-current and current assets is accounted for as an expense for the enterprise. In cases where these assets are insured, then the accounts shall also record the claims to be received by the insurer. In the financial statements, insurance benefits are reflected as Other operating income.

In the inventory in the enterprise, surpluses can be established. Surpluses lead to an increase in assets, which will lead to an increase in equity and should be recorded as revenue. Uncompensated surpluses in the enterprise should be accounted for as Other operating income and assets should be measured at their fair value and included in the entity's property.

Assets and liabilities are subject to inventory, namely:

The entity owns non-current assets that are subject to inventory. They can be distinguished as assets by:

- Material nature: lands, buildings, facilities, machinery and equipment, vehicles, computer equipment, office equipment, others. Assets that are in the process of being acquired can also be added to the group. Subject to the requirements of applicable standards and internal rules, all non-current assets are subject to inventory. The verification shall assess whether they meet the criteria for assets in accordance with the applicable accounting standards. If they do not meet the criteria for assets, they should be written off from the property of the enterprise. The shelf life of non-current tangible assets at the end of each year should also be reviewed and, if significant deviations from future expectations for the life of the assets are identified, adjusted accordingly. The useful life should be determined depending on the physical wear and tear of the asset, the specificity of the equipment

and the assumed obsolescence. Subject to the applicable Standards, transactions should properly classify assets as depreciable and non-depreciable because depreciation is an expense for the enterprise and that expense affects the realised financial result.
- Intangible nature - in order to inventory intangible assets, the requirements of the applicable standards must have been met beforehand, i.e. they must be measured initially at cost. The composition of the intangible includes internally and externally created intangible assets, licenses for the use of software products, trademark rights, licenses, etc.

The initial valuation of externally generated intangible assets upon acquisition shall be measured at cost which includes purchase price, import duties, non-refundable taxes and costs of preparing the asset for its intended use. The direct costs are: costs of preparing the site (the place where the asset will be used), costs of initial delivery, installation costs, costs of fees to persons associated with the project, non-refundable taxes, etc.

Intangible assets created in an enterprise are measured at cost resulting from the direct and indirect costs of producing the product at the time when the asset first meets the criteria for its recognition as an intangible asset. The initial measurement does not include administrative costs and other costs that are not directly related to the acquisition process. Intangible assets are recognised if they satisfy the definition of such set out in paragraph 18 of IAS 38. In case of immaturity to meet the criteria, they are counted as an expense.
- Acquired licenses are indicated by historical value. Depreciation is charged depending on the term specified in the license.
- Software and rights of use of software products. The acquired licenses for software products are capitalized based on the costs necessary for the acquisition and commissioning of the specific software product. They are depreciated during the period of their expected useful life.

We can share that the rule of reviewing the useful life of assets applies here and whether depreciation methods are subject to change. In addition, assets likely to be phased out over a period of time and subsequently reintroduced should be reviewed. Gains or losses arising on recognition of these assets are included in the financial statements.

For current assets held, an entity shall comply with the requirements of applicable standards and classify them as current assets provided that it intends to market them and sell or use them in its operating cycle; expects to realize them within twelve months after the end of the reporting period, etc.

Material stocks - are current assets:
- materials which are acquired mainly by purchase and are intended for use in the production process for the purpose of producing products or services, but can be sold when judged by the enterprise;
- production resulting from a production process in the enterprise and intended for sale;
- goods acquired principally by purchase and intended for sale.
- work-in-progress - mainly work in the process of production;
- inventories that are consumed in the production process or in the provision of services (materials, raw materials).

An entity's accounting policy should include information that inventories are measured at lower cost (cost) and net realisable value.

Enterprises have the option to choose the method of consuming/describing inventories provided for in the applicable Standards, which is an element of accounting policy. Any subsequent change to the method should be made at the beginning of the new reporting period, which in turn results in its disclosure in the financial statements.

Receivables – represent the entity's unconditional right to receive remuneration. The right is unconditional when the only condition for this is that the payment of the remuneration becomes due, with the expiration of a certain period. Receivables are classified as and should be presented in the financial statements at their possible fair value.

An entity's receivables and loans are classified as assets arising from the direct provision of goods, services, cash or cash equivalents (trade receivables and credits). The accounting of these assets is carried out according to maturity, namely at a fixed one at their amortizable value, and without maturity - at cost. In cases where there are prepaid (advance) amounts to suppliers that affect subsequent reporting periods are presented in the statement of financial position as "Other receivables".

The inventory of receivables can be carried out through a factual check of each receivable according to its actual collection. It is carried out by reviewing the accounting records, by sending official letters with attached references or statements from the accounts of all counterparties - with a request to confirm the amounts concerned. Counterparties should confirm or reject information on amounts.

At the end of the reporting period, management makes an estimate of losses from uncollectable receivables. Impairment of claims occurs when there is objective evidence that the Enterprise will not be able to recover the full amount on them, under the terms of the claims, such evidence is considered: the establishment of significant financial difficulties of the debtor on the claim, the likelihood that the debtor will enter bankruptcy or other financial reorganization proceedings, default or default in payment - more than one year. In the case of write-down of claims, the precautionary principle should be respected. In this regard, different types of impairments can be indicated (Genov, 2016):

- individual impairments - each receivable should be assessed according to the client's circumstances, etc. Facts. After initial recognition of receivables can be:
- indisputable (regular) - the debtor pays at maturity. The valuation in the financial statements is their nominal value; doubtful
- paid after the agreed deadlines. The valuation in the financial statements is the recoverable amount; uncollectable;
- impairment based on the percentage of sales expected not to be collected; Impairment based on age analysis of receivables and
- Combined method. The impairment value is the difference between the carrying amount of a claim and the present value of the estimated future cash flows.

Cash (cash and cash equivalents) - enterprises have cash that includes cash and current accounts, and cash equivalents - short-term deposits with banks. For the correct preparation of the statement of cash flows, cash receipts from customers and cash payments to suppliers are presented gross and interest (in respect of bank loans granted) is presented as payments for financing activities. Funds that are blocked for collateral in court proceedings, bank guarantees, etc. should be reflected in a statement of financial position as part of cash and equivalents.

The inventory of cash is carried out by location and materially responsible persons. The documents are compared with the cash available in BGN and foreign currency by counting all cash, securities, etc. in the cashier. The funds and other valuables established in the cash inventory that have not been received in the treasury on a legal basis remain at the expense of the enterprise until proven otherwise. The documentation of the results is carried out based on a Cash Availability Act, in which there are mandatory requisites such as: the date of the inventory, the full names of the members of the Commission and the cashier, the grounds for carrying out the inventory, the actual balance and the balance according to the accounting, on the day of the inventory. The inventory of the balances on the bank accounts in BGN and foreign currency is carried out by checking the balances on the accounts with the balances of the statements (bank boarder) on the bank accounts.

Other assets, such as deferred costs, based on documents when they are incurred.

Liabilities inventory: An inventory of the equity of the enterprise is carried out on its constituent parts fixed capital, reserves and financial result. The inventory shall be carried out based on the documents for registration and re-registration of the capital and the decisions taken by the general meeting of partners/shareholders, for the distribution of the financial result, for the formed reserves and their reduction, and the changes in the capital. The inventory of payables is analogous to receivables, i.e. in the inventory of the relations of account, with dispatch, resp. receipt of letters is checked and ascertains the actual amount of the undertaking's liabilities. It can be summarized that the inventory of assets and liabilities, documentation of its results, the proposals of the inventory bodies (commissions) to the management of enterprises (in protocols specially designed for this purpose), the evaluation and accounting of the results of an inventory.

2.The initial measurement of the assets and liabilities of the enterprise.

Measurement is the process of determining the amounts at which an entity's assets and liabilities, income and expenses at the balance sheet date are reflected. In the applied basis of accounting are known:

- Historical cost - this is a valuation that is made at the time of the transaction, when the assets are acquired or the assumption of liabilities. For assets, the current accounting valuation may be: the price of the surplus (when buying from outside) - when acquiring assets, at cost - for the assets created/produced in the enterprise and the fair price. For the assessment of liabilities - is the nominal value of what is due when they are repaid. This value reflects past events.
- Present value is a measurement that reflects the fair value of the net cash flows expected from the use of an asset or necessary to settle a liability. It shall apply at the date of the annual close and the annual financial statements to the assets, liabilities, income and expenses presented therein, if an accurate assessment can be made.
- Net realisable value is the amount at which an asset (or use) is realised on sale. This value reflects the future benefit of the enterprise.

The applicable standards regulate how specific assets and liabilities are initially valued.

On initial acquisition, non-current assets are valued at cost (cost), which includes the purchase price, including customs duties and any direct costs necessary to bring the asset forward. Undertakings should provide for a materiality threshold, subject to tax law, below which acquired assets, although they have the characteristic of a fixed asset, are treated as a current expense at the time of acquisition.

- Upon acquisition of property, plant and equipment under deferred payment, the purchase price is equivalent to the present value of the obligation, discounted on the basis of the interest level on credit resources borrowed by the Company with similar maturity and purpose. Borrowing costs for business construction or acquisition by outsourcing property, plant and equipment are capitalised only if they qualify for capitalisation under IAS 23 Borrowing Costs. Non-current assets that are built for future use are recognised as assets under construction and presented at cost until they are completed.
- Measurement of inventories - their initial measurement is at the lower of cost and net realisable value. It should be borne in mind that the cost of inventories is the sum of all costs of purchase, processing, and other costs incurred in delivering them to their present location and condition.
- Long-term investments in enterprises can be estimated as follows:

Long-term financial assets: An entity shall comply with IAS 27 Separate Financial Statements with respect to accounting for its investments in subsidiaries, joint ventures or associates, i.e. cost in accordance with IFRS 9 Financial Instruments and the equity method in IAS 28 Investments in Associates and Joint Ventures. Businesses may have the following long-term investments:

Investments in subsidiaries - in accordance with the provisions of IFRS 9 in the accounting policies of entities, it is provided that long-term investments representing shares in subsidiaries are presented in the annual individual financial statements at cost (cost). The cost is the fair value of the consideration paid, including the direct cost of acquiring the investment. Investments in subsidiaries are not traded on stock exchanges or stock market sales are minimal in size. This circumstance does not make it possible to provide quotations of market prices in an active market that sufficiently express the fair value of these shares. When buying and selling investments in subsidiaries, a trading date (conclusion of the transaction) applies. Investments in subsidiaries are written off when the legal grounds for this occur, e.g. when the rights arising from them to others are transferred upon the legal basis for this and the loss of control over the economic benefits from them. Microsoft® Translator

The accounting for the investment should be shown in the Investments in subsidiaries account. Some of the enterprises in which they have a capital participation may be in the same territory and the rest may be abroad.

Investments in associates: When investing in units or shares, an entity acquires an asset that allows it to acquire an influence in the other entity of 20 % or more of the voting power of the investee, that investor shall be deemed to have significant influence. As required by associates, the investment is primarily accounted for using an equity method, namely that the investment is initially entered at its cost and the carrying amount is increased or decreased to recognise the investor's share of the investee's profits or losses after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Income received through distribution by the investee reduces the carrying amount of an investor.

Income earned through distribution by the investee reduces the carrying amount of the investment. The accounting of the investment may be reflected in the Investments in Associated Companies account. Analytical reporting for these companies quantitatively (number of shares) and value should be created to the synthetic account. The financial statements shall present the proportion of the performance of the associate. If there is a change that is recognised directly in the equity of the associate, the Company shall recognise its share of those changes and, where applicable, disclose them in the statement of changes in equity. The financial statements of an associate are prepared for the same reporting period as those of the Company.

For all other assets and liabilities, the initial measurement is at historical cost.

3.Ex-post valuation of assets and liabilities. The subsequent valuation of assets and liabilities is provided for in different accounting standards according to the type of assets and liabilities. Non-current tangible and intangible assets are measured ex post (after acquisition) at the initial measurement less the depreciation charged to the financial statements date. IAS 16 also provides for the reverse option by recognizing it for profit or reward.

In accordance with IAS 16, when the carrying amount of an asset is reduced because of a revaluation, the decrease is recognized as a gain or loss. However, the decrease is recognized in other comprehensive income to the extent of an existing credit balance in the revaluation reserve in respect of that asset. The reduction recognized in other comprehensive income reduces the amount accumulated in equity under the item Revaluation Reserve. Standard enables the entire class of equipment to be revalued to which the particular asset belongs when a property, plant and equipment is revalued. In this regard, enterprises should provide in their accounting policies that they will revalue their assets as follows:

- For lands, buildings, etc. An entity prefers to apply the revaluation model. Revalued amount less subsequent accrued depreciation and any accumulated impairment losses. Revaluation of land, buildings, etc. is carried out by licensed assessors usually over a period of 5 years. A revaluation may take place in shorter periods when their fair value changes continuously and materially at shorter intervals.
- For all other classes of non-current tangible assets, the cost model is applicable to the enterprise.

The effects of revaluations shall be recorded in the financial statements for the year in which they are made. In cases where the new fair value of the assets exceeds their carrying amount, the difference between the values of the assets forms a new component of the revaluation reserve. Conversely, the difference between the two amounts is reported in the statement of comprehensive income, provided that no revaluation surplus has been established in prior periods. If it is formed, the difference shall be treated as a reduction in this reserve. The difference may exceed the amount of the reserve, whereby the excess is included as an expense in the statement of comprehensive income. On recognition of revalued assets, the revaluation surplus accumulated for them shall be transferred to undistributed profits. The carrying amount of non-current assets is subject to impairment review when there are events or changes in circumstances that indicate that the carrying amount could exceed their recoverable amount. he impairment is then included as an expense in a statement of comprehensive income. Investment property after initial valuation should choose one of two valuation models: cost or fair value

- Inventories, the amount of any write-down to net realisable value and any losses on inventories, are recognised as an expense during the period of impairment (or lossThe impairment is recognised as an expense and is shown under Impairment of assets in a statement of comprehensive income.

Provided that there are irrecoverable receivables, in case of legal grounds for this, the impairment of the receivables is accrued as other costs in correspondence with an corrective account for each type of receivable. The receivable may be written off at the expense of the formed corrective.

4.Estimation and accrual of provisions for liabilities Provisions are liabilities with an unspecified maturity or amount. Provisions are recognised for constructive and legal obligations arising from past events as required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets. 'A legal obligation is an obligation arising from:

- contract /according to its explicit clauses and by default/;
- legislation; or
- other operation of law.

A constructive obligation is an obligation that arises from the actions of an enterprise when:

- on the basis of an established trend of prior practice, published policies or a sufficiently specific current statement, the entity has shown other parties that it is prepared to accept certain responsibilities;
- as a result, the entity creates in other parties a certain expectation that it will discharge these responsibilities.

A provision is recognised when (IAS 37, 2021):

- the entity has a present obligation (legal or constructive) as a result of past events;
- it is probable that a flow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the value of the obligation can be made.

If these conditions are not met, a provision is not recognised. They are recognised at the best estimate by the entity's management at the end of the reporting period for the costs necessary to settle the present obligation. The amounts recognised for provisions are reviewed at the end of each reporting period and are restated to reflect the best current estimate.

5. **Account for the due part of deferred financial and non-financial income and expenses in the current year.**

Subject to regulatory provisions, an entity prepares its financial statements on an accrual basis. Thus, the effects of transactions and events are recognized at the time of their occurrence and included in the financial statements for the period to which they relate, i.e. current rather than in a subsequent or prior one. Recognition of the cost does not depend on making a payment to the supplier or receiving it from the customer. It is recognized in the financial statements when there is a decrease in future economic benefits associated with a decrease in an asset or an increase in a liability that can be measured reliably. Transactions and events that affect more than one reporting period are not treated as a current expense but as a consideration expense. It will be recognized as a current expense only when the income or benefits will be received in a future period. The opposite also applies to the recognition of revenue.

In most cases, businesses incur costs that they incur for a subsequent period. Deferred costs include the following operating costs, which are principally for a period of one year, such as:

- Insurance - enterprises have separate departments related to market research. They mainly conclude insurance contracts for the transport of cargo delivered by land, air and sea transport.
- Prepaid fees - for brokerage services, brokerage fees, renewal or certification of the relevant ISO certificates, etc., which may be current.
- Subscriptions - for specialized literature.
- Fixed asset rents - The foreign assets that enterprises use primarily under a lease that are represented by - accounts and items.
  - Other deferred costs are deferred for recognition as a current expense for the period in which the contracts to which they relate are performed. These costs include financial costs, which consist of interest expenses, including bank charges, bank guarantees, etc., as well as interest payments on financial leasing. (Conceptual Framework for Financial Reporting, IASB, 2018). Upon repayment of financial lease obligations, the future finance expense is reduced in a certain proportion, ie interest that is treated as a current finance expense and should be included in the Consolidated Statement of Comprehensive Income, not offset against the item Financial Charges. The remainder of outstanding contracts continues to be presented in the statement of financial position.

6. **Establish and allocate the due part of the financing income recognized as current in the financial result for the reporting period**.

In accordance with IAS 20 Accounting for State Grants and State Aid Disclosure, government grants are sometimes referred to by other names, e.g. subsidies, grants or premiums. Grants may relate to assets and revenues. Government funds related to assets, including non-monetary grants at fair value, are presented in the balance sheet either by presenting the grant as deferred income or by reducing the grant until the carrying amount of the asset is reached (24 of the IAS). At the end of each reporting period, accrued revenue is recognized to the extent that it is relevant to the current interim period and to the extent that it can be measured reliably.

Complying with IAS 20 for government grants, a grant shall be recognized in profit or loss on a systematic basis during the periods in which an entity recognizes as an expense the related costs that the grant is intended to compensate.

When an expense is expected to arise during several reporting periods and the relationship of expenditure to revenue can be determined only generally or indirectly, the expenditure is recognized based on procedures of systematic and rational distribution. Distributions as current expense are recognized in the statement of comprehensive income when the expense does not create a future economic benefit or when, and to the extent that, future economic benefit does not qualify or no longer qualifies for recognition of an asset in the statement of financial position. Expenditure shall be accounted for on an accrual basis and comparability with reported revenue.

7. **Relate the accumulated expenses of the group to Expenses by economic elements by purpose under the accounting for Operating Expenses and Ancillary Activity Expenses, if this has not already been done on an ongoing basis** (Milanova, Oresharov, 2012)

In cases where the expenditure accounts are not currently closed, they should be assigned to the activities concerned. If they are distributable, they must be properly allocated based based on their allocation provided for in the accounting policy. They are carriers of information about the type of costs from which the cost of the produced production or the service performed is formed. They are reflected in the statement of comprehensive income in determining the financial result.

8. **Reflection of the services performed by the ancillary activities depending on their functional purpose in the accounts of the town of 61 Expenses for the activity and the accounts of group 70 Sales revenue - presented as a separate stage** (Todorov, 2005).

Businesses must be registered to carry out specific activities such as: internal and external trade; research development; construction, service and repair services; commercial representation and intermediation; commission transactions; licensing deals; intellectual property transactions; leasing, etc.

For the calculation of the cost of services, the calculation account "Ancillary Activity Costs" should be completed

9. **Establishing the balances (starting and ending balances) of the Production Account, the Goods and Services Account, the Principal Activity Expense Account and the Ancillary Activity Expense Account to establish the impact of the value of work in progress in the financial statements**.

After the inventory has been carried out to establish the stocks (quantitatively and valued) of Production and their reflection in the inventories, a comparison is made through the comparative water bridges with the data reflected by accounting in the Production account. And value is added to a warehouse with a warehouse receipt, by types of products, by material-responsible persons, by warehouses, etc. A document that can be used in the coming of the production is a scale note in the production of the product, etc. The write-off of the output at its consumption is carried out by one of the methods provided for in the applicable standards, namely: recommended approach - the specified value, the first input - the first output (FIFO), the weighted average value, and if this approach cannot be applied, an alternative - the last input - first output (LIFO) value is applied.

The realization of the production through sale is documented with, which may be accompanied by a bill of lading, an order for shipment, a protocol for acceptance and delivery, a road transfer receipt, etc.

It is important to note that output as part of the inventories of enterprises is subject to write-down to net realizable value. It is recognized as a current impairment expense in the current year of occurrence and disclosed under Impairment of assets (Cost of sales) in the statement of comprehensive income. In a subsequent period, the impairment of the already impaired Output (if it is still in the enterprise) can be reversed, and this adjustment should be reflected by reducing the expense already reflected through an adjustment account to the Output account (resp. inventories).

Particular attention should be paid to the inventory of work in progress (in the case of manufacturing and service enterprises) with a view to correctly establishing the cost of production and sales or services. It is essential that the inventory prepared for specific products indicates their degree of readiness (completeness). Based on the data from the inventories, computational actions are carried out to establish the value of work in progress in total, by type of costs and by degree of completion, excluding materials that are not used in production or waste materials. The ascertained value of the pending proceedings may be at actual cost or at unchanging value. When it is not possible to determine the costs at a given time or to simplify the accounting process, the cost is reported invariably (planned, regulatory or similar).

The results of the calculation of the cost of production are established from the calculation accounts - costs for basic or ancillary activities.

Production is reflected as a current asset at actual cost, but it is also possible to be earned at indicative cost. The presentation of output is in the financial statements. The correct accounting presentation of this value is to adjust it to the actual value after its establishment. The correction is expressed in terms of a decrease, respectively. an increase in the value accounted for by a reversal, respectively. A complementary accounting article.

The accounts for recording expenses for main and ancillary activities may remain with a balance. The balance on these accounts is the sum of the non-finished products at a given time. which should be reflected as a current asset in the statement of financial position, even though it does not meet the definition of an asset at the time. Finished products are an asset that is an economic resource produced by an enterprise, and non-finished products are a resource that has the potential to produce economic benefits.

Where work in progress is not available, expenditure accounts are closed with revenues generated from the sale of production.

The calculation of the cost of the services may also be on some of these accounts, with the difference that the costs of performing them are compared with the revenues from sales of the services rendered to customers.

10. **Establishment of turnover in accounts Administrative expenses and Sales Expenses and their closure according to the criteria, indicators and basis for allocation to accounts from the city 70 Sales Revenue.**

The two types of costs are formed by the allocated costs by economic elements. These accounts shall include expenditure which cannot be attributed directly to the principal and ancillary activities. The closure of expenditure accounts is carried out currently, permanently and does not depend on the volume of production and its production cost. From these, the full and commercial cost can be ascertained. The debit turnover from these accounts is reflected in the statement of comprehensive income

11. **It is possible to provide for "preparation of advance trial balance before the closure of profit and loss accounts"** (Genov, 2016).

This is done to specify, in general, which expenses and income are expected to be recognised in the current period.

At this point, all documents must be accounted for in the enterprise with the management bodies of the enterprise all the above possible events. Before it comes to the closure of most accounts, a review of the available trial balance and, the balances and turnovers are checked and compared with the total turnover balance. Control is exercised about the pairs of draws in the synthetic trial balance.

The accounts reporting income and expenses for deferred periods are subject to close review. Provided there are costs, respectively. revenue relating to the current period should be recognised as current in the relevant revenue and expenditure accounts. Such costs can be from prepaid rents, insurance, prepaid fees, subscriptions, etc.

Finally is the verification of accounts with estimates of value added tax.

12. Closure of the accounts of the Operating Income group to the Profit and Loss of the current year.

Income arises in the ordinary course of an enterprise and is designated by various names, including sales, royalties, interest, dividends, royalties and rents (Conceptual Framework for Financial Reporting, IASB, 2018)

The sales revenue group may include revenues from the sale of products, goods, services and other operating income such as materials and surplus inventories, lawsuits, fines, penalties, as well as income from participations - dividends, income from foreign exchange operations, etc. This also includes interest income, including interest from affiliated enterprises and other interest. All these objects accounted for through transit income accounts are closed without balance, are reflected in the statement of comprehensive income.

In recognition of non-current assets, disposal gains and losses, such as sale proceeds (disposal), are reduced by the carrying amount of the asset and the costs associated with the sale. Indicate net to Other operating income (Other operating expenses).

On the sale of inventories, their carrying amount is recognized as an expense in the period in which the relevant revenue is recognized. The gain / loss on the sale of materials is determined by reducing the proceeds from sale by the carrying amount of the asset and the costs associated with the sale. Should be indicated net to Other operating income.

All income accounts in the group remain without balance after their closure with Profit and Loss from the current year. After their closure, it is possible to identify a financial result a profit or loss that is presented in the statement of financial position with a positive or negative sign.

IFRS 15 provides that revenue is recognized under the concept of transferring control of goods or services to the customer. This Standard provides for five stages for the recognition of revenue, whether for goods or services. An essential factor in recognizing revenue according to the degree of satisfaction of the performance obligation over time or at a given time.

Upon sale of a returnable asset, an adjustment is made to the recognized sales revenue for the period. An entity's promise to accept a returned product during the period during which the good can be returned is not accounted for as a separate performance obligation in addition to the refund obligation.

An entity shall apply an estimate of variable consideration in determining the amount of consideration to which the entity expects to be entitled. For all amounts received (or receivable) to which the entity does not expect to be entitled, it does not recognize revenue on the transfer of products to customers but recognizes those amounts received (or receivable) as a liability to refund. At the end of each reporting period, the estimate of the amounts to which it expects to be entitled in exchange for the transferred products is updated and makes a corresponding change in the transaction price and the amount of revenue recognized. The amount of the obligation for the refund is also changed to reflect its new amount. An entity recognizes the corresponding adjustments as an increase or decrease in revenue. The return asset is presented separately from the recovery obligation.

13. Accounting for the impact of exchange rates (Rupska, 2014) presents them as a separate stage of the annual closure of accounts.

Reflected as expenses and income related to foreign exchange operations and their closure. At the end of each reporting period, all foreign currency items are translated at a closing or exchange rate (IAS 21 The Effects of Changes in Foreign Exchange Rates). In the positive currency differences that have arisen, they are presented to the item Other operating income, and in the case of negative ones, they are presented to the item Other operating expenses.

14. Closing the accounts of the Financial Expenses group and the Financial Income group with the Profits and Losses account of the current year.

Financial charges include borrowing costs when not capitalized, the interest expense of finance leasing, incl. bank charges and other direct costs of loans to financial and non-financial institutions and bank guarantees. Interest expenses from affiliated enterprises may also be included here.

Financial charges are disclosed in the financial statements at the time of their inception and, for the period to which the Accounts relate, for reporting financial charges at the end of the reporting period are closed in correspondence with the Profit and Loss account of the current year.

The closure of accounts concerning financial revenues is similar. The effect on the financial result is positive.

15. After the closure of the accounts at the synthetic level (including income and expenses) and the establishment of the accounting financial result, a provisional trial balance shall be drawn up.

There are a second ones who note that from the preliminary and aggregated data in the trial balance is drawn up the profit and loss account, respectively for the comprehensive income, the establishment of the accounting financial summary and from there the preparation of the annual tax return.

The phased closure of the accounts is to attribute to the purpose and the income from economic elements to Expenses by Activity or to Income from Activities according to the approved accounting policy. Where necessary, costs are allocated on a specific basis defined in the accounting policy and then assigned to the activity. The basis for allocation may be to a specific area occupied, based on quantity or value, because of a specific type of expense in proportion to operating income, etc.

Under the Framework, only items that meet the definition of an asset, liability or equity are recognized in the statement of financial position. The same applies to items that meet the definition of income or expense but are recognized in the statement of comprehensive income. This simultaneous recognition of income and related expenses is called the comparability of expenses with revenue. However, the comparability requirement is not an objective of the Framework for Financial Reporting (IASB, 2018). Comparability between income and expenditure is provided for in national common standards. Expenditure is recognized in the financial statements when it establishes a direct link with revenue realized, resulting from the same transaction. The comparison of income and expenses forms the financial result, which may be profit or loss.

16. Development of the statement of comprehensive income and the statement of financial position before tax accrual.

The statement of comprehensive income - presents in a concentrated form the information about income, expenses and financial result during the reporting period. It is compiled based on information reflected in the accounts for expenses and revenues incurred during the reporting period, cost of sales, net results from the sale of property, plant and equipment, etc. It is compiled in thousands of levs, and its values from two consecutive reporting periods can be Compared. In preparing it, the principle of accrual accounting should be respected - certain transactions or events should be included in the financial statements for the period of their occurrence. The content and methodology in its preparation are regulated in the international accounting standards.

Statement of financial position - for its compilation is applied the method of economic grouping and aggregate reflection in monetary valuation of assets, liabilities and equity at a certain time.

Of course, there is an exception, i.e. when the entity presents all assets and liabilities by the degree of liquidity. In this regard, the assets of the enterprise are distinguished in the statement by degree of liquidity, with rapidly liquid, still current assets, those that are expected to be sold or held for trading purposes to be realized within 12 months. Current liabilities are those that are expected to be repaid within 12 months of the reporting date. All other assets and liabilities that do not meet the above conditions are treated as non-current.

The report is drawn up since information on the balances of the asset and liability accounts, capital and the expense and income accounts for future periods at the end of the reporting period (31.12). It does not specify balance sheet items for which accounting information is lacking. The items (balance sheet items/items) in it are shown by book value (book value – corrective) in the different groups by degree of materiality. It is compiled in thousands of leva and for two consecutive reporting periods, which allows the values to be compared.

17. Analysis of expenses and revenues and identification of all unrecognized ones in accordance with the requirements of the Corporate Income Act), which adjust the accounting financial result in the direction of increase and decrease.

The Conceptual Framework of Financial Technologies defines the concepts of costs and revenues. An entity shall distinguish when an expense/income arises to correctly reflect information in its financial statements.

The enterprise complies with the frameworks provided for in the Corporate Income Tax Act in respect of unrecognized accounting expenses and income. The tax law provides for restrictions on the accounting expenses and income that the enterprise incurs. They can be divided into two categories:

- Expenses and income that are concerned only in the current period and do not affect subsequent periods.

These accounting expenses and income are not recognized as an expense / income from the point of view of tax law and increase / decrease the accounting financial result.

Unrecognized expenses include any of the following: identified shortages of non-current and current assets, unless they are due to force majeure (e.g. natural disaster or theft), shortages of goods arising from commercial activity; expenses which are not documented within the meaning of this Act; expenses for accrued fines, forfeitures and other sanctions for violation of normative acts, interest for overdue public state or municipal liabilities; and others.

Unrecognized revenue includes some of the following: income for tax purposes; income from interest on unduly paid or collected public liabilities, as well as on non-refunded value added tax, charged by state or municipal authorities, etc.

The accounting financial result shall be adjusted for tax purposes by those so-called. constant differences in the year of expense accounting. These movements can lead to a change in the result, that is, from positive to negative.

- Expenses and income that arise in the current period and affect subsequent periods are not recognized as an expense / income in terms of tax law and increase / decrease the accounting financial result.

18. Transforms the accounting financial result and determines the tax base for charging tax. Preparation of annual tax return and determination of the corporate tax due

IAS 12 Income Taxes provides an explanation of when deferred tax assets and liabilities arise, namely when income or expense is included in accounting profit for one period and taxable profit for another period. The resulting deferred tax is recognized in profit or loss. At the end of each reporting period, an entity reviews unrecognized deferred tax assets. It recognizes deferred tax assets not recognized in a prior period to the extent that it is probable that future taxable profit will permit the recovery of a deferred tax asset.

Tax financial result is the accounting financial result, which is transformed in the direction of increase and decrease. It can be:

- The positive tax financial result is tax profit.
- The negative tax financial result is a tax loss.

It should be noted that the tax base for determining the corporate tax is the tax profit. Formed extra-accounting in the annual tax return.

19. Accounting reflection of the effect of temporary differences and charging of the tax due on the profit for the year. Closing of the Profit and Loss account from the current year and establishment of the balance sheet profit / loss for the year

The accounting reflection of the effects of temporary differences will cause a change in the debit and/or credit of the Profits and Losses account from the current year. There will also be a change in it from the accrual of current tax expenses. The account is closed and the final balance is established the balance profit / loss for the year.

20. Preparation of the final trial balance.

After the comparison of expenses and revenues in the statement of comprehensive income and the formation of the accounting financial result (profit or loss) of the enterprise, as well as the preparation of the Annual Tax Return, which determines the magnitude of the taxes on profit, the final trial balance is prepared. In its preparation, the changes in the preliminary turnover of accounts and the changes resulting from the accounting entries for determining corporate tax and deferred taxes (assets and liabilities) are reflected in its preparation.

After the closing operations, all analytical and synthetic accounts should be prepared with a trial balance (synthetic and analytical), through which a synthetic and analytical level check should again be made and it should be established whether there are incorrect amounts by dimensions. In case everything is checked and is true, one copy of the synthetic (and analytical) trial balance should be prepared and printed. They are kept final, i.e. trial balance after completion and before tax and should be signed by the accounting officer.

21. Preparation of a Statement of Financial Position, Statement of Cash Flows for the Period, Statement of Changes in Equity for the Period, Appendices and a Report on the Activities as at 31.12 of the current year

All actions by an entity shall comply with all IAS/IFRS Strictly comply with national and international regulations related to their activities and meet the requirements of international conventions.

The parent prepares consolidated financial statements that include the Company and its subsidiaries (collectively referred to as the Group) and the Group's participation in associates and jointly controlled entities. Those statements shall systematize information on transactions carried out by an entity during the year and other events (which are identified as such) and their impact on the entity's financial position and financial performance during the period. The information contained in them interests users both inside and outside the enterprise.

The financial statements, other than the statement of cash flows, are prepared on an accrual basis. They meet the general needs of most users, but do not provide all the information users may need for business decisions, as they largely reflect the financial effects of past events and do not necessarily provide non-financial information.

The statement of financial position - in addition to the above, the changes in some of the accounts related to taxes on profit, deferred taxes and financial result are reflected in its preparation. After their accounting, the statement should be equal/balanced, i.e. the assets should be equal to the equity plus liabilities.

The statement of comprehensive income - the second stage of its preparation is after the preparation of the Annual Tax Return, determination of the tax expense and the financial result after taxation.

Total comprehensive income consists of all components of profit or loss and other comprehensive income.

Cash flow estimates - cash flows from operating activities are accounted for using the direct or indirect method Companies primarily accept in their cash flow accounting and presentation policies to be prepared using the direct method because it provides information that may be useful in predicting the cost of future cash flows. It reflects the main groups of gross cash receipts and gross cash payments. Cash flows are classified as cash flows from:

- Operating activity - the main activity of the enterprise that generates income, as well as other activity that is not investment or financial. Here you can attribute proceeds from customers and trustees, payments to suppliers and trustees, paid and refunded taxes, payments and receipts of dividends, payments on labor remuneration, etc.
- Investment activity - covers the acquisition and sale of fixed assets and other investments not included in cash equivalents. To these may be added loans granted/refunded to/from related parties, payments for the acquisition of investments, etc. Presented separately in the Statement indicates what future income or cash flows the enterprise will have from the acquired resources.
- Financial activity - an activity that leads to changes in the amount and composition of the paid-in equity and borrowed funds of the enterprise. These include cash receipts from the issuance of shares or other equity instruments, repayments of money to owners for the acquisition or redemption of shares of the enterprise, cash proceeds from the issuance of bonds, loans, credits, notes, mortgages and other short-term or long-term borrowings.

It is possible to include cash flows that are classified in two different activities, such as repayment of a loan (repayment of principal and interest), principal may be classified as a financing activity and interest as operational.

The cash flow statement provides information not only to internal users (mainly shareholders), such as receiving dividends, but also to external users such as investors, creditors and others in order to make the right economic decisions. Investors in financial markets are interested in information about the cash flows of various public companies to find those in which they can invest their funds.

Statement of changes in equity - information on the compilation of individual equity items at the beginning and end of the period, as well as on changes in each of them during the current reporting period. The information is taken mainly from the balances of the accounting accounts for equity accounting, which includes:

Fixed (acationary) capital - The company reports its fixed capital at the nominal value of the shares registered in court. And the Charterers are liable for the obligations of the Company up to the amount of their shareholding in the capital and may claim the return of this participation only in liquidation or bankruptcy proceedings.

Reserves - formed mainly from profit distribution and include distributed amounts to the Reserve Fund and additional reserves formed from the distribution of profits realized by the Company in previous periods.

The revaluation surplus is formed by the positive difference between the inflate carrying amount of property, plant and equipment and their fair values at the dates of the revaluation. The revaluation surplus - transferred to accumulated profits at the end of each accounting period with the amortized cost representing the difference between depreciation based on the revalued book value and depreciation based on the cost of the Acquisition. It may be from a revaluation of the hemi, buildings, etc.

Retained earnings/losses - mainly include Total Comprehensive Income for the period and retained earnings/losses from historical periods.

Financial result for the current period - The company recognizes all items of income and expense during the period in profit or loss unless an IFRS requires or permits otherwise.

The note to the financial statements - its purpose is to provide analysis and analysis of the information specified in the relevant parts of the AFS. It discloses details related to amounts not disclosed in the main elements. They contain information about:

- which is required by the applicable SS;
- for the accounting policies applied, and in the event of a change, the reasons are disclosed;
- additional information not presented in some of the AFS elements;
- the amount of guarantees, contingencies, pension liabilities, to affiliated and associated undertakings, contingent liabilities, etc.
- for the methods of estimating the assets, liabilities, equity, income and expenses presented in the FO.
- on methods of calculating impairment losses, changes in non-current assets by preparing a statement on fixed assets, etc..

The Conceptual Framework of Financial Statements focuses on the presentation and disclosure of information as means of communication. The effective transmission of information in the financial statements makes that information more relevant and contributes to a fair presentation of the entity's assets, liabilities, equity, income and expenses. To present information in the financial statements, it is necessary:

- it should focus on the objectives and principles of presentation and disclosure rather than rules;
- be presented and grouped by similar elements, separately from the different elements;
- summarizing it in such a way that it is not hidden by either unnecessary detail or excessive generalization.

With respect to the objectives and principles of presentation and disclosure of information in the financial statements, an entity needs to be balanced in flexibility in providing appropriate information that represents its assets, liabilities, equity, income and expense faithfully and accurately, that information being comparable as for two reporting periods for the reporting entity. and in one reporting period for all enterprises.

For information in the financial statements to be effective, information specific to the entity must be presented in it and there should be no recurrence of information in different parts of the financial statements or unnecessary information because it may become incomprehensible.

22. Detailed information shall be provided to the management for the development of reports and for making the right decisions

The enterprise aims to continue to operate as a going entity, to provide a corresponding return on invested funds to shareholders as well as business benefits to other stakeholders and participants in its business, and last but not least to maintain an optimal capital structure. The information needs of interested users are constantly growing, but some of them (e.g. external users – shareholders, suppliers, customers, lenders, etc.) have limited access to information related to the activity of the enterprise (Hristov, Dimitrova, 2014). The main information source for these persons is precisely the financial statements that provide them with the necessary information about the results achieved by the enterprise (profitability), its property and financial status, as well as an assessment of the ability of managers to effectively use their resources to achieve pre-set goals (Filipova, 2012). Microsoft® Translator

The management of the enterprise needs information about the property and financial condition of the one entrusted to it at a certain time, as well as about the reasons for their change. This information is obtained by aggregating, grouping, vaulting data in order to obtain aggregated indicators that are formed in the process of current accounting. The aggregated data from the current accounting are used to obtain aggregated indicators for the needs of management. The periodic report is characterized by the fact that it has an important information significance in relation to the summarized reporting and economic information. It is applied at the close of accounts periodically, i.e. it summarizes the information through the trial balances that is used to prepare the financial statements. It controls as errors and omissions are identified. Managerial management actions cover in general:
setting the objectives, organizing the execution of tasks, reporting and regulating performance. Aimed at the present, it is always looking to the future, which requires to anticipate development, to work with perspective (Bonev, 2018).

This aggregate information, which is used in management to make management decisions as well as to monitor their implementation, must be timely, relevant, truthful, clear and accurate.

23. Exercising control over the observance of the accounting policy, as, if necessary, the management shall approve its change, as well as that of the individual chart of accounts

Enterprises shall develop accounting policies in accordance with accounting and tax legislation, which are related to the activity of the enterprise. The development, implementation and control shall be carried out by the persons who have developed and approved the accounting policy. The legal framework stipulates that the presentation and classification of items in the financial statements of the accounting policies and measurement methods are maintained and applied consistently over more than one reporting period in order to achieve comparability of accounting data and financial statement indicators, i.e. the principle of consistency of presentation and comparative information should be respected. An important factor is also the possibility of comparing with similar information about other enterprises and with similar information about the same enterprise, but for a different period and at a different date. Even if this possibility exists, such full comparability cannot be achieved since alternative options exist in the current accounting basis for the accounting treatment, measurement and disclosure of similar reporting objects, events and transactions. In this regard, if there are more reliable and appropriate alternatives for accounting for assets, liabilities, equity, income and expenses in the financial statements, an entity may not continue to treat those items in the manner provided for in accounting policies but should change them by changing its accounting policies. Such changes shall be disclosed in the Annexes to the annual report and the nature of the change and its consequences. The main objective is to make the information in the financial statements more reliable and relevant. In the provisions of the applicable accounting standards, a change is allowed not only at the beginning of the reporting period, but also at other times when required by law or by an accounting standard, or if the change will lead to a more accurate presentation of events or transactions in the financial statements, because the accounting policies of the enterprise always evolve adequately to the evolution of the productive forces and production relations (Jeliazkov, Kostova, 1995). It can be said that in a period of pandemic these changes are particularly relevant because the state provides enterprises with state grant aid, which should be accounted for in accordance with the regulations of IAS 20 and other accounting nominative acts.

In addition to consistent application of accounting policies, it is important that the responsible authorities monitor its proper application, monitor principles and conditions, and annually analyses it for the purpose of presenting financial information reliably and appropriately and to influence decisions made by users.

24. Identification of events after the end of the reporting period

Between the date of the statement of financial position as at 31.12 of the reporting year and the date on which the financial statements are authorized for issue. Events that occur are corrective and non-adjusting events occurring after the end of the reporting period. Taking into account the provisions of IAS 10 Events After the Reporting Period in Adjusting Events, an entity shall adjust the amounts recognized in the financial statements; or recognizes items that were not previously recognized , some being: a decision after the reporting period of a lawsuit; ascertaining, after the reporting period, the amount to be distributed from profit or bonus payments if the entity had an existing legal or constructive obligation at the end of the reporting period to make such payments events prior to that date (IAS 19 Employee Benefits). These and other adjusting events are accounted for and reflected in the annual financial statements to reflect the change they entail. The reason for this is that conditions for their existence were in place even before the balance sheet date, and only their finalization took place in the next reporting period.

Other non-adjusting events are also foreseen in IAS 10, such as: the loss of an entity's assets after the date of the annual financial statements; the adoption of a plan for discontinuing or restructuring operations for a period after the date of the annual financial statements; initiating important litigation arising solely from events occurring after the date of the annual financial statements; etc.

Adjusting events may also be called favourable events for an entity because they demonstrate conditions that existed at the end of the reporting period and are unfavourable (non-adjustable) that are indicative of conditions that arise after the reporting period.

Past period errors are omissions or misrepresentations of an entity's financial statements for one or more prior reporting periods that result from the non-use or misuse of reliable information. It may have been available at the time the financial statements were authorized for issue and could have been considered in the preparation and presentation of those financial statements. For this period.

They may be mathematical, misapplication of accounting policies, oversight or misrepresentation of facts and/or fraud. Within the meaning of IAS 8 Errors may arise in relation to the recognition, measurement, presentation or disclosure of components of the financial statements.

Errors that relate to the current period and are detected in the current period are corrected before the financial statements are approved for issue. Errors may be detected in a subsequent period and those prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period.

An entity retrospectively corrects the material errors of prior periods in the first financial report authorized for issue after they are.

25. Verification, certification, presentation and publication of the annual accounts (Oresharov, 2012)

According to the requirements of the regulatory framework, the prepared financial statements, which are subject to independent financial audit, are subject to inspection and certification by a registered auditor, and then approved by a decision of the General Assembly by the owners and published.

3. Conclusion

The annual closing of accounts is the final stage of the reporting process in the enterprise. During closing, a grouping and systematization of the data is carried out to obtain indicators characterizing the economic and financial position of the enterprise, the realized financial result, the changes in cash flows and equity for the reporting period. Its course goes through several successively related stages, taking into account the specifics of the industry in which the enterprise carries out its activities. Based on the indicators obtained in the course of annual closing, the annual financial statements are drawn up, from which all interested parties receive information on the basis of which they can make economic decisions.

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