Available online at www.aucjc.ro
Annals of the University of Craiova for
Journalism, Communication and Management

Volume 3, 49-61, 2017 *ISSN 2501-3513*

INFORMATIONAL CONTENT OF THE PERIODIC SYNTHESIS REPORTS

Aurelia DUMITRU[1], Andrei Bogdan BUDICĂ[2]

[1]PhD Candidate, University of Craiova (Romania)
[2]Assistant Professor, University of Craiova, FEAA (Romania)

Abstract
The financial reports are elaborated for the users that have enough knowledge on the business and economic activities and that study and analyse the information carefully. According to OMPF 1802 from December 29, 2014, OMPF 773/2015, OMPF 123/2016, the entities can be grouped into micro entities, small, middle and big entities. The grouping is made according to the trial balance finished at the end of the financial exercise 2014/2015. Those that have chosen a financial exercise different from the current year, determine the respective criteria, so that the end of the financial exercise can be on a date subsequent to the date of January 1, 2016, according to OMPF 123/2016.

Keywords: synthesis reports, financial information, economic entity
JEL classification:

1. INTRODUCTION

According to order OMPF 123/2016, the entities must not exceed on the date of the balance sheet the limits of at least two of the following three measurement criteria:

- The total amount of the assets: 1500000 lei
- The net turnover: 3000000 lei
- The medium number of employees during the financial exercise: 10

These elaborate financial reports that include:

- The abridged balance sheet code 10,
- The abridged profit-and-loss-account code 20;
- The form entitled "Informative data" code 30 and the one concerned with "The situation of the immobilized assets," code 40 were annexed to the documents.

Although the micro entities do not have the obligation to elaborate explanatory notes, according to the EY specialists, these must contain however information on the adopted accounting policies, financial engagements, the assets and contingent debts that are not stipulated within the balance sheet, the loans and credits granted to the members of the management and administration, the acquisitions of the personal actions.

The small entities, that are not part of the micro entities and that do not exceed the limits of at least two of the following three measurement criteria:

- The total amount of the assets: 17500000 lei
- The net turnover: 35000000 lei
- The medium number of employees during the financial exercise: 50

elaborate finacial report that include: the abridged balance sheet code 10, the abridged profit-and-loss-account code 20; explanatory notes of the annual financial reports. Optionally, there can be elaborated the situation concerning the modifications of the proper capital and/or the treasury flows. The form entitled “Informative data” code 30 and the one concerned with “The situation of the immobilized assets,” code 40 were annexed to the documents.

The medium and big entities, that on the date of the balance sheet exceed the limits of at least two of the following three measurement criteria:

- The total amount of the assets 17500000 lei
- The net turnover 35000000 lei
- The medium number of employees during the financial exercise: 50,

as well as the public entities, elaborate annual financial reports that include: the abridged balance sheet code 10, abridged profit-and-loss account code 20; explanatory notes of the annual financial reports. Optionally, there can be elaborated the situation concerning the modifications of the proper capital and/or the treasury flows. The form entitled “Informative data” code 30 and the one concerned with “The situation of the immobilized assets,” code 40 were annexed to the documents.

In the case of the newly established societies, these can elaborate for the first reporting exercise, abridged annual finacial reports or annual financial reports with five components and annual financial reports in the format valid for the micro entities (Munteanu, 2012; Pântea & Bodea, 2014; Stefanescu, Pitulice & Mihalcea, 2017).

2. INFORMATION PROVIDED BY THE BALANCE SHEET

The structure of the balance sheet - (F 10), the main indicators are: immobilized assets, circulating assets, short term investments, bank accounts, expenses in advance, debts: the sums that must be paid in less than a year, commisions, incomes in advance, capital and reserves, capital surpluses, reserves and reevaluation, reserves, the the carried profit, the net and the gross profit, the total of equities.

The balance sheet helps us underline the main characteristic of the accounting method that is the double representation of the wealth (Feleaga & Feleaga, 2007; Iacob, Ionescu & Goagără, 2007; Iacob, Ionescu & Avram, 2011; Neacşu & Feleagă, 2017).

The balance sheet reflects valorically teh balance between the economic goods and their financing resources (http://biblioteca-digitala-online.blogspot.com/2013/01/conceptul-de-bilant.html). The balance sheet is represented by a table made up of two distinct parts: the left side, that stands for the assets, the economic goods and the right side, that stands for the liabilities.

2.1. INFORMATION USED BY THE PROFIT-AND-LOSS ACCOUNT

The structure of the profit-and-loss account: (F20)

The companies must include, whether in the profit-and-loss account, or within the notes made on the profit-and-loss account an analysis of the expenditure, making use of a classification based either on the nature of expenses, or on their function in the company. It comprehends: the production income and spending, the turnovers, the financial income and expenses, the extraordinary income and expenses, the gross profit or loss, the net profit or loss:

The profit-and-loss account (Vuță, 2009, p. 31) is a component of the balance sheet that has been introduced as a necessity of verifying the observance of the fiscal interests by the institutions of the state, as a way of obtaining information, necessary for the management of the company, for the administrator, as an area of interest with respect to the profit, the sources of profit, the structure of expenditure for the completed financial exercise. Furthermore, it provides the familiarization with the way of exploting the results obtained by the comparison between the values related to the selling process, called incomes, and those referring to the consumption or use of the resources related to the incomes, called expenses. The Profit-and-Loss account is represented by a list, a vertical scheme, or by a bilateral sheet, a horizontal scheme. We must notice the separation of the exceptional expenses and incomes from the current ones (Herndon, 2016; Ferris, Eckstein & DeHond, 2017; du Toit-Brits & van Zyl, 2017).

The result of the financial exercise (OMPF no. 123/2016) can be favourable, that is a gross taxable profit or unfavourable, called the loss of the exercise, determined by the deduction from the total incomes of the total expenses. When the total expenses are higher than the total incomes, losses are registered.

Not only within the profit-and-loss account, but within the entire financial accounting, the incomes and expenses are presented as follows: for the incomes, we take into account the nature of results and the nature of the company's activity, while for the expenses, we must have in view the type of the used resources and the type of activity developed by the economic society.

The incomes are the following: incomes from sales, incomes from the stored products, incomes from immobilized production, other exploitation incomes, interest incomes, other financial incomes, exceptional incomes from capital and management operations, incomes from amortizations and commissions. The incomes are structured in relation to the kind of the used resources, thus: raw material expenses, materials and goods expenses, third party expenses, duties and taxes expenses, salaries and personnel expenses, interest expenses, other financial expenses, personnel expenses, interest expenses, other exceptional expenses concerned with the capital and management operations, amortization expenses (Quffa, 2016; Ślusarczyk, Baryń & Kot, 2016).

The profit-and-loss account is structured according to exploitation, financial and extraordinary incomes and expenses. The result obtained, whether a profit or a loss, is differently determined for each group, the exploitation, the financial and the extraordinary(Othman, Noordin, Sembok, Kheder, Ibrahim & Kazi, 2016; de Beer & Mentz, 2017; Qian & Huang, 2017).

The calculation of the indicators concerned with the activity of exploitation, as it is seen through the profit-and-loss account is largely dealt with in the accounting system from our country.

2.2. INFORMATION PROVIDED BY THE TREASURY FLOWS

The situation of the treasury flows (OMPF no. 123/2016). The important tax payers have the duty to elaborate the treasury flows when they develop the anual financial situations. The situation of the cash flow indicates where, what, how, why and how much cash was obtained and then spent, the modifications of the cash flows from one period to another. It is standardized by IAS 7 and OMPF 1802/2014. There are two methods concerned with the development of treasury flows, the direct and the indirect method. The treasury flows consist of:
Exploitation activities (Feleagă & Feleagă, 2007, p. 23):
Cash inflows: from goods and services sales; from the rentability of borrowings, the interest; any other incomes considered exploitation incomes according to the law of financial accounting.
Cash ourflows: to the suppliers for the acquired stocks; to the employees and other suppliers for godos and services; to the state, under the form of taxes, budget debts; credit interests; any other expenses accepted by the law of financial accounting as an exploitation activity.

Investment activities.

Cash inflows: from the sale of assets, such as lands; form the sale of debt instruments or equities of other commercial societies; within the sale of other debt instruments of other commercial societies that have been acquired by the economic entity.

Cash outflows:

Payments made from the cash flow for the acquisition of the productive assets, lands; payments made for the acquisition of debt instruments or equities of other companies; the payment of borrowings to other companies.

Financing activities.

Cash inflows: cash inflows from the sale of the equity instruments;

Cash outflows: the payment of dividends to the shareholders; acquisition of the circulating capitals; the repayment of the long term debts.

a) The critical method. The critical method makes reference to the cash flow from the components of the exploitation related cashinflows and outflows, comapred to the adjustment or conversion of the net income by elements that do not affect the funds of the company. According to the Ias 7, the treasury flow in relation to the cash flow includes the monetary disponibilities and the demand deposits. It is a quick method, a professional accounting soft that generates daily this relation between receipts and payments, if the data are daily registered by the process of finacial accounting. The data can also be registered manually in a less professional accounting program, that maintains however the same condition, the correct, daily registration of the documents, in a chronological order.

b) The indirect method. The indirect method deals with the cash and cashflow from the components of exploitation related cash inflows and outflows, by the adjustment of the incomes and expenses obtained after the cash transactions on the net income of the company.

The explanatory notes of the annual financial reports must present information on the accounting regulations that lie at the basis of the elaboration of the annual financial reports, as well as on the accounting policies used (Bojian, 2001; Ristea, Dumitru & Ioanăș, 2009; Ristea, 2010; Sălceanu, 2012; Brzeszczak & Czuma-Imiołczyk, 2017). The explanatory notes must also offer additional information that do not exist in the balance sheet, profit-ans-loss account, if there are modifications, equity movements, the situation of the cash flows.

2.3. INFORMATION PROVIDED BY THE REPORT ON THE EQUITY MODIFICATIONS

Both the big and public interest entities must elaborate the report on the equity modifications (Man, Vladutescu & Ciurea, 2009). These entities elaborate the report on the equity modifications and present as a constituent part of their annual financial situations. The equity modifications of an entity between the beginning and the end of the reporting period reflect the increase or decrease of the net assets throughout the period (Zhuravskaya, Morozova, Anashkina & Ingaldi, 2016; Kovacs & Kot, 2016; Grabara, Brezeanu & Paun, 2016; Grabara, 2017). Consequently, the report on the equity modifications must underline: the capital transactions with the owners, the deliveries to them, the outstanding balance of the accumulated profit or loss at the beginning of the balance sheet and on the date of the balance, the modifications made during the financial exercise, a reconciliation between accounting value of each category of equity at the beginning and the end of the financial exercise, with the distinct presentation of each modification; the net profit or the net loss of the period, each income or expenditure element is accepted within the equity and the ensemble of these elements, the effect generated by the modifications of the accounting policies and the correction of the fundamental errors (Dobrotă, 2016; Hussein, 2017; Ланцова, 2017).

2.4. INFORMATION PROVIDED BY THE EXPLANATORY NOTES

The content of the explanatory notes concerning the anual financial reports for all the entities. All the entities must include, (within the explanatory notes on the financial reports), in addition to the information asked for according to other dispositions of the current regulation, information on: the adopted accounting policies, the assessment bases applied to various elements; the conformity between the adopted accounting policies and the accounting principles stipulated by the regulations. OMPF no. 1802 from December 29, 2014.

All the entities must include, in addition to the information asked for according to the legal dispositions, explanatory notes on the anual financial reports, that must contain:

§ The adopted accounting policies concerned with: the assessment bases applied to the various elements, the conformity between the accounting policies and the accounting principles, any significant modifications of the adopted accounting policies.

§ A tabel for the immobilizations that are evaluated at reevaluated values, that should underline: the movements of the reevaluation reserve during the financial exercise, with explanations for the fiscal treatment of the content elements, the accounting value that would have been noticed in the balance sheet if the corporal immobilizations had not been reevaluated.

- If the financial instruments are corectly evaluated: the significant hypotheses that lie at the basis of assessment models and techniques for each category of financial instruments, the accurate value, the value modifications directly included in the profit-and-loss account, as well as the modifications included in the reserves of accurate value, information on the nature of instruments, for each class of financial instruments, the significant terms and conditions that can affect the value, the cash flows, the equity movements that take place during the financial exercise.
- The total value of the financial engagements, assets, debts, guarantees, contingent debts, not included in the balance sheet, indicating the nature and form of each real guarantee, any kind of engagements concerned with the pensions, the associated and/or affiliated entities.
- The toatl sum of the loans and credits granted to the administration and governing bodies, together with the designation of the rates of interest, conditions, reimbursed, amortized sums, engagements under the form of guarantees, with the specification of the total sum for eac category.
- The total number and the structure of the individual elements of incomes or expenses, with an exceptional incidence.
- The sums owed by the entity that become exigible after more than 5 years, as well as the value and the total value of the entity's debts covered by real guarantees, with the specification of those guarantees' nature and from.
- The medium number of employees during the financial exercise.

REFERENCES

Bojian, O. (2001). Bazele contabilității. București: Ed. ASE.

Brzeszczak, A., & Czuma-Imiołczyk, L. (2017). Czestochowa municipal company as an entity performing commune's own tasks in terms of waste management in Czestochowa city. World Scientific News, 72, 77-85.

de Beer, J. J., & Mentz, E. (2017). A cultural-historical activity theory focus on the holders of indigenous knowledge as self-directed learners: Lessons for education in South African schools. Suid-Afrikaanse Tydskrif vir Natuurwetenskap en Tegnologie, 36(1), 11-bladsye.

du Toit-Brits, C., & van Zyl, C. M. (2017). Self-directed learning characteristics: making learning personal, empowering and successful. Africa Education Review, 1-20.

Feleaga, L., & Feleaga, N. (2007). Contabilitate financiara o abordarea europeana si internationala, vol. II.

Ferris, D., Eckstein, G., & DeHond, G. (2017). Self-directed language development: A study of first-year college writers. Research in the Teaching of English, 51(4), 418.

Gabriela, Dobrotă (2016). The Growth Rate of Public Debt in Romania-Determinant of a Real Strategy Management. Annals of'Constantin Brancusi'University of Targu-Jiu. Economy Series.

Grabara, J. K. (2017). The another point of view on sustainable management. Calitatea, 18(S1), 344.

Grabara, J., Brezeanu, P., & Paun, A. P. (2016). The Correlation Analysis Between the Public Debt, the Budget Deficit and GDP in Romania. Social Sciences and Education Research Review, 2(1), 5-15.

Herndon, V. L. (2016). Changing places in teaching and learning: A qualitative study on the facilitation of problem-based learning (Doctoral dissertation, Capella University).

Hussein, S. (2017). The effect of green marketing on lebanese consumer behavior in retail market. British Journal of Marketing Studies, 5(4), 49-62.

Iacob, C., Ionescu, I., & Avram, M. (2011). Contabilitate de gestiune: sinteze şi aplicaţii. Universitaria.

Iacob, C., Ionescu, I., & Goagără, D. (2007). Contabilitate de gestiune: conformă cu practica internaţională. Universitaria.

Janmaimool, P. (2017). Application of Protection Motivation Theory to Investigate Sustainable Waste Management Behaviors. Sustainability, 9(7), 1079.

Kovacs, G., & Kot, S. (2016). New logistics and production trends as the effect of global economy changes. Polish Journal of Management Studies, 14(2).

Man, M., Vladutescu, S. & Ciurea, V. (2009). Reflections on the Evolution of Romanian Pre-University Educational Organisations. Annual of the University of Mining and Geology "St. Ivan Rilski", 52, 187-190.

Munteanu, V. (2012). Audit financiar contabil. Ediția a doua. București: Editura Pro Universitaria.

Neacşu, I., & Feleagă, L. (2017). Evoluţii şi tendinţe privind legislaţia preţurilor de transfer din România: este nevoie de o schimbare?. Audit Financiar, 15(145).

Othman, R., Noordin, M. F., Sembok, T. M. T., Kheder, A. M., Ibrahim, E. N. M., & Kazi, S. H. (2016). Relationship and Design Model for a Web Based System Utilizing Self-Directed Learning.

Pântea, I. P., & Bodea, G. (2014).Contabilitatea financiară. Intelcredo.

Qian, Z. W., & Huang, G. (2017). Human Capital and Innovation Ability in Medical Education: An Empirical Study. Eurasia Journal of Mathematics, Science and Technology Education, 13(8), 5395-5403.

Quffa, W. A. (2016). A Review of the History of Gender Equality in the United States of America. Social Sciences and Education Research Review, 3(2), 143-149.

Ristea, M. (2010). Contabilitate financiara. București: Ed. Economica.

Ristea, M., Dumitru, C. G., & Ioanăș, C. (2009). Contabilitatea societăţilor comerciale. Bucureşti: Editura Universitară.

Sălceanu, A. (2012). Contabilitate financiară. Bucuresti: Ed. Economica.

Ślusarczyk, B., Baryń, M., & Kot, S. (2016). Tire Industry Products as an Alternative Fuel. Polish Journal of Environmental Studies, 25(3).

Stefanescu, A., Pitulice, I. C., & Mihalcea, F. (2017). Empirical Research on the Internal Audit. Perspective of the Professionals within the Romanian Banking System. Ecoforum Journal, 6(1).

Zhuravskaya, M., Morozova, E., Anashkina, N., & Ingaldi, M. (2016). Toyota-oriented technologies as ecological management tools for transport enterprises. Polish Journal of Management Studies, 13(2), 192-203.

Ланцова, М. В. (2017). Управление информационными потоками в контексте внедрения бережливого производства. Приволжский научный вестник, (2 (66)).