

# CONTENTS

<b>Preface</b> . . . . .	9
<b>List of acronyms</b> . . . . .	11
<b>Introduction</b> . . . . .	13
CHAPTER I	
<b>Financial accounting as a source of business information</b> . . . . .	17
1.1. The concept of accounting and its functions . . . . .	17
1.2. Accounting principles . . . . .	21
1.3. Users of information provided by accounting . . . . .	24
1.4. Legal accounting regulations in Poland. The Accounting Act . . . . .	28
1.4.1. Sources of accounting law in Poland . . . . .	28
1.4.2. The structure of the Accounting Act . . . . .	29
1.4.3. Areas regulated by the Accounting Act . . . . .	31
1.4.3.1. Accounting policies . . . . .	32
1.4.3.2. Account books . . . . .	34
1.4.3.3. Inventory . . . . .	36
1.4.3.4. Valuation methods . . . . .	38
1.5. Final remarks . . . . .	40
CHAPTER II	
<b>Financial statements as the final product of the accounting system in the light of basic theoretical concepts and Polish regulations</b> . . . . .	43
2.1. The concept of financial statements, their purpose and types . . . . .	43
2.2. "True and fair view" as the main principle of preparing financial statements . . . . .	46
2.3. Quality characteristics of financial statements . . . . .	49
2.4. Financial statements according to the Accounting Act . . . . .	51
2.4.1. Preparation of financial statements . . . . .	51
2.4.2. Balance sheet as a static account of assets and equity . . . . .	53
2.4.3. Profit and loss account . . . . .	58
2.4.4. Statement of changes in equity (found) . . . . .	62
2.4.5. Cash flow statement . . . . .	65
2.4.6. Notes to financial statements . . . . .	70

2.5. Management report . . . . .	71
2.6. Financial reporting of micro entities . . . . .	73
2.7. Financial reporting of small entities . . . . .	77
2.8. Consolidated financial report . . . . .	79
2.9. Examination of financial statements . . . . .	82
2.10. Approval, availability and publication of the financial statements . . . . .	85
2.11. Final remarks . . . . .	88

CHAPTER III

<b>International regulation of financial statement . . . . .</b>	<b>89</b>
3.1. The accounting harmonisation process . . . . .	89
3.2. Financial reporting according to the International Accounting Standards Board . . . . .	93
3.2.1. Conceptual framework of financial reporting . . . . .	93
3.2.2. Statement of financial position . . . . .	97
3.2.3. Statement of profit or loss and other comprehensive income . . . . .	100
3.2.4. Statement of the cash flows . . . . .	105
3.2.5. Statement of changes in equity . . . . .	107
3.2.6. Notes to financial statements . . . . .	108
3.3. International Financial Reporting Standard for Small and Medium-sized Companies . . . . .	113
3.4. European Union regulations . . . . .	121
3.5. Common financial reporting concept of IASB and FASB . . . . .	127
3.6. Final remarks . . . . .	134

CHAPTER IV

<b>Reporting of non-financial information . . . . .</b>	<b>135</b>
4.1. The essence of reporting non-financial information . . . . .	135
4.2. Practice of reporting non-financial information . . . . .	137
4.3. Actions for the standardization of non-financial information reporting . . . . .	141
4.4. Non-financial reporting under EU Directives . . . . .	144
4.4.1. Directives 2013/34/EU and 2014/95/EU . . . . .	144
4.4.2. Guidelines on disclosure of non-financial information . . . . .	148
4.5. Non-financial reporting under Polish regulation . . . . .	152
4.7. Final remarks . . . . .	156

CHAPTER V

<b>Integrated reporting as a holistic model of showing the results of the company's operations . . . . .</b>	<b>159</b>
5.1. The essence of integrated reporting . . . . .	159
5.2. Efforts for standardization of integrated reports . . . . .	162
5.2.1. Integrated reporting framework of IIRC . . . . .	162
5.2.2. GRI guidelines . . . . .	166

5.3. Integrated reporting in practice . . . . .	169
5.4. Final remarks . . . . .	174
<b>CHAPTER VI</b>	
<b>Shaping financial reporting by enterprises in theory and practice . . . . .</b>	<b>177</b>
6.1. The right of choice as the premise of accounting policy . . . . .	177
6.2. The goals and instruments of the accounting policy of an enterprise . . . . .	182
6.3. Limits of creativity in accounting . . . . .	187
6.4. The essence of fraudulent accounting . . . . .	194
6.5. The reasons for financial and accounting crimes and their favorable circumstances . . . . .	196
6.6. Methods of accounting fraud . . . . .	200
6.7. Final remarks . . . . .	205
<b>CHAPTER VII</b>	
<b>Measures to ensure high quality of financial statements of enterprises . . . . .</b>	<b>207</b>
7.1. The essence of the system of supervision and control of financial reporting . . . . .	207
7.2. The reform of the system of supervision of public enterprises in the USA. (The Sarbanes-Oxley Act) . . . . .	211
7.3. Directives of the European Union . . . . .	216
7.4. Regulations in force in Poland . . . . .	220
7.5. Corporate governance – part of the system of supervision of financial statements . . . . .	223
7.6. Ethical norms . . . . .	230
7.7. Final remarks . . . . .	237
<b>Conclusions . . . . .</b>	<b>239</b>
<b>References . . . . .</b>	<b>241</b>
<b>List of acts . . . . .</b>	<b>257</b>
<b>Other sources . . . . .</b>	<b>261</b>
<b>List of figures and tables . . . . .</b>	<b>262</b>