Guidelines and Recommendations for Improving the Micro Entities Model of Financial Reporting

Žager, Katarina; Dečman, Nikolina

Available online at www.sciencedirect.com

ScienceDirect

Procedia Economics and Finance 39 (2016) 451 – 457

Procedia Economics and Finance

www.elsevier.com/locate/procedia

3rd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and TOURISM, 26-28 November 2015, Rome, Italy

Guidelines and Recommendations for Improving the Micro Entities Model of Financial Reporting

Katarina Zager[a], Nikolina Decman[a]*

[a]*Faculty of Economics & Business, University of Zagreb, Trg J. F. Kennedya 6, Zagreb 10 000, Croatia*

Abstract

In most countries, micro entities have a predominant share in the total number of registered entities. Administrative relief for micro entities is lately one of the most common requirements regarding their financial reporting practices. This subject is particularly actualized with recent amendments to new accounting directive (2013/34/EU). In this context, the creation of a more appropriate financial reporting model, customized for micro entities, represents a current scientific and professional challenge. Comparing the existing financial reporting solutions in the EU and Croatia it has been noticed that for now in Croatia there is no space for simplifying regulations even though the results of empirical research confirm the need for simplification of financial reporting model for micro entities.

Peer-review under responsibility of the Organizing Committee of BEMTUR- 2015

Keywords: financial reporting model; accounting directive; national legislation; financial statements; micro entities; Croatia

1. Introduction

Business of micro enterprises is specific for many reasons. On the one hand, business is simpler, there is much lower volume of transactions present, owners generally completely independently manage the company, etc. Very often they have difficulties with accessing bank credit and almost no chance of financing through the capital market. In most countries, micro entities have a predominant share in the total number of registered entities. Although their business is much simpler, micro entities generally have to apply the same accounting rules as for example medium-

* Nikolina Decman. Tel.: +385 1 238 3236
E-mail address: ndecman@efzg.hr

Peer-review under responsibility of the Organizing Committee of BEMTUR- 2015
doi:10.1016/S2212-5671(16)30348-3

sized entities i.e. entities with a much larger number of employees and much more complex business transactions. This situation causes problems in business practice, especially in the area of financial reporting.

Administrative relief for micro entities is lately one of the most common requirements regarding their financial reporting practices due to fact that costs of financial reporting exceed their expected benefits. This subject is particularly actualized with recent amendments to EU accounting directive e.g. with the introduction of the category of micro entities in the content of this most important European regulation. Each EU Member State has the task to concretize the implementation of the main provisions of the new 2013/34/EU Directive. The Directive offers Member States the possibility of self-regulation in the area of financial reporting undertakings, but in a way that provisions of national legislation are not inconsistent with the Directive.

Croatia as EU Member State had an obligation to incorporate the provisions of the new directive in the national legal framework, which was done in July of 2015. Considering the fact that typical Croatian entity is micro-sized, it is particularly important to analyze provisions concerning the possibility for simplifying the regulation of their financial reporting. In this context, the creation of a more appropriate financial reporting model, customized for micro entities in the Republic of Croatia, represents a current scientific and professional challenge. Guidelines and recommendations for its improvement are serving as a tool for realizing fundamental objectives of this research.

2. Characteristics of micro entities and their regulatory framework

Lately, financial reporting of micro entities has been the subject of discussion of many professional associations, standards creators, institutional and regulatory bodies at the international and national level. Finally, it should be noted, that this Directive is a result of ever-present need of accounting regulation simplification for these numerically significant group of the economy. Directive 2013/34/EU "*takes into account the Commission's better regulation programme, and, in particular, the Commission Communication entitled Smart Regulation in the European Union, which aims at designing and delivering regulation of the highest quality whilst respecting the principles of subsidiarity and proportionality and ensuring that the administrative burdens are proportionate to the benefits they bring*" (European Parliament & Council of the European Union, 2013).

The first question that arises is how to define micro-entities? Should only quantitative classification criteria be respected or should we consider some specifics of the economic environment in which the entity operates? Or is it sometimes favorable to use qualitative criteria in highlighting the importance of the subject, and thus on their rights and obligations arising under the criteria of classification. Practice shows that the values, which serve as a classification criteria, are changing in accordance with the circumstances and current economic conditions. The New accounting directive of the European Union (2013/34/EU) defines quantitative criteria that determine what is meant by the concept of micro, small and medium enterprises. The current criteria and the corresponding values are based on average number of employees, value of net turnover and the value of total assets (table 1).

Table 1. Classification criteria for undertakings and groups (according to accounting Directive 2013/34/EU)

Criteria/Size	Micro undertakings	Small undertakings	Medium-sized undertakings	Large undertakings	Small groups	Medium-sized groups	Large groups
	do not exceed the limits of at least two of the three			exceed at least two of the three	do not exceed, on a consolidated basis, the limits of at least two of the three		exceed at least two of the three
Net turnover	€ 700,000	€ 8,000,000	€ 40,000,000	€40,000,000	€ 8,000,000	€ 40,000,000	€40,000,000
Balance sheet total	€ 350,000	€ 4,000,000	€ 20,000,000	€20,000,000	€ 4,000,000	€ 20,000,000	€20,000,000
Average number of employees during the financial year	10	50	250	250	50	250	250

It is interesting to notice that latest amendments to the Directive require the introduction of the new size category i.e. micro entities. This category includes small legal entities that employ fewer than 10 employees, generate net turnover less than € 700,000 or have the value of the total assets of less than € 350,000. As the table above (table 1) shows the term small undertakings implies those entities which exceed at least two of the following three criteria; have less than 50 employees, the value of total assets is less than € 4 million and net turnover value is less than € 8 million. Medium-sized entities are those that exceed the requirements defined for small businesses, but do not meet the requirements for large enterprises. In addition, due to distinction of financial reporting requirements, new Directive recognizes difference between undertakings and groups (parent and subsidiary undertakings to be included in the consolidation). Although the criteria and values that are implemented in the EU classification changed in accordance with the economic situation, the most persistent criterion has always been the number of employees. Classification criteria are particularly important as they serve as the basis for determining the rights and obligations of individual entrepreneurs. Therefore, they cannot fully be considered outside the context of national or wider regional area in which an entity operates.

Legislations issued by the European Commission (regulations, directives, decisions, guidelines etc.) particularly affect the financial reporting of micro entities in EU. Besides the above mentioned, generally accepted international financial reporting standards that have been issued by the IASB also affect the national accounting legislation. In this sense, we need to mention the IFRS for SMEs that have been developed specifically for small and medium enterprises whose scope and content should be tailored to their specific information needs. IASB characterized these standards as applicable for all SMEs including micro enterprises. In order to facilitate their understanding for micro entities in 2013 *A Guide for Micro-sized Entities Applying the IFRS for SMEs as issued in July, 2009* was released. It is important to note that it is not a separate Standard for micro entities and its primary intention was to help micro entities to identify more easily the requirements of the IFRS for SMEs that are relevant to them. (IFRS Foundation, 2013). European Commission with Regulation from 2002 (1606/2002/EC Regulation on the application of international accounting standards) introduced the mandatory application of full IFRS in preparing the consolidated financial statements for all companies listed on the stock exchange. In terms of financial reporting regulation of other businesses (which includes predominantly micro entities) EC does not prescribe specific standards, but provides guidance and financial reporting framework by accounting Directives under the condition that nationally defined financial reporting standards are not contrary to it. The paper will furthermore analyze the possibility of simplifying accounting regulations of micro enterprises in accordance with the new EU directive from 2013 compared with the information requirements of the most important users of their financial reporting.

3. Impact of a new accounting directive on micro entities financial reporting

Before presenting in detail the possibility of simplifying accounting regulations below are presented study results conducted by EY on behalf of the European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SME's (DG GROW). The key objectives of the study were “to provide information about the current most recurring legal requirements in Europe and to present findings on the most recurring legal requirements in comparison with the users' and preparers' needs in specified accounting areas for those European SMEs which are not covered by harmonized EU accounting rules” (EY, 2015). Since the study presents results for micro, small and medium enterprises separately, this paper will include only the results associated with the reporting of micro enterprises. For the purpose of the EY study, micro enterprises are defined as entities that do not exceed the limits of 2 out of 3 criteria (balance sheet total € 350,000, net turnover € 700,000 and average number of employees between 3-10). These entities are usually established as personally owned limited and unlimited liability partnerships, co-operatives, associations, etc. Although this study was published in 2015, it should be noted that the presented results refer to the period before the adoption of new accounting Directive 2013/34/EU. Table 2 presents summary of combined findings including desk research and survey results. The research results confirm the fact that the micro entrepreneurs typically apply the same financial reporting rules as well as small businesses and that there are no significant differences in the organization of their accounting systems or financial reporting framework at the level of observed European countries (Austria, Poland, Belgium, Portugal, Bulgaria, Romania, Croatia, Slovakia, The Czech Republic, Slovenia, Denmark, Spain, Estonia, Sweden, France, The Netherlands, Germany, Turkey, Greece, The UK, Hungary, Ireland, Italy, Lithuania, Norway). However, it is evident that micro entities, as a separate category of small businesses, in terms of meeting the demanding criteria of the existing regulations are not in a favorable position. Therefore, it seems important to point out possibilities of exemption for micro enterprises in the area of financial reporting in order to achieve their growth and development.

Table 2. Financial reporting practices for European micro-sized entities before 2013/34/EU Directive adoption (adjusted according to EY, 2015, pp 322-330)

		Survey results
Accounting system	Management accounting	No obligation regarding management accounting is foreseen by national legislations, regulations and/or recommendations.
	Tax Accounting	No recurring legal requirement with regard to tax accounting is identified. In general the tax results are based on the accounting result. Differences between the tax result and the accounting result are documented in separate tax calculation/declarations. In practice, preparers indicate that they produce tax accounting.
Accounting framework	Accounting principles	Accrual based accounting is foreseen as the accounting principle by national legislations, regulations and/or recommendations and it is also preferred by both preparers and users.
	Principles for external financial statements	Based on national legislations, regulations and /or recommendations following accounting principles are included in the external financial statements (1) true and fair view, (2) going concern, (3) prudence, (4) opening balance, (5) consistency, (6) valuation.
	Financial records	Keeping financial records through journals, ledgers, and sub ledgers is foreseen by national legislations, regulations and/or recommendations and also needed by preparers. Preparers need more specifically a fixed assets register, a cheque payments book, a cash receipt book, an inventory listing, suppliers' ledger, a purchase day book, sales day book. These detailed records are mainly confidential and thus not needed for users.
	Double vs. single entry	Double entry bookkeeping is foreseen by national legislations, regulations and/or recommendations.
	Chart of Accounts	No prescribed format of chart of accounts is foreseen by national legislations, regulations and/or recommendations according to desk research. In practice, preparers do not use different chart of accounts formats and use a 'format based on requirements set by national accounting regulation'.
	Financial Statements	Including balance sheet, profit and loss account and notes to the financial statements is foreseen by national legislations, regulations and/or recommendations and they are produced in practice by preparers and requested by users (except notes; only 34% of the users consider them necessary, there is no need for specific disclosures to be produced).
	Management report	National legislations, regulations and/or recommendations do not require preparing a management report.
	Auditing	External and internal audit are usually not required by national legislations, regulations and/or recommendations. An external audit is not specifically preferred by users/preparers.
	Publication and filing	The publication/filing of the financial statements are foreseen by national legislations, regulations and/or recommendations and in practice preparers published/filed their financial statements.

New accounting directive allows Member States to exempt micro undertakings from some obligations (preparation of management report, drawing up notes to the financial statements, presenting Prepayments and accrued income and Accruals and deferred income, publishing annual financial statements and so on). On the other hand, Member States may permit micro-undertakings to draw up only an abridged balance sheet and abridged profit and loss account, but with the obligation to comply with the requirement to show separately a minimum of prescribed items according to 2013/34/EU Directive. Member States shall not permit or require the application of fair value to micro undertakings making use of any of the exemptions provided.

Each Member State has the responsibility to incorporate the provisions of the 2013/34/EU Directive into national law. In the continuation the paper analyses available solutions for use in the field of financial reporting for micro companies of selected European countries (UK, Germany, Slovakia, Romania) that will later be compared with the current practice of micro entities financial reporting in Croatia.

UK (United Kingdom) was among the first countries which recognized the special needs of small compared to larger companies. Back in 1997 UK issued special standards (*FRSSE - Financial Reporting Standards for Smaller Entities)* which were used as a framework for financial reporting of smaller entities. Along with Germany, UK was one of the first countries in the EU that included "micro regime" in the national accounting system. From the first implementation of Micro directive (2012/6/EU) until the present, there were some changes in the national regulations. Certainly, the most significant change in UK (United Kingdom) is the withdrawal of the FRSSE and publication of a completely new standard (*FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime*). According to FRS 105 micro entities shall prepare its financial statements using the accrual basis of accounting. A complete set of financial statements of a micro entity includes a statement of financial position with notes included at the foot of the statement and an income statement. Beside exemption of drawing up the notes, UK has adopted a requirement not to use fair value in the financial reporting of micro companies i.e. micro entities are not permitted to revalue or subsequently measure assets or liabilities at fair value. These changes will be effective for accounting periods beginning on or after 1 January 2016, with early application permitted for accounting periods beginning on or after 1 January 2015. For more detail see Financial Reporting Council, 2015 & EFAA, 2014.

The novelty in the system of micro entities financial reporting in Germany brings the publication of Micro directive (2012/6/EU). Germany was one of the first countries that introduced special accounting rules for micro entities (micro entities are not obliged to prepare notes, management report, they can prepare abridged balance sheet and profit and loss account, can use the fair value alternative measurement basis, etc.) According to research results (EFFA, 2014) exemption from the need to recognise accruals and prepayments of 'other charges' used has not been accepted because there were no tax advantages perceived and very little advantages in terms of reductions in complexity of preparation. Micro entities are not obliged to prepare the management report or notes if they show contingent liabilities and loans to members of the board/owners at the foot of the balance sheet. Investment or financial holding undertakings are not able to apply the exemptions available for micro companies. On the other hand, micro entities which are included in group consolidated financial statements need to prepare their financial statements in accordance with the accounting rules for small entities (EFFA, 2014).

At the beginning of 2015 Slovakia introduced new classification criteria where micro entities are defined exactly as well as in the new Directive. The changes will have an impact on entrepreneurs who keep double-entry bookkeeping (public companies, limited partnership, limited liability company, cooperatives, etc.) but will not be applicable for banks, insurance companies, publicly accountable entities and so on. The most important amendments to the Accounting Act (Mihocka, 2015) include the inability of the fair value application in the financial reporting of micro undertakings as well as requirement to present extraordinary, unusual activities (sales of fixed assets) within the accounts of operating costs and revenues in profit and loss account. For more details see Mihocka, (2015).

Last observed country is Romania. Romanian accounting system until recently did not explicitly use the micro/small/medium and large classification. Nevertheless, Romania did recognize different annual accounts formats based on the reporting entity sizing criteria. For example, smallest entities supposed to prepare abridged balance sheet and profit and loss account as well as fixed assets schedule and management report. It is important to note that classification criteria for such entities in Romania were much lower than EU Directive prescribe (Deac, 2014). In 2015 new thresholds were adopted according to new Directive requirements. These change affected a large number of entities in Romania since almost all entities became micro-sized. According to new regulations, micro entities need to prepare abridged balance sheet and abridged P&L account. Micro companies are also obliged to present certain information in Explanatory Notes to the Financial Statements. For example, accounting policies adopted, financial commitments, guarantees or other contingent assets and liabilities that are not included in the balance sheet, advances and credits granted to the members of administrative, managerial or supervisory bodies and the acquisition of their own shares. For more detail on Romanian accounting and auditing system, see KCG, 2015.

Previously mentioned "micro regime" reporting practices in selected European countries will be a good base for further analysis of pros and cons of our national legislation for micro entities in order to propose some recommendations for improving its financial reporting model.

4. Proposals for improving the financial reporting model of micro entities in Croatia

The special value of the latest amendments to the directive can be found in the fact that changes are going in a direction which assumes that the scope and content of the external financial reporting should be proportionate to the size of the company. In Croatia, professional bodies and government led discussions on the impact of certain amendments to EU directives on the legislative framework and financial reporting of our smallest entities. Results of preliminary empirical research (Mamic Sacer, et al., 2015) have pointed the fact that the simplification of the financial reporting regulative of micro enterprises is necessary as well as that these simplifications will not significantly reduce the quality of the information base for decision making for micro owners/managers.

Croatia as a EU Member State has amended Accounting Act regarding the implementation of 2013/34/EU Directive. These changes will be effective for accounting periods beginning on or after 1 January 2016. The adoption of new Accounting Act was preceded by a public consultation and conduction of the empirical research (Pticek, et al., 2015). The main purpose of the empirical research was to investigate which type of simplification would accounting practice most probably adopt taking into account the cost component. The empirical research results support simplifications for micro entities (more than 80% of respondents agrees with the need to simplify accounting regulative). In addition to insights into existing accounting practices in the Republic of Croatia, the most important research focus was to examine whether the reduction in the volume of the notes and an exemption from the obligation to prepare Annual report could contribute to the desired simplification of regulations. Besides that, research analysed is it possible to exclude measuring positions of the financial statements at fair value. According to respondents' opinion, above mentioned amendments will simplify accounting and preparation of financial statements for micro entities. Moreover, the current practice shows that micro entities do not use fair value (except in the valuation of financial assets that makes insignificant share in their balance sheets already). Existing experiences indicate that the requirements for the disclosures in the Notes are too detailed and that their simplification will not significantly reduce the quality of financial statements. On the other hand, the annual report, which should include the development and results of operations with an indication of the key risks and uncertainties to which the company is facing, was not required for the preparation for small businesses. For more detail results see Pticek, et al., 2015.

In July 2015, the new Accounting Act was adopted and for the first time the concept of micro undertakings has been introduced in accordance with the classification criteria recommended in the new directive. It is interesting to note that nearly 90% of Croatian companies falls into the category of micro undertakings (of 106,886 undertakings, 95,699 are micro-sized undertakings; Pticek, 2015). In addition to this novelty, there is almost no other substantial changes in terms of financial reporting of micro entities (financial statements set remained the same and includes balance sheet, P&L account and notes, scope of notes remained the same, it is still possible to apply fair value measurement, there is an obligation of publishing financial statements, etc.).

Although first steps have been made, there is still space for improvement of accounting regulations for Croatian micro entities. Meeting the objective of the paper, we will present some suggestions of improving the existing model of micro-sized entities financial reporting as a result of the elaborated experiences implementation of the new Directive in selected EU countries as well as on conducted empirical research in Croatia. The overall results indicate a need to provide simple and understandable standards specifically designed for micro enterprises (like in the UK). It is particularly important to ensure "permanency" of regulations and avoid frequent changes in standards. Current practice of our micro entities shows that application of cost model is favourable method for the valuation of financial statement items. Therefore, in order to simplify accounting standards it would be useful to abolish the application of fair value (UK and Slovakia accepted this approach). It can be expensive to collect and prepare additional information therefore, further reduction in the requirements for disclosure in notes is also necessary. That is why disclosure of only limited information for small businesses can be considered justified. Furthermore, for micro entities it seems opportune to allow preparation of an integrated financial statement that would be suitable for all external users (government, banks, investors, creditors, buyers and others). After all, for wider application and greater usefulness of simplified accounting standards it is important to educate and organize practical workshops for those who prepare the financial statements (accountants) as well as for those who use them in the management (owners/managers). Previously mentioned suggestions may be used by national accounting standard creators in the preparation of an optimal solution for financial reporting of micro entities mainly based on a cost-effective basis.

5. Conclusion

The paper presents basic features of micro entities as well as basic information requirements of the users of their financial reporting. In addition, the paper discusses the specific features of the existing financial reporting model for micro entities in EU countries. These findings served as a framework for analyzing the impact of changes of a new accounting directive on the concrete accounting solutions of those countries that have developed special regulation for micro entities. Comparing the existing financial reporting solutions in the EU and Croatia (in the light of the latest amendments to the national legislation) it has been noticed that for now in Croatia there is no space for simplifying regulations even though the results of empirical research confirm the need for the simplification of financial reporting model for micro entities.

Given the aim of the paper and summarizing all analyzed theoretical and empirical research, the paper results with the proposal of guidance and specified recommendations for improvement of financial reporting model for micro entities in Croatia. The most important proposals include the publication of a new improved standards specially designed for micro entities, preparation of integrated annual financial statement for a variety of external users, simplifying valuation methods, further simplification of disclosure in the notes to the financial statements, avoiding frequent changes of regulations, etc.).

Acknowledgements

This paper is the result of a project called “Improving the Financial Reporting Model for Micro Entities” which was financed by the University of Zagreb as the short-term research support for 2015.

References

Deac, M. (2014). The new accounting directive – a comparation of reporting requirements. http://www.utgjiu.ro/revista/ec/pdf/2014-02/29_Deac%20Marius.pdf. Accessed on Oct 14, 2015.

EFAA, (2014). Implementing the New European Accounting Directive - Making the right choices. EFAA, European Federation of Accountants and Auditors for SMEs. http://www.efaa.com/files/pdf/Publications/Annual%20reports/2014/EFAA%20MSO%20in%20Accounting%20Directives%20Report%20140408.pdf. Accessed on Oct 14, 2015.

European Parliament & Council of the European Union (2012). Directive 2012/6/EU of the European Parliament and of the Council of 14 March 2012 amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entity. *Official Journal of the European Union, 81(3).* http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:081:0003:0006:en:PDF. Accessed on Oct 14, 2015.

European Parliament & Council of the European Union (2013). Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings. Official Journal of the European Union, L 182. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2013:182:FULL&from=EN Accessed on Oct 14, 2015.

EY - on behalf of the European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SME’s (DG GROW) (2015). Accounting guide for SMEs – SME accounting in Europe: insights provided by a desk research and survey. http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8380&lang=ga&title=Accounting-guide-for-SMEs---SME-Accounting-in-Europe%3A-insights-provided-by-a-desk-research-and-a-survey-. Accessed on Oct 14, 2015.

Financial Reporting Council – FRC (2015). FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime. https://www.frc.org.uk/Our-Work/Publications/Accounting-and-Reporting-Policy/FRS-105-The-Financial-Reporting-Standard-applicab.pdf. Accessed on Oct 14, 2015.

IFRS Foundation (2013). A Guide for Micro-sized Entities Applying the IFRS for SMEs (2009). http://www.ifrs.org/IFRS-for-SMEs/Documents/A-Guide-for-Micro-sized-Entities-2013.pdf. Accessed on Oct 14, 2015.

KCG (2015). Romania – Business Review 2015, KCG Accountants, Auditors & Advisers. http://www.kcg.ro/uploads/Romania-Business-Review-2015.pdf. Accessed on Oct 14, 2015.

Mamic Sacer, I., Decman, N., Sever, I. (2015). The influence of accounting regulation simplification on the financial reporting of micro entities – the case of Croatia, Economic Research-Ekonomska Istrazivanja, 28(1), 593-607, DOI: 10.1080/1331677X.2015.1084888

Mihocka, O. (2015). Slovakia introduces classification by size for accounting entities. https://www.tmf-group.com/en/media-centre/regulatory-and-technical-updates/january-2015/slovakia-introduces-classification-by-size-for-accounting-entities. Accessed on Oct 14, 2015.

Official Gazette (2015). Accounting Act. *Official Gazette of the Republic of Croatia issue no. 78 of 17 July 2015*. Available at: http://narodne-novine.nn.hr/clanci/sluzbeni/2015_07_78_1493.html. Accessed on Oct 14, 2015.

Pticek, N. (2015). Novi Zakon o racunovodstvu, *Racunovodstvo i financije*, 08/2015, 9-11.

Pticek, N., Zager, K., Decman, N. (2015). Rezultati istrazivanja o unapredenju racunovodstvene regulative i racunovodstvene profesije. *Zbornik radova 50. simpozija HZRIF "Uloga regulatora u razvoju gospodarstva Hrvatske"*. Gulin, D. (ur.). Zagreb: Hrvatska zajednica racunovoda i financijskih djelatnika, 33-48.

Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards.: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:243:0001:0004:en:PDF. Accessed on Oct 14, 2015.

Zager, K., Decman, N. (2015). *Racunovodstvo malih i srednjih poduzeca*, Hrvatska zajednica racunovoda i financijskih djelatnika, Zagreb.