

COMPLETENESS AND TIMELINESS OF THE ANNUAL FINANCIAL STATEMENTS PUBLISHED BY BULGARIAN ENTERPRISES

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Abstract: The information presented in the financial statements must share certain characteristics so as to be useful to primary users. Not infrequently, in Bulgarian reporting practice, it is easy to note inconsistencies in the financial statements which are published since although those statements formally meet the legal requirements, they fail to provide complete or timely financial information to stakeholders. The objective of this research is to ascertain (based on a representative sample) whether enterprises, which are **major tax payers and contributors to the social security system**, published complete and timely financial statements in the Commercial Register over the period from 2007 to 2014.

Key words: financial statements, publication, timeliness, Commercial Register.

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Introduction

To be useful, the information presented in financial statements must share certain qualitative characteristics. According to the Conceptual Framework for Financial Reporting to the IAS/IFRS (IASB, 2010), these qualitative characteristics may be grouped into two major categories – fundamental characteristics, i.e. relevance and faithful representation

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(which means that provided information must be **complete**, unbiased, and error-free) and enhancing characteristics (comparability, verifiability, **timeliness** and understandability).

According to the General Provisions of the National Accounting Standards (2016), the information presented in the financial statements must be understandable, relevant, reliable and comparable, i.e. neither completeness nor timeliness is specified as a separate characteristic. In their earlier version, i.e. the General Provisions to the National Standards for the Financial Statements of Small and Medium-sized Enterprises (2005), no characteristics of useful financial information were specified at all².

The financial statements published in Bulgaria are often incomplete, for although they meet existing legal requirements, they fail to provide complete or timely financial information to stakeholders. This observation provoked the research we conducted.

The object of our research is the annual financial statements published by a number of selected enterprises. The subject of the research is the timeliness of and the omissions in the information provided in them.

The underlying hypothesis of the research is that a considerable number of Bulgarian enterprises do not publish their annual financial statements in full or within the deadlines required.

The objective of this paper is to review the statutory requirements which Bulgarian enterprises must meet when publishing their annual financial statements and to empirically study whether these requirements are met by entities which are the major tax-payers and contributors to the social security system. We therefore set the following goals to our research:

1. To review and present in brief the findings of up-to-date research of the presentation of financial statements in our country.

² Those were partially provided for by AS 1, Presentation of financial statements (Promulgated in State Gazette No.30/07.04.2005), which set the requirement that the managing bodies of enterprises shall choose their accounting policy so as to ensure that the information presented in the financial statements is: a) required by the users of financial statements for their decision-making; b) reliable, i.e. 1. It presents fairly the performance and the financial position of the entity; 2. It presents the economic nature of events and operations and not just their legal aspect; 3. It is neutral and unbiased; 4. It is cautious; 5. It is complete in all material aspects.

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2. To study how the legal requirements to the publication of annual financial statements of Bulgarian enterprises have evolved historically.
3. To examine the contents and the volume of the annual financial statements published by selected enterprises in the Commercial Register, as well as their timeliness.
4. To find out whether applicable accounting standards affected the timeliness and completeness of the published financial statements.

The method we employed in our research was to use a representative sample of enterprises which are major tax-payers and contributors to the national security system. Those enterprises were selected due to their significance to the national economy and due to their diverse nature which could enhance the representative value of the findings of the research.

Our research does not deal with the quality or the usefulness of the information presented in the annual financial statements. It focuses on the *completeness and timeliness of their publication* only. Some of the related research conducted earlier focused on the legibility and understandability of presented information (e.g. Hristov and Dimitrova, 2016), yet it would be impossible to deal with these characteristics unless the published financial statements were complete. Another constraint is *the number of researched enterprises* as well as the fact that the conclusions made about Bulgarian enterprises in general are based on a representative sample. Furthermore, we excluded from our research the consolidated and the interim financial statements of enterprises. Due to the nature of the enterprises which we studied and some national specifics of the issue under consideration, we focused primarily on related Bulgarian legislation (which was efficient as of 31st December 2016).

Overview of Related Scientific Research

Empirical research related to the presentation of financial statements by Bulgarian enterprises has already been conducted. For example, Veysel (2016a), conducted a research of the financial statements of 200 non-financial entities (registered under the VATA) for the year 2013

to find out the percentage of entities which publish their financial statements and the share of enterprises which benefit from the statutory relief provided to the small business. According to the findings of the research, 24.7% of the enterprises included in the survey did not publish their financial statements, and 53.5% of the enterprises submitted statistical reporting forms instead of the financial statements required by the applicable accounting standards. The research also found that only 35.5% of the enterprises presented for publishing the annexes to their annual financial statements. In another research, Veysel (2016b) studied the disclosures in the explanatory notes which accompanied the financial statements for the year 2013 of 200 enterprises (registered under the VATA) which applied the National Standards for the Financial Statements of Small and Medium-Sized Enterprises. The findings of the research were similar, yet they provided a more in-depth analysis of the specific disclosures (where those were available). Such research is highly useful since it presents the real condition of financial reporting for external users in Bulgaria. Furthermore, the process of collecting and processing primary data is labour-intensive as it is a task which must be done manually.

Statutory Requirements to the Publishing of Financial Statements

The practice of disclosing financial information varies both among different countries and for the different sectors of a single economy. It depends on a number of factors, such as the corporate culture; the type of information which the market demands; the institutional environment; the administrative measures encouraging the publishing of financial statements.

Bulgarian enterprises should publish their annual financial statements in compliance with the Accountancy Act. Historically, according to Art. 40 (2) of the **Accountancy Act** (promulgated in the State Gazette, No. 98/16.11.2001, effective 01.01.2002, repealed), the annual financial statements must be published in a daily newspaper, an economic journal, a magazine or a newspaper issued by the entity itself, or on the Internet, or in compliance with the requirements of another relevant law, within three months of their approval. According to Art. 40 (1), enterprises which are

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subject to independent financial audit must publish their annual financial statements as they were verified in conjunction with the verification report prepared by a registered auditor. According to the administrative penal provisions of the Act, (Art. 47(3)), entities that fail to meet the requirements set in Art.40 on the publishing of annual financial statements, shall be imposed a penalty ranging from BGN 1,500 to BGN 2,000; legal entities and single proprietors that do not comply with the requirements shall be imposed a pecuniary sanction from BGN 2,000 to BGN 3,000. Should an entity commit the same violation twice, the amount of the sanction to be imposed shall be double. According to the amendment in the Accountancy Act (repealed), SG No.96/29.10. 2004, effective **01.01.2005**, the provisions stated in Art. 40 (2) are supplemented as follows: where entities publish their annual financial statements on the Internet only, they must ensure free access to the page for a period of minimum three years following the date of the publication.

The next amendment in the Accountancy Act (repealed) which referred to the publishing of financial statements was made in the SG No.105/ 22.12. 2006, effective **01.01.2007**. According to Art. 40, entities defined as **merchants** in the Commercial Act shall publish their annual financial statements and consolidated financial statements by 30th June in the following year together with their annual activity reports and the consolidated annual activity reports as adopted by the general meeting of partners/shareholders or by the relevant body, by filing and submitting them for the purposes of announcing them in **the Commercial Register**. Non-profit legal entities designated as operating to the public benefit shall publish their statements by filing them to be recorded and submitting them to the Central Register with the Ministry of Justice under the terms and in compliance with the procedure set in the Non-Profit Legal Entities Act. The rest of the enterprises shall publish their financial statements in a business journal or a newspaper or on the Internet. Art. 40 (2) also clarifies that enterprises shall publish their financial statements in the form in which they were verified by a certified auditor; their annual activity reports – in the form on the basis of which the certified auditor has expressed an opinion; as well as the auditor's reports on the statements and reports referred to in item 1 and item 2. Furthermore, according to Art. 40 (3), in addition to their annual

financial statements, joint stock companies, partnerships limited by shares, and limited liability companies, shall also publish information on the proposal of the managing body on the distribution of profit or on covering the loss incurred during the previous year, as well as the decision of the general meeting of shareholders/partners on the allocation of the profit to be distributed or to cover the loss for the previous year. The requirement that financial statements published on the Internet shall remain accessible free of charge for a period of at least three years after the date on which they were published remained. It was also specified that enterprises shall, upon request, provide information about the site where their statements and reports are published. Additional requirements were introduced with reference to the publishing of summarised financial statements. It was also specified that the paragraphs above shall not apply to budget enterprises. The amounts of the sanctions in Art. 47 (3) remained the same.

The next amendment in the Accountancy Act (repealed) was in SG No. 34/29.04. 2011, effective 03.05.2011 until the Act was repealed in SG No.95/08.08.2015, effective 01.01.2016. The amended Art. 40 (1) sets **different deadlines** for having the financial statements published in the Commercial Register, depending on the **legal form** of the enterprises, which is 31st May in the following year for Sole Traders; 30th June in the following year for limited liability companies; 31st July in the following year for all other merchants under the Commerce Act. The amendments in the Article did not affect the requirements to and the deadlines for non-profit legal entities and all other enterprises. In addition, Art. 40 (8) exempted from the obligation to publish their financial statements Sole Traders whose annual financial statements are not subject to statutory independent financial audit.

In the present Accountancy Act, which was promulgated in SG No. 95/08.12.2015, effective 01.01.2016, the requirement for publishing the annual financial statements of enterprises is set in Art. 38. Paragraph 1 sets a **single deadline** for all merchants to file and submit their financial statements to the Commercial Register, which is 30th June in the following year. Article 38 (2) clarifies that where a financial statement has been initially filed to be published within the deadline set in Art. 38 (1), yet a refusal has been decreed in compliance with Art. 22 (5) of the Commercial

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Register Act and a second application has been made within 14 days from the date on which the refusal became effective, the financial statement shall be considered to have been submitted in due time.

Small enterprises which are not subject to statutory independent financial audit are not required to publish their income statements or activity reports. The requirements do not apply to budget enterprises and Sole Traders which are not subject to statutory independent financial audit, either. Joint stock companies, partnerships limited by shares, and limited liability companies (which are small or medium-sized or public interest entities) must, in addition to their annual financial statements, publish information on the proposal of their managing body about the distribution of profit or covering the loss incurred during the previous year, as well as the decision of the general meeting of shareholders/partners about the mode of distributing profit or covering the loss incurred in the previous year. Parent companies which are also subsidiaries and according to applicable accounting standards are not required to make consolidated financial statements are required to publish in Bulgarian the consolidated financial statements and the consolidated activity reports prepared by the parent company within the deadlines set in Art. 38 (1). Where a parent company is subject to the regulation of a third country's legislation, the consolidated financial statement is to be certified by the auditors or the audit companies conducting the audit in compliance with the national legislation which is applicable to the parent company.

According to Art. 47 (1) of the Administrative Penal Provisions, entities that are obliged to publish a financial statement but fail to do so shall pay a fine ranging from BGN 200 to BGN 3,000, while the enterprise shall be imposed a pecuniary sanction which may amount to a sum ranging from 0.1 % to 0.5 % of the net sales revenue over the reporting period for which a financial statement has not been published, and which may be no less than BGN 200. Where an entity fails to meet the same requirement again, the amount of the fine or pecuniary sanction to be imposed shall be twice as high as that set in (1).

Relating the size of the pecuniary sanctions imposed for failure to publish financial statements to the size of the net sales revenue could be an incentive for enterprises to comply with legal requirements. On the

other hand, the exemption of small enterprises from the obligation to publish their financial statements enables them to reduce their administrative costs, yet, it does not contribute to ensuring greater transparency on the market.

According to the Commercial Register Act and the Register of Non-Profit Legal Entities (Art. 6 (3), amended SG No. 105/2006; amended SG No. 95/2015, effective 01.01.2016; supplemented SG No. 74/ 2016, effective 01.01.2018), the acts under Art. 38, paragraphs 1, 3 and 5 of the Accountancy Act shall be declared and submitted for disclosure to the Commercial Register and the Register of Legal Entities in compliance with the procedure and terms under the Accountancy Act.

Studying the Contents, Volume and Timeliness of the Annual Financial Statements Published by Bulgarian Enterprises Which are Major Tax-Payers and Contributors to the Social Security System

Methodology of the Survey

The aim of the empirical study was to find out whether the financial statements published by Bulgarian enterprises in the Commercial Register in the period from 2007 to 2014 were complete and timely. We therefore selected enterprises which were identified as major tax-payers and contributors to the social security system. Their list is accessible on the web-page of the National Revenue Agency³, dated 17.10.2014, and included 978 entities as of 30.09.2014. Their scope was determined with Order No. 1300/14.12.2009 of the Executive Director of the National Revenue Agency, effective from 01.01.2010, repealed with Order No.1722/21.12.2010 on amending and supplementing Order No. 1300/14.12.2009 of the Executive Director of the National Revenue Agency, effective from 01.01.2011.⁴

³ As of the date of collecting the primary empirical data, i.e. 02.05.2016.

⁴ The entities identified as major tax-payers and contributors to the social security system are those within the scope of more than one territorial directorate of the NRA which also:

1. Meet at least two of the following criteria:
 - Sales revenue in 2009 amounting to BGN 20,000 000;
 - Average number of employees in 2009 exceeding 120 people;

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Due to the large number of the enterprises included in the study and the need to examine one by one the financial statements which they had published, a representative sample was identified in which entities were included through simple random selection. We used an online statistics calculator, FluidSurveys, to determine the volume of the sample which would produce statistically significant results. The total volume being 978 units (i.e. enterprises), the confidence level being 95%, and the margin of error being 10 %, the number of entities to be included in the survey was calculated to be 88. The online random number generator that we employed (Random.org) generated a list of 88 numbers which determined the names of the enterprises to be included in our sample. Since there were five repeats in the generated list, the final number of the **enterprises** included in the sample was **83**⁵. This increased the margin of error from 10 % to 10.3%.

We studied the annual financial statements which the enterprises in the sample had published in the Commercial Register in several aspects, namely:

- Whether the financial statements, the auditors' reports and the annual activity reports (when those were required) which were published were complete (in compliance with the requirements of the applicable accounting standards);

- Taxes and social security contributions paid in 2009 exceeding BGN 2,000,000;

- Tax refunds in 2009 exceeding BGN 2,000,000.

2. Entities meeting the requirements set in point 1 according to the reporting data available for the year 2011 as of 31.05.2012, remain registered in the Territorial Directorate of Major Tax-Payers and Social Security Contributors.

3. Entities which:

- have been licensed as banks by the Bulgarian National Bank;

- are insurers and/or re-insurers;

- are pension insurance companies and/or supplementary pension insurance companies;

- are health insurance companies.

4. The income generated under Art. 10, paragraph 1 of the Personal Income Tax Act exceeded BGN 500,000 for the tax year 2009.

⁵ The list of the enterprises included in our survey is given in Appendix 1

- What was the average volume of the annual financial statements which were published and whether there were any differences depending on the applicable accounting standards;
- Whether the deadlines for requesting the publishing of financial statements in the Commercial Register and for their publishing were met;
- Whether the timely publishing of the financial statements and reports and their completeness depended on the accounting standards which were applied.

Analysis of the Findings of the Survey

We studied the financial statements of 83 enterprises over the period from 2007 to 2014, i.e. a period of 8 years. Since some of the enterprises had been recently established and had not prepared financial statements for all reporting periods included in our survey, the total number of annual financial statements published ought to be 638. The actual number of the financial statements declared for publishing was 586. Twelve of them had been refused an entry by the Registry Agency and were not announced, while 18 had not been processed and announced as of 15.07.2016.⁶

Twelve out of the 83 enterprises we studied, apply the NAS (NFRSSME over the period surveyed); 49 apply the IAS/IFRS; 21 have made a transition from the NFRSSME to the IAS/IFRS. One of the entities had not published any financial statements over the period from 2007 to 2014 and therefore it was impossible to establish the accounting policy it applied.

The average number of pages of the annual financial statements (where published in full) was **20.56** pages when they were prepared by applying the IAS/IFRS. The average number of pages of all studied enterprises was **33.35** pages. In comparison, according to a survey conducted by KPMG (2014), the average volume of the annual financial statements in several countries (Denmark, Japan, Sweden, Norway,

⁶ The findings below only refer to the annual financial statements for the year 2014 which had been submitted for publishing by the enterprises and *processed and announced by the Registry Agency* as of 15.07.2016.

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Australia, Great Britain, Canada, the USA and the South African Republic) was between 100 and 200 pages, while more than half of the statements surveyed in France were more than 300 pages long, the part presenting the financial statement in particular ranging from 50 to 125 pages. According to another survey conducted by Deloitte (2015) of 100 public companies in Great Britain, the average volume of the financial statements was 135 pages (which marked an increase by 3 pages in comparison to the previous year), while in 2006 their volume was about 85 pages. While the issue of the 'information overload' is increasingly mentioned by West European analysts with reference to the growing volume and complexity of financial statements, the dominant practice in our country has been to comply to the minimum of the statutory requirements in terms of the contents of financial statements and reports.

Only 24 out of the 83 enterprises included in the survey, i.e. 28.92 % had published **complete financial statements** including all required appendixes, annual activity reports and auditors' reports *for each year of the researched period* (from 2007 to 2014). The total number of enterprises which had published their complete financial statements but had not published an activity report and/or an auditor's report for all reporting years (in the period from 2007 to 2014) was 28 (i.e. 33.73%); the number of financial statements which did not include explanatory notes being 134, i.e. 24.10%. Nevertheless, 412 financial statements (i.e. 70.3%) were complete and had all required appendixes. For 21 individual reporting periods, the enterprises had presented *annual activity reports* (in compliance with Art. 20 of the Statistics Act) instead of annual financial statements prepared in compliance with the IAS/IFRS.

Four-hundred and thirty-two of all financial statements (586), i.e. 73.72%, were published within the deadline required by the law for the specific year according to the specific legal statute of the enterprise. Nevertheless, only 19 out of 83 enterprises (i.e. 22.89%) published all their financial statements within the deadline required over the period from 2007 to 2014.

According to Art. 19 (3) of the Commercial Register and the Register of Non-Profit Legal Entities Act, the requests for the publishing of annual financial statements and reports, where required by law, are approved in the order in which they have been submitted; separately from other submitted

requests. The average time period in which the annual financial statements of the enterprises in the survey were announced after the date of submitting a request was 94.7 days, i.e. **3.16 months**⁷, 48.30% of them being announced within a month; 12.52% - in a period from 1 to 3 months; 19.68% - in a period from 3 to 6 months; 16.64% - in a period from 6 to 12 months and 2.86% - within more than a year. This was due to the technological time required for verification by the Registry Agency of the statements and reports submitted for publishing, which further deteriorates the timeliness of the information presented in the financial statements even in cases when the request for their publishing has been made in due time. We should also note that in the period from making a request and actually publishing a financial statement, the data base of the Commercial Register is accessible free of charge to anybody, as these are public data according to Art. 11 of the Commercial Register and the Register of Non-Profit Legal Entities Act. Article 11 (2) provides that the Registry Agency shall ensure access to the deeds of the merchant or the non-profit legal entity through identification via an electronic signature or a digital certificate (which is issued by the territorial units of the Agency after submitting a request and an identity document). Prior to the verification on behalf of the Registry Agency, however, there is no guarantee that the request has been made by an authorized person; that all documents required by the law have been attached (in compliance with Art. 21 of the Commercial Register and the Register of Non-Profit Legal Entities Act), etc. Therefore before they have been entered in the Commercial Register by an official of the Agency, financial statements cannot be used as a totally reliable source of information for making economic decisions. As it was noted earlier, 12 of the submitted financial statements had not been approved by the Registry Agency and had not been published, while 59 financial statements (out of the 586 ones we included in the survey), i.e. 10.07 % of all examined financial statements for the period from 2007-2014, had been returned for correction by the Registry Agency. It is therefore necessary to speed up the processing of financial statements on behalf of the Registry Agency officials.

⁷ The calculations are based on 360-day calendar years and thirty-day months. We also calculated the periods of time about the annual financial statements which had been approved for publishing and had been published as of 15.07.2016 (i.e. the actual time period for publishing will be longer).

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This has been an issue for some time and has already been commented on by the former Executive Director of the Registry Agency, Ventsislav Spiridonov. In an interview published on 14 November 2013, (OFFNews, 2013), Mr. Spiridonov was asked: '*Why are the entries of the annual financial statements of companies delayed and what measures have been adopted to shorten the time required for their processing?*' The former Executive Director replied that by 30th September the number of submitted annual financial statements was 312,644. The number of documents which had been processed by that date was 175,460. All those documents, as well as the requests which were submitted every day, were to be processed by 85-90 officials. Mr. Spiridonov also added that the processing of each request involved intellectual labour as well as personal responsibility, since that is a process done by people and not by machines.

Since the number of requests for the publishing of annual financial statements continued to grow after the period examined in our empirical study (2007-2014), the issue of the delay in the processing of requests is still relevant. Nevertheless, there has been a trend to submit online the requests for publishing, which could significantly reduce the technical time required for their processing. According to information provided by the Press centre of the Registry Agency (2016), in the period from 1st January 2016 to 30th June 2016, the number of requests for the publishing of annual financial statements was 382,498; 73.31% of them were submitted online and 26.69% were submitted at the offices of the Agency. In the period from 1st January 2015 to 30th June 2015, their number was 347,972; 68% of them were submitted online and 32% - at the offices of the Agency. The figures for the period from 1st January 2014 to 30th June 2014 were 322,487; 66% and 34% respectively.

We could assume that the enterprises which have submitted for publishing *all their financial statements in full* in compliance with statutory requirements over the researched period are also likely to do so *within the deadlines prescribed by the relevant laws* and vice versa. Yet, the correlation analysis⁸ of data which we conducted indicates that **there is not such a correlation** (the correlation coefficient is - 0,031, which is close to

⁸ The correlation analysis was based on the data available for the period from 2007 to 2014.

0⁹). That correlation is also insignificant (the correlation coefficient being 0.0716) when we consider the completeness and timeliness of the financial statements for which publishing requests were submitted *over each reporting period*. Only 5 enterprises (6%) published their **complete financial statements** for all reporting periods **within the prescribed deadlines** (see table 1). During all reporting periods, 45 enterprises (54.22%) failed to meet the deadlines and did not publish complete annual financial statements; 33 enterprises (39.76%) either did not publish complete statements and reports for all reporting periods or did not do so within the deadline required.

*Table 1
Completeness and timeliness of the annual financial statements published by enterprises, depending on the accounting policy they apply*

	Number of enterprises which apply:			Total
	NFRSSME /NAS	Transition to IAS /IFRS	IAS/IFRS	
Annual financial statements published within the deadline required over all reporting periods	0	2	3	5
Complete annual financial statements published; the deadline required for publishing was not met over all reporting periods	2	5	12	19
Incomplete annual financial statements published; the deadline required for publishing was met	3	2	9	14
Incomplete annual financial statements published; the deadline required was not met in any of the reporting periods	7	12	25	44 ¹⁰
<i>Total</i>	12	21	49	82 ¹¹

⁹ The correlation coefficient r is a measurement of how two variables are linearly related. The value of the coefficient r ranges from +1 (positive linear correlation) to -1 (negative linear correlation); a zero value indicates that there is no linear correlation between the values of the two variables.

¹⁰ The total number is 45, yet there was no information available about the accounting policy applied by one of the entities and it was therefore not included in the table.

¹¹ The total number is 83, yet there was no information available about the accounting policy applied by one of the entities and it was therefore not included in the table.

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There seems to be no correlation between the accounting standards applied by the entities and the completeness of the financial statements (the correlation coefficient is 0.0792) or their timeliness (the correlation coefficient is 0.0168), either. While entities applying the IAS/IFRS increased the volume of annual financial statements by 15.51 pages on average (compared to the entities applying the NAS), neither the completeness, nor the timeliness of published financial statements improved.

A Comment on the Findings of the Survey

The findings of the survey indicate that the entities included in the research did not aim at making their activity more transparent or at providing useful information to the potential users of their financial statements. Rather, they sought to formally meet (not in all cases, though) existing statutory requirements. This could be due to the fact there are no economic incentives to act otherwise and in some cases companies may even prefer to keep some of the information secret despite the sanctions imposed for failing to observe the requirement for the publishing of their financial statements and reports. Another explanation could be the predominant attitude of Bulgarian enterprises according to which the reporting information is not primarily intended for external users, or the lack of established corporate culture promoting transparency and social responsibility. A less likely, yet plausible explanation could be the fact that the relevant legislation (the General Provisions of the National Accounting Standards) do not focus on the significance which the publishing of complete and timely information has to economic decision-making.

A further research could study the reasons behind the delayed publishing of financial statements or behind not publishing them in complete, for example, the type of ownership over the entity and changes in ownership; the economic results achieved by the entities; events occurring after the date of preparing the balance sheet; forthcoming business ventures, etc.

Conclusion

We studied the financial statements of 83 enterprises over the period from 2007 to 2014, i.e. a period of eight years. Only 24 enterprises, i.e. 28.92%, had published their *financial statements in full* (with all required appendixes, annual activity reports and auditors' reports) *for each reporting year of the researched period (2007-2014)*. A total of 28 enterprises (33.73%) had announced their complete financial statements but had not provided an annual activity report and/or an auditor's report for all reporting periods. The total number of published reports was 586; 432 of them, i.e. 73.72%, had been published within the deadlines required by the law, yet only 19 enterprises out of 83 (i.e. 22.89%) had published in time *all their financial statements over the period from 2007 to 2014*. Only 5 out of 83 enterprises (6%) had published *complete financial statements for all reporting periods within the deadlines required*. This supports the hypothesis that a considerable number of Bulgarian enterprises do not publish their annual financial statements in full or within the deadlines set by the law. The publishing of financial statements is further delayed by the technical time required to verify the financial statements whose publishing has been requested. The average time period in which the annual financial statements are published after they have been announced by enterprises is 94.7 days, i.e. 3.16 months. Further research may be conducted to identify and analyse the specific factors which affect the timeliness and completeness of the financial statements published by enterprises.

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Zapoved No. ZTSU-1722/21.12.2010 na izpalnitelniya direktor na NAP za izmenenie i dopalnenie na Zapoved No. ZTSU-1300/14.12.2009, v sila ot 01.01.2011.

COMPLETENESS AND TIMELINESS OF THE ANNUAL FINANCIAL ...

Appendix 1

of the enterprises which were included in the research

No.	Enterprise	No.	Enterprise	No.	Enterprise
1	3M Bulgaria Ltd.	29	Elmark Industries JSC	57	Patishtha i Mostove Ltd.
2	A. L. Filtar Ltd.	30	Embul Investment AD	58	Rudmetal AD
3	Avtomagistrali Chernomore JSC	31	EnerSys JSC	59	Sitel Bulgaria Ltd.
4	Agroin Ltd.	32	GEFCO Bulgaria EOOD	60	Sempex Ltd.
5	Adidas Bulgaria EAD	33	ZAD Bulgaria JSC	61	Sensor-nite Industrial Ltd.
6	Alta Pharmaceuticals Ltd.	34	ZAD CCB Zhivot EAD	62	Centillion Ltd.
7	Amperel Ltd.	35	Ideal Standard – Vidima JSC	63	Simid Sofia Ltd.
8	Angelili Pharma Bulgaria Ltd.	36	Ital Food EAD	64	SIS Industries Ltd.
9	Balev Ltd.	37	Cablecommerce Ltd.	65	Sanatorium and Health Complex Kamchia Ltd.
10	Piraeus Bank Bulgaria JSC	38	Kaolin JSC	66	Sofia France Auto JSC
11	Bulgaria Air JSC	39	Karelia/Bulgaria/EOOD	67	Stomana Industry SA
12	Vetrocom Ltd.	40	Karol-Fernandez Meat Ltd.	68	Construction Tools Ltd.
13	VIP Security Ltd.	41	Consulta Temporary Solutions Ltd.	69	Teklas Bulgaria JSC
14	Vodosnabdyavane i Kanalizatsiya Ltd.	42	Kostenets- HHI AD	70	Textil Logistic Bulgaria Ltd.
15	GBS– Infrastructure Construction JSC	43	Kuminiano Fruit Ltd.	71	Tesy Ltd.
16	GBS – Plovdiv JSC	44	L'Oreal Bulgaria EOOD	72	Technoimportexport JSC.
17	Glavbolgarstroy Holding JSC	45	Lukoil Energy & Gas Bulgaria Ltd.	73	Technokoroza JSC
18	Glassworks Ltd.	46	Medex Ltd.	74	TBI Bank EAD
19	Gorenje – Bulgaria Ltd.	47	Mondi Stamboljski EAD	75	Transvagon AD
20	Danone Serdika JSC	48	Most Computers Ltd.	76	Tremond AD

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21	Dans Energy Ltd.	49	Neftochimtransport AD	77	Trenkwalder Ltd.
22	Devnya Cement JSC	50	NIS Petrol Ltd.	78	University Hospital Tsaritsa Yoanna – ISUL EAD
23	G. P. Group Ltd.	51	Nova Broadcasting Group JSC	79	Unipack AD
24	DZU JSC	52	Nurts Digital EAD	80	Philip Morris Bulgaria Ltd.
25	Dunarit JSC	53	Petrobul BG Ltd.	81	Honeywell Ltd.
26	Dabovo Energy Ltd.	54	Piraeus Leasing Bulgaria SA	82	Hewlett Packard Bulgaria Ltd.
27	Euomarket BRD Ltd.	55	Bulgarian Ports Infrastructure Company /state enterprise (Art.62,Para.3 of the Commercial Act)/	83	Yazaki Bulgaria EOOD
28	ASP Ltd.	56	Promet Steel JSC		

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