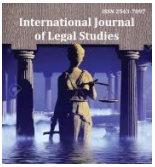


Received: 21 June 2019
Revised: 25 June 2019
Accepted: 28 June 2019
Published: 30 June 2019

# REGULATIONS OF FINANCIAL LAW AS REGARDS FINANCIAL STATEMENTS

# REGULACJE PRAWA FINANSOWEGO W ODNIESIENIU DO SPRAWOZDAŃ FINANSOWYCH

**Marian Stefański**
Prof. WSEI, PhD, Institute of Public Administration, Management and Business,
Faculty of Administration and Social Sciences
University of Economics and Innovation in Lublin (WSEI) / Poland
ORCID: https://orcid.org/0000-0002-8030-7533
* Corresponding author: e-mail: marian.stefanski@wsei.lublin.pl

**Abstract:**
The financial statement of the business unit ends the work of the accounting department giving a preliminary view of the company's operations. The numbers and data included in it should be a reliable way to include all operations during the financial year of a unit. Thanks to financial reporting it is possible to translate accounting data into information necessary to manage the company and its assessment by external recipients.
**Keywords:** financial statements, Accounting Act, balance sheet, profit and loss account, cash flow

**Streszczenie:**
Sprawozdanie finansowe jednostki gospodarczej jest zakończeniem prac działu księgowego dając wstępny podgląd na działalność przedsiębiorstwa. Liczby i dane w nim ujęte powinny sposób rzetelny uwzględniać wszystkie operacje w ciągu roku obrotowego danej jednostki. Dzięki sprawozdawczości finansowej możliwe jest przełożenie danych księgowych na informacje niezbędne do zarządzania przedsiębiorstwem oraz jego oceny przez odbiorców zewnętrznych.
**Słowa kluczowe:** sprawozdania finansowe, ustawa o rachunkowości, bilans, rachunek zysków i strat, cashflow

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

**Statement of the problem in general outlook and its connection with important scientific and practical tasks**.

One of the basic aspects in the accounting system, and at the same time the product of its operations and operations, is the financial statement. International Accounting Standards recognize the financial statements as a numerical statement, which is a structured presentation of the financial performance of the entity, whereas the general-purpose report is designed to meet the needs of users who are unable to request reports tailored to their specific information needs (Regulation Commission (EC) No 1126/2008 of 3 November 2008). The financial statement presents the financial consequences of economic events that occurred in the business unit in the period preceding its preparation. It is the main source of financial information for making investment decisions, transactional decisions, loans, etc. It gives an image of management's achievements, management role, protection and wealth, reliability towards contractors and clients, profit-making, care for employees' interests, regulation of obligations towards lenders, timely and reliable accountability with public authorities (Olchowicz I., Tłaczała A., 2004, s. 13-19; Jarosz B., 2019, s.45-49). The basic legal act that regulates issues and principles related to financial reporting in Poland is the Accounting Act. According to art. 4 of the Act on final accounting, the stage of data processing in accounting is the preparation of financial statements and examination and publication in the cases provided for in the Act (Accounting Act). Thus, financial reporting can be considered as one of three subsystems, and therefore is an integral part of accounting. The basic source of data for the report is the accounting records which, after proper arrangement and verification, constitute the basis for the financial statements. Therefore, reporting is the most important and the final product of accounting works. The importance of this subsystem is due to the fact that it is intended primarily for the needs of external recipients and therefore can not be prepared without any rules and principles. On the basis of numerical data, which are included in the entity's financial statements, it is possible to assess the effectiveness of its current operations, and whether it is able to continue its operations in the future and with what effect. Properly organized reporting and proper systems for its analysis can provide information that will not only protect the survival but also the development of the enterprise. The objectives of the financial statements that were adopted in the International Financial Reporting Standards were based on conceptual assumptions of the International Accounting Standards Committee, which define the objectives, assumptions, and principles of financial statements. They provide a general theoretical basis for financial accounting and provide guidelines for accounting practice in

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

this area (Helin A., 2006, s. 23-30). The range of assumptions is multi-level, which means that each subsequent level is derived from the needs of the previous one. The basic purpose is to provide reliable and complete information for users of the report. The objectives of financial statements in the light of the conceptual assumptions of international financial reporting standards were defined as providing information about the financial condition, its changes and the results of the entity preparing them. At the same time, it is recommended that the reports prepared and presented be useful in assessing the management of the unit and the responsibility of management for the resources entrusted, enabling the making of economic decisions (International Accounting Standards Board, 2004; Trzpioła K., 2019).

**Analysis of latest research where the solution of the problem was initiated.**
The economic units prepare various financial statements, depending on the situation and time, as well as capital or organizational conditions. All information included in the report may be presented in various ways, in different arrangements and with varying degrees of detail. They can be grouped and "classified according to the basic classification according to the following criteria (Krzywda D., 2005, 2-6; Lew G., Maruszewska E.W., Szczypta P., 2019, s 11-19): complexity of the entity covered by the study, reproducibility of preparation, length of the reporting period, level of detail, method of preparing the report and information presentation layout. Thus, the main and most important criterion for the division is the complexity of the entity covered by the report. Entities may prepare separate, consolidated or consolidated financial statements depending on the specificity of their operation. The separate financial report is "a report prepared independently of the consolidated financial statements. It is not a report to which proportionate consolidation or equity method was applied, or a report of an entity that does not have a subsidiary, affiliate or share of a partner in a jointly controlled entity (księgowość.infor.pl.). All entities keeping accounting books based on the Accounting Act are obliged to prepare it. If in the business entity and precisely in its structure organizational units such as, for example, plants, departments that prepare separate statements are separated, then the entity must prepare a joint financial statement. It is a combination of the entity's financial statements with individual reports of internal units and then makes necessary exclusions. They consist of eliminating from mutual financial statements mutual receivables and liabilities as well as other similar settlements, revenues and costs for operations made between the unit and its branches and between branches. The financial result of business transactions effected within the entity, included in the assets of the

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

entity or its branches, is also excluded. If the combined financial statements present the financial position and the financial position of the entity and the financial result of the entity, it is not necessary to make the above exclusions. In addition to the exclusions mentioned above, the assets and funds of separated branches are also subject to elimination. Such financial statements are perceived by individual recipients. The third form of preparing financial statements is the consolidated report. They are prepared by capital groups, which consist of the parent company and associate, jointly controlled and subsidiary entities. The amended Accounting Act introduced definitions of the lower-level parent entity and the higher-level parent. A lower-level parent entity "is a commercial company which is also a subsidiary of another commercial company or state-owned enterprise and a parent undertaking in relation to at least one commercial company. A higher-level parent entity is a trading company or state-owned enterprise that is also a dominant entity in relation to a lower-level parent. However, a subsidiary is a unit that is a commercial company or an entity established and operating in accordance with the provisions of foreign commercial law, controlled by the parent entity (www.rachunkowość.bdo.pl). As regards the reports from the point of view of the level of detail, there are two of its forms: detailed and simplified. The simplified one presents information on two levels of detail, whereas the detailed reports present numerical data with a several-stage analytical development. Regarding the method of preparing the report, there are three forms: net, gross and mixed. In practice, the most common method is a mixed-method, in which the most important for the reader economic information is presented and included in the gross form where they are more valuable and have greater cognitive value. However, it is less readable than the net method, the content of which is definitely smaller, and at the same time, less valuable. In spite of preparing a financial statement in the form suitable for it by the economic operator, it must first and foremost provide information that will be useful to its users. Only when information from the financial statements is of adequate quality is it considered useful. Hence, the financial statement should be characterized by specific quality standards. In September 2010, the International Accounting Standards Board amended the chapter on the qualitative features of financial information. According to the latest conceptual assumptions, two groups of qualitative features are distinguished: superior (fundamental) and complementary (improving). These standards result from the principle of the faithful and real image, which is considered the chief accounting principle according to which the report should faithfully and truly reflect the property, financial and financial results. The usefulness of financial statements depends on the information con-

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

tained therein being appropriate, that is, they have the ability to influence the decision-making of users of reports. To be appropriate, they must have a usability feature that is related to the expectations of users that the information contained in the report will help them evaluate future as well as present events, are not distorted or delayed, which could contribute to making wrong decisions. Significance is a feature understood as a boundary that sets the area of information in financial statements important for its users. Not all information is as relevant and useful to different users. Less-useful content should be skipped and it is possible to set its materiality thresholds. Another fundamental quality feature is a faithful reflection that depicts economic phenomena in the financial statements in a complete, flawless and neutral manner. Errorlessness means that the described phenomenon is a lack of errors or omissions, however, it is possible to estimate. Completeness, on the other hand, means that all-important and necessary informations are included in the report, along with descriptions and explanations of any kind, which help participants understand the phenomena occurring in the enterprise. The last fundamental feature is the neutrality that represents the image that can not affect the user's positive or negative attitude towards the report. The information must be presented without manipulating their content, presenting the situation of the individual in an objective manner so that users can make decisions depending on their preferences and the will to get different data. The financial statements should provide users with reliable and thus useful data and information. However, everything depends on how it is prepared and presented, and how the accounting is conducted in a given unit. Because financial statements are the end result and the final accounting product, therefore the overriding accounting principles are synonymous with financial reporting principles. These principles are universal, having desirable quality features and provide guidelines for the preparation of a report and its presentation. The concept of accounting, which is the guiding principle, was formulated years ago in Great Britain and adopted by other countries. This is the "true and fair view" concept included in the International Financial Reporting Standards, EU company law directives, as well as in the national regulations of many countries around the world. The Polish language is usually translated as a "faithful and reliable picture", "a clear and reliable picture", but also "faithful and real picture" or "true and honest picture". According to this concept, "if the financial statements meet all superior accounting principles, then it can be considered as presenting a clear and reliable picture of the entity (Sikorska M., 2006, s. 16-21). In this way, the property and financial situation of the unit should be presented. A true and fair view is obtained by applying appropriate and appropriate accounting standards, which

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

leads to the preparation in every situation of financial statements that meet the requirement for a fair presentation. The principle of faithful and reliable image results from subsequent overriding principles to which the principle of accrual can be included. It involves the recognition of all transactions and other events at the moment they occur, not when cash inflows or outflows. These events are recorded in the accounts and are shown in the financial statements drawn up for the period to which they relate. All revenues, as well as costs related to a given financial year, should be included regardless of when the payment date is set. This rule also determines how the business events are recorded on a regular basis and thus affects the financial statements. This principle also causes that new categories of liabilities arise, as well as receivables that are considered to be correct because they inform about cash funds that the entity will receive or will have to make an outflow in connection with the obligation. The principle of accrual relates to another principle of commensurability of costs and revenues. The costs and revenues are opposed to establishing the company's financial result. First of all, it applies to financial costs and revenues as well as operating activities. It is possible to consider commensurability in two senses as substantive and temporal. Substantive is mainly found in manufacturing companies, for example, when the manufactured products were sold for a certain period that is, production costs commensurately met with revenues for their sale. As far as time proportionality is concerned, it concerns costs and revenues, the time of which exceeds a given reporting period. The principle of continuation of operation affects the cognitive value of the financial statements. It means that the company prepares its financial statements based on the fact that it is able to continue its operations and will continue in the future. If, on the other hand, the entity's activity is to be discontinued or limited, it must be included in additional information and explanations, because it has a clear impact on the valuation of the balance sheet components. As at the date of preparing the financial statements, all information regarding the future covering the period of one year from the balance sheet date is taken into account. Basically, this is all about pricing when the company is not going to continue (Stępień K., 2019, 5-18).

**Aims of paper**. **Methods.**

Legal and administrative sciences use typical methods encountered in social sciences and humanities, i.e. examination of documents (legal acts and administrative court judgments), comparative methods (expert opinions, legal opinions, analyzes resulting from linguistic, grammatical and historical interpretations) and studies cases. The results of cognitive research are new theorems or theories. On the other hand, the

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

results of research for the needs of business practice are to determine whether and how existing statements and theories about financial statements and features are useful for solving specific problems that appear in everyday business and financial management. In other words, they serve to refine and fragmentarily verify existing claims and theory. Induction was used as the main research method. It consists in deriving general conclusions or establishing regularity based on the analysis of empirically identified phenomena and processes. This is a type of inference based on details about the general properties of the phenomenon or object. The use of this method requires the assumption that only facts can form the basis for scientific inference. These facts are real situations (economic and legal). Inductive methods include various types of legal acts, analyzes, expert opinions and scientific documents used in social research.

**Exposition of main material of research with complete substantiation of obtained scientific results**. **Discussion.**

The company's annual financial report is a key element of the subsequent financial analysis. It is prepared as of the balance sheet date as a structured numerical combination in which verbal explanations are also included. The amount of data is very large and often exceeds that needed to make analyzes for those interested. It presents the achievements of the unit in the area of capital and property creation, as well as the financial result, whether the enterprise cares about the interests of its employees and whether it fulfills its relations with clients and contractors. The degree of detail of information presentation depends on the size of the business unit, and in relation to large entities - in addition to the needs or specificity of the entity. Such report at the end of the financial year is signed by the person who is responsible for keeping the books of account and the head of the unit. The first element that appears in the entity's report is the introduction, which is part of the additional information. Its purpose is to initially present the company and specify the factors that may have a significant impact on the assessment of the examined entity. It presents information and data necessary for subsequent analyzes, giving not only a general view of a given company. The main and basic element of the financial statements is the balance sheet, which provides information about the property and financial situation. Presented are the resources of the unit and sources of their origin in the presented moment of time. It can take the form of a two-sided table or a one-sided statement. It must be created in accordance with the balance sheet method, which means that there is a balance between the assets and liabilities of the entity. It is the most important feature of the

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

balance sheet. It is the presentation of the same assets of the unit, however, from two points of view, i.e. financial and objective. The balance sheet is both an accounting document and an element of the financial statement. Prepared at the end of the financial year presents all the results of operations in property and capital components and the results of operations that took place during the year. Data in the balance sheet at the end of the financial year are synonymous with data that is at the beginning of the new reporting period as to the principle of balance sheet continuity. This means that a given balance sheet is only a stop in the annual period of the company's activity and presenting the results of its activities. The reliability of the balance sheet is the compliance of information contained in it with material truth. Checkability of the balance sheet consists of the fact that the information in it can be compared with the data from the source documents. The balance is the element that has the largest information capacity from all parts of the annual report, which is why they have a synthetic form, and the other components of the report complement and enrich it. It presents not only data at the end of the financial year but also data from the previous year, thanks to which the persons analyzing a given report have information from two years of the unit's activity. These data are captured in a structural manner, which means that their division is made into individual groups, subgroups, and items. Positions within particular balance groups, which are marked with Roman numerals are usually subject to further specification depending on the needs and size of the enterprise (Prus A., 2019, s. 2-9; Jarosz B., 2019, 21-26). These components must be valued in the same currency, however, the methodology for its preparation may be different for each entity. Summing up, the balance sheet is the main source of information on the financial situation of the unit through information on economic resources controlled by the given unit and the sources of their financing. The second most important component of the entity's financial statements, which is closely related to the balance sheet, is the profit and loss account. Its main purpose is to provide information on the results of the unit's activity, as it illustrates the effects of using the assets through the sales volumes expressed in revenues and the costs of obtaining them. It is created in order to determine the financial result and present what affects its size. The profit and loss account presents not only the overall financial result but also the results from individual areas of the entity's activity, ie its core operations, operations, extraordinary or financial activities. Thanks to them, the user can better understand the results obtained by the individual, which are characterized by different degrees of risk or stability. In this way, it can determine their durability and predict future results. The measure of results in the profit and loss account is profit or

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

loss, which means the difference between revenues and costs, of course, after taking into account the tax burden. In other words, this element is a tool for determining primarily the financial result, which can be both a positive value, ie when revenues outweigh costs, and a negative value, which means that this time the costs exceed the unit's revenues. Profit is the result of the increase of own resources in the enterprise, while the loss is depletion and reduction of these resources. Pursuant to the Accounting Act, an entity has the right to choose one of the variants and forms of preparing a profit and loss account, as well as the detailed description of its costs, revenues, and financial results. All this depends on the information value that it should present to interested people. Thus, the Act specifies that the profit and loss account is prepared in a unilateral form, whereas the option is selected by the entity. He can choose from two variants: calculation or comparison. Both of these options correspond to the needs of a given unit, as the calculation variant is more attributed to generating units that have extensive operations, in which costs are classified in accordance with their function as manufacturing costs of products sold, selling costs and general management costs (Nowak E., 2004, s. 34-38; Lew G., Maruszewska E.W., Szczypta P., 2019, s. 61-78). However, the comparative variant is assigned to units with a lesser manufacturing degree or to service or commercial units. A common feature of both variants is the division of revenues and costs into the entity's business segments. The first part of the profit and loss account is related to the basic operating activity, which has a fundamental impact on the entity's financial result and for which it was created and will be continuous and repeatable in the subsequent periods. First of all, this activity is related to the main revenues and costs of the unit, ie the sale of products, goods, materials or services of a given unit. The second part is related to revenues and costs indirectly related to operating activities that occur incidentally, undertaken rarely and at irregular intervals. It is a diverse activity characterized by, among others sale of fixed assets or unhelpful stocks. The next third part is a financial activity, which is associated primarily with raising capital for investing in operating activities. If it is well-run, it can be a good source and an incentive to increase the financial result. It also involves making investments or placing funds in other units. On the other hand, it may yield results from revenues from shares, stocks, bonds or the sale of securities. The fourth part of the profit and loss account results from extraordinary events, which usually arise as a result of fortuitous events and those difficult to predict, and adversely affect the financial result. However, compensation for caused actions can partially compensate for the situation and its impact on the results of the unit. The last part is income tax and other decreases, which reduce the gross profit to

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

its net value and thus obtain the financial result for a given financial year of the entity. A feature that differentiates both variants and the decision to choose a specific one is the method of recording and presenting costs. In the comparative variant, it is necessary to record costs in a generic manner, whereas in the calculation variant costs have to be recorded according to the places of origin. However, it should be emphasized that the result on sales in both variants is the same, only the method of its calculation varies. In conclusion, no matter what variant of the profit and loss account will be selected, the same financial result is obtained, which is related to the principle of increasing financial performance, that the partial result is determined for core operating and extraordinary activities, and the rest remains without separateness. The choice of a variant is decided by the manager of a given unit, guided by its specification and information needs, as well as the criterion of data presentation, not only the financial result, but also individual elements that create its result. Taking into account the choice of presentation of income and expenses, three methods of preparing the profit and loss account can be distinguished: gross method, net method, and mixed-method. The gross method is mainly related to the fact that all revenues and corresponding costs in a given reporting period are disclosed in the profit and loss account. At the same time, a partial financial result is determined for each item. The advantage of this method is to obtain information on the amounts that affect and determine the financial result and to determine the position of the entity in the industry and the market. The net method is that the final and final results of particular types of activity are presented, which, however, means that using this method the profit and loss account only shows a synthetic picture of the unit's performance, and does not provide information about the factors that influenced the results of financial results at set levels. Another method is the mixed method, which is a compromise between the net and gross method combining the advantages of both. The gross method applies to important and material information, while the net method is used to show the final results of the financial result for other items that are less important and important. In Poland, the mixed method is usually used in mandatory financial statements. The cash flow account is another component of the financial statements of entities that are required to audit them by a statutory auditor and make this information available to users. It recognizes all cash inflows and outflows in addition to purchase operations or sales. Therefore, its purpose is to provide information on the actual income and outgoings of cash during the financial year for which the report is created. Thanks to it, users will assess the company's ability to raise funds and the way they are used, in other words, the degree of financial liquidity of a given unit.

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

The balance sheet alone will not explain clearly how they were obtained or expended, but only indicate how much has changed during the reporting year. As for the profit and loss account, you can compare them both. However, they differ in the principle of preparing each one separately, as the cash flow statement is created in accordance with the cash accounting principle, while the other is based on the accrual basis. All cash outflows in the cash flow statement can be divided into three types of business: operational, investment and financial. The Accounting Act defines specific types that through operational activity is meant the basic type of business and other activities, not classified as an investment or financial activities. Investment activity is understood as acquisition or disposal of non-current assets and short-term financial assets and all related cash costs and benefits. By contrast, financial activity is understood as the acquisition or loss of sources of financing - changes in the size and relations of equity and foreign capital in the entity - and all related cash costs and benefits (Article 48b of the Accounting Act). In this way, you can determine which activities contribute to the growth of cash, and which they use the most. You can determine what is the impact of individual activities on the individual's finances, and what relations prevail between each of them. The preparation of a cash flow statement may take place using one of two methods permitted by the Act: direct method or indirect method.

**Conclusions.**

The condition for the use of financial statements, which contains a number of data and information, is the ability to interpret and read them by users for whom it is primarily prepared. The so-called. stakeholder groups are divided into internal users because the information helps in the day-to-day management of the unit. The managers of a given unit need relevant information when assessing the ability to gain an advantage in today's and tomorrow's competitive environment. They can check the degree of implementation of tasks and the company's policy, as well as receive signals in the event of early warning. For employees, the financial condition of the unit and its ability to pay wages, including stability of employment, are important. They can predict whether wage growth is possible especially for employees who earn depending on the results achieved by the company. Other internal users are trade unions, which are primarily interested in the conditions of pay and the existence of employees because they shape the principles of the remuneration system, the division of benefits from the social fund and check whether the labor law is respected. Therefore, the financial statements are mainly addressed primarily to external users. The

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

current recipients, as well as potential investors, are considered the main recipients. They commit their capital to a given unit, therefore they expect a rate of return from them. They bear the greatest risk associated with the functioning of the company in the event of bankruptcy. They are interested not only in the degree and manner of using their sources but also in information about future possible dividends. Banks are also an important recipient of information from the report, as they assess the solvency of the borrower on their basis. They compare current or future resources of the monetary unit to estimate them with debt repayments. Other users only use the information selected for them on the financial statements. In the case of suppliers, the contractors are mainly interested in the liquidity of the given entity, while the clients are interested in the liquidity associated with the continuation of supplies. In other words, the point is that they need to know whether a given unit will pay amounts for products or services on-time and on time. The reporting entity does not exist in an isolated reality, therefore it is influenced by government decisions. Submitting reports for them is the responsibility of each individual, because thanks to this the government is able to determine in which direction the entity is heading, whether its activity is effective and whether it fulfills its tax obligations in a timely manner (Lew G., Maruszewska E.W., Szczypta P., 2019, s.67-74, Trzpioła K., 2019, s. 56-62; Prus A., 2019, s. 45-49; Stępień K., 2019, 12-16). Nowadays, the main emphasis on enterprises is connected with environmental protection. The society itself is interested in the functioning of a given unit, especially in the local area. Interesting information concerns in particular employment opportunities, infrastructure development or cooperation with suppliers. Local government budgets are also fed by enterprises, thanks to which the local town in which it operates develops. Environmental degradation is also an important aspect that must be disclosed in the financial statements. User information needs are very diverse and each of them has different expectations. However, when preparing a given financial statement, the method of using the information contained therein is not taken into account, because they can only satisfy basic information needs and not fully satisfy all recipients. Financial reporting is subject to uniform rules that provide understandable, useful and comparable information to all users, both present and potential. It is important that each user can make the necessary analyzes to get an idea of his own doubts and curiosity because getting this information is the basis for further action on the individual.

ISSN 2543-7097 / E-ISSN 2544-9478

**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**

## References:


1. HELIN A., (2006). *Sprawozdanie finansowe według MSSF*, C.H. Beck, Warszawa.
2. JAROSZ B., (2019). *Sprawozdawczość budżetowa 2019*, Wiedza i Praktyka, Warszawa.
3. JARUGA A., (red.). (2005). *Międzynarodowe Standardy Sprawozdawczości Finansowej (MSSF, MSR) a ustawa o rachunkowości – podobieństwa i różnice*, Stowarzyszenie Księgowych w Polsce, Warszawa
4. KRZYWDA, D., (2005). *Sprawozdanie finansowe jako produkt rachunkowości*, w: *Podstawy rachunkowości. Aspekty teoretyczne i praktyczne*, pod red. B. Micherdy, PWN, Warszawa
5. LEW G., MARUSZEWSKA E.W., SZCZYPTA P., (2019). *Rachunkowość zarządcza Od teorii do praktyki*, CeDeWu, Warszawa.
6. *Międzynarodowe Standardy Sprawozdawczości Finansowej (MSSF) 2004*, tom I, International Accounting Standards Board – Stowarzyszenie Księgowych w Polsce.
7. NOWAK R., (2004). *Rachunek wyników*, pod. red. E. Nowak, Difin, Warszawa.
8. OLCHOWICZ I., TŁACZAŁA A., (2004). *Sprawozdawczość finansowa*, Wyd. 2, Difin, Warszawa.
9. PRUS A., (2019). (red), *Ustawa o rachunkowości 2019*, Od.Nowa, Warszawa.
10. SIKORSKA M., (2006). *True and fair view – słabe strony*, Rachunkowość- wybrane aspekty, Prace Wydziału Zarządzania Uniwersytetu Gdańskiego, Sopot
11. STĘPIEŃ K., (2019). *Polityka rachunkowości w kreowaniu wartości informacyjnej sprawozdań finansowych*, PWN, Warszawa.
12. TURYNA J., (2005). *Sprawozdawczość finansowa w teorii rachunkowości i polskim ustawodawstwie*, Wyższa Szkoła Handlu i Prawa im. R. Łazarskiego, Warszawa
13. TRZPIOŁA K., (2019). *Księgowania 2019 wg znowelizowanych regulacji UoR, MSSF/MSR oraz podatkowych - praktyczne wskazówki*, Wiedza i Praktyka, Warszawa.


## Sources of law:


14. USTAWA z dnia 29 września 1994r. *o rachunkowości* (tekst jednolity Dz. U. z 2009 r. nr 152, poz. 1223 ze zm.).
15. ROZPORZĄDZENIE KOMISJI (WE) Nr 1126/2008 *z dnia 3 listopada 2008 r. przyjmujące określone międzynarodowe standardy rachunkowości zgodnie z rozporządzeniem (WE) nr 1606/2002 Parlamentu Europejskiego i Rady*, Dziennik Urzędowy Unii Europejskiej, 29.11.2008, s.5


ISSN 2543-7097 / E-ISSN 2544-9478


**Stefański M., (2019).** Regulations of Financial Law as Regards Financial Statements
*International Journal of Legal Studies, 1(5)2019, 1(5)2019: 273 - 285*
**DOI 10.5604/01.3001.0013.3239**