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MANDAT news

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Preparation and Publication of the Annual Report

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PREPARATION AND PUBLICATION OF THE ANNUAL REPORT

Preparation of the Annual Report

Have you already prepared and published your annual report for 2016? You have to do so by the end of 2017.

In accordance with Section 8(3) of Act No. 431/2002 Coll., on Accounting, as amended (hereinafter referred to as the "Accounting Act"), the accounting is complete when the accounting entity, among other things, prepares its annual report and publishes it in the register of financial statements.

Who is obliged to produce annual reports? An accounting entity that must have its accounts certified by an auditor.

Certification of financial statements by an auditor is required, pursuant to **Section 19(1)** of the Accounting Act, for the following accounting

- **Company, if it is obliged to create equity, or a cooperative, if at least two of the following conditions are fulfilled as at the date of preparation of the financial statements and for the immediately preceding accounting period:**

1. The total amount of assets exceeded EUR 1,000,000, where the amount of assets is the sum of assets as reported in the balance sheet at the valuation not adjusted for items under **Section 26(3)*** of the Accounting Act;

2. The net turnover exceeded EUR 2,000,000, where the net turnover for this purpose is the revenue from the sale of products, goods, services and other income related to ordinary activities of the accounting entity after the deduction of any discounts;

3. The average recalculated number of employees in a single accounting period **exceeded 30**;

- **Companies and cooperatives whose securities are admitted for trading on a regulated market;**
- **To whom this obligation is laid down by a special regulation;**
- **Which prepares financial statements pursuant to Section 17a of the Accounting Act.**



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* According to **Section 26(3)** of the Accounting Act, an accounting entity is obliged, as at the date of preparation of financial statements, to adjust the valuation of assets, create provisions and depreciate assets in accordance with the accounting principles and accounting methods.

PREPARATION AND PUBLICATION OF THE ANNUAL REPORT

Content of the Annual Report

According to **Section 20(1)** of the Accounting Act, **annual report shall contain the financial statements** for the respective accounting period, the report of the auditor and, in particular, **the following information:**

- **Development of the accounting entity, state in which the accounting entity is, significant risks and uncertainties**, to which the accounting entity is exposed; This information is provided in the form of a balanced and comprehensive analysis of the status and development forecast and should be accompanied by important financial and non-financial indicators, including information on the effects of the activities of the accounting entity on the environment and on the employment, with reference to relevant data included in the financial statements;
- **Any significant events** occurring after the end of the accounting period to which the annual report pertains;
- **Expected future development** of the activities of the accounting entity;
- Costs of **research and development activities**;
- **Acquisition of own stock**, temporary securities, business shares and stock, temporary securities and business shares of its **parent accounting entity** in accordance with **Section 22** of the Accounting Act;
- Proposal to **distribute profits or settle losses**;
- Information required **under special regulations**;
- Whether the accounting entity has an **organizational unit abroad**.

The annual report must provide a true and fair view of the accounting entity and **the compliance of the annual report with the financial statements** must be **certified by an auditor** pursuant to Section 20(3) of the Accounting Act, **within one year after the end of the accounting period**.



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PREPARATION AND PUBLICATION OF THE ANNUAL REPORT

Filing of Annual Reports

An accounting entity is obliged, in accordance with **Section 23a(8)** of the Accounting Act, to file its annual reports (both individual and consolidated) in the register **no later than one year after the end of the accounting period**, to which the annual reports pertain.

Annual reports **may be filed without the financial statements and the auditor's report if those documents are already separately filed in the register.**

Publication of Information

According to the provisions of **Section 23d(2)* of the Accounting Act**, an annual report of the accounting entity required to prepare annual reports pursuant to the Accounting Act, shall be **published by its filing in the register of financial statements.**

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* According to **Section 23(1)** of the Accounting Act, the register is the information system of public administration administered by the Ministry. According to **Section 23(2)** of the Accounting Act, both the individual and consolidated annual reports shall be filed into the register, as well as other documents.

NOT TO BE MISSED

Important dates

Overview of important dates in the December 2017 can be found on our website: <http://www.mandat.sk>

ABOUT US

The companies **MANDAT CONSULTING, k.s.** and **MANDAT AUDIT, s.r.o.** were founded in 2004 as tax advisory and auditing companies. Since their establishment, they have been providing small, medium-sized and companies active in Slovakia with services in the field of tax consultancy, audit and accounting. Long-lasting cooperation with foreign advisory companies hand in hand with the competence of Slovakian tax advisors and auditors enables us rendering our service to the clients originated from abroad.

In present time, 41 well trained members of our staff are at the disposal to our clients.

Information provided in this material are only of a cursory nature. **MANDAT CONSULTING, k.s.** assumes no liability for any decision taken on the basis of this issue.

Should you wish to add other person to be receiving **MANDAT news**, please contact: **news@mandat.sk**

Please contact us, should you require additional information.

