



D. A. TSENOV ACADEMY OF ECONOMICS – SVISHTOV

REVIEW

of a dissertation for awarding the educational and scientific degree of Doctor in the Professional Field 3.8. Economics, doctoral programme “Accounting, control and analysis of economic activity (accounting)” according to the announced procedure by D. A. Tsenov Academy of Economics – Svishtov

The current review has been prepared in accordance with the sample structure for the format and content of the review, written by a member of the Scientific Committee, for awarding the educational and scientific degree of Doctor through the announced procedure by D. A. Tsenov Academy of Economics – Svishtov.

Reviewer: *Prof. Atanas Blazhev Atanasov, PhD*, scientific specialty “Accounting, control and analysis of economic activity”, a member of the Department of Accounting at D. A. Tsenov Academy of Economics – Svishtov, and a member of the Scientific Committee, according to Order № 233/29.03.2024 of the Rector of D. A. Tsenov Academy of Economics – Svishtov, in accordance with the Art. 70 of the Regulations for the Development of the Academic Staff at D. A. Tsenov Academy of Economics – Svishtov, a decision of the Faculty Council of the Faculty of Economic Accounting (Protocol № 8/28.03.2024) and a decision from the meeting of the Scientific Committee held on 08.04.2024 (Protocol № 1/08.04.2024).

Author of the dissertation: *Kiril Ivanov Luchkov*, PhD student in full-time study at the Department of Accounting, D. A. Tsenov Academy of Economics – Svishtov, doctoral registration number d010121252.

Dissertation title: *“Theoretical and applied aspects of annual periodic reporting in non-financial enterprises”*

Scientific adviser: *Assoc. Prof. Galina Simeonova Chipriyanova*

I. General characteristics of the dissertation:

The aim of the dissertation is to examine the theoretical aspects and outline practical guidelines and strategies for improving the periodic accounting and reporting process with a focus on achieving higher transparency, sustainability and competitiveness of non-financial enterprises in the modern economy.

The object of this dissertation is the annual periodic reporting in non-financial enterprises,

The subject of the research is the possibilities of the metricized result of the enterprise's activity, as a result of the work of the authors of financial statements in the form of AFS, prepared on the basis of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as an applicable accounting basis for the needs of external users and to improve management efficiency.

The main research thesis defended in the dissertation is that annual periodic reporting in non-financial enterprises represents a key process that not only reflects the financial aspects of their activity, but also requires systematic analysis and optimization, with the aim of improving corporate governance and attracting potential investors. Through the prism of organizational structure, technological aspects, and specific requirements for presenting information in general purpose financial statements, annual periodic reporting can be integrated as a strategic tool to achieve sustainable financial development and competitive advantage of enterprises from the non-financial sector.

The total volume of the dissertation is 243 pages and consists of: a cover page; table of contents (3 pages); introduction (8 pages); argument in three chapters, (190 pages); conclusion (5 pages); bibliography (including 91 literary sources in Bulgarian and 10 literary sources in foreign languages), (9 pages). The dissertation includes 6 appendices (27 pages).

The introduction of the dissertation substantiates the relevance and practical significance of the research. The object, subject, aim, and objectives are defined. The research thesis defended in the dissertation is formulated. The methodology and restrictive conditions of the study are presented.

In the first chapter, the organizational framework of the annual periodic reporting is characterized. In this regard, the periodicity is examined as a component of the accounting policy in non-financial enterprises, including: the accounting policy through the prism of accounting legislation; the factors influencing the accounting policy; the entities – representatives of the

accounting policy; the assumptions for changing (updating) the accounting policy and the reflection of the “going concern” principle on the accounting policy. The technological characteristics of the annual periodic reporting are analyzed, including: the relationship between current reporting and annual periodic reporting; the chronology of the annual periodic reporting; inventory of assets and liabilities as an integral part of the annual periodic reporting. Emphasis is placed on the framework and components of internal control in the context of annual periodic reporting.

The second chapter outlines specific requirements for presenting information in general purpose financial statements. Guidelines for subsequent evaluation of certain elements of financial statements are examined, including: identification and impairment testing of assets in accordance with the requirements of IAS 36 Impairment of Assets and peculiarities of impairment of financial assets in accordance with the requirements of IFRS 9 Financial Instruments. Transactions between related parties are investigated, the significance of this information for the reporting process and its disclosure in financial statements. A comparative analysis is made between financial statements based on IAS/IFRS and integrated reporting.

The third chapter analyzes the financial state as an economic category and the challenges in distribution of dividends. In this part of the dissertation, an empirical study focusing on non-financial enterprises listed on the Bulgarian Stock Exchange is conducted due to the strategic interest in their independent economic activities, respective property and financial state, environmental and social policies, from external and internal stakeholders.

In the conclusion of the dissertation, the results of the research are presented.

The exposition comprises 10 figures and 28 tables.

II. Assessment of the form and content of the dissertation:

The dissertation is characterized by a clearly outlined object, subject, aim, objectives and a well-formulated, and convincingly defended research thesis. This provides arguments for it to be defined not only as a comprehensive and contemporary study but also as a timely and necessary effort to adequately address the current theoretical and applied needs regarding the relevant aspects of annual periodic reporting in non-financial enterprises.

Methodology of the research is correctly applied, highlighting problems and proposing solutions, conducting relevant analyses, summaries, conclusions

and recommendations. The exposition unambiguously outlines the author's ideas and opinions.

During the implementation of the research, a justified use of appropriate scientific tools is made, along with a successfully presented illustrative material as figures and tables.

In terms of structure, technical aspects and style, the dissertation is at a very good level. The individual parts of the dissertation are logically interconnected and overall, its volume is optimal. This provides the opportunity to justify and defend the research thesis both theoretically and practically.

The literary sources and current regulatory documents used throughout the research have been conscientiously utilized. This fact is further confirmed by the author through the Declaration of originality of the dissertation, which is attached to the abstract.

The documentation included in the procedure, consisting of hand-signed by the PhD student lists of publications related to the topic of the dissertation (5 in total) and participations in scientific forums (2 in total), clearly indicates that the main aspects of the content regarding the researched issues were made available to the specialized audience.

The total volume of the abstract is 42 pages. It objectively, clearly, accurately and comprehensively shows the content of the dissertation, accurately presenting its positive qualities. The configuration of its exposition corresponds to the logical core of the research.

III. Scientific and scientific-applied contributions of the dissertation:

The theoretical and practical studies allow us to outline the following **significant contributions of a scientific and scientific and applied nature:**

- In order to enrich accounting theory and optimize accounting practice, the factors influencing the development of a modern model of accounting policy have been systematized and its role for the purposes of annual periodic reporting has been analyzed; the applied aspects of the going concern principle when preparing the AFS are highlighted; a critical-constructive analysis of the COSO Integrated Internal Control Framework and its components in the context of the annual periodic reporting has been carried out.

- As a result of an in-depth study of the specialized literature and applicable regulations, the opinion is substantiated that impairment as a manifestation of accounting conservatism ensures compliance with the principle of prudence, regulated in the Accountancy Act. Through the author's own research, it has been proven that the provision matrix as a method for

implementing the simplified impairment approach is more accessible for application in short-term trade receivables (with a maturity of up to 12 months) than in long-term trade receivables.

- The significance of related party information (method and degree of disclosure) in the course of the preparation and presentation of the general purpose financial statements (or explanatory appendices to them) has been argued and analyzed. The connection between business entities is visualized (researched) through specific situations from the practice of enterprises regarding control, joint control, significant influence, the principle of priority of content over form, the definition of a close family member in accordance with IAS 24 Related Party Disclosures. This facilitates the generation of transparent information necessary for making informed economic decisions by external users.

- On the basis of a comprehensive and purposeful study of the current regulations and the practice of non-financial enterprises (joint-stock companies), whose securities are traded on the BSE, the problem areas in the implementation of the annual periodic reporting have been identified and opportunities for improving the organization and technology of the procedures in the accounting and reporting process have been proposed. This facilitates the preparation of general purpose financial statements whose primary purpose is to make the information contained therein useful. The criteria for comparison between traditional financial reporting and integrated reporting are outlined in accordance with the current regulatory requirements for the implementation of a policy of environmental and social impact and good corporate governance by the investigated enterprises.

- The statement is substantiated that the analysis of the enterprise's financial state as a set of systematized and analytical procedures has a clearly expressed positive effect. Reasoned models for general assessment of the financial state are intended for the information needs of external users and management regarding the current financial state. By means of the proposed toolkit for establishing the financial state, it is possible to prepare forecasts for the future development of the independent economic activity of the enterprise.

IV. Critical remarks, questions and recommendations:

Regarding the dissertation, the following *remarks and recommendations* can be pointed out, which do not diminish its undeniable positive qualities:

- Despite the expressed aspiration for well-argued presentation of the author's opinions, some of them still require a more in-depth theoretical and applied substantiation to minimize their declarative nature;

- I kindly recommend to the PhD student to continue and expand his research on this interesting and debatable subject and controversial issue.

Regarding the dissertation, I would pose the following *question*:

- What are the main directions the PhD student sees in the short term for optimizing annual periodic reporting in the examined non-financial enterprises?

V. Summary conclusion and opinion:

In conclusion, it can be summarized that the dissertation "*Theoretical and Applied Aspects of Annual Periodic Reporting in Non-Financial Enterprises*" contains scientific and scientifically applied results that represent an original contribution to science and meet the requirements of the Law for the Development of Academic Staff in Republic of Bulgaria (LDASRB), the Regulations for the Implementation of LDASRB and the relevant Regulations of D. A. Tsenov Academy of Economics – Svishtov.

The dissertation demonstrates that PhD student Kiril Ivanov Luchkov possesses in-depth theoretical knowledge and professional skills in the doctoral program "Accounting, control and analysis of economic activity (accounting)", illustrating abilities and potential for independent scientific research.

All of this provides justification for me to express my *positive opinion* and recommend to the esteemed Scientific Committee *to vote for the award* of the educational and scientific degree of Doctor in Professional Field 3.8 Economics, Doctoral Programme "Accounting, control and analysis of economic activity (accounting)" to *Kiril Ivanov Luchkov*.

07 May 2024

Reviewer: 
(Prof. At. Atanasov, PhD)