

Chapter 13

Sustainable Disclosure of Receivables in the Enterprise's Integrated Reports

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ABSTRACT

The possibility of investment and movement of capital between the countries, and the simplification of tax and customs regulations for the expansion of business boundaries strengthen the role and value of non-financial information for stakeholders. The study examines global trends in non-financial reporting, its regulation, and the nature of its use among large and medium-sized enterprises. During the research, it was concluded that the Integrated Report is the most relevant report for a wide range of stakeholders, as evidenced by the active growth in demand for it. At the same time, the Integrated Report should be filled with relevant understandable information and answer key stakeholders' questions. Our research proves that accounts receivable is the important indicator, that makes possible to get an answer about the nature of the enterprise interaction with all types of capital.

OVERVIEW

Sustainable development of enterprises requires cooperation with society, especially in the area of the environment, economic stability, social protection. All these factors are highlighted in non-financial reporting, which determines the relevance of this research. The possibility of investment and movement of capital between the countries, and the simplification of tax and customs regulations for the expansion of business boundaries strengthen the role and value of non-financial information for stakeholders. Including the Integrated Report, it stands out as one that is able to show the process of value creation, but it remains promising for research to correctly fill it in accordance with information needs of users.

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The chapter will be useful to representatives of medium and large businesses and other interested parties, who are considering or interested in preparing a non-financial report in general and an integrated one in particular. Since an Integrated Report is one of the reliable way to reveal the state of sustainable development in an enterprise.

Aim: The purpose of this study is to prove the importance of receivables in the Integrated Report and the possibility of filling information about receivables in different sections of this report.

Method: The study examines global trends in non-financial reporting, its regulation, and the nature of its use among large and medium-sized enterprises. To obtain thorough results, we used regulatory acts, including laws and recommendations. Also, study offers an analysis of statistical information to emphasize relevance of non-financial reporting, about the state of overdue receivables in the countries of Eastern Europe. We used the conclusions of key audit firms regarding the spread of integrated reporting, the main requirements of stakeholders. This study used economic, accounting concepts and methods of handling information.

Findings: During the research, it was concluded that the Integrated Report is the most relevant report for a wide range of stakeholders, as evidenced by the active growth in demand for it. At the same time, the Integrated Report should be filled with relevant understandable information and answer key stakeholders` questions. Our research proves that accounts receivable is the important indicator, that makes possible to get an answer about the nature of the enterprise interaction with all types of capital.

Originality and Value: The analysis shows that it had sufficient validity, significance, and accuracy.

INTRODUCTION

The expansion of enterprise activities, the development of competition, the entry of companies into new markets, and the attraction of investments form the need to establish relations with stakeholders. Financial reporting provides important indicators that allow you to quantitatively assess the real financial state of companies` activities but does not provide data for the analysis of qualitative parameters of activity, which include reasons, motives, prospects, risks, competitive advantages, etc. Accordingly, the requests of users to supplement financial statements with non-financial indicators are increasing and, as a result, the submission of non-financial statements by companies is spreading.

The preparation of non-financial statements is carried out using various formats, one of which is the format of integrated reporting according to the requirements of the IIRC. The reporting of this format could qualitatively and quantitatively reveal data on various aspects of the company`s activity, revealing the environment of activity, social and managerial relations, as well as parameters of settlement management, including accounts receivable.

Separate disclosure in the Integrated Report of data on receivables and their management, in our opinion, complements a comprehensive understanding of the enterprise`s activities, successes, risks, and threats and helps identify other important signals for decision-making by stakeholders. In this study, we consider the Integrated Report as one of the key types of non-financial reports and provide arguments in favor of displaying information on receivables and their management in the Integrated Report. Non-financial disclosure of accounts receivable provides additional information by stakeholder requests, which allows for more balanced and more informed decisions.

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