

Research on the Disclosure of R & D Expenses in High-tech Enterprises

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Keywords: High-tech Enterprises, Research and Development, Information Disclosure.

Abstract: This paper mainly analyzes the problem of information disclosure of high-tech enterprises, through the research of the 2014 national A share market in 2011 to 2014, the annual National Torch Plan key high-tech enterprises, the title of the research and development costs, summed up the problems in recent years, the development of our country's research and development costs, and based on the relevant recommendations and countermeasures.

1 INTRODUCTION

After entering the twenty-first Century, the investment of R & D spending in our country increases with the gradual perfection of the capital market. At the same time, China's enterprise accounting standards for the research and development of information disclosure to improve, and to carry out a certain standard. In 2001 promulgated the enterprise accounting standards, research and development expenses all into the current profit and loss, and the disclosure of information on the development of enterprises are voluntary disclosure. After the promulgation of the new guidelines in 2007, the disclosure of research and development has a certain role in the development of the need for "development expenses", and at the same time, the research and development expenses are divided into two stages: the development and research, and the conditions for capital are also five specific requirements. In addition, the Commission issued a document requiring companies in the annual report to disclose the details of the scientific and technological innovation of the listing Corporation during the reporting period. However, China's research and development of information disclosure late, the level of disclosure of research and development is still uneven. And disclosure of information will lose a certain competitiveness, companies usually meet the mandatory disclosure requirements of the state, is not willing to disclose the ability to actively disclose, which is not only for the

protection of business secrets, but also may involve some tax avoidance behavior, so that the usefulness of our country's research and development information disclosure is questionable.

2 THE STATUS QUO OF RESEARCH AND DEVELOPMENT OF HIGH-TECH ENTERPRISES

This article selected 621 enterprises in 2014, the national Torch Plan key high-tech enterprises, the title of the 54 companies in the A shares listed companies (not including the GEM Listing Corporation), the 2011 to 2014 annual report of the disclosure status of research and development costs of three years, and the disclosure of the status of table 1.

Can be seen from the table, in 2007 the enterprise accounting standards for enterprises to set up the balance sheet of the development expenses account, to reflect the process of enterprise development of intangible assets can make the cost of capital formation of intangible assets, so the 54 listing Corporation are set up the "development expenses" course, the sample companies are in accordance with corporate accounting standards in the implementation. However, the actual use of the development expenses account is not high, only about 20% of the business use of the subject, the company

can really use their own intangible assets ratio is still very low. In addition, in 2012 the Commission requires companies to disclose total R & D expenditures in the company's recent net assets, operating income ratio, so the company set up R & D expenses from the situation table, by 2011 the 10 companies quickly rose to 53 companies in 2012, which shows that the requirements of enterprises in the mandatory disclosure, the vast majority of enterprises can complete the requirements. Nearly three years of research and development expenses of enterprises in detail disclosure of the status of the disclosure, although the progress, but overall still in a low level, in addition to the disclosure of management fees and specific research and development costs two subjects 52 enterprises, part of the cost of research and development expenses of the two subjects and the amount of research and development costs are not consistent.

3 THE PROBLEM OF RESEARCH AND DEVELOPMENT EXPENSE DISCLOSURE IN HIGH TECH ENTERPRISES

3.1 Disclosure of R & D Expenses Is Too Simple

Most enterprises in accordance with the provisions of the disclosure of information on the development of the situation, the basic reflection of the enterprise, the cost of the cost of this period, the capital of this period of research and development expenses, R & D spending, total R & D spending accounted for the proportion of total R & D spending accounts for business income ratio". These can better help report users to understand the enterprise's R & D capabilities, but because of the company set up the format of R & D expenses, or to the text version of the content, and only a few companies set up the research and development expenses, investors can not fully understand the specific projects and progress of the industry and other important details, and thus causing the business and investors to obtain information.

3.2 The Cost of Research and Development Expenses Disclosure Is Not Uniform

As China has not developed the R & D spending as a

mandatory set of two subjects, the name of the enterprise is not uniform. There are companies even in 2011 will be the subject of technical development fees, but in 2013 it was renamed R & D fees, so that in actual operation may exist errors. According to the new accounting standards implemented in July 1, 2014, "the cost of the classified according to the nature of the profit table supplementary materials" as a mandatory disclosure of content, which also means that the cost of R & D spending such as high-tech enterprises should be filled out separately.

3.3 The Financial Statements Related to the Project Can Not Be Mutually Verified

In accordance with the provisions of the enterprise accounting standards, the research stage expenses should be included in the management costs, the development phase of the cost of capital is not met, but in the sample companies found that part of the cost of research and development expenses in the cost of management, a small number of enterprises will be included in the cost of research and development of other subjects, such as labor costs, material costs, but the vast majority of enterprises did not explain. Amount such as Huafeng spandex (002064) 2013 annual report, cost management "technology development fee secondary subjects for \$89102246.82, and research and development expenditure in the cost of R & D costs \$84597679.95. Because of the amount of the cost of management in the two level is greater than the cost of research and development expenses, so there is no part of the cost to enter the management fees of the other two subjects, but the business did not explain the matter.

3.4 The Actual Use of the "Development Expenses" Account Is Not High

Although the 54 listing Corporation selected in accordance with the 2007 enterprise accounting standards, in the balance sheet to set up the development expenses of this subject, the development of expenditure items should be based on the "R & D expenditure" in the course of the "capital expenditure" details of the final balance of the accounts, however, the real cost of research and development of enterprises in order to form a relatively small proportion of intangible assets. If Ankai (000868), although every year to set up a development expenditure items, but annual increase in development expenditures directly into the profit

and loss, the 2013 annual report, the increase development expenditure for \$123774046.81. These directly into profit and loss, resulting in enterprise assets and liabilities four years of development expenditure items are 0. From the report, the company's four years of research and development progress is in the development stage, but the development of the project can not meet the capitalization.

3.5 The Enterprise to the Development Expense Cognition Is Not Clear

"Development project expenditure" is actually refers to the development phase of the expense, and the current reduction in the "included in the current profit and loss" column refers to the capital of the conditions of the development phase of the expenses, not including the research phase of spending. We use the formula: the development expenses and the research and development expense, which is included in the management expense ". However, many companies have confused, such as aerospace technology (000901) 2013 annual report disclosed the amount of R & D spending amounted to \$60390000, while in the development of its development projects show this year increased by 60390259.27 yuan, which indicates that the whole of the development process is in the development phase, but the proportion of the total amount of this year's research and development projects in the development of this year is 49.71%. And not 100%. It is obvious that the amount of the development expenses of the enterprise as the formula of the end of the year is not right. "Development expenses" is an asset class subject.

4 COUNTERMEASURES AND SUGGESTIONS ON THE DEVELOPMENT OF HIGH TECH ENTERPRISES

4.1 Perfect Information Disclosure System

4.1.1 Set up a Single Subject to Cost of R & D Spending.

In the profit table and the cash flow statement, it is recommended to develop the cost of research and development from the management costs of stripping, forming an independent cost project alone, so investors can be intuitive to find the current R & D

data, and under the corresponding two subjects, which will be able to separate the development phase of various types of expenditure, so that investors better understand the development of enterprises. At the same time, a separate column shows the cost of R & D, but also to make the investment in R & D spending will not be linked to the cost of management, not because of the increase in R & D investment and make management costs increased. Statements use this can also be more understanding of the relationship between enterprise R & D investment and the actual enterprise efficiency, thereby enhancing the enterprise to implement the power of R & D project development.

4.1.2 Strengthen the Rules for the Identification of High-tech Enterprises

Our country is now the policy is identified as high-tech enterprises, after three years can enjoy tax incentives, three years after re review. Such a long span of time, many companies are not from the company's future development, prospects and other strategic point of view, but from the tax incentives, to obtain high-tech enterprise certificate to tax relief, but its actual development projects and the feasibility of poor correlation. So it is suggested that a review of the three years to review each year, and the company's research and development projects to understand the field, and strengthen the external audit institutions, to control the intensity of the review, to further eliminate the generation of pseudo high tech enterprises.

4.1.3 To Speed up the Development of the Cost of Information Disclosure

In the investigation of the listed companies, almost all of the research and development of high-tech listing Corporation are only disclosed in the annual report, and in the semi annual report, quarterly and other financial statements do not involve these information. For the annual report of the disclosure rate, investors get the information lag far behind, at the same time, it will affect the value of the enterprise evaluation, and then affect the investment decision. In addition to the annual report, the company's annual report, quarterly reports on the current progress of the enterprise research, the occurrence of various types of costs, the next step plan, etc..

4.2 Strengthen Supervision and Audit

4.2.1 Strengthen Punishment

Enterprise information disclosure violations have

been repeated, one after another. Not only because of the false disclosure has brought huge economic benefits, the greater is due to be found and dealt with the probability of overall smaller regulators. At the same time, even after it was found that compliance costs are smaller, making many enterprises to take the risk. Therefore, it is recommended to further strengthen the investigation and punishment, such as the amount of the increase in the amount of punishment, will investigate the information publicity to allow more investors to know as well as the circumstances of serious business prohibition and then to join the securities market, etc.. In order to maximize the deterrent to offenders, reduce the illegal earnings.

4.2.2 Perfect Supervision Mechanism

Even if the system is very comprehensive, but if there is no enough professional to perform, then the end is also very difficult to have much practical effect. Therefore, we should first increase the number of regulators, so as to achieve a regular audit, review, but also should pay attention to improve the professional quality of the supervision personnel. For the association of certified public accountants, it should also be clear about the responsibilities of the association. Continue to strengthen communication and coordinating the work of the association and the relevant government departments, associations and government departments in monitoring and punishment "mutual aid" cooperation mechanism. At the same time, certified public accountants should improve their own work independently, in the audit of the annual report of the company given the objective, professional advice.

4.3 Strengthen the Awareness of Enterprise Voluntary Disclosure

High tech enterprises should correct consciousness to the relationship between the disclosure of R & D expenditures and enterprise's value, constantly improve their own ability, attention to development of the investment from the internal improve the indexes of the enterprise, in ensuring the mandatory disclosure requirements of authenticity, more voluntary disclosure research and development of enterprises, not only to disclosures about their own R & D information of the good news, when it relates to the failure of some of the research and development of information, should also be disclosed, and give a solution, face their advantages and deficiencies, do real blue chip stocks. Some R & D information

disclosure of enterprises is often based on the mandatory disclosure of the core competitiveness of the enterprise, the investors make the right investment decisions play a role. At the same time, users should also be aware of the report, the disclosure of corporate information, research and development, the general will not be subject to legal constraints and strict audit audit, so the enterprise is to exaggerate their own R & D strength also exist some uncertainty. So investors should improve the degree of attention to the disclosure of research and development expenses, the combination of mandatory disclosure and voluntary disclosure content of rational investment.

5 KNOT THEORY

Based on the analysis of the status quo of domestic high-tech enterprise information disclosure, combined with China's reality, A shares listed 54 high-tech enterprises in the annual report data from 2011 to 2014, the disclosure of China's research and development spending has increased year by year, At the same time, from the aspects of law, the standard, the supervision level, the enterprise implementation level to analyze the cause of the problem, and finally give some feasible suggestions. First improve the information disclosure system to prevent some enterprises use and manipulate information disclosure rules to achieve the purpose of profit control. Secondly, the regulatory authorities to further modify and improve the information disclosure rules and related laws, improve the timeliness and effectiveness of information disclosure, and to deal with the disclosure of false disclosure, the requirements of information disclosure should be gradually strict. As R & D expenditure information measure an essential part of a high-tech enterprise of scientific research, profitability, this paper hopes to the suggestions to optimize China's R & D information disclosure, for China's information disclosure system building blocks, make a more perfect and stable China's capital market.

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