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ENTERPRISE REPORTING

Lecture Notes

for full-time and part-time students
in the specialty 071 "Accounting and Taxation"

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INTRODUCTION

"Enterprise Reporting" is one of the basic academic disciplines for the specialty 071 "Accounting and taxation" and involves familiarizing students with both the general principles of the domestic enterprises reporting organization and the methodology of the specific forms' completion. When studying the discipline, the main attention is paid to financial reporting and its role in the functioning of modern enterprises, but tax and other types of reporting are also considered. This gives students the opportunity to master general approaches to reporting on the activities of enterprises and organizations in Ukraine and foreign countries, which is a relevant and important task today.

The main goals of studying the discipline "Reporting of enterprises" are the theoretical and practical training of students in the following directions: familiarizing them with the main definitions, essence and types of reporting, the system of accounting and financial reporting in Ukraine, the principles of reporting organization and its quality characteristics, the order of submission and normative regulation, as well as the methodology of compiling the main forms of financial and tax reporting. Mastering these topics will help students to clearly understand the structure and content of various forms of reporting, their meaning and place in the accounting system, and will give them the skills to compile and adjust financial and tax reports, and compare and analyze their indicators. It will also allow them to prepare for studying the following academic disciplines of accounting and general economics: "Economic analysis", "Control of financial and economic activity", "Management accounting" and others, as well as for future practical work in the specialty.

These lecture notes are meant to be used by both full-time and part-time Ukrainian and foreign students in the specialty 071 "Accounting and Taxation", who study in English, whose number constantly grows in the Educational and Scientific Institute of Economics, Management and International Business.

The full course contains 16 lectures (32 academic hours) and 12 topics. The general structure of the course is listed in table 1.

Table 1 – Structure of the "Reporting of enterprises" course of study.

The topic of the lecture	Number of hours
Topic 1. Meaning, essence and types of reporting, basic definitions.	2
Topic 2 Accounting and financial reporting system in Ukraine.	2
Topic 3. General characteristics of financial and other types of reporting.	4
Topic 4. Principles of organization of reporting in Ukraine and its qualitative characteristics.	2
Topic 5. Submission procedure and normative regulation of reporting.	2
Topic 6. Form, contents and general requirements for the balance.	4
Topic 7. The balance sheet as an element of the accounting method.	4
Topic 8. Types of business operations and their impact on the balance sheet.	2
Topic 9. Content and general requirements for disclosure of articles of form No. 2 of financial reporting "Statement of Financial Results (Statement of Comprehensive Income)".	2
Topic 10. Content and general requirements for the Cash Flow Statement.	4
Topic 11. Content and general requirements for the Net Worth Statement.	2
Topic 12. General overview of tax reporting of Ukrainian enterprises.	2

Lecture 1.

Topic 1. Meaning, essence and types of reporting, basic definitions.

1.1 Meaning and essence of reporting.

Registration of business transactions with the help of primary documents gives an enterprise an opportunity to carry out daily control over the reliability and reasonableness of business expenses. Summary data on the economic activity of the enterprise for a certain period of time are compiled periodically. The system of these data (indicators), which characterizes the work of the enterprise for a certain period, is called *reporting*.

Accounting is a link between business activities and people who make decisions. Information is provided to users in the form of reports.

The main tasks of accounting are:

- measurement of economic activity by recording data about it for further use;
- information processing, saving until the right moment, and then reduction in such a way that it becomes useful data;
- transfer of information through reporting to those who use it to make decisions.

So, the task of accounting reporting itself comes from the tasks of accounting, that is, the main task of reporting is transfer of information to those who use it to make decisions. Accounting reporting is mainly based on primary, analytical and synthetic accounting data.

The composition and elements of financial reporting are determined by the Law "About the Accounting and Financial Reporting in Ukraine".

Financial reports contain articles, the composition and content of which is determined by the relevant regulations (standards).

An article is an element of a financial report that complies with established regulations (standards).

An article is included in the financial statements if it meets two criteria:

- there is a possibility of receipt or disposal of future economic benefits related to this article;

- the evaluation of the article can be reliably determined.

1.2. Types of reporting, their characteristics.

In general, the reporting of enterprises can be classified according to the following characteristics.

1. According to the place of use, there are external and internal reporting.

The External reporting is used outside the enterprise and within the enterprise.

The Internal reporting is used only within a specific enterprise by managers of different levels.

2. According to the volume of indicators, reporting is divided into short and full.

The Short reporting is submitted with a reduced number of indicators for the reporting month or quarter.

The Full reporting is submitted for all indicators, approved in the established order, including those for which short reports were previously submitted.

3. According to the order of regulation and role in management, reporting is divided into state and intraeconomic.

The State reporting is established by the state administration bodies of Ukraine, the Ministry of Finance, the State Statistics Service of Ukraine, the State Tax Administration. It includes financial, tax and statistical reporting. These reports contain indicators of the economic and social development of enterprises, regions, industries, and the country as a whole.

The Enterprise (intraeconomic) reporting is the reporting of separate enterprises on their financial and economic activity according to the indicators established for them, on the basis of which management decisions are made.

4. According to the content of the reported data, standard and specialized reporting are distinguished.

The Standard reporting shows indicators of the same content, which are typical for all enterprises, regardless of the type of activity and form of ownership.

The Specialized reporting includes reporting that characterizes the activities of enterprises and organizations of a separate branch of the economy or its sub-branches.

5. According to the degree of data generalization, reporting is divided into primary and consolidated.

The Primary reporting refers to the reporting of separate enterprises.

The Consolidated reporting is obtained by summarizing data from primary reporting. According to departmental affiliation, such reporting is completed by all ministries, departments, in higher management bodies, and according to the territorial principle and branches of the economy it is generated by statistical bodies.

6. According to the period of preparation, reporting is divided into periodic and annual.

The Periodic reporting is monthly and quarterly reporting. It reflects the financial condition and results of the company's activity in a cumulative total from the beginning of the year for the corresponding month, quarter.

The Annual reports contain indicators of the company's activity for the reporting (calendar) year.

7. According to the terms of submission, urgent and regular reporting are distinguished.

Urgent reporting is submitted within four days after the end of the reporting period.

Regular reporting is submitted within the deadline set by the management body to which the enterprise belongs.

8. According to the method of sending, reporting is divided into *electronic*, *telegraphic*, *postal* and *self-delivered*.

1.3. Basic definitions of accounting and reporting.

Assets are resources controlled by the enterprise as a result of past events, the use of which is expected to lead to economic benefits in the future.

Liabilities are debts of the enterprise that arose as a result of past events and whose repayment in the future is expected to lead to a decrease in the resources of the enterprise, embodying the economic benefits.

Business transaction (operation) is an action or event that causes changes in the structure of assets, obligations and the company's own capital.

Economic benefit is the potential opportunity for the company to receive monetary funds from the use of assets.

The national regulation (standard) of bookkeeping (R(S)BK) is a legal act approved by the Ministry of Finance of Ukraine, which defines the principles and methods of accounting and financial reporting that do not contradict the international standards.

Accounting policy is a set of principles, methods and procedures used by an enterprise to prepare and submit its financial statements.

Primary document is a document that contains information about a business transaction and confirms its implementation.

Financial reporting is accounting reporting containing information on the financial position, results of operations, cash flows and own capital of the enterprise for the reporting period.

Consolidated financial statements are financial statements that reflect the financial position, results of operations, cash flows and own capital of a legal entity and its subsidiaries as a single economic unit.

Active accounts are accounts designed to record the status, movement and changes of economic assets by their types.

Passive accounts are accounts designed to record the state, movement and changes in the company's sources of funds.

Synthetic accounts are accounts with the help of which generally reflect the state and movement of economically homogeneous types of economic assets according to their composition and placement, as well as according to the sources of their formation and purpose in monetary terms.

Analytical accounts are accounts with the help of which a detailed description of the data of synthetic accounts is given.

Own Capital or Equity is the part of the company's assets that remains after the deduction of its liabilities.

Income is increase in economic benefits in the form of inflow of assets or decrease in obligations, which lead to growth of own capital (with the exception of growth of capital at the expense of owners' contributions).

Expenses are reduction of economic benefits in the form of disposal of assets or increase in obligations, which lead to a decrease in own capital (with the exception of a decrease in capital due to its withdrawal or distribution by owners).

Inventory is a verification of compliance of the actual availability of funds with the accounting data, detection of unaccounted values.

Users of financial statements are individuals or legal entities who need information about the company's activities to make decisions.

Lecture 2.

Topic 2 Accounting and financial reporting system in Ukraine.

2.1. Document circulation and the general types of documents.

Document circulation is the movement of accounting documents at the enterprise from the moment of their creation to the completion of processing and transfer to the archive.

Accounting documents are classified:

- by *purpose*;
- by the *order of completion*;
- by the *method of operations reflection*.

According to their *purpose*, accounting documents are divided into: *administrative, justificatory, accounting and combined*.

By *order of composition*: *primary, consolidated*.

According to the *method of operations reflection*: *one-time, cumulative*.

2.2. Accounting registers, their types and basic completion principles.

Business operations, formalized with relevant documents, in order to obtain generalized information about the presence and changes of the company's property, business processes and financial results of activity are subject to grouping and display in a certain order in the accounting registers.

Accounting registers are information carriers of a special format and structure (paper or machine) intended for registration, grouping and summarization of business transactions, formalized by corresponding primary documents.

Records of business transactions in registers are called accounting registration.

1. According to the appearance, accounting registers are divided into *books*, *cards* and *separate sheets*.

In *accounting books*, individual sheets are tightly bound. The pages of the book must be numbered before the beginning of the entries. The total number of pages in the book is indicated on the back of the last page under the signature of the chief accountant. The name of the enterprise or organization and the name of this book, as well as the year for which it was established, are indicated on the cover of the book. The main advantage of keeping records in books is the reliability of keeping accounts. Therefore, the books are used in those areas of accounting that require enhanced control over the storage of accounts (accounting of funds in the cash register, Cash book).

However, books have significant drawbacks that limit their use in accounting: accounting in books is more cumbersome than in other registers, which complicates the division of labor of accounting employees and automated processing of accounting information; with a large volume of the book, it is impossible to quickly find the accounts placed in the book; a significant number of unused sheets remain in the books, which makes them uneconomical.

Cards are more convenient for accounting. Cards are made of sticky paper or thin cardboard of a special shape with the standard sizes, and they are widely used in analytical accounting (object-by-object accounting of fixed assets, non-contract accounting of production costs, graded accounting of material assets in warehouses). The cards are stored in special boxes called file cabinets, where they are organized in a certain order. To ensure the safety of the card, upon opening, it is registered in a

special register. Each card is assigned a serial number. File cabinets are assigned to certain accounting officers who are responsible for their storage and the correctness of their records.

Separate sheets from cards differ in that they are made of less sticky paper, have a larger format and are stored in folders (registers) from which they are easily removed for accounting purposes. Separate sheets are used for keeping order journals, auxiliary information, and making typescripts.

The advantage of cards and separate sheets is the possibility of any grouping to obtain the necessary information, to be used in the mechanization of accounting on modern computers, which ensures an increase in the productivity of accounting employees and the efficiency of accounting.

2. According to the nature of records, accounting registers are divided into *chronological, systematic* and *combined*.

In the *chronological* accounting registers, business transactions are recorded in the calendar sequence of their implementation and execution. Chronological accounting provides control over the preservation of documents received by the accounting department, the completeness and correctness of accounting records. An example of a register of chronological accounting is a registration log of operations.

Systematic accounting registers are intended for the grouping (systematization) of business transactions that are homogeneous in terms of economic content on bookkeeping accounts. They include any register in which records are kept on the synthetic or analytical accounts (for example, the General Ledger, cards of object-by-object accounting of fixed assets, warehouse accounting of materials, etc.).

In *combined* accounting registers, chronological and systematic records are kept simultaneously. An example of a combined register of synthetic accounting is the Journal-main book, which combines the registration journal (chronological accounting) and the main book (systematic accounting); journals-orders and auxiliary information used in the journal-order form of accounting, typescripts.

3. According to the content of records, accounting registers are divided into *synthetic, analytical* and *combined registers*.

Synthetic accounting registers are designed to display economically homogeneous economic assets on synthetic accounts in money terms, indicating the date, number and amount of the accounting entry, as a rule, without explanatory text. Registers of synthetic accounting are chronological (registration log), systematic (General Ledger) and combined (General Ledger, order logs).

Analytical accounting registers are designed to display business transactions on separate analytical accounts detailing the content of indicators of the corresponding synthetic account. With the help of these registers, control over the availability and changes of each type of economic assets, their sources, settlements with each debtor and creditor are ensured.

Combined accounting registers are designed for simultaneous synthetic and analytical accounting. Combined registers provide an opportunity to display relevant objects in analytical accounting and simultaneously obtain generalized synthetic indicators.

2.3. Basic regulatory documents of accounting in Ukraine.

In Ukraine, the accounting procedure is regulated by the Law of Ukraine "About Accounting and Financial Reporting in Ukraine" dated July 16, 1999 No. 996-XIV.

This Law applies to all legal entities created in accordance with the legislation of Ukraine, regardless of their organizational and legal forms and forms of ownership, as well as to representative offices of foreign economic entities that are required to keep accounting records and submit financial statements in accordance with the law.

State regulation of accounting and financial reporting in Ukraine is carried out by the Ministry of Finance, the National Bank, the State Treasury, ministries and other central bodies of executive authority within the limits of the powers provided for by legislation, with the aim of:

- creation of uniform accounting and financial reporting rules, which are mandatory for all enterprises and guarantee and protect the interests of users;
- to improve accounting and financial reporting.

Accounting and financial reporting methodology issues are regulated by the Ministry of Finance of Ukraine, which approves national regulations (standards) of bookkeeping and other legal acts About Accounting and Financial reporting.

The Law about Accounting determines that the national regulations (standards) of bookkeeping are the main legal documents in the system of accounting regulation, which define the principles and methods of accounting and financial reporting that do not contradict international standards.

When conducting accounting in accordance with NR(S)BK, it is also necessary to take into account the requirements of other normative documents of the Ministry of Finance of Ukraine:

- "Plan of accounts for accounting of assets, capital, liabilities and economic operations of enterprises and organizations" and "Instructions on the application of the Plan of accounts for accounting of assets, capital, liabilities and economic operations of enterprises and organizations", approved by the order of the Ministry of Finance of Ukraine from 31.11.99, No. 291;
- Order of the Ministry of Finance of Ukraine dated 29.11.2000 No. 302 "About the Notes to Annual Financial Statements";
- "Methodical recommendations on the application of accounting registers", approved by the order of the Ministry of Finance of Ukraine dated 29.12.2000 No. 356;
- Order of the Ministry of Finance of Ukraine dated 28.03.2001 No. 143 "About the correspondence of accounts" and others.

Lecture 3.

Topic 3. General characteristics of financial and other types of reporting.

3.1. Meaning of reporting and requirements for it.

Financial reporting is the accounting reporting containing information on the financial status, results of operations, cash flows and own capital of the enterprise for the reporting period.

General requirements for financial reporting are set out in Articles 11-14 of the Law of Ukraine "About Accounting and Financial Reporting" and in NR(S)BK 1 "General Requirements for Financial Reporting".

The purpose of preparing financial statements is to provide users with complete, true and unbiased information about the financial condition, results of operations, cash flows and changes in the company's own capital, which is necessary for making decisions regarding:

- purchase, sale and holding of securities;
- participation in the capital of the enterprise;
- assessment of management quality;
- assessments of the enterprise's ability to fulfill its obligations in a timely manner;
- security of the company's obligations;
- determining the amount of dividends to be distributed;
- regulation of enterprise activity;
- other solutions.

3.2. The procedure for drawing up and submitting accounting statements.

The entire cycle of accounting from the transaction to the preparation of financial statements can be divided into the following stages:

- 1) display of all transactions in primary documents;
- 2) analysis of the operation, its recognition and evaluation in accordance with the requirements of the NR(S)BK, as well as display in certain accounting registers (statements, journals);
- 3) transferring entries based on the results of the inventory of assets and liabilities in the registers;
- 4) transferring data to the General Ledger;
- 5) closing income and expense accounts;
- 6) compilation of circulation and balance information;
- 7) preparation of financial statements (Balance Sheet, Statement of Financial Results, Cash Flow Statement, Net Worth Statement, Notes to Reports).

The balance sheet is a list of all accounts with an indication of the balance at the beginning of the reporting period, the circulation by debit and credit of the accounts and the balance at the end of the period. It is made on the basis of General Ledger data and provides an opportunity to check the equality of debit and credit balances and the equality of debit and credit circulation for the reporting period. The balance sheet and the Statement of Financial Results are compiled on the basis of circulation and balance information.

3.3. Basic requirements for enterprise reporting.

The main requirements for reporting are mandatory submission, state regulation, timeliness of completion and submission, simplicity, comprehensibility and general availability, reliability, unity of the methodology of reporting indicators, comparability of reporting indicators for different periods, appropriateness, rationality, economy and effectiveness.

Financial statements must contain data about:

- enterprise;
- reporting date and reporting period;
- reporting currency and unit of measurement;
- relevant information regarding the reporting and previous period;
- accounting policy of the enterprise and its changes;
- consolidation of financial reports;
- termination (liquidation) of certain activities;
- restrictions on ownership of assets;
- participation in joint ventures;
- detected errors of previous years and related adjustments;
- revaluation of articles of financial statements;
- other information, the disclosure of which is provided for by the relevant Regulations (standards).

Lecture 4.

Topic 3. General characteristics of financial and other types of reporting.

3.4. Principles of accounting and financial reporting.

Financial reporting in Ukraine is formed in compliance with the ten principles formulated in article 4 of the Law of Ukraine "About Accounting and Financial Reporting in Ukraine" and paragraph III.6 of NR(S)BK No. 1 "General Requirements for Financial Reporting".

According to the Law of Ukraine "About Accounting and Financial Reporting in Ukraine", accounting and financial reporting are based on the following *principles*:

full disclosure - financial reporting must publish all information about the actual and effective consequences of business operations and events that can affect decisions made on its basis;

autonomy - each enterprise is considered as a legal entity separate from its owners; in this connection, the property and obligations of the owners should not be reflected in the financial statements of the enterprise;

consistency - constant (from year to year) application of the chosen accounting policy by the enterprise. Changes in accounting policy are possible only in cases provided for by national regulations (standards) of bookkeeping, international financial reporting standards and national regulations (standards) of bookkeeping in public accounting, and must be justified and disclosed in financial statements;

continuity - assessment of assets and liabilities of the enterprise to be created, based on the assumption that its activities will continue in the future;

accrual - income and expenses are reflected in accounting and financial reporting at the time of their occurrence, regardless of the date of receipt or payment of funds;

substance prevails over form - transactions are accounted for according to their substance, and not only based on the legal form;

single monetary unit - measurement and summarization of all business transactions of the enterprise in its financial statements is contained in a single monetary unit;

other principles defined by international standards or national regulations (standards) of bookkeeping, or national regulations (standards) of bookkeeping in the public sector, depending on which of these standards is used by the enterprise.

NR(S)BK No.1 "General requirements for financial reporting" offers an extended list of principles that an enterprise has to follow when preparing and submitting financial statements:

enterprise autonomy, according to which each enterprise is considered as a legal entity separated from its owners; therefore, the personal property and liabilities of the owners should not be reflected in the financial statements of the enterprise;

continuity of activity, which involves the assessment of assets and liabilities of the enterprise, based on the assumption that its business will continue in the future;

periodicity, which assumes the division of the company's activities into certain periods with completion of financial statements in each period;

historical (actual) cost price, which distinguishes the advantage of assessing assets based on the costs of their production and acquisition;

accruals, according to which income and expenses are reflected in accounting and financial reporting at the time of their occurrence, regardless of the time of receipt or payment of funds (money);

full disclosure, according to which financial statements must disclose all information about the actual and potential consequences of transactions and events that can influence the decisions made on its basis;

consistency, which involves the constant (from year to year) application of the chosen accounting policy by the enterprise. The change in the accounting policy must be justified and disclosed in the financial statements;

caution, according to which valuation methods used in accounting should prevent underestimation of liabilities and expenses and overestimation of assets and income of the enterprise;

the predominance of substance over form, according to which the transaction should be accounted for in accordance with their substance, and not only based on the legal form;

a single monetary measure that evaluates the measurement and summarization of all operations of the enterprise in its financial statements in a single monetary unit.

3.5. Classification of reporting in general.

In addition to the financial statements of the enterprise, it is necessary to submit other forms of reporting. With the accrual of organization and simplification of reporting, it is classified according to certain features, which is illustrated in fig. 1.

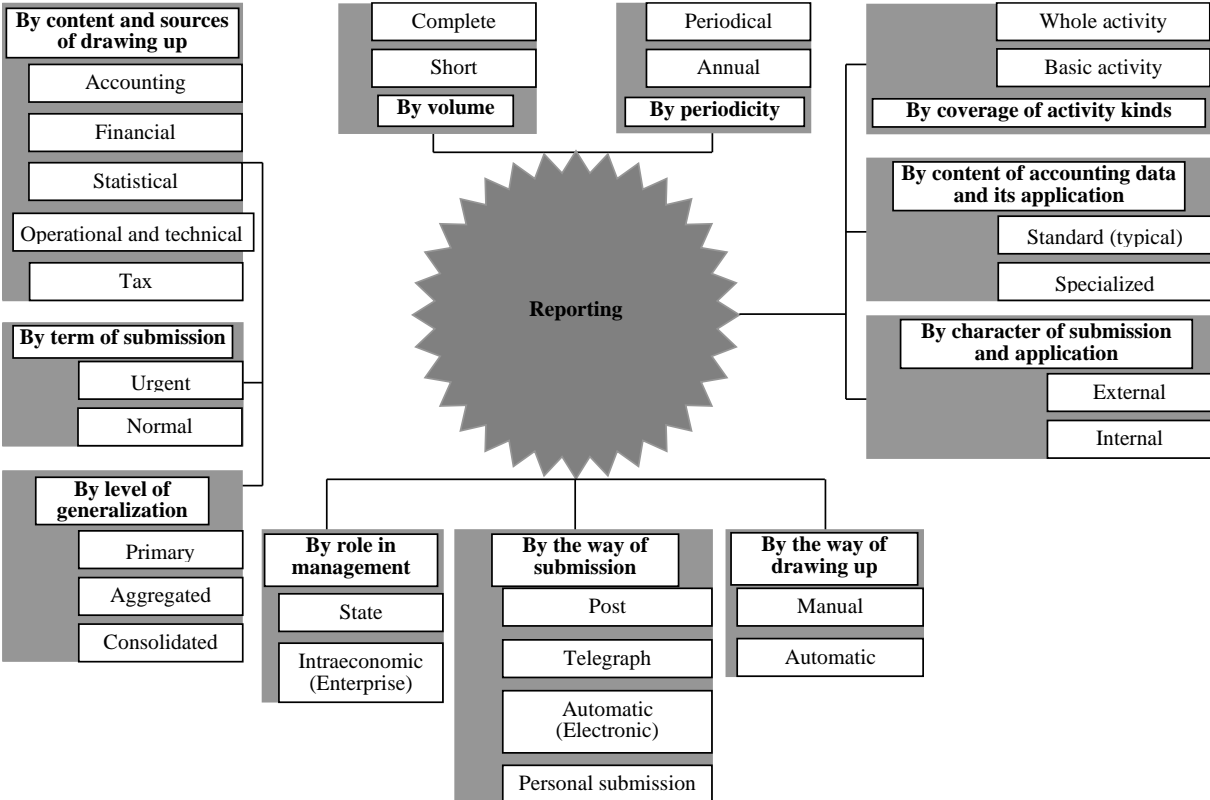


Figure 1. Classification of reporting in Ukraine.

Lecture 5.

Topic 4. Principles of organization of reporting in Ukraine and its qualitative characteristics.

4.1 Principles of organization of reporting in Ukraine.

Financial statements are prepared by all legal entities created in accordance with the legislation of Ukraine, regardless of their organizational and legal form and form

of ownership, as well as representatives of foreign economic entities that are required to keep accounting records.

Enterprises that have subsidiaries, in addition to financial reports about their own business operations, prepare and submit consolidated financial statements.

Associations of enterprises, in addition to their own reporting, complete and submit summary financial statements for all enterprises that are their parts, if this is provided for by the founding documents of associations of enterprises in accordance with the law.

Addressees for submitting financial statements are listed in Law about Accounting. They include:

- 1) bodies to whose sphere of management enterprises belong;
- 2) labor collectives (at their request);
- 3) owners (founders) in accordance with the founding documents;
- 4) executive authorities and other users of financial statements. Including:
 - state statistics bodies;
 - Tax Service;
 - the state registrar, to whom reporting is submitted as part of the annual balance sheet and the Statement of Financial Results.

According to paragraph 46.2 of article 46 of the Tax Code, profit tax payers (except small enterprises) submit quarterly or annual financial statements together with the relevant tax declaration in the manner prescribed for its submission. Profit tax payers - small businesses submit annual financial statements.

Enterprises that are not profit tax payers (payers of the single and fixed agricultural tax) are exempted from submitting financial statements to the Tax Service authorities.

In addition, all enterprises at the end of the year are obliged to submit (send by registered mail) financial statements in the form of a Balance Sheet and an Statement of Financial Results to the state registrar at the location of the registration case no later than June 1 of the year following the reporting period (paragraph 3 of article 14 of the Law about Accounting).

The current legislation of Ukraine also clearly establishes which forms of reporting must be submitted. For this purpose, it is necessary to distinguish two groups of business entities:

I. *Enterprises, except for small business entities*, submit:

- Balance Sheet (Financial Statement) (form No. 1);
- Statement of Financial Results (Statement of Comprehensive Income, Income Statement) (form No. 2).
- Cash Flow Statement (form No. 3);
- Net Worth Statement (form No. 4);
- Notes to the annual financial statements (form No. 5);
- Addendum to the notes to the annual financial statements "Information by segments" (form No. 6).

II. *Small business entities* submit:

1. The financial report of small business entity (forms No. 1, 2) is submitted by:
 - 1) legal entities-subjects of small business, except for:
 - trust companies, insurance companies, banks, pawnshops, other financial-credit and non-banking financial institutions;
 - entities of business activity that carry out foreign currency exchange;
 - manufacturers and importers of excise goods;
 - enterprises, the share of contributions in the authorized capital of which belonging to founding legal entities and their participants, who are not subjects of small business, exceeds 25%;
 - 2) representative offices of foreign business entities.
2. Simplified financial report of a small business entity (forms No. 1-ms, 2-ms):
 - 1) small business entities that meet the criteria of paragraph 154.6 of the Tax Code of Ukraine;
 - 2) single tax payers of group 4.

The reporting period for the preparation of financial statements is the calendar year (paragraph 1, article 13 of Law about Accounting). An exception is newly established enterprises, for which the first reporting period may be less than 12 months,

but may not exceed 15 months (paragraph 2, article 13 of the same law). Thus, enterprises that were registered in the period from October 1 to December 31, 2023, do not prepare annual financial statements for this period. The first reporting period for them will be from the date of registration to December 31, 2024.

4.2 Qualitative characteristics of financial reporting.

The financial statements of the enterprise are the main source of information about its property and financial condition. Therefore, reporting must meet certain **qualitative characteristics**.

The state regulation of reporting consists in the fact that for all branches of the economy and enterprises, uniform indicators and uniform forms of reporting, principles of compilation and submission deadlines are established. This is necessary for summarizing the reporting indicators of separate enterprises within the branches of the economy according to the general classifier of national economy branches of the State Statistics Service of Ukraine (SSSU).

The mandatory reporting follows from the very nature of the functioning of the market economy. Any enterprise is engaged in activities that are not prohibited by the current legislation and is obliged to submit reports to the relevant authorities within a specified period and in a specified volume and form. This is necessary for the formation of national indicators of the economy development of the regions and Ukraine as a whole and control of accounts with the state tax system.

The accuracy of the reporting is designed for unambiguous interpretation by its users, provided that they have sufficient knowledge and are interested in perceiving this information.

The relevance of information is one of the main requirements. Reporting information is considered relevant (useful) if it is able to influence the value estimate or the decision that is made now or for the future period, confirm and correct estimates made in the past.

The reliability of the information is ensured by the fact that in accounting all entries are made on the basis of properly executed documents, and before the

preparation of the annual report, an inventory of property, cash and calculations is carried out. The reliability of information may be confirmed by an auditor's report.

The accuracy of reporting is ensured by the correct display of data on the accounts of synthetic and analytical accounting and in the corresponding reporting forms, and the mutual consistency of the indicators displayed in the reporting forms.

The completeness of reporting is the necessity and obligation to fill in all details and indicators of the reporting forms. In cases where individual rows (columns) are not filled in due to the absence of assets, liabilities or transactions in this article (rows, columns), it is crossed out.

The timely submission of reports is necessary for making correct management decisions. The timeliness of receiving reporting data by the owner (founder) in the conditions of the market economy becomes especially relevant. After all, reporting provides the owner with information about the financial state of the enterprise, amount of profit and dividends. Late reporting may lead to unfounded or incorrect decisions.

The methodological unity of the calculation of reporting indicators is regulated by the state and is mandatory for all enterprises, regardless of the type of activity and form of ownership. Thus, asset valuation methods remain constant during the fiscal year, which ensures a comparability of the reporting indicators of all branches of the state's national economy. This allows them to generalize, group, analyze and obtain reliable information for evaluating the work of enterprises or industries.

The comparability of reporting indicators is ensured by a single methodology of planning, accounting of economic activity and reporting. Reporting should be comparable with the indicators of previous reporting periods, years, otherwise generalizations are impossible, this is of significant importance when analyzing and developing prospects for the development of industries, enterprises, and drawing up business plans.

The simplicity and clarity of reporting consists in creating such forms of reports that do not have excessive information and are understandable to company employees, shareholders, and investors.

The availability and transparency of reporting consists in the fact that the entire workforce of enterprises is familiar with the indicators of financial reporting. The financial statements of enterprises are subject to publication, and the statements of joint-stock companies are of the open type of publication in printed mass media. The transparency of reporting in Ukraine is also ensured by the systematic publication of statistical data on the economic and social development of the national economy in the state, regions, industries, etc.

The continuity consists in keeping the same forms and structure of reporting during the accounting period of the enterprise's activity.

The rationality of reporting implies a reasonable, minimum volume of necessary reporting indicators for management.

The cost-effectiveness of reporting consists in the fact that the amounts of labor and money spent for reporting should be minimal, with simultaneous promptness of its preparation and timeliness of submission.

The general effectiveness of reporting involves the need to carry out a scientific economic analysis of reported data, identify shortcomings in the activities of enterprises, as well as internal reserves of production.

Employees of accounting services must know and understand the reporting requirements of enterprises, only under this condition they can satisfy the relevant users with information for making management decisions.

Lecture 6.

Topic 5. Submission procedure and normative regulation of reporting.

5.1. Procedure for reporting in Ukraine.

Reporting in Ukraine is regulated by the Procedure for submitting financial reporting approved by Decree of the Cabinet of Ministers of Ukraine No. 419 dated February 28, 2000 (as amended).

Financial reporting is submitted to state bodies in the sphere of management of which enterprises are located, labor collectives at their request, owners (founders) in accordance with the founding documents, as well as in accordance with the law - to other bodies and users, in particular to state statistics bodies.

Financial statements and consolidated financial statements in accordance with international financial reporting standards are prepared by public joint-stock companies, banks and insurers starting from January 1, 2012, as well as enterprises that conduct business activities of the following types:

provision of financial services, except insurance and pension provision (group 64 of CKEA (Classification of kinds economic activities) DK 009:2010), as well as non-state pension provision (group 65.3 of CKEA DK 009:2010) - starting from January 1, 2013;

auxiliary activities in the spheres of financial services and insurance (group 66 of CKEA DK 009:2010) - starting from January 1, 2014.

Profit tax payers in accordance with the procedure provided by the Tax Code of Ukraine for submitting a tax declaration submit to the state tax service body:

quarterly financial statements (except for enterprises recognized as subjects of small business in accordance with the Economic Code of Ukraine);

annual financial statements.

Legal entities that meet the criteria specified in Paragraph 154.6 of Article 154 of the Tax Code of Ukraine should submit to the appropriate authorities the annual financial statements provided for the subjects of small business.

The date of submission of financial statements for an enterprise is considered to be the day of its actual transfer, and in the case of sending it by mail, the date of receipt of the statement by the addressee, indicated on the stamp of the communication company serving the addressee.

Quarterly financial statements (except summarized and consolidated) are submitted by enterprises no later than the 25th day of the month following the reporting quarter, and annual financial statements - no later than February 28 following the reporting year.

Quarterly or annual financial statements are submitted by enterprises to the State Tax Service within the time limits provided for the submission of corporate profit tax returns.

Quarterly financial statements are interim and objectively cannot contain some important information and characteristics of the annual financial statement. Quarterly financial statements are presented to users only as part of the Balance Sheet and the Statement of Financial Results (Income Statement).

The managers and recipients of funds from the state and local budgets shall submit monthly reports no later than the 5th of the following month, quarterly reports no later than the 15th of the month following the quarter, and annual financial reports no later than January 22 of the following year.

Ministries and other central bodies of executive power submit consolidated financial statements on the financial position, results of operations and cash flow for all enterprises that belong to the sphere of their management, as well as consolidated financial statements on the financial position, results of operations and cash flows for economic companies, the shares of which are in state ownership, the Ministry of Economy and the Ministry of Finance every quarter no later than 45 days after the end of the reporting quarter and every year no later than April 15 following the reporting year. The Ministry of Finance informs about the different deadlines for submitting these financial statements.

The All-Ukrainian Central Union of Consumer Societies submits to the Ministry of Finance and the Ministry of Economy consolidated financial statements regarding consumer societies, their unions and all enterprises formed by them within the terms stipulated in the first paragraph of this clause.

Associations of enterprises, formed voluntarily, submit their consolidated financial statements if this is provided for by the founding documents.

If the reporting submission date falls on a non-working day, the submission deadline is postponed to the first working day after the holiday.

Enterprises that have subsidiaries, in addition to financial reports on their own business operations, also submit consolidated financial statements to the owners

(founders) within the terms determined by them, but no later than 45 days after the end of the reporting quarter and no later than April 15 of the following reporting year. Enterprises that prepare consolidated financial statements according to international financial reporting standards send relevant information by letter to the state statistics authorities within the time limits provided for the submission of such statements.

An inventory of the company's assets and liabilities must be carried out before drawing up the annual financial statements.

5.2. Normative acts regulating the processes of drawing up and submitting reports in Ukraine.

Compilation and submission of reports is regulated by a significant number of legislative and regulatory acts, including:

Law of Ukraine "About Accounting and Financial Reporting in Ukraine" No. 996-XIV dated 07.16.99.

Tax Code of Ukraine No. 2755-VI dated 02.12.10.

Economic Code of Ukraine No. 436-IV dated 6.01.2003.

Code of Ukraine on Administrative Offenses No. 8074-X dated 07.12.84.

Law of Ukraine "On State Support of Small Businesses" No. 2063-III dated 19.10.2000.

Law of Ukraine "About the Official Statistics" No. 2524-IX dated 16.08.2022.

Resolution of the CMU "On approval of the procedure for submitting financial statements" No. 419 dated 28.02.2000.

Order of the Ministry of Finance of Ukraine "On Amendments to Accounting Regulation (Standard) 25 "Financial Report of a Small Business Entity" No. 25 dated 24.01.2011.

Order of the Ministry of Finance of Ukraine "On Notes to Annual Financial Statements" No. 302 dated 29.11.2000.

Order of the Ministry of Finance of Ukraine "On Approval of Changes to Certain Regulations (Standards) of Accounting (Book Keeping)" No. 372 dated 18.03.2011.

"Regulations on the procedure for accounting of individual assets and operations of enterprises of the state and communal sectors of the economy and economic organizations that own and/or use objects of state and communal property" - approved by the Order of the Ministry of Finance of Ukraine No. 1213 dated 19.12.2006.

NR(S)BK 1 "General requirements for financial reporting", approved by order of the Ministry of Finance of Ukraine No. 73 dated 07.02.2013.

NR(S)BK 2 "Consolidated Financial Statements", approved by order of the Ministry of Finance of Ukraine No. 628 dated 27.06.2013.

NR(S)BK 6 "Correction of errors and changes in financial reports", approved by order of the Ministry of Finance of Ukraine No. 137 dated 28.05.99.

NR(S)BK 25 "Financial report of a small business entity", approved by the order of the Ministry of Finance of Ukraine No. 39 dated 25.02.2000.

NR(S)BK 29 "Financial reporting by segments", approved by the order of the Ministry of Finance of Ukraine No. 412 dated 19.05.2005.

"Methodical recommendations for accounting of fixed assets", approved by the order of the Ministry of Finance of Ukraine No. 561 dated 30.09.2003.

"On the approval of Methodological recommendations for checking the comparability of financial reporting indicators", approved by the order of the Ministry of Finance of Ukraine No. 1524 dated 22.12.2008.

Lecture 7.

Topic 6. Form, contents and general requirements for the balance sheet.

6.1. Definition and purpose of completion of the balance sheet.

The most common *definition of the balance sheet* is its representation as a method of assessing the property status of an enterprise, on the one side – according to the composition and placement of resources, and on the other side – according to the sources of their formation.

In the light of the new accounting standards, the understanding of the balance sheet is reduced to the ultimate purpose of its preparation: *the balance sheet (financial statement)* is a report on the financial position of the enterprise, which reflects its assets, liabilities and equity as of a certain date.

There are many definitions of the balance sheet, there are even figurative ones, for example: *the balance sheet* is a photographic image that captures the state of affairs at a specific moment ("Ripley's photograph"). Or as short but precise as: *the balance sheet* is the main account of the enterprise.

The balance sheet, regardless of how its definition is formulated, is drawn up at a specific moment in time, associated with the beginning of activity, the end of the reporting period, or with the implementation of certain activities due to objective or subjective reasons:

- on the date of registration of the enterprise as a subject of entrepreneurial activity;
- at the beginning and end of the reporting year;
- on the date of preparation of interim financial reports (for a month, quarter, half year, nine months);
- in cases of remediation, bankruptcy, liquidation or reorganization of a business entity.

The last of the listed items includes balance sheets, which in accounting are called actualized (actuarial).

The purpose of drawing up a balance sheet is to provide users with complete, true and unbiased information about the financial condition of the enterprise as of the reporting date.

The balance sheet shows the assets, liabilities and equity of the enterprise. The sum of assets on the balance sheet must equal the sum of liabilities and equity.

An asset is shown in the balance sheet on the condition that its value can be reliably determined and it is expected to receive economic benefits related to its use in the future.

Costs for the acquisition and creation of an asset that cannot be reflected in the balance sheet are included in the expenses of the reporting period.

A liability is reflected in the balance sheet if its value can be reliably determined and there is a possibility of a decrease in economic benefits in the future as a result of its repayment.

Equity is reflected in the balance sheet simultaneously with the reflection of assets or liabilities that lead to its change.

The annual balance sheet shows the company's assets, liabilities and equity as of December 31 of the reporting year (column 4) compared to the data as of December 31 of the previous year (column 3).

The rules for filling out balance sheet lines are given in Methodical recommendations for filling out financial reporting forms No. 433.

6.2. Content of the balance sheet.

The subject of accounting is all economic activity of the enterprise.

The method of accounting is a set of methods by which the subject of accounting is displayed. The most important elements of the accounting method are the following: documentation, inventory, system of accounts, double entry, evaluation, calculation, balance, reporting.

Accounting is a process of continuous value display of information about changes in the state of assets, equity and liabilities of the enterprise. In accounting, the obligation is equated with the payables of the enterprise. Accounts payable arise after events, as a result of which the enterprise becomes someone's debtor. This debt is the result of the enterprise receiving cash or goods, advances from other enterprises on credit. Indebtedness also arises when the due date for paying taxes, calculating wages for employees and in other situations in which the enterprise will be forced to fulfill certain obligations.

Accounting of assets, liabilities and equity and changes in their status is necessary, first of all, for the owners and management of the enterprise to exercise control over the effective management of economic activity. In addition, according to

the legislation of almost all countries of the world, including Ukraine, enterprises are obliged to provide relevant state authorities with information on the composition and value of their assets, liabilities and equity at the beginning and end of the reporting period. The reporting period is usually a year. Ukraine is no exception here, but domestic enterprises must provide the above-mentioned reporting with cumulative totals during the year on a quarterly basis.

Lecture 8.

Topic 6. Form, contents and general requirements for the balance.

6.3. Structure and basics of building a balance sheet.

In Ukraine, the form and contents of the balance sheet items are regulated by the National regulation (standard) of book keeping No. 1 "General requirements for financial reporting".

The balance sheet consists of two parts: assets and liabilities. The first part shows all the assets that are at the disposal of the enterprise, according to their value. Section I of liabilities shows the value of the company's equity capital, and sections II and III show the amount of obligations.

In addition to the fact that the liability consists of equity and obligations, it can be said that it shows what part of the company's assets is owned by it, and what part is borrowed and must be returned. At the same time, obligations do not necessarily have to be associated with the company's liabilities arising only from the received assets. So, if the accounts payable arose for the works received or services provided, then this can be considered as the need to return part of its assets in the form of cash or other assets to the creditor (that is, these assets can be considered borrowed after the debt is incurred).

It can also be said that the essence of the first section of liabilities is that it expresses that part of the assets that, regardless of whether it is fixed assets, cash, goods or receivables, will remain the property of the enterprise after it repays the obligations

with other assets, on the condition that such repayment will take place at the time of drawing up the balance sheet or on the condition that the enterprise will not conduct any activity after drawing up the balance sheet. This does not mean that when the company's property is actually sold for the purpose of settlement with creditors, it will retain exactly this part of the assets (meaning the value of these assets).

This is due to the fact that the market value of realizable assets may differ from the value at which they are reflected in the balance sheet, so it may be necessary to sell more or less of them. But the essence of the first section of the liabilities of the balance sheet does not change from this, because according to the principle of historical (actual) cost price, all assets must be reflected in the accounting and balance sheet at production cost or acquisition cost. This means that when purchasing goods on credit or receiving an advance payment, the company will increase the amount of assets at its disposal and simultaneously increase the amount of obligations by the same amount. Thus, the balance sheet will show increased assets, and increased obligations will indicate that they do not belong to the enterprise.

At the same time, the amount of own assets (equity capital) will remain the same. In this case, own assets and own capital are synonymous, because capital does not necessarily mean the available amount of own money. It can also exist in the form of other own assets, but be indicated in monetary terms.

The form of the Balance Sheet and the methodology of its completion are given in the Table 2.

Table 2 – The form of the Balance Sheet and the methodology of its completion.

Appendix #1
to the National Regulation (Standard) of Book
Keeping #1 " General requirements for financial
reporting "

	Date (year, month, number)	Codes	
			01
Enterprise _____	according to the USREOU (Unified State Register of Enterprises and Organizations of Ukraine)		
Territory _____	according to the SCOATOU (State classifier of objects of administrative-territorial organization of Ukraine)		

Organizational and legal form of economic management _____

according to the COLFM (Classifier of organizational and legal forms of management)	
according to the CKEA (Classification of kinds economic activities)	

Type of economic activity _____

Average number of employees _____

Address, phone number _____

Unit of measurement: thousands of UAH without decimal sign (except for section IV of the Statement of Financial Results (Statement of comprehensive income) (form #2), monetary indicators of which are given in hryvnias with kopecks)

Compiled (make a "v" sign in the appropriate cell):

according to the Regulations (Standards) of Book Keeping

according to international financial reporting standards

Balance sheet (Financial Statement)

by _____ 20__.

Form №1 Code according to the SCAD (State classifier of administrative documentation)

1801001

Assets	Code of the line	By the beginning of the reporting period	By the end of the reporting period	Methodology of completion
1	2	3	4	5
I. Non-current assets (Non-negotiable assets)				
Intangible assets	1000			1001-1002
initial cost (primary value)	1001			Balance Dt 12
accumulated amortization	1002			(Balance Ct 133)
Incomplete capital investments	1005			Balance Dt 15
Fixed assets	1010			1011-1012
initial cost (primary value)	1011			Balance Dt 10,11
wear and tear (depreciation)	1012			(Balance Ct 131,132)
Investment Property	1015			Balance Dt 100-Balance Ct 134
Long-term biological assets	1020			Balance Dt 16 - Balance Ct 135
Long-term financial investments: accounted by the method of participation in the capital of the other enterprises	1030			Balance Dt 141
other financial investments	1035			Balance Dt 142, 143, 144...
Long-term debt receivable	1040			Balance Dt 18
Deferred tax assets	1045			Balance Dt 17
Other non-current (Non-negotiable) assets	1090			Balance Dt 19
Total for section I	1095			1000+1005+1010+1015+ 1020+1030+1035+1040+ 1045+1090
II. Current assets				
Stocks	1100			Balance Dt 20, 22, 23, 25, 26, 27, 28 (except 285, 286)
Current biological assets	1110			Balance Dt 21
Debt receivable for products, goods, works, services	1125			Balance Dt 36 - Balance Ct 38
Debt receivable by the accounts: Advanced payments issued	1130			Balance Dt 371
with the budget	1135			Balance Dt 641, 642, 643, 644
including the profit tax	1136			Balance Dt 641-I (subaccount of profit tax)

1	2	3	4	5
Other current debt receivable	1155			Balance Dt 372-378, 65
Current financial investments	1160			Balance Dt 352
Money and their equivalents	1165			Balance Dt 30, 31, 333, 335, 351
Deferred expenses	1170			Balance Dt 39
Other current assets	1190			Balance Dt 331, 332, 34, 643, 644, 68
Total for section II	1195			1100+1110+1125+1130+1135+1155+1160+1165+1170+1190
III. Non-current assets held for sale and disposal groups	1200			Balance Dt 286
Balance	1300			1095+1195+1200
Liabilities	Code of the line	By the beginning of the reporting period	By the end of the reporting period	Methodology of completion
I. Equity (Owned Capital)				
Registered (shared) capital	1400			Balance Ct 40
Capital in revaluations	1405			Balance Ct 41 (Balance Dt 41)
Additional capital	1410			Balance Ct 42
Reserve capital	1415			Balance Ct 43
Retained earnings (undistributed profit)/uncovered losses	1420			Balance Ct 441 (Dt 442)
Unpaid capital	1425	()	()	(Balance Dt 46)
Withdrawn capital	1430	()	()	(Balance Dt 45)
Total for section I	1495			1400+-1405+1410+1415+-1420-1425-1430
II. Long-term obligations and provisions				
Deferred tax obligations	1500			Balance Ct 54
Long-term bank credits	1510			Balance Ct 501-504
Other long-term obligations	1515			Balance Ct 51, 52, 53, 55, 505,506
Long-term provisions	1520			Balance Ct 47 (in terms of long-term provisions)
Targeted financing	1525			Balance Ct 48
Total for section II	1595			1500+1510+1515+1520+1525
III. Current obligations and provisions				
Short-term bank credits	1600			Balance Ct 60, 31
Current debt payable by: long-term obligations	1610			Balance Ct 61
goods, works, services	1615			Balance Ct 63
accounts with the budget	1620			Balance Ct 641, 642
including profit tax	1621			Balance Ct 641- <i>I</i> (subaccount of profit tax)
accounts by the insurance	1625			Balance Ct 65
accounts by the payments to workers	1630			Balance Ct 66
Current provisions	1660			Balance Ct 47 (in terms of short-term provisions)
Deferred income	1665			Balance Ct 69

1	2	3	4	5
Other current obligations	1690			Balance Ct 643, 644, 67, 68 (except 680), 37, 38...
Total for section III	1695			1600+1610+1615+1620+1625+ 1630+1660+1665+1690
IV. Obligations related to non-current assets, held for sale, and disposal groups	1700			Balance Ct 680
Balance	1900			1495+1595+1695+1700

Director (sign)

Chief Accountant (sign)

Lecture 9.

Topic 7. The balance sheet as an element of the accounting method.

7.1. The principle of double entry in accounts and its control value.

The main principle of building a balance sheet can be expressed by the following formula:

$$C = A - O \quad (1)$$

where:

C – the amount of the company's own assets (capital) in monetary terms;

A – the sum of all assets available at the enterprise in monetary terms;

O – the amount of the company's obligations (payables, borrowed assets) in monetary terms.

Since formula (1) can be presented in another form: $A = C + O$, and taking into account that $C + O = L$, where L are the liabilities of the enterprise, then the final form of the formula (1) will be:

$$A = L \quad (2)$$

This main principle of balance sheet construction is called the principle of duality or the principle of double reflection. It consists in the fact that the balance sheet must simultaneously contain information on the value of the property (assets) of the enterprise, which is at its disposal, and information on the value of own and borrowed property.

Thus, in any balance sheet, if it is drawn up correctly, the assets should always equal the liability.

In balance sheet, assets are divided into non-current and current (circulating), while obligations and receivables, as well as financial investments – into long-term and current. *Non-current assets* include assets with a service life of more than one year. Such assets are called fixed assets. The minimum value limit of assets with a service life of more than one year for the purpose of classifying them as non-current can be regulated by law, but in Ukraine, enterprises are allowed to choose this limit independently. *Fixed assets*, as a rule, include various buildings, structures, cars, production equipment, computers, intangible assets, etc. Assets whose useful life is less than one year belong to *current assets*. As a rule, these are goods, materials, products of own production and products whose production is not yet finished, money, etc.

Receivables and payables, as well as financial investments, depending on whether their maturity is more than one year or less, are long-term or current.

Accounts receivable in an enterprise arise when a legal entity or individual becomes its debtor, and *financial investments* – when the enterprise purchases shares or share in the authorized capital of other enterprises, bonds, etc.

The balance sheet is a way of grouping and displaying assets according to the composition and characteristics of their ownership in monetary terms at a certain point in time.

Financial investments and receivables are also recognized as assets in the balance sheet. This is because they meet the definition of an asset in the sense that the asset is controlled by the enterprise and can be exchanged for another asset, including for cash, in the future. Having purchased shares (or the share in the authorized capital) of another company, the company can sell them in the future and ensure the inflow of cash or other assets. The same applies to accounts receivable. Due to the fact that the repayment of receivables means that the company received certain assets from the debtor, it can be said that the balance sheet is exchanging debts for these assets. Also,

the enterprise can cede the right to claim the debt from this debt to another enterprise and also receive something in return.

Lecture 10.

Topic 7. The balance sheet as an element of the accounting method.

7.2. Classification of balances.

Depending on the date and reason for drawing up, the following types of accounting balances are distinguished.

Accounting of the activities of the newly created enterprise begins with an *organizational balance sheet*. Such a balance sheet usually has the simplest structure, shown in assets by funds and debts of the founders (participants), and in liabilities by authorized capital. In the organizational balance sheet, the authorized capital itself is called a balancing indicator. Sometimes the organizational balance sheet may also show other items: in the assets – expenses of future periods, which are the amounts spent for organizational purposes, in the liabilities – obligations to those who paid these expenses of the enterprise.

There are two types of final balance: annual and liquidation.

The annual (periodic) balance sheet is an operating balance sheet and is prepared as a final balance sheet after the end of the reporting period. Periodic and introductory balances must be identical in form, which is an indispensable condition for ensuring the continuity of balances.

The liquidation balance sheet is drawn up in case of liquidation of the enterprise and shows its financial and property situation on the date of termination of its existence. The liquidation balance is drawn up with the participation of the liquidation commission after settlement of accounts with creditors and participants. Liquidation balance sheet items are revalued at liquidation value. This is precisely the point at which the well-known "principle of continuity" can be ignored.

Updated balance sheet is prepared for the purpose of selling the enterprise as a complete property complex at the appropriate moment in time. It cannot be called a

variety of liquidation balance, because it is the market (current) value of the enterprise as a whole, and not the market value of its assets, assessed separately.

Opening balance is an array of indicators of the annual balance, transferred to the balance sheet of the next period to the "By the beginning of the year" column.

Restorative balance is drawn up based on inventory data in the event that, for any reason, accounting was not properly organized at the enterprise from the date of commencement of activity. A restorative balance sheet is a type of introductory or organizational balance sheet, depending on the reasons and purpose of its preparation.

Connecting (fusion) balance sheet is drawn up in the case of a merger of two or more economic entities by summing up the indicators by articles. The fusion balance sheet drawn up in this way will be the introductory balance sheet of the new business entity.

Separate balance sheet is drawn up in case of division of one business entity into two or more separate entities or in case of allocation of a certain share of capital in the form of various assets from a single balance sheet for the formation of a new enterprise. Separate balance sheets can be drawn up by several enterprises at the same time, if this set of enterprises creates a pool due to the assets they have.

Rehabilitation balance sheet is drawn up when the enterprise is in a state close to insolvent (bankruptcy). In this case, the management must decide if it should liquidate the enterprise, declaring its insolvency, or it should try to achieve a postponement of payments. The articles of the rehabilitation balance sheet, as well as the liquidation balance sheet, are subject to reassessment.

Consolidated balance sheet is a generalized balance sheet that combines separate balance sheets for each item.

The consolidated balance sheet is presented in the form of a consolidated balance sheet of the financial and property status of the parent enterprise (controlling participant) and its subsidiaries (controlled enterprises) in general. Mutual circulations between the enterprises included in the consolidation are excluded in order to avoid double counting.

A review of the classification of accounting balances allows us to conclude that the information provided by the method of introductory, separation, connecting, final and liquidation balances is used to manage the processes of property transformation. In most cases, this is a static balance. Thus, any balance sheet is a state of the assets and debt rights of the enterprise as its own and borrowed capital, created by the will of the founders and creditors, as well as accumulated in the process of financial and economic activity.

Lecture 11.

Topic 8. Types of business operations and their impact on the balance sheet.

The balance sheet is not only one of the components of the accounting method, but also one of the most important sources of information for management.

The components (elements) of the accounting method are interrelated, as they arise from the forms and methods of accounting and control and are determined by them.

The division of economic operations into types has theoretical and practical significance, which must be taken into account in the process of approving the form of the balance sheet, determining its structure and content, and using it to assess the financial condition and solvency of the enterprise.

The *first type* of business operations concerns only the assets of the balance sheet, making changes in the composition and allocation of non-current, current assets, and expenses of future periods. At the same time, the currency of the balance sheet, covering the intangible assets, unfinished construction, fixed assets, long-term financial investments, long-term receivables, manufacturing stocks, receivables for goods, works, services, other accounts receivable, current financial investments, funds and their equivalents, costs of future periods, does not change. Business transactions take on the character of source information, which not only changes the company's

assets, but also becomes a prerequisite for corresponding changes in the composition and allocation of equity and obligations.

The *second type* of business operations concerns only the liabilities of the balance sheet, making changes in the composition and allocation of own capital and obligations. At the same time, the balance currency does not change.

Most business operations of the second type lead to changes in balance sheet items within one section. Such operations include: displaying the amount of VAT in the accounts with contractors and project organizations; reflecting the contribution according to the value specified in the founding documents (in this case, the balance sheet item "Registered capital" increases, and the item "Unpaid capital" decreases by the same amount); display the amount of depreciation of low-value and rapidly depreciating items in the case of their transfer to fixed assets (depreciation of other non-current tangible assets is reduced and "depreciation of fixed assets" is increased - in the balance sheet, the article "Depreciation" is placed in the asset as such, which regulates the assessment of the corresponding values); display of deposited wages (in current accounting, salary arrears decrease and the amount of settlements with depositors increases – in the balance sheet, this occurs within one item "Current obligations for wage settlements").

The *third type* of business transactions affects the assets and liabilities of the balance sheet in the direction of increase, that is, the currency of the balance sheet for assets and liabilities increases by equal amounts.

Operations of the third type are carried out in a relatively large number. They cover a variety of situations and processes of the enterprise's production and financial and economic activities and are always dynamic. The most characteristic operations of this type are: acquisition of fixed assets for a fee – display of the amount under the supply contract (increase in the amount under the item "Unfinished construction" of the balance sheet assets and increase in the amount under the item "Accounts payable for goods, works, services" of the balance sheet obligations); display of amounts for consulting, information, mediation, registration, transport services and other expenses related to the acquisition of fixed assets (changes are made to the same items as for the

previous transaction); receiving targeted financing for construction from external sources (increasing amounts under the item "Money resources and their equivalents" of the balance sheet assets and under the item "Targeted financing" of the balance sheet obligations).

The *fourth type* of business transactions affects the assets and liabilities of the balance sheet in a downward direction, that is, the currency of the balance sheet simultaneously decreases by equal amounts for both assets and liabilities. Compared to business operations of the first and third types, the number of operations of the fourth type is significantly lower. The most characteristic of them are: display of depreciation of realized, liquidated, transferred fixed assets; issuance of wages to employees from the cash register (the amount under the item "Current liabilities according to payroll calculations" of the balance sheet obligations and the amount under the item " Money resources and their equivalents in national currency" of the balance sheet asset is reduced).

At each enterprise, depending on its industry specifics and production volumes, a large number of economic operations are carried out daily. If they are considered as a whole for the enterprise, then about 70% of operations are the operations of first and third types, and the number of operations of both these types is almost the same. The number of operations of the second and fourth type is also almost the same and in general they account for about 30% of all operations. All business transactions, regardless of type, are reflected in the accounts of book keeping.

Lecture 12.

Topic 9. Content and general requirements for disclosure of articles of form No. 2 of financial reporting "Statement of Financial Results (Statement of Comprehensive Income)".

Form No. 2 is one of the most informative reports reflecting the company's activity during the reporting period. The purpose of its compilation is to provide users with complete, reliable and objective information about income, expenses, profits and

losses from the enterprise's activities for the reporting period. The general rules for filling out the report are defined in Methodological recommendations No. 433.

Statement of Financial Results (Statement of Comprehensive Income) is a statement of income, expenses, financial results and comprehensive income. A Statement of Financial Results is submitted by enterprises of all forms of ownership as part of quarterly and annual financial statements. The report is compiled as a cumulative total from the beginning of the reporting year based on the circulation of the relevant accounts of the company's income and expenses.

When compiling the Report, it is necessary to adhere to the principle of accrual and matching of income and expenses of the reporting period by type of activity. When displaying the results related to ordinary activities, the Report does not allow summing up of income and expenses, except for the cases provided for by the relevant NR(S)BK.

But financial results (income and expenses) from extraordinary events are summarized (profit or loss). Indicators of the company's expenses (indirect taxes, deductions from income, cost price, expenses and losses) are given in parentheses and are subtracted when calculating the financial result.

The report is drawn up in thousands of hryvnias without decimal places, except for section III, where monetary indicators are given in hryvnias with kopecks.

The Statement of Financial Results includes four sections:

- section I "Financial results";
- section II "Comprehensive income";
- section III "Elements of operating costs";
- section IV "Calculation of share profitability indicators".

The first section of the Statement of Financial Results displays the sum of income and expenses from all types of enterprise activities and determines the net profit or losses of the reporting period.

Indicators, which are displayed in the I section of the Statement of Financial Results, are grouped by types of activity.

Ordinary activity is any main activity of the enterprise, as well as operations that ensure it or arise as a result of its implementation.

Operational activity is the main activity of the enterprise, as well as other types of activity that are not investment or financial activities.

The *main activity* are operations related to the production or sale of products (goods, works, services), which are the purpose of the establishment of the enterprise and provide the main share of its income.

Other (operational) activity are operations that ensure the implementation of the main activity or arise as a result of its implementation. In particular, such activities include transactions with:

- sale of current assets (production stocks, low-value and fast-wearing items, etc.);
- sale of foreign currency;
- display of operational exchange rate differences;
- creation of a reserve of doubtful debts;
- operational lease of assets;
- stock revaluations, etc.

Other (ordinary) activity is an activity different from the operational one, i.e. financial and investment activity of the enterprise.

Financial activity is an activity that causes changes in the size and composition of the company's equity and loan capital (in other words, it is an activity related to capital investment).

Section II "Comprehensive Income" discloses information on the composition and volume of other pre-tax comprehensive income, profit tax related to other comprehensive income, other comprehensive income after taxation, as well as the value expression of the enterprise's comprehensive income for the reporting period. *Aggregate income* are changes in equity during the reporting period as a result of business operations and other events (except for changes in equity due to transactions with owners).

Section III "Elements of operating costs" discloses information about all operating costs of the enterprise (for production, sales, management, etc.) in the reporting period, excluding internal circulation – those costs that form the cost of

products (works, services) produced and consumed by the enterprise itself, which allows for an analysis of their structure. The section does not display: cost of sold goods, stocks, foreign currency, losses from operational exchange rate differences, fines, penalties.

Section IV "Calculation of share profitability indicators". The information in it applies only to joint-stock companies whose ordinary shares or potentially ordinary shares are openly sold and bought on stock exchanges, including companies that are in the process of issuing such shares. The norms of NR(S)BK 24 "Earnings per share" are applied to calculate the indicators. The indicators of Section IV are calculated only for drawing up the report and are not reflected in the company's accounting.

The form of the Statement of Financial Results and the methodology of its completion are given in the Table 3.

Table 3 – The form of the Statement of Financial Results and the methodology of its completion.

	Date (year, month, number)	CODES
Enterprise _____	_____	01
(Name)	according to	
	the USREOU	

Statement of Financial Results (Statement of comprehensive income, Income Statement)

for _____ 20__.

Form #2 Code according to the SCAD	1801003
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I. Financial results

Article	Code of the line	For the reporting period	For the same period of last year	Methodology of completion
1	2	3	4	5
Net income from sales of production (goods, works, services)	2000			Circulations Dt 701, 702, 703 with Ct 791, minus Circulations Dt 704
Cost price of production (goods, works, services) sold	2050	()	()	(Circulations Ct 901, 902, 903 with Dt 791)
Gross: profit	2090			Positive value 2000-2050
losses	2095	()	()	(Negative value 2000-2050)
Other operating income	2120			Circulations Dt 71 with Ct 791
Administrative expenses	2130	()	()	(Circulations Ct 92 with Dt 791)

1	2	3	4	5
Sales costs	2150	()	()	(Circulations Ct 93 with Dt 791)
Other operating expenses	2180	()	()	(Circulations Ct 94 with Dt 791)
Financial result from operating activities:				Positive value 2090 (2095)+2120-2130-2150-2180
profit	2190			
losses	2195	()	()	(Negative value 2090 (2095)+2120-2130-2150-2180)
Income from participation in capital	2200			Circulations Dt 72 with Ct 792
Other financial income	2220			Circulations Dt 73 with Ct 792
Other income	2240			Circulations Dt 74 with Ct 793
Financial costs	2250	()	()	(Circulations Ct 95 with Dt 792)
Losses from participation in capital	2255	()	()	(Circulations Ct 96 with Dt 792)
Other costs	2270	()	()	(Circulations Ct 97 with Dt 793)
Financial result before taxes:				Positive value 2190 (2195)+2200+2220+2240-2250-2255-2270
profit	2290			
losses	2295	()	()	(Negative value 2190 (2195)+2200+2220+2240-2250-2255-2270)
Expenses (income) from profit tax	2300			(Circulations Dt 79 with Ct 98) or Circulations Dt 98 with Ct 79
Profit (losses) from discontinued operations after taxes	2305			Sample with Dt and Ct Circulations of acc. 79
Net financial result:				Positive value 2290 (2295)-+ 2300
profit	2350			+2305
losses	2355	()	()	(Negative value 2290 (2295)-+ 2300 +2305)

II. Comprehensive income

Article	Code of the line	For the reporting period	For the same period of last year	Methodology of completion
1	2	3	4	5
Revaluation (discount) of non-current assets	2400			Circulations for Dt of accounts 10, 15, 12 from Ct of subaccounts 411, 412 or circulations for Dt of subaccounts 411, 412 from Ct of accounts 10, 15, 12
Revaluation (discount) of financial instruments	2405			Circulations on subaccount 413
Accumulated exchange rate differences	2410			Circulations on subaccount 423
Share of other comprehensive income of associates and joint ventures	2415			Sample circulations on subaccount 425 (as part of the share of other aggregate income of associated and joint enterprises)

1	2	3	4	5
Other Comprehensive Income	2445			The amount of other aggregate income is indicated
Other Comprehensive Income before taxes	2450			2400 + 2405 + 2410 + 2415 + 2445
Profit tax related to other Comprehensive Income	2455			A sample of circulations under Ct 54 in terms of profit tax amounts related to transactions from this section of the report
Other Comprehensive Income after taxes	2460			2450 - 2455
Comprehensive Income (sum of lines 2350, 2355 and 2460)	2465			2350 (or 2355) + 2460

III. Elements of operating costs

Article	Code of the line	For the reporting period	For the same period of last year	Methodology of completion
1	2	3	4	5
Material costs	2500			Circulations for Dt of account 80 or circulations for Dt of accounts 23, 91, 92, 93, 94 and Ct of accounts 20, 21, 22, 27, 28
Costs for payments to workers	2505			Circulations for Dt of account 81 circulations for Dt of accounts 23, 91, 92, 93, 94 and Ct of accounts 20, 21, 22, 27, 28
Deductions for social needs	2510			Circulations for Dt of account 82 circulations for Dt of accounts 23, 91, 92, 93, 94 and Ct of accounts 20, 21, 22, 27, 28
Depreciation	2515			Circulations for Dt of account 83 circulations for Dt of accounts 23, 91, 92, 93, 94 and Ct of accounts 20, 21, 22, 27, 28
Other operating costs	2520			Circulations for Dt of account 84 circulations for Dt of accounts 23, 91, 92, 93, 94 and Ct of accounts 20, 21, 22, 27, 28
Total	2550			2500 + 2505 + 2510 + 2515 + 2520

IV. Calculation of stock profitability indicators

Article	Code of the line	For the reporting period	For the same period of last year	Methodology of completion
1	2	3	4	5

1	2	3	4	5
Average annual number of ordinary shares	2600			Arithmetic weighted average (number of ordinary shares in circulation in days * corresponding time weighted ratio)
Adjusted average annual number of ordinary shares	2605			2,600+ annual average number of potential ordinary shares
Net profit (losses) per ordinary share	2610			(2350 or 2355 - dividends accrued for preferred shares) / 2600
Adjusted net profit (losses) per ordinary share	2615			Adjusted net income (loss)/ 2605
Dividends per ordinary share	2650			Amount of declared dividends/number of common shares for which dividends are paid

Director (sign)

Chief Accountant (sign)

Lecture 13.

Topic 10. Content and general requirements for the Cash Flow Statement (direct method).

The Cash Flow Statement displays information on the receipt and expenditure of cash and their equivalents for the current year in terms of operational, investment and financial activities of the enterprise. In other words, the report shows the debit and credit circulations on cash accounts and their equivalents, grouped in a special order.

Cash includes cash on hand, cash on bank current accounts and demand deposits, i.e. on accounts 30 "Cash", 31 "Bank accounts", 333 "Cash in transit in national currency", 334 "Cash in transit in foreign currency", and cash equivalents. The cash equivalents are short-term highly liquid financial investments that are freely convertible into certain amounts of cash, which are characterized by an insignificant risk of changes in their value. They are recorded on sub-account 351 "Cash equivalents" and are extremely rare in the practice of domestic enterprises. Given the fact that most enterprises do not conduct in-depth analysis of the given accounts, certain difficulties may arise during the preparation of a report using the direct method, primarily due to its high complexity.

One of the main problems of filling out the Report is that it is sometimes very difficult to allocate cash flows between the types of activities indicated in it.

Such circulations should be divided into three sections of the Report, each of which is intended for a specific type of activity:

– section I - operating activities (main and other types of activities that are not investment or financial);

– section II - investment activities (acquisition and realization of non-current assets and financial investments that do not refer to cash equivalents);

- section III - financial activity (activity that leads to changes in the size and composition of the company's own and loan capital).

In accordance with international accounting standards and the new requirements of NR(S)BK 1, the following methods can be used to prepare the Cash Flow Statement:

- 1) direct;
- 2) indirect.

The essence of the direct method is that in order to obtain an indicator of net cash flow for the reporting period, actual cash receipts are gradually added and actual cash expenses are subtracted.

According to the requirements of NR(S)BK 1, information in the Cash Flow Statement is provided both for the reporting year (column 3) and for the previous year (column 4).

Compiling the Cash Flow Statement can be divided into several stages:

- 1) transfer of the profit (or losses) indicator from ordinary activities before taxes;
- 2) definition of cash flow as a result of operational activity;
- 3) definition of cash flows as a result of investment activity;
- 4) definition of cash flow as a result of financial activity;
- 5) definition of cash flows for the reporting period;
- 6) transfer of the balance of funds by the beginning of the year;
- 7) accounting for the impact of exchange rate changes on the balance of funds;
- 8) definition and equalization of the balance of funds at the end of the year.

After determining the net flow of funds from three types of activity (operational, investment, and financial), the net flow of funds for the reporting period (line 3400) is calculated as the difference between the sum of cash receipts and expenses, reflected by items:

- net cash flow from the operational activity (line 3195);
- net cash flow from the investment activity (line 3295);
- net cash flow from the financial activity (line 3395).

The balance of funds at the end of the year (line 3415) is calculated according to the formula:

$$RM_{ey} = RM_{by} \pm NFM \pm IER, \tag{3}$$

- RM_{ey} – rests of means at the end of the year;
- RM_{by} – rests of means at the beginning of the year;
- NFM – net flow of means for the reporting period;
- IER – the influence of exchange rate changes.

The sources of information required for the preparation of the Cash Flow Statement are:

- Balance Sheet (Financial Statement);
- Statement of Financial Results (Statement of Comprehensive Income);
- Notes to financial statements;
- Analytical data – information on circulation by accounts, the General Ledger and other accounting registers.

The form of the Cash Flow Statement (by the direct method) and the methodology of its completion are given in the Table 4.

Table 4 – The form of the Cash Flow Statement (by the direct method) and the methodology of its completion.

	Date (year, month, number)	<table border="1" style="margin: auto;"> <tr> <th colspan="3">CODES</th> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">01</td> </tr> </table>	CODES					01
CODES								
		01						
Enterprise _____ (Name)	according to	<table border="1" style="margin: auto;"> <tr> <td style="width: 100px; height: 40px;"></td> </tr> </table>						
	the USREOU							

Cash flow statement (by the direct method)

for the year 20__.

Form #3 Code according to the SCAD 1801004

Article	Code of the line	For the reporting period	For the same period of the previous year	Data source
1	2	3	4	5
I. Movement of funds as a result of operational activity				
Proceeds from:	3000			Analytical data of Ct 36, 681 (in the part of received subscriptions) and 70 in correspondence with Dt 30, 31
Sales of products (goods, works, services)				
Refund of taxes and fees	3005			Analytical data of Ct 64 in correspondence with Dt 31
including value added tax	3006			Ct of the corresponding sub-account of account 64 with Dt 31
Targeted funding	3010			Analytical data from Ct 48 in correspondence with Dt 30, 31 (in terms of revenues for operational activities)
Other income	3095			Analytical data of Dt 30, 31 with Ct 37, 68, 71, etc.
Payment expenses:				
Goods (works, services)	3100	()	()	Analytical data of Dt 63, 68, 371 (in the part of issued prepayments) in correspondence with Ct 30,31
Works	3105	()	()	Analytical data of Dt 66 in correspondence with Ct 30, 31
Deductions for social events	3110	()	()	Analytical data of Dt 65 in correspondence with Ct 30, 31
Obligations for taxes and fees	3115	()	()	Analytical data of Dt 64 in correspondence with Ct 30, 31
Other expenses	3190	()	()	Analytical data of Dt 37, 68, 94 etc. in correspondence with Ct 30, 31
Net cash flow from operating activities	3195			$3000 + 3005 + 3010 + 3015 + 3020 + 3025 + 3035 + 3040 + 3045 + 3050 + 3055 + 3095 - (3100 + 3105 + 3110 + 3115 + 3135 + 3140 + 3145 + 3150 + 3155 + 3190)$
II. Movement of funds as a result of investment activities				
Income from sale:	3200			
financial investments				Analytical data of Ct 37 (Ct 74) in correspondence with Dt 30, 31

1	2	3	4	5
non-current assets	3205			Analytical data of Ct 377, 742 in correspondence with Dt 30, 31
Income from the received: interest	3215			Analytical data of Ct 373 in correspondence with Dt 30, 31
dividends	3220			Analytical data of Ct 373 in correspondence with Dt 30, 31
Income from derivatives	3225			Analytical data of Ct 379 in correspondence with Dt 30, 31
Other income	3250			Analytical data of Dt 30, 31 in correspondence with Ct accounts 37, 68, etc.
Purchase costs: financial investments	3255	()	()	Analytical data of Dt 14, 35 in correspondence with Ct 30, 31
non-current assets	3260	()	()	Analytical data of Dt 63, 68 in correspondence with Ct 30, 31
Derivative payments	3270	()	()	Analytical data of Dt 379 in correspondence with Ct 30, 31
other payments	3290	()	()	Analytical data of Dt 37, 68 in correspondence with Ct 30, 31
Net cash flow from investment activities	3295			3200 + 3205 + 3215 + 3220 + 3225 + 3230 + 3250 + - (3255 + 3260 + 3270 + 3275 + 3290)
III. Movement of funds as a result of financial activities				
Proceeds from: Own capital	3300			Analytical data of Ct 42, 46 in correspondence with Dt 30, 31
Obtaining loans	3305			Analytical data Ct 50, 51, 52, 55, 60, 62 in correspondence with Dt 30, 31
Other income	3340			Analytical data of Dt 30, 31 in correspondence with Ct 685
Spending on: Buyback of own shares	3345	()	()	Analytical data of Dt 45 in correspondence with Ct 30, 31
Repayment of loans	3350			Analytical data of Dt 60, 50 in correspondence with Ct 30, 31
Payment of dividends	3355	()	()	Analytical data of Dt 67 in correspondence with Ct 30, 31
other payments	3390	()	()	Analytical data of Ct 30, 31
1	2	3	4	5
Net cash flow from financial activities	3395			3300 + 3305 + 3340 - (3345 + 3350 + 3355 + 3360 + 3365 + 3390)
Net cash flow for the reporting period	3400			3195 + (-) 3295+ (-) 3395
Balance of funds at the beginning of the year	3405			Row 1165, column 3 of the Balance Sheet
The effect of exchange rate changes on the balance of funds	3410			Analytical data of accounts 30, 31 in correspondence with sub-accounts 714, 744, 945, 974

1	2	3	4	5
Balance of funds at the end of the year	3415			3405 +(-) 3400 +(-) 3410 Must be equal to line 1165, column 4 of the Balance Sheet

Director (sign)

Chief Accountant (sign)

Lecture 14.

Topic 10. Content and general requirements for the Cash Flow Statement (indirect method).

The indirect method of determining net cash flow is based on the amount of profit (or losses) of the enterprise, which is gradually adjusted for income and expenses not directly related to cash flow (changes in the composition of stocks, current receivables and payables, income and expenses of future periods and on the amounts of profits and losses based on the results of financial and investment activities).

The cash flow statement based on the indirect method involves the use of ready-made indicators from the Balance Sheet and the Statement of Financial Results. And only a small number of lines require to be filled in by means of analytical analysis of book keeping accounts of cash means and their equivalents.

The form of the Cash Flow Statement (by the indirect method) and the methodology of its completion are given in Table 5.

Table 5 – The form of the Cash Flow Statement (by the indirect method) and the methodology of its completion.

	Date (year, month, number)	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="3" style="text-align: center;">CODES</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">01</td> </tr> </table>	CODES					01
CODES								
		01						
Enterprise _____	according to	<table border="1" style="width: 100%; height: 40px;"> <tr> <td style="width: 100%;"></td> </tr> </table>						
(Name)	the USREOU							
<p>Cash flow statement (by the indirect method) for the year 20__.</p>								
	Form #3n Code	<table border="1" style="width: 100%; height: 40px;"> <tr> <td style="width: 100%; text-align: center;">1801006</td> </tr> </table>	1801006					
1801006								
	according to							
	the SCAD							

Article	Code of the line	For the reporting period		For the same period previous year		Data Source	
		In- come	Ex- pense	In- come	Ex- pense	Income	Expense
1	2	3	4	5	6	7	8
I. Movement of funds as a result of operational activity							
Profit (loss) from ordinary activities before taxation	3500					Row 2290, column 3 from the form #2 (Income Statement)	Row (2295), column 3 from the form #2 (Income Statement)
Adjustments for: depreciation of non-current assets	3505		X		X	Row 2515, column 3 from the form No.2 (Income Statement)	X
increase (decrease) of provisions	3510					(1520+ 1660 column 4 from the form No.1 (Balance))- (1520 + 1660 column 3 from the form No.1 (Balance))	(1520+ 1660 column 3 from the form No.1 (Balance))- (1520 + 1660 column 4 from the form No.1 (Balance))
loss (profit) from unrealized exchange differences	3515					Positive difference between circulations Dt 945 to Ct 714	Positive difference between circulations Dt 714 to Ct 945
loss (profit) from non-operational activity and other non-monetary operations	3520					(2255 + 2270) - (2200 + 2220 + 2240) + (2180 - 2120) column 3 from the form No.2 (Income Statement)	(2200 + 2220 + 2240) - (2255 + 2270) + (2120 - 2180) column 3 from the form No.2 (Income Statement)
Decrease (increase) in current assets	3550					The difference between columns 3 and 4, row 1195 of form No.1 (Balance), adjusted for the sum of rows 1165,1160 of form No.1 (subject to certain restrictions)	The difference between columns 4 and 3, row 1195 of form No.1 (Balance), adjusted for the sum of rows 1165,1160 of form No.1 (subject to certain restrictions)
Increase (decrease) in current obligations	3560					The difference between columns 4 and 3, row 1695 of form No.1 (Balance), adjusted for the sum of rows 1600, 1610, 1660,1640 of form No.1	The difference between columns 3 and 4, row 1695 of form No.1 (Balance), adjusted for the sum of rows 1600, 1610, 1660,1640 of form No.1

1	2	3	4	5	6	7	8
Cash from operating activities	3570					(3500 + 3505 + 3510 + 3515 + 3520 + 3550 + 3560 rp. 3) - (3505 + 3510 + 3515 + 3520 + 3550 + 3560 column 4)	(3500 + 3505 + 3510 + 3515 + 3520 + 3550 + 3560 rp. 4) - (3505 + 3510 + 3515 + 3520 + 3550 + 3560 column 3)
Paid profit tax	3580	X		X		X	Analytical data for Dt 641 in correspondence with Ct 30, 31
Net cash flow from operational activities	3195					3570 column 3 - 3580 - 3585 column 4	3570 + 3580 + 3585 column 4 or (3580 + 3585) column 4 - 3570 column 3
II. Movement of funds as a result of investment activities							
Income from sale: financial investments	3200		X		X	Analytical data for Ct 37 in correspondence with Dt 30, 31	X
non-current assets	3205		X		X	Analytical data for Ct 377 in corresp. with Dt 30, 31	X
Income from the received: interest	3215		X		X	Analytical data for Ct 373 in corresp. with Dt 30, 31	X
dividends	3220		X		X	Analytical data for Ct 373 in corresp. with Dt 30, 31	X
Income from derivatives	3225		X		X	Analytical data for Ct 379 in corresp. with Dt 30, 31	X
Other income	3250		X		X	Analytical data for Ct 37, 68 in corresp. with Dt 30, 31	X
Purchase costs: financial investments	3255	X		X		X	Analytical data for changes in rows 1030, 1035, 1160, 1690 (in the part of obligations for previously purchased investments) of form No.1 (Balance) or analytical data for Dt 68 in corresp. with Ct 30, 31

1	2	3	4	5	6	7	8
non-current assets	3260	X		X		X	Analytical data for changes in the data of rows 1000, 1005, 1010, 1015, 1030, 1690 (in the part of liabilities for previously purchased investments) form No.1 (Balance) or analytical data for Dt 377, 63, 68 in correspondence with Ct 30, 31
Derivative payments	3270	X		X		X	Analytical data for Dt 379 in correspondence with Ct 30, 31
other payments	3290	X		X		X	Analytical data for Ct 30 and 31 (in terms of transfers to various counterparties as a result of investment activities)
Net cash flow from investment activity	3295					(3200 + 3205 + 3215 + 3220 + 3225 + 3230 + 3250 column 3) - (3255 + 3260 + 3270 + 3275 + 3290 column 4)	(3255 + 3260 + 3270 + 3275 + 3290 column 4) - (3200 + 3205 + 3215 + 3220 + 3225 + 3230 + 3250 column 3)
III. Movement of funds as a result of financial activity							
Proceeds from: Own capital	3300		X		X	Analytical data for Ct 40, 42, 45, 46 in correspondence with Dt 30, 31	X
Obtaining loans	3305		X		X	Analytical data for Ct 50, 52, 60, 62 in correspondence with Dt 30, 31	X
Other income	3340		X		X	Analytical data for Dt 30, 31 (in the part of other income from financial activities)	X
Spending on: Buyback of own shares	3345	X		X		X	Analytical data for Dt 45 in correspondence with Ct 30, 31

1	2	3	4	5	6	7	8
Repayment of loans	3350	X		X		X	Analytical data for Dt 50, 60 in correspondence with Ct 30, 31
Payment of dividends	3355	X		X		X	Analytical data for Dt 67 in correspondence with Ct 30, 31
other payments	3390	X		X		X	Analytical data for Ct 30, 31 (in terms of other funds related to financial activities)
Net cash flow from financial activity	3395					(3300 + 3305 + 3340 column 3) - (3345 + 3350 + 3355 + 3360 + 3365 + 3390 column 4)	(3345 + 3350 + 3355 + 3360 + 3365 + 3390 column 4) - (3300 + 3305 + 3340 column 3)
Net cash flow for the reporting period	3400					3195 + 3295 + 3395 column 3 or (3195 column 3) - (3295 + 3395 column 4) or (3195 + 3295 column 3) - (3395 column 4)	3195 + 3295 + 3395 column 4 or (3195 column 4) - (3295 + 3395 column 3) or (3195 + 3295 column 3) - (3395 column 3)
Balance of funds at the beginning of the year	3405		X		X	Row 1165 column 3 from the form No.1 (Balance)	X
The effect of exchange rate changes on the balance of funds	3410					Row 3515 column 4	Row 3515 column 3
Balance of funds at the end of the year	3415					3400 + 3405 + 3410 column 3 or (3405 column 3) - (3400 + 3410 column 4) or (3400 + 3405 column 3) - (3410 column 4) or (3405 + 3410 column 3) - (3400 column 4) Should be equal to row 1165 column 4 of the form No.1 (Balance)	X

Director

Chief Accountant

Lecture 15.

Topic 11. Content and general requirements for the Net Worth Statement.

The Net Worth Statement is a report that reflects changes in the composition of the company's equity during the reporting period. Information about changes in equity can be obtained from the indicators of the Balance Sheet, however, it is not enough to analyze the reasons for changes in equity defined on the basis of the indicators of this Report. In this regard, enterprises must prepare form No. 4 "Net Worth Statement".

The content, form of the Net Worth Statement, as well as the general requirements for the disclosure of its articles are determined by NR(S)BK 1. In addition to it, the requirements of other NR(S)BK must be taken into account when drawing up the Net Worth Statement, namely: NR(S)BK 6 "Correction of errors and changes in financial statements" regarding the determination of the amounts of adjustments to retained earnings; NR(S)BK 12 "Financial Investments" regarding the preparation of this Report by enterprises that account for investments in subsidiaries, associates or joint ventures using the equity method.

The report is drawn up by enterprises at the end of the year on the basis of accounting data, which must be kept in accordance with the current NR(S)BK. All adjustments related to a change in the company's accounting policy, correction of errors, any other changes in accounting affecting the assessment of capital elements are displayed in the Report in an expanded form.

The purpose of the Net Worth Statement is to disclose information about changes in the composition of the company's equity during the reporting period. To ensure a comparative analysis of information, enterprises must add to the annual report the Net Worth Statement for the previous year.

The main purpose of the Net Worth Statement is to provide users with complete and reliable information about changes in equity during the reporting period. This enables creditors, investors and other counterparties to make the most objective judgment about the equity of the company they are dealing with.

The Net Worth Statement provides summarized information on all income and expenses that affected the equity capital during the reporting period, which enable users to assess changes in the financial condition of the enterprise and identify the main reasons for these changes.

The amount of equity at the beginning of the period may also be adjusted as a result of a change in accounting policy or correction of errors from previous periods.

In the columns of the Net Worth Statement, in which the components of equity capital are indicated, enterprises list only those of them that are indicated in the balance sheet.

The information provided in the Net Worth Statement enables users to assess the causes and consequences of changes in the equity of an enterprise as a result of:

- activities during the reporting period;
- inclusion of individual profits and losses directly in capital;
- transactions related to the activities of the owners;
- adjustments related to changes in accounting policy.

The report is submitted to the statistical authorities no later than February 28 of the year following the reporting year. The report is compiled on the basis of accounting data and is compared with the information provided in form No. 1 "Balance sheet" and form No. 2 "Statement of Financial Results".

The report is a table built according to the chess principle, in which:

- sources of formation of equity capital are indicated in the columns;
- information on the change of equity capital in terms of the sources of formation of equity capital during the reporting year is indicated in the rows.

The report is filled out in thousands of hryvnias, in whole numbers. Debit circulations on the relevant equity accounts are shown in the Report in brackets and subtracted.

Equity reflected in the Net Worth Statement includes:

- registered capital (column 3) is a legally formalized, officially declared and properly registered part of the owners' contributions to the enterprise's capital. It includes:

- authorized capital (subaccount 401);
 - share capital (subaccount 402);
 - other registered capital (subaccount 403).
- capital in revaluations (column 4);
 - additional capital (column 5). Additional capital is of two types: additional invested capital, other additional capital;
 - reserved capital (column 6);
 - retained earnings (uncovered losses) (column 7);
 - unpaid capital (column 8);
 - withdrawn capital (column 9).

The purpose of the Net Worth Statement is to provide users with information that:

- gives an opportunity to analyze the amount of own capital and its components;
- contains data on the state and changes in the components of equity capital;
- reflects the reasons for changes (increase, decrease) of each component of equity capital;
- reflects the sources of replenishment of equity capital, as well as operations which led to a decrease of the equity capital.

The Net Worth Statement is prepared for the calendar year.

The form of the Net Worth Statement and the methodology of its completion are given in the Table 6.

Table 6 – The form of the Net Worth Statement and the methodology of its completion.

	Date (year, month, number)	<table border="1" style="margin: auto;"> <tr><td colspan="3" style="text-align: center;">CODES</td></tr> <tr><td style="width: 20px;"> </td><td style="width: 20px;"> </td><td style="width: 20px;">01</td></tr> </table>	CODES					01
CODES								
		01						
Enterprise _____	according to	<table border="1" style="margin: auto;"> <tr><td style="width: 80px; height: 40px;"> </td></tr> </table>						
(Name)	the USREOU							
The Net Worth Statement for the year 20__.								
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	according to the SCAD							

Article	Code of the line	Registered (shared) capital	Capital in revaluations	Additional capital	Reserved capital	Retained earnings (uncovered losses)	Unpaid capital	Withdrawn capital	Total
1	2	3	4	5	6	7	8	9	10
Remainder at the beginning of the year	4000	The balance of account 40 at the beginning of the year	The balance of account 41 at the beginning of the year	The balance of account 42 at the beginning of the year	The balance of account 43 at the beginning of the year	The balance of account 44 at the beginning of the year	The balance of account 46 at the beginning of the year	The balance of account 45 at the beginning of the year	The amount of unadjusted equity at the beginning of the year
Adjustments: Change in accounting policy	4005	Analytical sample of circulations by Dt and Ct 40	Analytical sample of circulations by Dt and Ct 41	Analytical sample of circulations by Dt and Ct 42	Analytical sample of circulations by Dt and Ct 43	Analytical sample of circulations by Dt and Ct 44 (most common)	Analytical sample of circulations by Dt and Ct 46	Analytical sample of circulations by Dt and Ct 45	The amount of adjustments as a result of the change in accounting policy
Error correction	4010	Analytical sample of circulations by Dt and Ct 40	Analytical sample of circulations by Dt and Ct 41	Analytical sample of circulations by Dt and Ct 42	Analytical sample of circulations by Dt and Ct 43	Analytical sample of circulations by Dt and Ct 44 (most common)	Analytical sample of circulations by Dt and Ct 46	Analytical sample of circulations by Dt and Ct 45	The amount of adjustments resulting from error correction
Other changes	4090	Analytical sample of circulations by Dt and Ct 40	Analytical sample of circulations by Dt and Ct 41	Analytical sample of circulations by Dt and Ct 42	Analytical sample of circulations by Dt and Ct 43	Analytical sample of circulations by Dt and Ct 44 (most common)	Analytical sample of circulations by Dt and Ct 46	Analytical sample of circulations by Dt and Ct 45	The amount of adjustments resulting from other changes
Adjusted balance at the beginning of the year	4095	4000+4005+4010+4090	4000+4005+4010+4090	4000+4005+4010+4090	4000+4005+4010+4090	4000+4005+4010+4090	4000+4005+4010+4090	4000+4005+4010+4090	4000+4005+4010+4090
Net profit (losses) for the reporting period	4100	x	x	x	x	Dt 79 Ct 441 (Dt 442 Ct 79)	x	x	The amount in column 7 should be equal to the amount of net profit (loss) from lines 2350 (2355) of form No. 2 "Statement of Financial Results"
Other comprehensive income for the reporting period	4110	x	x	Analytical sample of circulations on account 42	x	x	x	x	The amount in column 5 must be equal to the amount of other aggregate income from a reporting period from line 2460 of form No. 2 "Statement of Financial Results"
Profit sharing: Payments to owners (dividends)	4200	x	x	x	Dt 43 Ct 671	Dt 443 Ct 671	x	x	The amount of accrued dividends to participants (owners) for common and preferred shares

1	2	3	4	5	6	7	8	9	10
Direction of profit to the registered capital	4205	x	x	x	x	(Dt 443 Ct 40)	x	x	The amount of registered changes in authorized and share capital due to profit distribution
Deduction to reserve capital	4210	x	x	x	x	(Dt 443 Ct 43)	x	x	The amount of deductions to the reserve capital made in accordance with the founding and regulatory documents
Participants' contributions : Contributions to capital	4240	Dt 37 Ct 40	x	x	x	x	Dt 46 Ct 40 Dt 46 Ct 421	x	Share contributions of company members, sums of nominal value of issued shares, shares of registered authorized capital, issue income
Repayment of debt for the capital	4245	x	x	x	x	x	Debit of assets accounts (10, 11, 20, 30, 31, etc.) Ct 46	x	The amount actually contributed by the participants to pay for the registered authorized and shared capital
Withdrawal of capital: Redemption of shares (or shares in the capital)	4260	x	x	x	x	x	x	Dt 45 Ct 30, 31, 672	The actual cost price of shares of its own issue or shares purchased by the enterprise from its participants
Resale of purchased shares (or shares in the capital)	4265	x	x	Date of asset accounts (10, 11, 20, 30, 31, etc.) Ct 421 Dt 421, 422 Ct 45	x	Dt 443 Ct 45 (Dt 442 Ct 45)	x	Dt 30, 31 Ct 45 Dt 421, 422 Ct 45 Dt 443 Ct 45 (Dt 442 Ct 45)	The result of the resale of shares (shares) bought by the company
Cancellation of purchased shares (or shares in the capital)	4270	Dt 40 Ct 45	x	Dt 421 Ct 45 Dt 45 Ct 421	x	Dt 44 Ct 45	x	Dt40-Ct45 Dt 421 Ct 45 Dt45 Ct421 Dt44-Ct45	The effect of cancellation of purchased shares (shares) on various types of equity
Withdrawal of share in the capital	4275	Dt 40 Ct 672 Dt 40 Ct 46	x	x	x	Dt 441 Ct 672	Dt 40 Ct 46	Dt 45 Ct 672	Withdrawal of a share of capital in enterprises of a different form of ownership than joint-stock companies

1	2	3	4	5	6	7	8	9	10
Other changes in capital	4290	Analytical sample according to Dt and Ct 40	Analytical sample according to Dt and Ct 41	Analytical sample according to Dt and Ct 42	Analytical sample according to Dt and Ct 43	Analytical sample according to Dt and Ct 44	Analytical sample according to Dt and Ct 46	Analytical sample according to Dt and Ct 45	Data on the remaining changes in the company's own capital, which were not included in the above-mentioned articles
Total changes in capital	4295	4240 + 4270 + 4275 + 4290	4290	4110 + 4265 + 4270 + 4290	4200 + 4290	4100+4200 +4205+4210+4265+ 4270+ 4275+4290	4240 + 4245 + 4275 + 4290	4260 + 4265 + 4270 + 4275 + 4290	Summary of changes in the composition of equity capital for the reporting period
Rests at the end of the year	4300	Account balance 40 by the end of the reporting year	Account balance 41 by the end of the reporting year	Account balance 42 by the end of the reporting year	Account balance 43 by the end of the reporting year	Account balance 44 by the end of the reporting year	Account balance 46 by the end of the reporting year	Account balance 45 by the end of the reporting year	The sum of lines 4095 and 4295

Director

Chief Accountant

Lecture 16.

Topic 12. General overview of tax reporting of Ukrainian enterprises.

12.1. Concept and purpose of tax reporting.

Tax reporting is a set of actions of the taxpayer (or a person representing him) and the tax authority for the preparation, maintenance and submission of documents of the prescribed form, which contain information about the results of the taxpayer's activities, his property situation and record the process of calculating the tax, as well as the amount, payable to the budget.

Tax reporting is implemented by submitting tax documentation by the taxpayer, i.e. documents containing information on the calculation and payment of tax.

Tax reporting is submitted to tax authorities based on the results of the reporting period within the established time limit. The terms of tax reporting are set for each tax separately. Deadlines for submitting tax returns can be extended according to the rules and on the grounds provided by the tax legislation. Failure to submit or untimely

submission of tax reports (declarations) is subject to liability in the form of fines in accordance with the procedure established by the legislation.

12.2. Definition, procedure for drawing up and submitting an enterprise profit tax declaration.

The forms of the *tax declaration on the profit tax* of the enterprise were approved by the Order of the Ministry of Finances of Ukraine "On the approval of the form of the tax declaration on the profit tax of the enterprise" dated 10.20.2015 No. 897 with changes.

This declaration reflects the amount of accrued and paid profit tax for the reporting period, as well as the state of debt for the payment of this tax by the enterprise. The indicators displayed in the Declaration and in the applications corresponding to the Declaration line code must match.

The declaration is filled out in hryvnias, without kopecks, with appropriate rounding according to generally established rules. It specifies all the predicted indicators. If any line of the declaration is not filled in due to the absence of a transaction (amount), then such line is crossed out, except for the cases expressly specified in the Declaration. The corporate profit tax return and its appendices are submitted by the payer regardless of whether or not the payer has a tax liability in the reporting period. When starting work with the declaration, the taxpayer must first determine which attachments he is obliged to submit to the tax authority. The original declaration is submitted by the payer to the tax authority at the location of the payer on one double-sided sheet of A-4 format with the specified relevant attachments on single-sided sheets.

Structurally, the declaration form consists of the following parts:

1. Title (details) part.
2. Table to fill in (main part).
3. Special line.
4. A line in which notes are made about the presence of applications.
5. The final part.

6. Service part (filled in by tax officials).

7. Notes (footnotes).

Submission of copies of the declaration and attachments is not allowed.

The main rules for drafting and submitting the Declaration today are:

1) profit tax payers report once a year (paragraph 57.1 of the Tax Code of Ukraine (TCU)), submitting annual financial statements together with the annual tax declaration (paragraph 46.2 of the TCU).

2) profit tax is paid monthly in the form of advance payments with subsequent recalculation based on the results of the annual declaration or once a year based on the results of the annual declaration.

The same tax declarations for the reporting year are submitted within the terms provided for the submission of annual reports - within 60 calendar days following the last calendar day of the reporting (tax) year. If a profit tax payer submitted profit tax returns for the 1st quarter, half year, 9 months of the reporting year, the annual tax return for such year shall be submitted within 40 days following the last calendar day of the reporting (tax) year.

12.3. Purpose, procedure for drawing up and submitting a tax return on value added tax.

The *value added tax (VAT) tax declaration* is intended to reflect the state of calculations of the paying company for payment to the budget of value added tax. The form of submission of the Declaration and the reporting period for its preparation are determined by the scope of activity of VAT payers.

The main indicators that determine the state of the company's VAT calculations are the tax liability and tax credit. The taxpayer's obligation to pay value added tax is calculated as the difference between the amount of VAT tax liability and the amount of tax credit. The indicators of this form of reporting must correspond to the data of accounting and books of analytical accounting of VAT calculations.

Regardless of the form of submission, the Declaration consists of:

- introductory part;

- four sections;
- nine attachments.

Of them, the first three sections and the introductory part are filled out by the payer, the fourth section is filled out by the staff of the tax inspection (administration) only on the original of the declaration, which remains in the tax inspection. Attachments to the declaration are submitted only when the enterprise carried out relevant operations during the reporting period.

The main and most convenient source of information for displaying indicators in this report is:

- accounting book for purchase of goods (works and services);
- book of sales of goods (works and services).

The Declaration states:

1) Amounts of taxable VAT transactions, amounts of tax liabilities (Chapter I "Tax liabilities").

2) Amounts of transactions for which the enterprise received the right for a tax credit, as well as its amounts (Chapter II "Tax credit") for the reporting period.

3) Based on the comparison of the previous indicators, determine the final amount of the enterprise's obligation to the budget for the payment of VAT or tax credit, which is reflected in section III "Calculations with the budget for the reporting period" of the Declaration.

Section IV is filled out by the employees of the state tax administration only on the original of the declaration, which remains in the state tax administration.

Lines where there is no data to fill in should be crossed out (for a paper reporting form). All indicators in tax reporting are given in hryvnias without copecks with appropriate rounding according to generally established rules. In column A, in all necessary cases, the volumes of supply (purchase) are entered without taking into account value added tax, the amount of tax is indicated in column B.

The taxpayer independently calculates the amount of the tax liability, which he notes in the tax return. The data given in the tax reporting must correspond to the data of the payer's accounting and tax records. The tax liability, independently and

personally determined by the taxpayer, is considered to be agreed upon from the date of submission of the declaration to the state tax administration body in which the taxpayer is registered, and cannot be challenged by the taxpayer in an administrative or judicial manner.

As part of the declaration, the provided attachments (in case of filling in the data in the relevant lines of the declaration) and copies of entries in the registers of issued and received tax invoices are submitted.

After submitting a declaration for the reporting (tax) period, the taxpayer has the right to submit a new declaration with corrected figures before the end of the deadline for submitting the declaration for the same period.

12.4. Peculiarities of drawing up and submitting excise tax declaration.

Excise tax payers are required to submit excise tax reports to the tax administration authorities using the *excise tax declaration* form, approved by the Order of the State Tax Administration of Ukraine "On Approval of the Excise Tax Declaration Form, Procedure for Completing and Submitting the Excise Tax Declaration" dated January 23, 2015 No. 14.

The excise tax declaration is drawn up by the payer in accordance with the procedure established by Article 48 of Chapter II of the TCU. Attachments to the excise tax declaration are considered as its integral part.

The excise tax declaration consists of:

- the general part, which contains the necessary mandatory details of the payer;
- 6 sections composed by payers depending on the type of excise goods;
- 13 calculation attachments for calculating the amount of tax depending on the type of established excise tax rates;
- a section filled in by employees of the state tax administration after submitting the excise tax declaration.

The introductory part of the excise tax declaration is filled out in the manner specified in Chapter II "Compilation of the Excise Tax Declaration» of the above mentioned Procedure for Completing and Submitting the Excise Tax Declaration.

The Declaration form contains 6 sections:

1. Section A. Tax obligations on ethyl alcohol and other alcohol distillates, alcoholic beverages, beer and products with an ethyl alcohol content of 8.5 percent by volume and more.
2. Section B. Tax obligations on tobacco products, tobacco and industrial tobacco substitutes (including tobacco raw materials, tobacco wastes, liquids used in electronic cigarettes).
3. Section C. Tax obligations on the sale of fuel.
4. Section D. Tax obligations on passenger cars, their bodies, trailers and semi-trailers, motorcycles (including mopeds), bicycles with an auxiliary motor, with or without sidecars, motor vehicles intended for the transportation of 10 people or more, motor vehicles-means of transportation of goods.
5. Section D. Tax obligations for the sale of excisable goods by business entities in the retail trade, as well as manufacturers and/or importers of tobacco products, tobacco and industrial tobacco substitutes, liquids used in electronic cigarettes.
6. Section E. Tax obligations for the sale of electric energy.

All sections, as well as 13 appendices must be filled in by the relevant tax payers.

12.5. Peculiarities of tax reporting of enterprises paying a single tax.

The simplified system of taxation, accounting and reporting is a special mechanism for the payment of taxes and fees, which establishes the replacement of the payment of individual taxes and fees, established by paragraph 297.1 of Article 297 of Chapter XIV of the Tax Code of Ukraine, for the payment of a single tax in the manner and under the conditions specified by this chapter, with simultaneous management of the simplified accounting and reporting.

Single tax rates are set as a percentage (fixed rates) of the minimum wage established by the current legislation on January 1 of the tax (reporting) year, and as a percentage of income (interest rates).

Fixed rates of the single tax are established by village, settlement and city councils for natural persons - entrepreneurs who carry out economic activity, depending on the type of economic activity, based on a calendar month.

According to Paragraph 291.5 of Chapter XIV of the TCU, the following business entities are not allowed to be single tax payers: business entities that carry out activities related to the organization, conduct of gambling, foreign currency exchange, production, export, import, sale of excise goods, mining, production, sale of precious metals and precious stones, mining, sale of minerals, activities in the field of financial mediation, natural persons-entrepreneurs who carry out technical tests and research, activities in the field of audit, lease land plots, residential premises and/or their parts, non-residential premises, insurance (reinsurance) brokers, banks, credit unions, pawnshops, leasing companies, trust companies, insurance companies, pension fund institutions, investment funds and companies, other financial institutions defined by law, securities registrars, business entities, the aggregate of shares in the statutory capital of which owned by legal entities that are not payers of a single tax equals or exceeds 25%, representative offices, branches, and other separate subdivisions of a legal entity that is not a payer of a single tax, non-resident natural and legal entities, sub business entities that have a tax debt on the day of submitting an application for registration as a single tax payer.

Single tax payers must make calculations for shipped goods (work performed, services provided) exclusively in monetary form (cash and/or non-cash).

Payers of the single tax are exempt from payment (paragraph 297.1 of the XIV section of the TCU):

- 1) corporate income tax;
- 2) personal income tax in the part of income (object of taxation) received as a result of economic activity of an individual;
- 3) value added tax on operations for the supply of goods, works and services, the place of supply of which is located in the customs territory of Ukraine, except for VAT, which is paid by individuals and legal entities that have chosen a single VAT tax;

4) land tax, except for land tax for land plots that are not used by them for economic activity;

5) fee for carrying out certain types of business activity;

6) collection for the development of viticulture, horticulture and hops.

To choose or switch to a simplified taxation system, a business entity submits an application to the state tax service. The income calculation for the previous calendar year is attached to the submitted application. A business entity that is a payer of other taxes and fees (general taxation system) may decide to switch to a simplified taxation system by submitting an application to the state tax administration body no later than 15 calendar days before the beginning of the next calendar quarter. Such a business entity can switch to a simplified taxation system once during a calendar year.

The tax (reporting) period for single tax payers of the first to second groups is a calendar year, for single tax payers of the third to sixth groups – a calendar quarter. The tax declaration is compiled as a cumulative total, taking into account the norms of the TCU.

Control questions for the academic discipline "Reporting of enterprises"

1. Definition of financial statements and consolidated financial statements, types of statements.
2. Users of financial statements (definition and list of the main users).
3. Definitions of assets, liabilities, income and obligations.
4. Basic tasks of accounting.
5. Types of reporting, their brief description.
6. Definition of document circulation and main types of documents.
7. Definition and types of accounting registers.
8. The purpose of state regulation of accounting and financial reporting.
9. Purpose of financial reporting.
10. Describe the accounting cycle.
11. Requirements for reporting and its main elements.
12. Principles of accounting and financial reporting.
13. Addressees of submitting financial statements.
14. Qualitative characteristics of financial reporting and their brief description.
15. Objectives of financial reporting.
16. The procedure and deadlines for submitting financial statements.
17. Name main normative acts that regulate the processes of drawing up and submitting reports in Ukraine.
18. Define balance (several options).
19. The structure of the balance sheet, its main formula.
20. The purpose of drawing up a balance sheet, what events require this action.
21. Classification (types) of balance sheets.
22. Types of business transactions and their impact on the balance sheet.
23. Structure of the profit and loss statement. A brief description of each section.
24. Definition, purpose and principles of drawing up a Statement of Financial Results.
25. Define ordinary, operational, basic and financial activities.

List of recommended reading for the academic discipline "Enterprise Reporting"

Educational literature

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3. Куцик П.О., Полянська О.А. Облік і звітність в оподаткуванні: навч. посіб. Львів: Видавництво Львівського торговельно-економічного університету, 2017. 508 с.
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