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FEATURES OF ACCOUNTING AND DISPLAYING IN THE FINANCIAL STATEMENT OF FIXED ASSETS

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In the conditions of a market economy, issues related to the variety of forms of ownership should become the subject of deep economic research. The issue with the use of fixed assets is becoming particularly acute. Improving their operation is one of the main factors of economic progress, in this case it is possible to increase the volume of production without additional capital investments. The relevance of this research topic is that fixed assets have a determining specific weight in immobilized (non-current) assets, therefore, the final consequences of the enterprise's activity largely depend on their number, value, technical level, efficiency of use: production output, its cost price, profit, profitability, financial stability. The development of production is inseparable from the problems of effective use of the main production assets. The importance of fixed assets in production is determined by the role of tools in the development of productive forces and industrial relations. With the development of technical progress, the dependence of social production on the state and level of use of fixed assets increases.

ОСОБЛИВОСТІ ОБЛІКУ ТА ВІДОБРАЖЕННЯ У ФІНАНСОВОЇ ЗВІТНОСТІ ОСНОВНИХ ЗАСОБІВ

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методи відображення
у звітності, фінансова звітність

В умовах ринкової економіки питання, пов'язані з різноманітністю форм власності, повинні стати предметом глибокого економічного дослідження. Особливо гостро стає питання з використанням основних засобів. Покращення їх експлуатації є одним з основних чинників прогресу економіки, в цьому випадку можливе збільшення об'єму виробництва без додаткових капітальних вкладень. Актуальність даної теми дослідження є те, що основні засоби мають визначальну питому вагу в іммобілізованих (необоротних) активах, тому від їх кількості, вартості, технічного рівня, ефективності використання багато в чому залежить кінцеві наслідки діяльності підприємства: випуск продукції, її собівартість, прибуток, рентабельність, стійкість фінансового стану. Розвиток виробництва є невіддільним від проблем ефективного використання основних виробничих фондів. Значення основних засобів у виробництві визначається тим, яке місце займають знаряддя праці у розвитку продуктивних сил і виробничих відносин. З розвитком технічного прогресу посилюється залежність суспільного виробництва від стану і рівня використання основних засобів.

Formulation of the problem

A significant number of domestic and international studies are dedicated to the study of the issue of accounting and reporting of fixed assets, but this article is devoted to the determination of the necessary method of assessment and accounting of fixed assets at the enterprise and the systematization of scientific approaches.

Analysis of latest research and publications

Many domestic and foreign scientists are constantly dealing with the issue of accounting for fixed assets. These

are, in particular, such well-known authors as K.S. Hook, V.F. Hryshchenko, A.I. Kredisov, E.H. Panchenko, V.A. Kredisov, M.A. Kovalenko, I.I. Gruzov, L.E. Sukhomlin, V.M. Didenko, S.P. Robins, D.A. De Cenzo et al.

Formulation of the purposes of the article

The article is devoted to the systematization of approaches to accounting, analysis, evaluation, revaluation and reflection in the reporting of fixed assets at the enterprise.

Presenting main material

Analytical accounting of fixed assets reflects the technical and economic characteristics of the object, its location, initial assessment and revaluation (indexing) according to the replacement cost, as well as the rate of depreciation deductions (rate of wear and tear). Analytical accounting reflects all changes that occurred during the operation of fixed assets.

Analytical accounting is carried out according to the places where the fixed assets are located, according to the norms and directions of calculating depreciation, etc. Synthetic accounting of fixed assets is kept on account 10 "Fixed funds".

All expenses of the enterprise related to the receipt of fixed assets or other non-current material assets, which are included in their original cost, are collected on account 15 "Capital investments". The debit of account 15 "Capital investments" reflects the increase in costs incurred by the enterprise for the acquisition or creation of tangible and intangible non-current assets; on credit – their decrease in connection with commissioning [27].

"ITI SERVICE" LLC uses contractual, regulatory account 13 "Depreciation of non-current assets" to reflect the amounts of depreciation deductions in the accounting. It is passive (contractive), balancing.

The credit of account 13 "Depreciation of non-current assets" shows the accrual of depreciation and indexation of depreciation of non-current assets in connection with revaluation, restoration of their usefulness, etc. By debit – sums allocated to the reduction of depreciation in connection with the disposal of fixed assets, their depreciation, decrease in usefulness, etc

Information on the availability, movement and depreciation of fixed assets is presented in various versions and with varying degrees of detail in all forms of financial reporting. The most detailed information about fixed assets can be found in form No. 5 "Notes to the annual financial statements". The list of information that must be specified in form No. 5 is given in clauses 36–39 of PSBU7: the value (initial or revalued) at which fixed assets are reflected in the balance sheet; depreciation methods used by the enterprise and the range of terms of useful use (exploitation); availability and movement in the reporting year; the value of fixed assets, in respect of which there are restrictions on ownership, use and disposal provided for by the current legislation; the value of pledged fixed assets; the amount of capital investments for the acquisition and construction of fixed assets for the reporting year; the amount of contracted fixed assets; residual value of fixed assets that are temporarily not used; original (revalued) value of fully depreciated fixed assets that continue to be used; residual value of fixed assets removed from operation for sale; initial value, residual value and method of assessment of fixed assets received through targeted financing; information on changes in the amount of additional capital as a result of revaluation of fixed assets and restrictions on its distribution among owners.

Columns 3 and 4 on lines 1011 and 1012 of form No. 1 "Balance" reflect the information on the initial cost

and depreciation of fixed assets given in form No. 5. The residual value is the difference between the corresponding data on lines 1011 and 1012 of form #1.

Columns 3 and 4 of line 2515 "Depreciation" of III "Elements of operating expenses" of form No. 2 "Report on financial results" show the amount of accrued depreciation of fixed assets, which according to clause 25 of PSBU16 refers to operating expenses. The same data is reflected in columns 3 and 5 on the line "Adjustment for depreciation of current assets" of form No. 3 "Report on cash flow".

In the column "Revaluation of fixed assets" and "Revaluation of fixed assets" of form No. 4 "Report on equity" reflect the corresponding data representing the amount of revaluation or depreciation of the residual value of fixed assets. The sum of the indicators on the specified lines of form #4 should be equal to the difference of the indicators on form #5.

Analytical accounting of capital investments is carried out by types of fixed assets, other non-current material assets, intangible assets, as well as by individual objects of capital investments.

The receipt of fixed assets at the enterprise "ITI SERVICE" LLC occurs as a result of capital investments, their free transfer to other enterprises, in the order of the purchase of ready-made objects, acquisition for a fee or as a result of the construction of new objects of fixed assets or reconstruction, expansion and technical conversion active production facilities, detection of excess capital assets during inventory, manufacturing at the enterprise itself.

At the beginning of the operation of fixed assets, an act of acceptance and transfer of a standard form is drawn up for each object, except for cases when the introduction of objects into operation must be formalized by current legislation. The act records the value of the inventory object and the main indicators characterizing its technical features, the place of its use, etc., necessary for establishing the norms of depreciation deductions.

Thus, all objects of completed construction are accepted for operation, as a rule, by state acceptance commissions with their preliminary acceptance by the company's work commissions.

The working commission, accepting the finished object, is obliged to inspect it, check it, and, if necessary, conduct tests.

On the basis of acts of the working commission and other documents, the State Acceptance Commission draws up the "Deed of Acceptance and Transfer of Fixed Assets" after inspecting the facility. It indicates the data of acts of the working commission, compliance of the object with technical conditions, test results, conclusions of the commission, estimated cost of the object.

When manufacturing fixed assets by own forces, their initial cost is equal to the sum of expenses incurred according to the requirements of P(S)BO 9 "Inventories" and 16 "Expenses". At the same time, it should not exceed the fair value of the object. Fixed assets are removed from the enterprise for various reasons: as a result of complete wear and tear and unsuitability for further operation; in the order of free transfer to other farms, sale; natural disaster, transfers to inter-economic enterprises in the order of equity participation.

Financial reporting is accounting reporting that contains information about the financial status, results of operations, and cash flows of the enterprise for the reporting period [36, p. 47–48]. Financial reporting is intended for general use by external users and is provided for by the Law.

Formation of accounting and financial reporting of the enterprise “ITI SERVICE” LLC shall be carried out in accordance with the principle provisions of the accounting standards. Accounting reporting meets the following requirements: guarantee objectivity and reliability of reported data; ensure timeliness of data; display data on all business transactions for the reporting period and data on the results of inventory of property and liabilities; ensure the unity of the method of forming reporting indicators, comparability of reporting data, etc.

The financial statements of the ITI SERVICE LLC branch include a balance sheet (form No. 1); report on financial results (form No. 2); cash flow report (form No. 3); report on equity (form No. 4); notes to financial statements (form No. 5).

The balance sheet characterizes the composition and volume of assets, liabilities and equity of the enterprise on a certain date. The content and form of the balance sheet is established by the provision (standard) of accounting 2 “Balance”. The report on financial results contains information on income, expenses, profits and losses from the enterprise’s activities (operational, ordinary, extraordinary) for the reporting period. General requirements for the disclosure of items in the financial results report are defined by standard 3 “Financial Results Report”.

The cash flow report provides data on cash flow (inflows and outflows) during the reporting period as a result of the enterprise’s operational, investment and financial activities. The content and form of the cash flow report is defined by standard 4 “Cash Flow Report”. The report on equity is intended to provide information summarized for the reporting year about changes (increase, decrease) in authorized capital, share capital (in cooperative organizations), additional, reserve unpaid capital, as well as retained earnings. The form and content of the report on equity is determined by standard 5 “Report on equity”.

The notes to the financial statements provide additional information, the disclosure of which gives a more complete and objective picture of the financial condition and results of the enterprise in accordance with the requirements of the provisions (standards) of accounting (methods of stock valuation, depreciation calculation, etc.). Notes to financial statements are submitted according to the standard form approved by the Cabinet of Ministers of Ukraine – standard form of financial statements No. 5 “Notes to annual financial statements”.

The purpose of preparing financial statements is to provide users with complete, true and unbiased information about the financial condition, results of operations and the flow of funds of the enterprise for decision-making.

The procedure for providing financial statements to users is determined by current legislation. The reporting period for drawing up financial statements is the calendar

year. The company’s balance sheet is drawn up at the end of the last day of the reporting period. At the same time, there is such a concept as interim (monthly, quarterly) reporting, which covers a certain period and consists of a cumulative total from the beginning of the year.

Quarterly reporting (it is abbreviated) consists only of the Balance Sheet and the Report on financial results. The financial statements of LLC “ITI SERVICE” indicate the currency in which the elements of the statement are displayed, and the unit of its measurement. According to the Law, accounting is a mandatory type of accounting, which is kept by ITI SERVICE LLC. Financial, tax, statistical and other types of reporting that use a monetary measure are based only on accounting data.. If the reporting currency differs from the currency in which accounting is kept, then the enterprise must disclose the reasons for this and the methods used to transfer financial statements from one currency to another [34, p. 35]. Financial reports reflect the financial results of operations and other events, combining them into appropriate groups based on economic characteristics. There are five groups of elements of financial reports.

Assets, liabilities and equity are directly related to the determination of the financial position in the Balance Sheet of ITI SERVICE LLC, and income and expenses are related to the assessment of activity reflected in the Statement of Financial Results. There are 5 qualitative characteristics of financial reporting (Table 1).

Before drawing up the annual financial statements, ITI SERVICE LLC conducts an inventory of assets and liabilities. The company submits quarterly and annual financial statements:

- bodies to which it belongs;
- the labor team at its request;
- to the owners (founders) of the enterprise;
- executive authorities.

The date of submission of financial statements at the 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 of the enterprise are submitted no later than the 25th of the month following the reporting quarter, and annual financial statements are submitted no later than February 20 of the following reporting year.

Each form of financial reporting is signed by the manager and the chief accountant, and certified with the seal of the enterprise.

. Each financial statement must contain the date as of which its figures are given or the period it covers. If the period for which the financial report is prepared differs from the reporting period stipulated by this Regulation (standard), the reasons and consequences of this should be disclosed in the notes to the financial statements.

Conclusions

The market reform of Ukraine’s economy made it necessary to study issues related to the variety of forms of ownership. The question of the condition and use of fixed assets has become particularly acute, because the volume

Table 1 – Qualitative characteristics of financial reporting

The name of the characteristic	Definition	Explanation
Clarity and adequacy of interpretation	Unambiguous interpretation of information by users, provided that they have sufficient knowledge and are interested in the perception of this information	presence of necessary details that allow identification of the enterprise, reporting period, unit of measurement, etc., as well as notes to financial statements that make financial statements more understandable to users
Certainty	Absence of errors and distortions that can affect the decisions of reporting users	What is meant is not those errors that are related to the violation of tax legislation, but rather those that arise in the process of making a decision on the assessment and display of items in financial reports based on the requirements of P(S)BO. The rules for their correction are given in P(S)BO 6
Comparability	Allowing users to compare financial statements of an enterprise for different periods, as well as financial statements of different enterprises	The prerequisite for the comparison is the provision of relevant information from the previous period and the disclosure of information about the accounting policy and changes in the notes to the financial statements. Comparability is achieved by the stability of the company's accounting policy, as well as consistency and application
Relevance	The availability of information that affects users' decision-making provides an opportunity to timely assess past, present and future events, confirm and correct their assessments made in the past	The structure of financial reports and notes takes into account the use of information for retrospective and prospective analysis of the company's activities. For example, the division of balance sheet items by time into negotiable (current) and non-negotiable (long-term) involves their use for calculating liquidity and solvency indicators. Additional information required for such calculations is provided in the notes to the relevant balance sheet items
Accessibility	The information provided in the financial statements must be accessible and designed for unambiguous interpretation by its users	Information should be easily accessible and understandable to users with a certain level of economic knowledge

of production of goods and services, the final results of the enterprise's activity, their technical level, working conditions largely depend on what part of their own and borrowed financial resources are invested in fixed assets. Although the main productive force of society is people (skilled workers and specialists), the productivity of their work mainly depends on their arming with the most advanced and efficient means of work. Among the problems raised by the practice of the transition to a market economy, the assessment of fixed assets, their reflection in the balance sheet, control over their preservation and availability in places of use, correct documentation, and methods of

calculating depreciation have become especially relevant.

The work also outlines the procedure for accounting for the cost of reimbursing the cost of worn-out fixed assets, in particular, the necessity of accruing amortization charges for the purpose of reproduction of the main production assets is proven, the procedure for analytical accounting of amortization accruals and the display of its results on accounting accounts is outlined. Therefore, the work proves the necessity of updating fixed assets under market conditions, which is determined by the competition of commodity producers, since the state of fixed assets directly affects the final results of the enterprise.

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