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SOME ASPECTS OF ACCOUNTING SECURITY OF THE SUBSTANCE OF FINANCIAL RESULTS

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Summary. In the conditions that have developed for the effective management of organizations, as well as for a deep analysis of the economic situation in the industry complex, the need to improve the quality, reliability and analytical value of information generated and provided by the accounting system is becoming increasingly relevant. This especially applies to one of the key evaluation indicators of the commercial activity of the enterprise – the financial result, which reflects the final efficiency of the activity and is an important basis for making management, investment and credit decisions. At the current stage of development of the economy and accounting science, there are a number of problems associated with the ambiguity of the interpretation of the term "financial result", differences in approaches to its calculation and interpretation in domestic and international practice. This, in turn, reduces the level of transparency of financial reporting and complicates the process of its analysis for a wide range of users – from enterprise management to external investors and regulatory authorities. Therefore, there is an objective need to improve the methodological principles of accounting for financial results, increase their analytical accuracy and adapt to modern business conditions. The article formulates a theoretical approach to a deeper understanding of the economic essence of the financial result as a key indicator of the efficiency of the enterprise, and also presents generally accepted methodological approaches to its definition, classification and calculation in the context of modern accounting practice; the classification of financial results is clarified, and its application in the accounting system is justified for the formation of additional profit indicators in reporting; a comparative characteristic of the methods for calculating the financial result in static and dynamic theories is analyzed. In modern conditions, a new type of risk – accounting risks – enters the management objects of business entities. The need to implement a risk-oriented accounting system is determined, which requires its separate reflection in reporting.

Keywords: accounting form, financial result, financial security, economy, business.

Problem and its connection with important scientific or practical tasks. Currently, the ambiguity of definitions and calculations of the financial result indicator creates difficulties in its understanding and analysis for users interested in reporting. Therefore, it is necessary to clarify the generally accepted

approaches to defining and calculating the financial result, the fundamental aspects of which are:

- disclosure of balance theories as methods for calculating the financial result;
- systematization of approaches to determining profit;



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– clarification of the classification of financial results.

Insufficient consideration of the specifics of various types of activities in accounting legislation opens up new opportunities for embellishing and veiling financial results in the reporting of organizations.

In particular, it is necessary to develop qualitatively new theoretical, methodological and organizational approaches to reflecting financial results in accounting and accounting (financial) reporting of organizations that would not contradict international financial reporting standards (hereinafter – IFRS), on the one hand, and, taking into account the specifics of doing business in Ukraine, contribute to reducing the risks of veiling reporting, on the other.

Analysis of recent research and publications. The problems of development of accounting of financial results are touched upon in the works of many scientists: Davalos S., Deb B.C., Rahman M.M., Lusiana M., Schroeder R.G., Revsine L., Grossi G.

General theoretical and methodological issues of development of accounting of financial results are disclosed in scientific works of Ashtiani M.N., Schroeder R.G., Revsine L., Grossi G., various approaches to definition and calculation of financial result are also considered, conditional and calculated nature of the indicator of profit disclosed in the reporting, causing difficulties in its interpretation, is investigated.

The issues of development of methodological aspects of accounting of income, expenses and financial results in organizations are devoted to the works of Thuy C., Khuong N.V. Despite the significant contribution of scientists to solving the problems of theory, methodology and organization of accounting of economic activities of economic entities, many methodological issues of accounting of financial results in construction organizations require further development.

The purpose of the research. The purpose of the work is to outline theoretical principles and practical recommendations for the development of methods for reflecting information on the financial results of organizations in accounting and financial reporting.

Research results and their discussion. Improving the accounting of financial results (IAfr) includes several areas, among which we can highlight (Fig. 1):

(A) Automation of accounting – implementation of specialized software solutions (ERP systems, cloud services) to reduce errors and increase the efficiency of analysis.

(Im) Improvement of tax accounting – tax optimization, accounting for tax risks and application of benefits in accordance with the legislation.

(D) Development of analytical accounting – more detailed accounting of income and expenses,

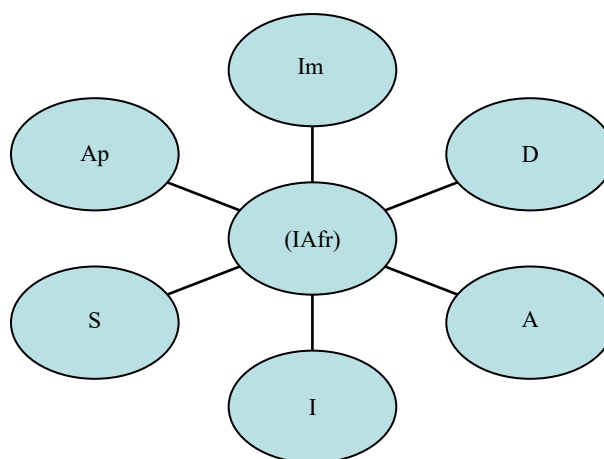


Figure 1 – Scheme Improving the accounting of financial results

Source: formed by the authors

use of segment analysis by products, divisions and projects.

(Ap) Application of international standards – transition to IFRS or other standards to increase the transparency of reporting.

(S) Strengthening internal control – development of effective mechanisms for verifying the reliability of data, preventing financial violations.

(I) Integration of management accounting – use of accounting data for strategic planning and making management decisions.

Use of modern methods for assessing financial indicators – application of ratio analysis, economic and mathematical models and other methods to improve the interpretation of data.

Within the framework of the static theory, the financial result is considered in close connection with the financial concept of preserving (maintaining) the capital of the organization: it is necessary to maintain the amount of equity capital (net assets) at the beginning and end of the reporting period at the same level, or to achieve an excess of equity capital (net assets) of the organization at the end of the reporting period over equity capital (net assets) at the beginning of the reporting period. This statement can be expressed by the well-known formula (1):

$$CK_1 \geq CK_0, \quad (1)$$

where: CK_0 – equity capital calculated at the beginning of the reporting period;

CK_1 – equity capital calculated at the end of the reporting period.

If we rethink this theory in the light of modern realities of globalization of economic management and changed accounting procedures, then both indicators can be presented in the accounting (financial) statements: net profit (loss) and unrealized profit (loss). The latter reflects the expected increase

(“eating up”) of capital, which in the future will manifest itself in the receipt (outflow) of economic benefits. Thus, the static theory expands the content of financial results, suggests using a prospective assessment in the calculation, which meets the modern needs of users of financial information.

To solve this problem, we will compare these theories in relation to the calculation of the financial result by the purpose of the calculation, the interests of users, the elements of the calculation, the assessment of the elements and the calculation condition.

The results presented in Table 1 indicate the absence of absolute coincidence in the considered indicators.

The ideologists of the British-American school of accounting consider the history of accounting from the angle of the paradigm of successive concepts of profit. It is assumed that its calculation is a fundamental and central problem [9].

The results of the study showed that the definition of profit has changed and become more complex many times, which is confirmed by the variety of its formulations. For example, M.F. Van Breda and E.S. Hendriksen believe that “depending on the purpose of forming financial statements, profit can be defined differently and addressed to different users” [7]. Difficulties in understanding accounting profit are associated, first of all, with the peculiarities of accounting procedures when reflecting the relevant information.

There is a need to develop new accounting methods, amend the relevant laws, accounting regulations, and other regulatory legal acts that govern the national accounting system. This will allow in the future [6, 8]:

- to disclose in the reporting indicators of future and potential economic benefits and attract free capital;
- more reliably evaluate the company's performance and conduct planning at both micro and macro levels;

- distinguish, if necessary, the amount of realized non-cash and unrealized financial results in the interests of reporting users;

- develop accounting not only in the interests of international corporations, but also in the interests of national joint-stock companies.

The development of information support for financial results in the context of the concept of accounting for realized and unrealized profits corresponds to the modern conditions of development of market relations.

Accounting is no longer a simple language stating only the facts of the past. Now it is focused on reflecting new facts of economic life that would bring it as close as possible to describing reality, expectations and potential. In these conditions, the presented grouping of income, relative to which it is recommended to form reporting indicators, will ensure the clarity, comparability and verifiability of accounting information.

Other comprehensive income shows the change in value and liabilities, leading to an increase or decrease in the capital (net assets) of the organization. On the one hand, such revaluations are similar to ordinary income and expenses included in profit and loss, but on the other hand, changes in the value of assets and liabilities included in other comprehensive financial result cause such changes in capital that are not embodied in cash flows. This indicates an even greater departure of income and profit indicators from reality and connection with cash flows. However, these indicators allow us to assess the real potential of the organization on a certain date. In this regard, it can be said that from the point of view of the principle of continuity of the company's activities, such indicators are unrealistic and artificial, but from the point of view of the possible liquidation or sale of the company, they become the most real [2, 4].

There is a need to supplement the classification of financial results in connection with the

Table 1 – Comparative characteristics of methods for calculating financial results in static and dynamic theories

Sign	Calculation of financial result according to static theory	Calculation of financial results according to dynamic theory
Purpose of calculation	It is possible to determine solvency and financial stability	It is possible to determine profitability (assessment of the effectiveness of the current activities of an economic entity)
User Interests	Give preference to creditors and investors in protecting their interests	Give preference to owners in protecting their interests
Calculation elements	Capital, liabilities, assets	Income, expenses, profit
Evaluation of calculation elements	Evaluate key items as a result of inventory at a specific point in time	The main elements are estimated at cost
Payment terms	When calculating, real or fictitious liquidation of the organization is allowed.	When calculating, the continuity of the organization's activities is allowed, as well as the need to distinguish between reporting periods

Source: systematized by the authors [5–10]

terminology clarified earlier in the work. In addition, to ensure a balance between the principles of prudence and relevance, it will be appropriate to determine the financial result for all long-term contracts at the following points [1, 3]:

- on the reporting date as soon as they are ready;
- on the date of acceptance and transfer and presentation for payment of fully completed work (stages specified in the contract) to buyers (customers);
- for payment of transferred work (stages specified in the contract) on the date of settlements.

There is also a need to disclose information on the enterprise's risks, grouped into the following groups when preparing annual financial statements [4]:

- financial risks, which include market and credit risks, as well as liquidity risks;
- legal risks, which are caused by changes in currency, customs and tax legislation;
- reputational risks.
- country and regional risks.

In modern conditions, a new type of risk – accounting risks – comes into the focus of management of business entities. They are the least studied type of risk.

The emergence of the category of risks in accounting and the need to present information about risks are due to two factors [3, 5, 11]:

1) accounting standards that provide the right to choose estimates, the format for providing information in reports, indicators that, in the opinion of the reporting organization, will most accurately reflect its financial position and financial performance;

2) the influence of the capital market on the content and format of accounting (financial) statements.

In market conditions, accounting and accounting (financial) statements are given a special role in ensuring the economic security of business entities, in building fruitful relationships with stakeholders as the main interested strategic users of these statements, etc. [7,9].

In accounting, the risks of distortion of financial performance indicators contribute to the emergence of operational risks for business entities (internal users of reporting) and risks of losses for the main groups of stakeholders (external users of reporting).

The more methods of generating information on financial results that are focused on forecasting their future values are used, the less realistic these indicators will be and the greater the likelihood of risks in accounting. This method of generating information, focused on the future, allows for the veiling of real results with forecast values [8].

When forming a risk-oriented accounting system, it is necessary to rely on the use of certain indicators in reporting that serve as indicators of the occurrence of negative events in the activities of companies. Also, the problems of conventionality of profit indicators are of particular relevance in organizations.

Thus, the use of a risk-oriented accounting system for financial results by contractors makes it possible [6, 10]:

- keep records of business risks that affect financial performance indicators and justify decisions on creating reserves for upcoming expenses, estimated reserves and various funds;
- inform users about signs of an organization's insolvency, which will allow taking the necessary measures to reduce the risk of bankruptcy;
- form an internal control system for accounting of financial results.

Conclusions. It is necessary to significantly change the provisions governing accounting, in particular regarding the need for separate accounting of financial results that are probabilistic and conditional. Such information is needed by users, but a risk-oriented accounting system requires its separate reflection in reporting. This recommendation is timely, since now in accounting more and more forecast information is formed on the results of activities that are not tied to real cash flows.

In accounting and financial reporting, it is necessary to disclose information on the risks to which financial performance indicators are exposed. In construction activities, there are specific risks that can affect specific reporting indicators. Disclosure of these risks in modern conditions will certainly contribute to the development of an accounting mechanism capable of preventing negative consequences in the activities of economic entities.

It is necessary to develop additional indicators characterizing the results of the activities of contractors, which will not only reduce the impact of general industry risks in the uncertain conditions that have developed in the economy, but also provide users with more information on the progress of long-term contracts.

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ДЕЯКІ АСПЕКТИ ОБЛІКОВОГО ЗАБЕЗПЕЧЕННЯ СУТНОСТІ ФІНАНСОВОГО РЕЗУЛЬТАТА

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Анотація. В умовах, що склалися для ефективного управління організаціями, а також для глибокого аналізу економічної ситуації в галузевому комплексі, все більшої актуальності набуває необхідність підвищення якості, достовірності та аналітичної цінності інформації, що формується та надається системою бухгалтерського обліку. Особливо це стосується одного з ключових оцінних показників комерційної діяльності підприємства – фінансового результату, який відображає кінцеву ефективність діяльності та є важливою основою для прийняття управлінських, інвестиційних та кредитних рішень. На сучасному етапі розвитку економіки та облікової науки існує низка проблем, пов'язаних з неоднозначністю трактування терміна «фінансовий результат», відмінностями у підходах до його обчислення та інтерпретації у вітчизняній і міжнародній практиці. Це, своєю чергою, знижує рівень прозорості фінансової звітності та ускладнює процес її аналізу для широкого кола користувачів – від менеджменту підприємств до зовнішніх інвесторів і контролюючих органів. Тому виникає об'єктивна потреба у вдосконаленні методологічних засад обліку фінансових результатів, підвищенні їх аналітичної точності та адаптації до сучасних умов господарювання. У статті сформульовано теоретичний підхід до глибшого розуміння номінальної сутності фінансового результату як ключового показника ефективності діяльності підприємства, а також представлено загальноприйняті методологічні підходи до його визначення, класифікації та обчислення у контексті сучасної облікової практики; уточнено класифікацію

фінансових результатів, та обґрунтовано її застосування у системі бухгалтерського обліку для формування у звітності додаткових показників прибутку; проаналізовано порівняльну характеристику методик обчислення фінансового результату у статичній та динамічній теоріях. У сучасних умовах до об'єктів управління у суб'єктів господарювання потрапляє новий вид ризиків – бухгалтерські ризики. Визначено необхідність впровадження ризик-орієнтованої системи бухгалтерського обліку, що вимагає виокремленого його відображення у звітності.

Ключові слова: облікове забезпечення, бухгалтерський облік, фінансовий результат, управління, економіка, бізнес.

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