

ОБЛІК ТА ОПОДАТКУВАННЯ

UDC 657.478.2:355.271=111

DOI: 10.31617/visnik.knute.2022(143)08

FOMINA Olena,
Doctor of Sciences (Economics),
Professor, Head of the Department
of Accounting and Taxation
State University of Trade and Economics
19, Kyoto str., Kyiv, Ukraine, 02156

ORCID: 0000-0002-4962-3298
o.fomina@knute.edu.ua

SEMENOVA Svitlana,
PhD (Economic), Associate Professor,
Associate Professor at the Department
of Accounting and Taxation
State University of Trade and Economics
19, Kyoto str., Kyiv, Ukraine, 02156

ORCID: 0000-0001-7250-7482
s.semenova@knute.edu.ua

BEREZOVSKA Daria,
auditor of Grant Thornton Legis LLC, stakeholder,
graduate of the Department of Accounting and
Taxation of the Kyiv National University
of Trade and Economics in 2021
11-a, Tereshchenkovska str., Kyiv, 01601, Ukraine

ORCID: 0000-0001-8394-6894
d_berezovskaya@ukr.net

ФОМІНА Олена,
д. е. н., професор, завідувач кафедри
обліку та оподаткування
Державного торговельно-економічного
університету
вул. Кіото, 19, м. Київ, 02156, Україна

ORCID: 0000-0002-4962-3298
o.fomina@knute.edu.ua

СЕМЕНОВА Світлана,
к. е. н., доцент, доцент кафедри
обліку та оподаткування
Державного торговельно-економічного
університету
вул. Кіото, 19, м. Київ, 02156, Україна

ORCID: 0000-0001-7250-7482
s.semenova@knute.edu.ua

БЕРЕЗОВСЬКА Дар'я,
аудитор
ТОВ "Грант Торнтон Легіс",
стейкхолдер
вул. Терещенківська, 11-а, м. Київ, 01601,
Україна

ORCID: 0000-0001-8394-6894
d_berezovskaya@ukr.net

TRANSFORMATION OF FINANCIAL REPORTING DURING MARTIAL LAW

Introduction. Under martial law, businesses need comprehensive support to continue to operate and develop. Credentials are the basis for reporting and decision support. At the same time, the transition of enterprises to the use of international standards and the transformation of financial reporting are key to ensuring the

ТРАНСФОРМАЦІЯ ФІНАНСОВОЇ ЗВІТНОСТІ В УМОВАХ ВОЄННОГО СТАНУ

Вступ. В умовах воєнного стану суб'єкти господарювання потребують всебічної підтримки для продовження функціонування та розвитку. Облікова інформація є основою для формування звітності та підтримки прийняття рішень. Разом з тим, ключовим у забезпеченні прозорості фінансової звітності,

© Fomina O., Semenova S., Berezovska D., 2022

The authors contribute equally.

The authors of the manuscript did not receive direct funding in the preparation of the manuscript.

Fomina O., Semenova S., Berezovska D. Transformation of financial reporting during martial law. *Scientia Fructuosa*. 2022. № 3. S. 103-113.
[https://doi.org/10.31617/visnik.knute.2022\(143\)08](https://doi.org/10.31617/visnik.knute.2022(143)08)

ISSN 1727-9313. SCIENTIA FRUCTUOSA. 2022. № 3

103

transparency of financial reporting, attracting other partners to cooperation and investors, and supporting international organizations.

The **aim** of the article is to determine the features of the organization and methods of transformation of financial statements of small businesses into reporting according to international standards, finding ways to improve them.

Methods. During the study, the methodological basis of general and special methods of cognition: analysis, synthesis, induction, grouping, comparison, abstraction, generalization, and system approach are used.

Results. Methods of transformation and conversion of financial statements during the transition of enterprises to international financial reporting standards, their advantages and disadvantages are analyzed. The organizational and methodological aspects of the transformation of financial reporting are described, taking into account the peculiarities of accounting and reporting at small businesses in Ukraine under martial law. The conceptual principles of transformation and the types of differences that arise during the transformation and affect the reflection of the information in the reporting prepared according to international standards are established.

Conclusions. Transformation of financial statements into IFRS reporting is defined as the process of transition to accounting and preparation of financial statements in accordance with international standards with adjustments to current accounting policies and accounting information, regrouping of indicators prepared in accordance with national standards (including for small businesses) 1 or 25) in accordance with the requirements of IFRS for SMEs or the full package of IFRS on the date of such transition. Transformation of financial statements requires adjustments and taking into account differences that may affect the financial performance and evaluation of companies in martial law.

Keywords: transformation of reporting, international financial reporting standards, small business.

JEL Classification: E62, H20, H32, H71

залученні інзомених партнерів до співпраці та інвесторів, підтримці міжнародних організацій є перехід підприємств на використання міжнародних стандартів, трансформація фінансової звітності.

Метою статті є визначення особливостей організації та методики трансформації фінансової звітності суб'єкта малого підприємства у звітність за міжнародними стандартами, пошук шляхів їхнього покращання.

Методи. Під час дослідження використовуються методологічні основи загальних і спеціальних методів пізнання: аналіз, синтез, індукція, групування, порівняння, абстрагування, узагальнення, системний підхід.

Результати дослідження. Проаналізовано методи трансформації та конверсії фінансової звітності під час переходу підприємств на міжнародні стандарти фінансової звітності, їх переваги і недоліки. Охарактеризовано організаційні та методичні аспекти трансформації фінансової звітності з урахуванням особливостей обліку і звітності на підприємствах малого бізнесу в Україні в умовах воєнного стану. Встановлено концептуальні засади трансформації та види розбіжностей, які виникають під час трансформації і впливають на відображення інформації у звітності, складеній за міжнародними стандартами.

Висновки. Трансформацію фінансової звітності у звітність за МСФЗ визначено як процес переходу на ведення обліку і складання фінансової звітності за міжнародними стандартами з внесенням коригувань у чинну облікову політику і облікову інформацію, перегрупування показників звітності, які підготовлені за національними стандартами (зокрема для суб'єкта малого підприємства за НП(С)БО 1 або НП(С)БО 25) у відповідність з вимогами МСФЗ для МСП або повного пакету МСФЗ на дату такого переходу. Трансформація фінансової звітності вимагає коригувань та врахування розбіжностей, які здатні впливати на фінансові показники та оцінку діяльності компаній в умовах воєнного стану.

Ключові слова: трансформація звітності, міжнародні стандарти фінансової звітності, малий бізнес.

Introduction. Under martial law, the stable development of small businesses requires the creation of the necessary level of accounting support, which forms the necessary amount of information to manage business processes. Expanding the functions of accounting and providing financial statements of public status necessitates the development and implementation

of an organizational system that would ensure the formation of accounting information, its analysis and evaluation, as well as the process of transmitting information to users to meet their information needs decisions in particular. Martial law has negatively affected all spheres of the economy, state and society. Many companies have ceased or significantly limited their activities. Many businesses need financial and investment support, foreign partners, resources, and intensification of foreign economic activity, including exports. The transition of enterprises to international accounting and reporting standards will significantly contribute to these processes. Thus the transformation of the financial reporting of the subject of small business in the reporting according to the international standards is connected with a number of theoretical and practical problems which are caused by differences in national standards, imperfection of the available technique of data transformation, lack of practical explanations and recommendations at legislative or methodical levels, the practice of the predominance of form over economic content in accounting, the inability to timely adopt domestic legislation to changes in IFRS [1–2], and the lack of complexity in reforming the accounting system and financial reporting. However, changes and strengthening of European integration processes are expected in Ukraine. Together, they will contribute to the promotion of IFRS, and the topic of transformation of financial reporting will become increasingly important.

Analysis of recent research and publications. Problems of transformation of the financial reporting of the enterprise into the reporting according to the international standards, including subjects of small business in Ukraine are reflected in works of domestic scientists: T. Ostrikoва [3], S. Rogozny [3–4], T. Shevtsova [3], S.Ya. Zubilevich [4], O. I. Mazina [4], O. I. Malishkina [5–6], S. M. Shulyarenko [5–6], K. V. Bezverkhogo [5], I. S. Kovova [5], O. V. Yarmolytska [6], A. O. Kotyash [7], N. Salova [8] and others.

Foreign scholars, in particular, R. Lombardi and G. Secundo [11] focus on the growing relevance of the transformation of financial reporting under the influence of modern information and smart technologies. The authors carefully analyze the types of reporting made by enterprises and the impact of digital technologies on the processes of the global transformation of corporate reporting to establish communication with users of reporting information, achieving long-term goals of corporate social responsibility, accountability, and business transparency.

Undoubtedly, available research contributes to the development of the theory and methodology of transformation of financial reporting into reporting according to international standards. At the same time, the difficult economic situation in Ukraine against the background of martial law forces managers and business owners to look for new markets, partners and investors, and creditors, which emphasizes the need for domestic enterprises to enter international capital markets and the urgency of transition to international accounting standards and financial reporting. Solving these tasks will help improve the quality of financial reporting, as well as ensure the

confidence of a wide range of users in reporting information. This testifies to the importance and practical significance of the outlined problems and justifies the relevance of their solution.

The aim of the article is to determine the features of the organization and methods of transformation of financial statements of small businesses into reporting according to international standards, and formulation of ways to improve them.

Methods. The methodological basis of the study are general and special methods of cognition: the use of the dialectical method provided the disclosure of the informational nature of financial reporting; scientific generalization is generalized, conceptual provisions of financial reporting are substantiated; comparative analysis; synthesis and grouping were used to classify differences; the abstract-logical method is used in the process of theoretical generalizations and formulation of conclusions.

Results. There is no clear interpretation of the term "reporting transformation" in the legislation, but in the literature, it is understood as a transition from national accounting and reporting standards to international ones. Accordingly, the question arises in understanding the essence of national and international standards. According to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" [1], the National Accounting Regulations (Standards) (further – NAR(S) or Ukrainian Accounting Standards), there is a legal act that determines the principles and methods of accounting and financial reporting by enterprises (except enterprises that are in accordance with the law prepare financial statements in accordance with IFRS and the NAR(S) in Ukraine in the public sector), developed on the basis of international standards of financial reporting and EU legislation in the field of accounting and approved by the central executive body that ensures the formation and implementation of public accounting policy. And IFRS are documents adopted by the International Accounting Standards Board (IASB), which determines the procedure for preparing financial statements [1]. Similar definitions are contained in the NAR(S) 1 [2].

There are different definitions of "transformation" in the context of financial reporting. On the one hand, scholars link the transformation of reporting into IFRS reporting to the IFRS reporting process based on nationally reported reporting by changing the recognition (classification and measurement) and disclosure of accounting items, accounting in accordance with the requirements of IFRS. On the other hand, the authors mainly define transformation as reporting according to certain standards by adjusting the existing reporting [10]. It can be agreed that the transformation is a set of procedures for converting financial information that has certain parameters into financial information that has other parameters [7], in particular, reporting from the National Accounting Regulations (Standards) to IFRS reporting. As a rule, the complexity and number of transformation procedures depends on the degree of discrepancy between the initial and final parameters [6]. We believe that the transformation should be seen as a qualitative change in

accounting systems, which includes not only approaches to reporting, but also the application of accounting standards, restructuring accounting policies and applying professional judgment in a new plane – in accordance with IFRS.

Researchers recognize IFRS as an objective inevitability, as a generalization of the best modern world practices in the field of accounting and as ensuring the transparency of financial data [3, 14]. The main reasons for the transition to IFRS are: the availability of cheaper and more significant financial resources; investment attraction; expansion of export opportunities; ensuring transparency and reliability of the information provided in financial statements; strengthening the domestic capital market and increasing its attractiveness; strengthening the protection of property rights and interests of shareholders, investors and creditors [3].

Comparison of the texts of IFRS and NAR(S) and analysis of their practical application indicate the existing differences in the reporting formed on the basis of the NAR(S) and IFRS, highlighting the differences that can be divided into groups: declarative (the NAR(S) and IFRS coincide, but are not followed in practice); conceptual (different target orientation of financial reporting; features of professional judgment and others); normative (non-compliance of the NAR(S) in Ukraine norms with certain provisions of IFRS) [15].

The transformation of small business reporting into reporting according to international standards can take place in two ways (*Figure*): the use of the entire IFRS package or a separate IFRS for SMEs if desired, if they meet the criteria set out in it. Similarly, depending on the current reporting format chosen by the small enterprise – a full package of 5 reporting forms for the NAR(S) 1 or simplified reporting of 2 forms for the NAR(S) 25, according to this database will be transformed into reporting for IFRS. At the same time, if a simplified reporting form was chosen first, more transformation procedures will have to be carried out.

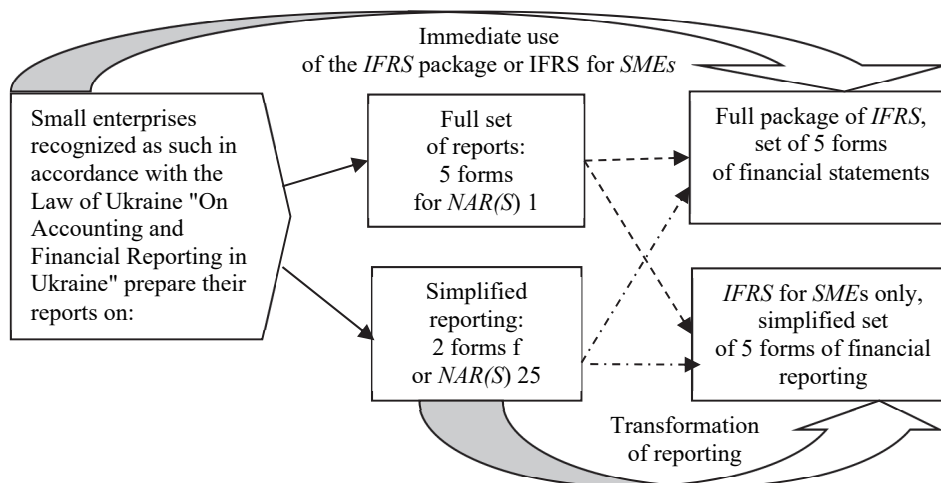


Figure. Transformation of small business reporting in Ukraine

Source: compiled on the basis [1, 2, 12, 15, 16].

A review of regulatory sources governing the transformation of financial statements of small businesses in the reporting of international standards suggests that the most important documents in this matter are: directly the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" [1], which determines the range of persons to report under *IFRS* and certain simplifications for small enterprises that keep records according to national standards, namely NAR(S) and *IFRS* – because their requirements are compared when compiling transformation tables and reviewing changes in requirements, approaches to evaluation and accounting policies during the transition to *IFRS*. The single separate standard of *IFRS* 1 "First-time Adoption of International Financial Reporting Standards" [12] focuses on the transition to *IFRS*, but some documents and guidelines, and practical recommendations on methods and approaches to transformation are not enshrined in law.

In the scientific literature there are works on the problems and examples of the transformation of reporting, and methods of transition to *IFRS*, but very little research on the specifics of the transition of small businesses from the simplified accounting and reporting system to *IFRS*, including *IFRS* for SMEs, especially in the military a condition that complicates the study. Practice shows that the services of transformation of financial statements from those prepared under the National Accounting Regulations (Standards) in accordance with *IFRS*, are usually quite expensive (about 50 thousand UAH for small and from 100 thousand UAH for medium and large companies – respectively to the analysis of tenders and evaluations of analysts), they are offered by consulting firms that have specialists with relevant knowledge. In any case, the transformation of the company and the transition to *IFRS* will cost some resources and will require the involvement of qualified personnel or training of existing staff. However, the benefits of switching to *IFRS* accounting and reporting should be significantly higher, especially in the long run, than current costs.

The conceptual basis for the transformation of the financial statements of a small business entity into reporting according to international standards is the assumption that the rules set out in NAR(S) are consistent with *IFRS*, and the transformation can be carried out on the basis of financial statements prepared in accordance with NAR(S). We believe that, accordingly, the transformation of financial statements is primarily the formation of information in reporting that meets the rules of international financial reporting standards and which is different from the information generated by the rules of domestic accounting and reporting.

Characteristically, the needs of users of financial statements of small businesses are different from users of financial statements of larger enterprises and more attention is paid to short-term goals, current liquidity, and solvency. It is for such entities that a separate standard is provided – *IFRS* for SMEs, which aims to balance the "costs-benefits" of preparing financial statements by maintaining key approaches to *IFRS*, but in a somewhat simplified form and removing disclosure requirements that are irrelevant for non-public companies.

Directly IFRS for SMEs, the basic criteria for the application of simplified IFRS are 2 qualitative guidelines: 1) the company is not accountable to society; 2) general purpose financial statements are subject to disclosure to external users. *IFRS* for SMEs does not regulate the form of financial statements, but only defines their content and some criteria for grouping items. However, the IFRS for SMEs contains strict requirements for the mandatory presence of certain items in the reports and prohibits the inclusion of certain items in the reports. IFRS for SMEs is the only standard that defines the purpose, principles, composition of financial statements and methods of accounting for assets, capital, liabilities and transactions of small and medium enterprises, ie enterprises do not use other *IAS* or *IFRS* [15].

It was found that if a small enterprise kept records and reported in a simplified form, the transformation includes an analysis of the form №1-m "Balance Sheet" (Statement of financial position) and form №2-m "Report on financial results" (Report on total income) that meet the requirements of the NAR(S), and make the necessary adjustments to ensure the submission of information in accordance with IFRS.

In addition, IFRS 1 provides the following adjustments for the transition from previous to international standards: derecognition of certain old assets and liabilities; recognition of certain new assets and liabilities; reclassification; assessment [9, p. 57].

Typically, the fulfillment of the first condition is associated with the exclusion (write-off) of assets and liabilities from the balance sheet, which at the date of the first application of IFRS may not meet the criteria for recognition under IFRS. In essence, this applies to obsolete non-current assets and should be recognized as an expense in the period.

In addition, assets and liabilities that meet the criteria for recognition in accordance with international standards but have not been recognized in accordance with previous standards are recognized. An example is a collateral that has not been recognized but is a liability and is reflected in the balance sheet.

Mainly reclassification is manifested through the transfer of the amount of one reporting item to another. In this sense, the carrying amount of assets and liabilities is specified, which depends on the valuation rules of IFRS in force at the balance sheet date.

In the same way, the transformation of the Statement of financial results (Statement of comprehensive income) is manifested. In general, before the transformation of the Statement of Financial Performance, it is necessary to make sure that the assessment and composition of all its articles correspond to NAR(S). In addition, you need to perform certain procedures:

- choice of report format;
- analysis of the composition and regrouping of items of income and expenses;
- a reflection of income and expenses recognized as a result of balance sheet transformation.

It should be noted that IFRS does not specify the formats of financial statements, so the format of the Statement of Financial Performance (Statement of Comprehensive Income) is presented, which is presented in the appendix to IAS 1. Ukrainian enterprises (except for entities that apply the NAR(S) 25), use a report form in which costs are classified according to their function. Based on this, the statement of financial performance (form № 2) is easier to transform into a report format that illustrates the classification of costs by function.

Different methodological approaches to the transformation of reporting from national to international standards are distinguished in different literature sources. R.M. Luchko, I.D. Benko [9, p. 108] distinguishes methods of conversion and transformation, in other sources – among the methods of transformation indicate the possibility of parallel accounting and transformation, which can be carried out in two ways: transformation at the level of accounting records and registers or transformation of the reporting IFRS reporting [8, 9].

The complete transformation includes the procedure of transferring accounting system data at the end of the reporting period by adjusting and reclassifying reporting items from national to international standards (there may also be a complete transformation with additional conversion into foreign currency, which is most relevant for reporting by foreign economic units).

Conversion may include parallel accounting and translation. Parallel accounting or full conversion involves the maintenance of accounting staff at the same time a database of national standards and international standards, respectively, formed two reporting packages. Broadcasting is used when the transfer of credentials in an automated program is transferred to separate registers of accounting or management accounting with automatic adjustment of the required amounts in order to report under IFRS. Parallel accounting is quite cumbersome and costly – every business transaction, and every document is registered and displayed simultaneously in two systems – bynational and international standards [13].

Each of the methods has its advantages and disadvantages, which are summarized in *table*. The most important advantages are speed, accuracy, impartiality, and complexity, but choosing among the advantages, the company must take into account its goals and capabilities when moving to international standards.

Thus, comparing these methods, we can confirm that the transformation involves a one-time reclassification of reporting items and adjustment of accounting items, and parallel accounting (conversion) provides preparation of financial statements in accordance with IFRS on the basis of accounting entries and records throughout the reporting period.

Table

Comparison of methods of transformation of financial statements of a small enterprise into reporting according to international standards

Signs of Comparison	Transformation	Conversion
Essence	Complete transformation includes the procedure of transferring data from the accounting system at the end of the reporting period through adjustments and reclassification of reporting items from national to international standards (there may also be a complete transformation with additional conversion into foreign currency)	Full conversion involves maintaining a database of national standards and international standards, respectively, and two reporting packages are formed. Broadcasting – transfer of accounting data in an automated program to separate accounting registers with automatic adjustment of required amounts for the purpose of reporting under IFRS
Types of reporting transformation	Complete transformation. Transformation in terms of a foreign currency or taking into account hyperinflation. Transformation at the level of accounting entries and accounting registers. Transformation of forms of financial reporting.	Parallel accounting (full conversion) Broadcasting. Gradual or full conversion.
Benefits	Does not require significant costs, labor, time to organize and conduct, a one-time transformation procedure, or a high degree of transparency of adjustments	Higher level of reliability of accounting information, higher efficiency due to simultaneous reporting together according to national standards
Disadvantages	The impact of subjective assessments, and the risks of data reliability, are realized after the preparation of reports according to national standards.	Requires significant costs, including staff, information support, setting up information systems for parallel accounting, impractical for holding companies

Source: compiled on the basis [8, 9, 10, 13, 16].

The accelerated implementation of IFRS for SMEs in the practice of small businesses in martial law should take into account the basic accounting concepts, the availability of developed accounting principles, approved accounting rules and government policies, compliance with basic characteristics for accounting standards, and regulatory framework.

Conclusions. Transforming financial statements is much more than just the process of converting already prepared national standards to IFRS-compliant reporting, which requires knowledge, effort, and work, so it is carried out by qualified staff from their own staff or relevant external experts. Based on the development of the regulatory framework and special scientific literature, our own definition is proposed: the transformation of financial statements of small businesses in IFRS reporting is a process of transition to accounting and financial reporting according to international standards with adjustments to current accounting policies and accounting information; regrouping of reporting indicators prepared in accordance with national standards (in particular the NAR(S)1 or NAR(S) 25), so that they comply with IFRS or IFRS for SMEs on the date of such transition.

The conceptual bases of transformation of the financial reporting of the subject of small business into the reporting according to the international standards are established. Discrepancies that arise in the financial statements

of the UAS and IFRS may be insignificant that will not affect the usefulness of the information in the financial statements and therefore do not require resolution or reconciliation; significant, which can be excluded through the introduction of appropriate changes and additions to the text of the NAR(S); and significant, which can be eliminated only by transforming the information in the preparation of financial statements. In this sense, transformational adjustments can significantly affect the analytical indicators, in particular, the profitability of the enterprise, its liquidity, and others, which are calculated on the basis of financial statements, which must be taken into account when assessing indicators in martial law.

Transformation of IFRS financial statements includes several stages: choosing the date of transition to IFRS (the first IFRS report is possible only 2 years after that date); approval of the order on accounting policy with IFRS; conducting an inventory on the date of transition to IFRS; preparation of the introductory balance sheet on the date of transition to IFRS (adjustments are made to items through retained earnings that do not cause tax consequences); preparation of comparative financial statements in accordance with IFRS. The method of preparation of financial statements prepared in accordance with IFRS differs from that prepared in accordance with national standards, certain specifics of interpretation of reporting items and indicators, and the subjectivity of estimates.

Conflict of interest. The authors certify that they have no financial or non-financial interest in the subject matter or materials discussed in this manuscript; the authors have no association with state bodies, any organizations or commercial entities having a financial interest in or financial conflict with the subject matter or research presented in the manuscript. The authors are working for the institution that publishes this journal, which may cause potential conflict or suspicion of bias and therefore the final decision to publish this article (including the reviewers and editors) is made by the members of the Editorial Board who are not the employees of this institution.

REFERENCES

1. The Verkhovna Rada of Ukraine (1999). The Law of Ukraine "On accounting and financial reporting in Ukraine", of July 16, 1999 № 996-XIV. <https://zakon.rada.gov.ua/laws/show/996-14#Text> [in Ukrainian].
2. The National Accounting Regulation (Standard) 1 "General requirements for financial reporting": Approved by the order of the Ministry of Finance of Ukraine dated February 7, 2013 № 73. <http://zakon.rada.gov.ua> [in Ukrainian].
3. Ostriкова, T., Rogozny, S., & Shevtsova, T. (2018). National features of the transition to IFRS and their impact on taxation. *Taxes and accounting*, 77. <https://i.factor.ua/ukr/journals/nibu/2018/september/issue-77/article-39538.html> [in Ukrainian].
4. Zubilevich, S. Y., Mazina, O. I., Rogozny, S. A., Karpachova, O. V., & Dyadyun, O. O. (2020). *International Financial Reporting Standards. A short course for practitioners*. Kyiv: Factor Publishing House [in Ukrainian].
5. Malyshkin, O. I., Bezverkhyy, K. V., Kovova, I. S., Semenova, S. M., Shulyarenko, S. M., & Karyev, V. P. (2018). *Harmonization of accounting and taxation at Ukrainian enterprises in the context of EU standard*. O. I. Malyshkina (Ed.). Derzhavnyy universytet infrastruktury ta tekhnolohiy. Kyiv: ArtEk, DUIT [in Ukrainian].

6. Malyshkin. O. I., Shulyarenko. S. M., & Yarmolytska. O. V. (2020). *Company reporting (according to international standards and European standards)*. Teaching way. Kyiv: DUIT, ArtEk Publishing House [in Ukrainian].
7. Kotyash, A. O. (2019). Transformation of financial statements in accordance with international standards and experience of EU countries. *Young scientist: a collection of scientific works of students*. Kyiv: DUIT, 4, 104-112 [in Ukrainian].
8. Salova, N. (2017). Parallel accounting, translation and ... transformation. *Accountant & Law*, 50/51. http://bz.ligazakon.ua/en/magazine_article/BZ010494 [in Ukrainian].
9. Luchko, M. R., & Benko, I. D. (2016). *Accounting and financial reporting according to international standards*. T.: Econ. opinion of TNEU [in Ukrainian].
10. Gribovskaya, Yu. M. (2016). Transformation of financial statements and transition to IFRS. *Bulletin of Hark. nat. tech. University of Agriculture them. P. Vasilenko*, (pp. 113-122) [in Ukrainian].
11. Lombardi, R., & Secundo, G. (2020). The digital transformation of corporate reporting – a systematic literature review and avenues for future research. *Meditari Accountancy Research*. (Vol. 29). Issue 5. <https://www.emerald.com/insight/content/doi/10.1108/MEDAR-04-2020-0870/full/html> [in English].
12. International Financial Reporting Standard 1 "*First-time Adoption of International Financial Reporting Standards*". https://www.mof.gov.ua/storage/files/IFRS-01_ukr19.pdf [in Ukrainian].
13. General principles of transformation of financial statements to IFRS format. *IAS Consultant*. <http://consultant.parus.ua/?doc=08TFU81986&abz=F1CB9> [in Ukrainian].
14. Fomina, O., Moshkovska, O., Prokopova, O., Nikolenko, N., Slomchynska, S. (2018). Methodological approaches to investment property valuation. *Investment Management and Financial Innovations*. (Vol. 4 (15), (pp. 367-381) [in English].
15. Semenova, S. M. (2017). Comparison of financial statements of small and micro enterprises of Ukraine and EU countries in accordance with IFRS for SMEs and Directive 34/2013/EU. *Accounting and auditing*. (Vol. 2), (pp. 26-40) [in Ukrainian].
16. Berezovskaya, D. Yu. (2021). Transformation of financial statements of a small business entity into reporting according to international standards. *Collection of scientific articles of masters "Accounting and taxation in economic activity"*. KNUTE [in Ukrainian].

Received the editorial office 30.05.2022.

Accepted for printing 03.06.2022.

Publication online 24.06.2022.