

STATE COVERAGE OF FIXED ASSETS IN THE NOTES TO THE REPORT FOR THE REQUIREMENTS OF THE REGULATIONS (STANDARD) ACCOUNTING # 7 "FIXED ASSETS"

Peretiatko Y.

PhD, Associate Professor
of Accounting, Taxation and Auditing,
Chernihiv National University of Technology

Gorbach Y.

Master of Accounting and Tax
Chernihiv National University of Technology

Dergilova Y.

Master of Accounting and Tax
Chernihiv National University of Technology

One of the sources for obtaining information for management decisions is financial statements, which include the balance sheet, the statement of financial results, the statement of cash flows, the statement of equity and the notes to the reports.

In practice, when making managerial decisions, users of information take into account the information contained in the balance sheet and the statement of financial results, ignoring the data of the Notes to the reports, which in our opinion, may reduce the quality of the decisions taken. Indeed, the Notes to the Reports not only detail the individual articles of the financial statements, but also contain other information disclosed in the current accounting regulations.

The purpose of the article is to investigate the compliance with the requirements of the Regulation (Standard) of accounting # 7 "Fixed assets" for the disclosure of information about fixed assets in the Notes to the reports.

We have investigated the Notes to the Reports of 14 enterprises of various industries of the Chernihiv region for compliance with the requirements of the Accounting

Regulation No. 7 "Fixed assets" for the disclosure of information about fixed assets.

During the study, it was found that not all companies adhere to these recommendations. Thus, only 4 of the 14 investigated companies report the useful life of fixed assets in the Notes to the Reports. One company does not disclose information about the amount of accrued depreciation.

On the positive side, it can be noted that all investigated companies disclose information on the initial and residual value of fixed assets in the Notes to the Reports.

Failure to comply with the provisions of the Standard (Accounting Standard) No. 7 "Property, Plant and Equipment" in respect of disclosure in the Notes to the reports indicates the poor quality of the financial statements. Therefore, the decisions that made on the basis of such reporting may not be justified.

In order to improve the quality of the information base on the activities of the company, we recommend that the employees of the accounting apparatus comply with the current requirements of the Accounting Regulations (Standards) when compiling the financial statements, including the Notes to the Reports.