

## Секція 3

# ФІНАНСИ ТА ОПОДАТКУВАННЯ В ГЛОБАЛЬНИХ ІНТЕГРАЦІЙНИХ ПРОЦЕСАХ: ПРІОРИТЕТИ ТА ВЕКТОРИ РОЗВИТКУ



**UDC 004:657-057.1**

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## **CONSOLIDATED FINANCIAL STATEMENTS OF CORPORATE GROUPS: ORGANIZATIONAL AND METHODOLOGICAL FOUNDATIONS OF PREPARATION AND CONTROL**

The modern economy is characterized by the globalization of business, which leads to an increase in the number of corporate groups consisting of a parent company and its subsidiaries. Consolidated financial statements (CFS) serve as a tool for presenting the collective financial results of such a group as a single economic entity. CFS provides investors, creditors, and other stakeholders with a comprehensive view of the financial position of the entire group, regardless of the structure and geographic distribution of individual companies. Accordingly, the organizational and methodological principles of CFS preparation and control are essential to ensure its reliability and comparability.

According to IFRS 10 "Consolidated Financial Statements," a company must prepare CFS if it controls other companies. Control is determined by having power over the investee, rights to variable returns, and the ability to influence returns. The consolidation process includes combining the financial statements of the parent company and subsidiaries, with intergroup transactions being eliminated to avoid double-counting of assets and liabilities.

International researchers examine various aspects of the methodology for consolidated reporting, including issues of control, accounting policies, and standardization. In this context, the work of the following authors is particularly noteworthy:

Thomas Schreiner examines the importance of applying international financial reporting standards within corporate groups. He argues that IFRS standards contribute to greater reporting transparency and allow investors to compare financial indicators on a global scale. Schreiner emphasizes that differing accounting policies

among subsidiaries can lead to unreliable consolidation results, stressing the importance of harmonized approaches for unified reporting [1].

John Norton in his article "Consolidated Financial Statements: Global Practices" explores issues surrounding the harmonization of accounting policies within corporate groups and highlights the difficulties associated with determining controlling influence. Norton examines how different companies interpret control and proposes methodological approaches to establish a unified understanding of this concept. A significant aspect of his work is the investigation of the impact of different accounting approaches on the results of consolidation and the need for international unification to improve reporting transparency [2].

Peter Farrell investigates quality control in the consolidation process. He emphasizes the importance of internal audits and an effective control system to ensure the accuracy of consolidated financial statements. Farrell develops a conceptual model for reviewing CFS, which includes assessing the completeness of consolidation, the proper accounting of intergroup transactions, and compliance with national standards and IFRS. He stresses that quality control ensures the reliability of information for external users [3].

Despite the advantages of international standardization, several challenges remain in the consolidation of financial statements for corporate groups. First, the use of different accounting policies among subsidiaries complicates the consolidation process, as it requires data adjustments and unification. Second, challenges exist in identifying controlling influence, which often depends on the legal and organizational specifics of subsidiaries. Internal control and audits remain critical to ensuring the objectivity and completeness of CFS.

In addition, the process of identifying and documenting controlling influence presents a critical area of focus, especially in complex group structures where control may be indirect or governed by intricate legal frameworks. The methodologies proposed by international researchers highlight the need for clear guidelines on assessing control within the group, as well as practical tools to implement these guidelines effectively. By doing so, companies can mitigate risks associated with misrepresentation of financial positions and avoid regulatory complications.

Another significant aspect is the establishment of a robust system for internal audits and quality assurance in the preparation of CFS. As emphasized by Farrell, an effective audit system enhances the reliability of financial reporting and supports compliance with both local and international standards, such as IFRS. Quality assurance in CFS preparation helps detect inconsistencies and ensures that intergroup transactions are correctly eliminated, leading to a true and fair view of the financial position of the group.

Future development in the field of consolidated financial statements could benefit from increased alignment with digital reporting standards, which are emerging as a global trend. Integrating automated tools and digital solutions could streamline data consolidation and enhance transparency. This would allow corporate groups to adapt more swiftly to changes in financial reporting standards and meet the expectations of a broad spectrum of stakeholders. Consequently, the continued evolution of international standards, along with advances in technology and control

methodologies, holds the potential to elevate the accuracy, comparability, and reliability of consolidated financial statements.

Overall, the adoption of a structured, harmonized approach to CFS preparation and the integration of advanced control mechanisms are crucial steps toward achieving transparency and comparability in financial reporting, which are foundational to the trust and credibility of global financial markets.

#### **Information sources**

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2. Norton, J. Consolidated Financial Statements: Global Practices. *Accounting Standards Review*, 2018, vol. 18, pp. 89-102.
3. Farrell, P. Quality Assurance in Consolidated Financial Statements. *Journal of Financial Control*, 2019, vol. 27, pp. 55-70.

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## **DEVELOPMENT OF UKRAINE'S TRANSPORT AND LOGISTICS SYSTEM TODAY**

Worldwide, the provision of transport services is a development factor. Special attention is paid to the development of the transport structure and increasing its efficiency, which is achieved by optimising and improving modern systems and technologies.

The transport industry is constantly evolving. In recent years, there have been a number of technological innovations that have significantly influenced the direction of the industry as a whole. These innovations are often interrelated and have different effects on each other.

Ukraine's transport and logistics system serves as the backbone of the country's economic system and is an integral part of the international transport and logistics system, which allows it to take a leading position in the international logistics market and gain competitive advantages. In order to determine the possibilities for the development of the domestic transport and logistics system, it is worthwhile to study the current dynamics of transport infrastructure development and transport opportunities in Ukraine. When analysing the transport infrastructure of Ukraine, it should be noted that there are different types of transport (air, road, water, rail, pipeline).

Globally, the development of transport infrastructure in the economy is reflected in the Global Competitiveness Index and one of its parameters - infrastructure.