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## **FINANCIAL ACCOUNTING AND CONSOLIDATED FINANCIAL REPORTING IN THE CONTEXT OF NAS AND IFRS: MANAGERIAL ASPECT**

### *Summary*

**Relevance. Problem statement.** In 2026, Ukraine's agricultural sector remains one of the key segments of the national economy and foreign economic activity, underlining its strategic importance for the state. In the context of increased competition in domestic and international markets, ensuring a high level of transparency in financial reporting and fostering investor confidence is particularly critical. The implementation of IFRS 18 "Presentation and Disclosure in Financial Statements" presents significant methodological challenges for agroholdings, related to reconciling national accounting standards (NAS) with international requirements. Timely harmonization of biological asset accounting, optimization of the consolidation process for financial statements, and ensuring transparency without compromising the confidentiality of commercial information make this research highly relevant.

**Therefore, the purpose of this article is** to provide a theoretical rationale and develop practical recommendations for improving financial accounting and consolidated financial reporting of agricultural enterprises, taking into account the requirements of IFRS 18, the specific characteristics of the agricultural sector, and existing discrepancies with national accounting standards (NAS). **Methodology.** The study employs a systemic, functional, and comparative approach, combined with an analysis of regulatory documents and scientific literature. To assess the impact of discrepancies between national and international standards on the reliability of accounting information in consolidated financial statements, a tabular method was applied, providing a comprehensive approach to the investigation of the problem.

**Results.** The study identifies key contradictions between NAS and IFRS in the classification of operations and the valuation of biological assets. Directions for improving the methodology for preparing consolidated financial statements of agricultural



enterprises are outlined, including approaches to note disclosure that support a balance between transparency and protection of commercial interests. The research proposes methods for integrating managerial and financial accounting, as well as the use of “intelligent aggregation” of data to enhance the efficiency of monitoring agricultural enterprises’ activities.

**Practical significance.** The results can be applied by agroholdings and regulatory authorities to optimize the preparation of consolidated financial statements, manage intra-group risks, and increase the investment attractiveness of enterprises within the framework of European integration processes. **Prospects for further research.** Further research should focus on the digitalization of the consolidated financial reporting process through the implementation of ERP systems, enhancing the accuracy of data transformation from NAS to IFRS format, and improving internal regulations governing the disaggregation of information in the notes.

*Keywords:* financial accounting, consolidated financial statements, agricultural enterprises, NAS, IFRS, managerial accounting, biological assets, information transparency.

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## **ФІНАНСОВИЙ ОБЛІК ТА КОНСОЛІДОВАНА ФІНАНСОВА ЗВІТНІСТЬ У КОНТЕКСТІ НП(С)БО ТА МСФЗ: УПРАВЛІНСЬКИЙ АСПЕКТ**

### *Анотація*

Аграрний сектор України у 2026 році зберігає статус одного з ключових сегментів національної економіки та зовнішньоекономічної діяльності, що визначає його стратегічне значення для держави. У сучасних умовах підвищеної конкуренції на внутрішніх і міжнародних ринках особливо важливо забезпечити високий рівень прозорості фінансової інформації та формування довіри з боку інвесторів. Впровадження МСФЗ 18 «Подання та розкриття у фінансовій звітності» ставить перед агрохолдингами значні методологічні завдання, пов'язані з узгодженням НП(С)БО з міжнародними стандартами. Своєчасна гармонізація обліку біологічних активів, оптимізація процесів консолідації фінансових звітів і забезпечення прозорості

інформації без порушення конфіденційності комерційних даних роблять дослідження надзвичайно актуальним. Метою дослідження є теоретичне обґрунтування та розробка практичних рекомендацій щодо вдосконалення фінансового обліку та консолідованої фінансової звітності аграрних підприємств із урахуванням вимог МСФЗ 18, специфіки аграрного сектору та існуючих розбіжностей із НП(С)БО.

Дослідження проведено із застосуванням системного, функціонального та порівняльного підходів, аналізу нормативних документів і наукових джерел. Для оцінки впливу розбіжностей між національними та міжнародними стандартами на достовірність облікової інформації у консолідованій фінансовій звітності використано табличний метод, що забезпечує комплексний підхід до вивчення проблеми.

Встановлено ключові протиріччя між НП(С)БО та МСФЗ у класифікації операцій та оцінці біологічних активів. Розкрито напрями удосконалення методики формування консолідованої фінансової звітності аграрних підприємств, включно з підходом до розкриття інформації у примітках, що дозволяє підтримувати баланс між прозорістю та захистом комерційних інтересів. Запропоновано шляхи інтеграції управлінського та фінансового обліку, а також використання «розумного агрегування» даних для підвищення ефективності контролю за діяльністю аграрних підприємств.

Отримані результати можуть бути використані агрохолдингами та контролюючими органами для оптимізації процесів підготовки консолідованої фінансової звітності, управління внутрішньогруповими ризиками та підвищення інвестиційної привабливості підприємств у контексті євроінтеграційних процесів. Подальші наукові роботи слід спрямувати на цифровізацію процесу складання консолідованої фінансової звітності за допомогою ERP-систем, підвищення точності трансформації даних із НП(С)БО у формат МСФЗ та вдосконалення внутрішніх регламентів дезагрегування інформації у примітках.

*Ключові слова:* фінансовий облік, консолідована фінансова звітність, аграрні підприємства, НП(С)БО, МСФЗ, управлінський облік, біологічні активи, прозорість інформації.

*Кількість джерел: 18; кількість таблиць: 1.*

**Problem statement.** In 2026, Ukraine's agricultural sector maintains a leading position among the key drivers of economic growth and the formation of the country's export potential. Its development directly influences the nation's investment attractiveness and the stability of foreign economic relations. In the context of increasing competitive pressure and deepening integration processes into the European economic space, issues of ensuring transparency, completeness, and reliability of financial information for agricultural business entities become particularly relevant. Under these circumstances, consolidated financial statements serve not only as a tool for aggregating financial indicators but also as a crucial

element of information support for strategic management, intra-group control, and informed managerial decision-making.

The implementation of IFRS 18 "Presentation and Disclosure in Financial Statements" (IFRS Foundation, 2025) necessitates a reconsideration of approaches to organizing financial accounting and reporting. Key methodological challenges include the structuring of income by business activities, the fair value measurement of biological assets, and ensuring a rational balance between the level of disclosure and the protection of trade secrets. At the same time, significant discrepancies persist in practice between National Accounting Standards (NAS) and international requirements, manifesting in the classification of income and expenses, approaches to consolidation, and valuation of specific assets. These differences can lead to distortions in financial results and complicate the forecasting of cash flows for agricultural enterprises. In this context, the integration of financial and managerial accounting becomes particularly important, enhancing the control function of consolidated reporting and improving the quality of management information under conditions of seasonal production and high volatility of agricultural product prices.

The deepening of European integration processes and the development of digital technologies highlight the need to improve internal accounting policies of agricultural enterprises, automate the consolidation of financial reporting, and enhance the quality of disclosure in the notes in accordance with the materiality principle. Consequently, the development of scientifically grounded methodological approaches to transforming consolidated financial statements acquires special significance, ensuring their reliability, comparability, and timeliness, while also facilitating the integration of financial and managerial accounting within modern corporate governance systems.

Thus, the formation of transparent, consolidated, and analytically relevant financial statements is a key prerequisite for enhancing management efficiency, strengthening investment attractiveness, and ensuring the competitiveness of Ukrainian agricultural enterprises at both national and international levels.

**Recent studies and publications review.** The issue of transforming financial accounting and consolidated financial statements in Ukraine's agricultural sector remains the subject of extensive research by Ukrainian scholars, including Tsyhanok (2025), Vizirenko and Sidor (2026), Pukhalskyi and Handziuk (2025), Hevlych (2024), Lokhanova (2025), Dubinina et al. (2025), Kostyakova (2025), Kurgan et al. (2025), Melnychuk and Poliachenko (2021), Ometsinska and Ometsynskyi (2025), Khomiak et al. (2025), among others. Contemporary studies focus on the harmonization of National Accounting Standards (NAS) with IFRS, the valuation of biological assets, financial statement consolidation, and the integration of financial and managerial accounting under conditions of high volatility in the agricultural market.

Melnichuk and Poliachenko (2021) emphasizes the importance of national standards, which ensure the stability of the accounting process and expense control within the framework of Ukrainian legislation. Special attention should be given to modern digital approaches for automating the consolidation process within contemporary software environments that consider the specifics of corporate-type agricultural enterprises. In contrast, Kostyakova (2025) and Kurgan et al. (2025) highlight the limitations of NAS in enhancing investment attractiveness, noting that international standards establish a common “language of financial reporting” necessary for the objective evaluation of agricultural companies by foreign investors. Dubinina et al. (2025) points out that IFRS ensures the correct elimination of intra-group transactions and fair valuation of biological assets, which is challenging under traditional national methods. A new stage in the scientific discussion in 2025–2026 was the implementation of IFRS 18 (IFRS Foundation, 2025). Khomiak et al. (2025) notes its potential to significantly increase the transparency of operating profit, whereas Pukhalskyi and Handziuk (2025) emphasize the difficulties in classifying income and expenses for agricultural enterprises with different business models. Lokhanova (2025) warn about the risks of excessive disclosure in the notes, which may threaten the protection of trade secrets, with particular attention to

the functional purpose of financial reporting. Meanwhile, Ometsinska and Ometsynskyi (2025) consider consolidated financial statements an effective tool for analytical support of managerial decisions, while Vizirenko and Sidor (2026) underscore their role in controlling financial discipline within groups of agricultural companies. This approach is fully supported, as such accounting provision ensures the adoption of more objective and effective directions for agribusiness management under wartime conditions. Research by Skrypnyk and Skrypnyk (2025) substantiates the feasibility of implementing integrated reporting as an important tool to enhance the transparency of enterprise operations. The authors argue that traditional financial reporting no longer fully meets the information needs of users in a dynamic business environment. It is emphasized that the integrated reporting approach provides a comprehensive view of an entity's performance by combining financial, social, and environmental aspects. At the same time, methodological and organizational challenges in implementing integrated reporting are highlighted, particularly regarding the unification and comparability of indicators. Its significance in strengthening the economic security of corporate-type enterprises is also underlined, by increasing trust among investors and other stakeholders. The authors conclude that integrated reporting is a promising direction for transforming the modern corporate reporting system.

Auditing and legal aspects of reporting transformation are equally important: Tsyhanok (2025) stresses the need to adapt audit procedures to IFRS requirements, while Hevlych (2024) examines the prospects for unifying reporting between the private and state agricultural sectors. Thus, current scientific discourse shows that the development of financial accounting in agricultural enterprises is oriented toward digital consolidation in accordance with IFRS 18, integrating financial, managerial, and audit control aspects. At the same time, despite the considerable number of publications, the development of practically effective methodologies for transforming consolidated financial statements of agricultural enterprises under new international standards remains insufficiently explored, justifying the need for further fundamental and applied research in this area.

**Formulation of the article's objectives and justification of the relevance of the research problem.** The aim of this study is a comprehensive examination of the transformation of financial accounting and consolidated financial reporting in corporate-type agricultural enterprises under the implementation of International Financial Reporting Standard (IFRS) 18 "Presentation and Disclosure in Financial Statements," as well as the identification of the main challenges and prospects for adapting National Accounting Standards (NAS) to IFRS. Additionally, the research is focused on formulating practical recommendations to enhance the transparency, reliability, and efficiency of consolidated financial reporting under the conditions of agricultural market instability.

To achieve this aim, the study sets out the following tasks: to investigate the current state of NAS harmonization with IFRS in Ukraine's agricultural business sector; to conduct an analytical assessment of the practice of transforming consolidated financial statements of agricultural enterprises, determining its impact on managerial and investment decisions; and to develop a comprehensive approach to improving accounting procedures aimed at ensuring high transparency, reliability, and effectiveness of consolidated financial statements in accordance with IFRS requirements.

**Highlighting unresolved aspects of the general problem.** Previous research has primarily focused on issues related to the application of individual IFRS standards and the methodology of consolidating financial statements for agricultural enterprise groups. However, the comprehensive transformation of financial accounting for agricultural enterprises considering IFRS 18, the integration of managerial and financial accounting, and the provision of practically effective analytical and informational support for managerial decision-making remain insufficiently studied. This underscores the relevance of further research aimed at developing methodologically sound models for forming consolidated financial statements and adapting them to the conditions of Ukraine's modern agricultural market.

**Basic material presentation.** In the current context of post-war economic recovery in Ukraine and the deepening of European integration processes, the integration of agricultural enterprises

significantly increases their competitiveness and operational efficiency. This expansion of the user base for financial information includes both internal and external stakeholders. Under these circumstances, ensuring the objectivity, reliability, and adequate aggregation of accounting data presented in consolidated financial statements of agricultural enterprises becomes particularly relevant. Consolidated reporting serves as a key informational instrument for enhancing the country's investment attractiveness, under martial law conditions.

According to NAS 1 "General Requirements for Financial Reporting" (On approval of the National Accounting Regulation (Standard) 1 "General Requirements for Financial Reporting", 2025) and NAS 2 "Consolidated Financial Statements" (On approval of the National Accounting Regulation (Standard) 2 "Consolidated Financial Statements", 2023), consolidated financial statements include: the consolidated balance sheet (statement of financial position) (Form №1-c), the consolidated statement of financial results (statement of comprehensive income) (Form №2-c), the consolidated cash flow statement (Form №3-c), the consolidated statement of equity (Form №4-c), and the notes to the financial statements.

Regulation of issues related to the accounting and financial reporting of business combinations, including the recognition and measurement of goodwill, is governed by NAS 19 "Business Combinations" (On approval of the National Accounting Regulation (Standard) 19, 2023) and NAS 12 "Financial Investments" (On approval of the National Accounting Regulation (Standard) 12 "Financial Investments", 2025).

According to Article 3, Section I of NAS 1 (On approval of the National Accounting Regulation (Standard) 1 "General Requirements for Financial Reporting", 2025), consolidated financial statements are defined as the financial statements of a controlling entity together with its controlled entities, reflecting their activities as a single economic system.

In accordance with Section II of NAS 2 (On approval of the National Accounting Regulation (Standard) 2 "Consolidated Financial Statements", 2023), the financial statements of the parent company and its subsidiaries used to prepare consolidated financial

statements must be prepared for the same reporting period and as of the same balance sheet date to ensure comparability of figures. Consolidated financial statements are prepared based on the figures of the group's enterprises using a unified accounting policy for similar transactions and events under similar conditions. If individual enterprises apply different accounting approaches, their financial information must be adjusted accordingly to ensure methodological consistency in consolidated reporting.

The reform of Ukraine's financial accounting system in the context of European integration has revealed significant methodological discrepancies between NAS and IFRS. These discrepancies are particularly pronounced in the strategically important agricultural sector, where accurate asset valuation and cash flow forecasting are critical for managerial decision-making. Historically, Ukrainian standards focused on tax stability and expense control, which under market economy conditions can lead to distortions in the valuation of enterprise capital (Melnychuk & Poliachenko, 2021). A particular challenge is NAS 30 "Biological Assets" which, although aligned with international counterparts, allows for alternative valuation methods, making the consolidated financial statements of agroholdings static and limited for forecasting future cash flows (Dubinina et al., 2025).

The integration of IFRS (IAS, International Accounting Standards) 41 and IFRS (International Financial Reporting Standards) 13 requires professional assessment of the fair value of assets in both active and inactive markets. This issue becomes particularly relevant during consolidation, when assets of subsidiaries located in different climatic regions of Ukraine must be standardized according to a unified valuation approach. The use of fair value allows investors to reflect "unrealized gains" from biological transformations prior to the actual sale of agricultural products, which fundamentally differs from the conservative approach of NAS.

As of March 2026, Ukraine's agricultural sector faces the need for full implementation of IFRS 18 "Presentation and Disclosure in Financial Statements," which introduces a new structure for the Profit and Loss Statement (P&L) based on activity classification

(Khomiak et al., 2025). For agroholding consolidated reporting, this requires substantial modernization of IT infrastructure: operating profit must be clearly separated from investment and financial income. At the same time, academic discussions continue regarding the classification of specific agricultural income, such as government subsidies or rent income from unused land shares. Under IFRS 18, the operating category is considered “residual,” which may lead to the accumulation of heterogeneous indicators without an internal disaggregation policy (Pukhalskyi & Handziuk, 2025).

New requirements for aggregation and disaggregation under IFRS 18 present agricultural enterprises with a dilemma between transparency and the protection of trade secrets. Excessive detail in notes regarding the cost of individual crops could reveal a holding’s competitive advantages. Consequently, a methodology of “intelligent aggregation” is proposed, grouping data by Strategic Business Units (SBU) or geographical clusters. This approach aligns with the materiality principle of IFRS 18 and ensures a balance between transparency and protection of commercial interests. Differences in risk disclosure must also be considered: IFRS requires detailed reporting of climatic risks and their impact on asset valuation, which is largely unregulated under NAS (Lokhanova, 2025).

Any changes in consolidated financial statements require validation of their reliability. Auditing consolidated financial statements under IFRS 18 involves applying new methodologies for verifying income classification. In 2026, this is not only a legal requirement but also a tool for confirming sustainable development (ESG reporting), increasingly integrated into agroholding financial reports (Tsyhanok, 2025). Convergence of standards for both private and state sectors of the agricultural market is essential for establishing a transparent national food security system (Hevlych, 2024).

Consolidated financial statements are prepared through systematic aggregation of financial data from subsidiaries with the corresponding information from the parent company. A similar principle is applied in the public sector, including ministries and central executive bodies that manage state enterprises, as well as bodies managing municipal assets. In such cases, separate

consolidated statements are prepared by aggregating homogeneous data from subordinate entities.

During the preparation of consolidated financial statements, certain eliminations are made, including:

- The carrying amount of the parent company's financial investments in subsidiaries and the corresponding share in their equity.
- Results of intra-group transactions and associated balances.
- Unrealized gains and losses from intra-group transactions (excluding non-recoverable losses).

The parent company determines the share of non-controlling interests in the equity, net profit (loss), and comprehensive income of subsidiaries. This share is calculated proportionally to the non-controlling voting rights, taking into account the effects of unrealized intra-group transactions, except for transactions related to business combinations or acquisitions.

In cases where subsidiary issues preferred shares classified as equity instruments held by external investors, the parent company determines its share of profit or loss adjusted for dividends on such shares, regardless of whether the dividends have been declared.

Goodwill arising from consolidation, as well as the valuation of non-controlling interests in business combinations or acquisitions, is performed in accordance with NAS 19 "Business Combinations" (On approval of the National Accounting Regulation (Standard) 19, 2023). Exchange rate differences resulting from the translation of financial data from subsidiaries outside Ukraine into the national currency are determined according to NAS 21 "The Effects of Changes in Foreign Exchange Rates" (On approval of the National Accounting Regulation (Standard) 21 "The Impact of Exchange Rate Changes", 2024).

The consolidation process in agroholdings is no longer merely a technical procedure for eliminating intra-group balances. Under high volatility of agricultural product prices, consolidated financial statements must integrate with managerial data in real time, enhancing financial control (Vizirenko & Sidor, 2026; Ometsinska & Ometsynskyi, 2025).

During consolidation, agroholdings encounter transfer pricing issues between elevators, logistics units, and crop farms. Compliance with IFRS 18 segment reporting requirements allows external users to assess the real contribution of each element of the value chain, which requires accountants not only to understand standards but also to have detailed knowledge of operational processes (Kurgan et al., 2025).

A comparative analysis of Form №2-с, the Consolidated Statement of Financial Results (Statement of Comprehensive Income) according to NAS 1 "General Requirements for Financial Reporting" (On approval of the National Accounting Regulation (Standard) 1 "General Requirements for Financial Reporting", 2025), and the new structure of the Profit and Loss Statement under IFRS 18 (IFRS Foundation, 2025) is summarized in Table 1.

Table 1

**Comparison of the Structure of the Consolidated Statement of Financial Results (Statement of Comprehensive Income) under NAS 1 and the Profit and Loss Statement under IFRS 18 for Agricultural Enterprises\***

<i>Article / Category</i>	<i>NAS 1 (Ukraine)</i>	<i>IFRS 18 (International)</i>	<i>Impact on Agricultural Sector</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Financial Statement Structure</b>	Divided into operational, financial, and investment activities without strict regulation or detailed breakdown in the main report.	Requires five mandatory categories: operating, investment, financial, income tax, and discontinued operations.	Necessitates reclassification of income from land lease and government subsidies, previously included under "other income," enhancing transparency and analytical value of reporting.
<b>Operating Profit</b>	Calculated, but the composition of subcategories is not regulated.	Serves as a key intermediate indicator; operating results must be presented before tax and financing items.	Agroholdings must account for changes in the fair value of biological assets, increasing volatility of the indicator and reflecting real economic processes.

<b>Foreign Exchange Gains and Losses</b>	Included under other operating or financial income/expenses without detailed classification.	Allocated depending on the nature of the transaction: operating or financial.	For agricultural enterprises, it is important to clearly separate currency exchange differences from income and credit transaction differences, improving the reliability of financial results.
<b>Income from Joint Ventures and Associates</b>	Included in financial income.	Classified under the investment category.	Income from elevators or processing enterprises where the agricultural company holds a stake does not affect operating profit, allowing a more accurate assessment of core business performance.
<b>Administrative and Selling Expenses</b>	Presented as separate lines within operating activities.	May be aggregated by function or nature (disclosure in notes is mandatory).	Enables maintaining confidentiality of detailed expense structure in the main report, while moving analytical details to the notes, important for protecting commercial information.
<b>Net Financial Result</b>	Summarized figure after all income and expenses are considered.	Similar indicator with a separate disclosure of discontinued operations.	Critical for agroholding restructuring processes, particularly when closing unprofitable divisions or selling land assets, ensuring transparency and control over financial position.

\* Source: prepared by the authors on the basis of (on approval of the National Accounting Regulation (Standard) 1 "General Requirements for Financial Reporting", 2025; Lokhanova, 2025; PwC Ukraine, 2025; IFRS Foundation, 2025).

The implementation of IFRS 18 "Presentation and Disclosure in Financial Statements" (IFRS Foundation, 2025) necessitates a clear distinction between operating and investing cash flows in the activities of agricultural enterprises. In particular, revenues from the sale of scrap metal or the provision of one-time machinery services, which under national accounting standards (NAS) are classified as "Other Operating Income," may under IFRS 18 fall into the investment category if they are not related to the core activities of the agricultural enterprise. Such classification allows the operating profit indicator to

be cleansed of non-core receipts, enhancing its significance for evaluating the efficiency of agricultural production.

Within the framework of consolidated financial statements, this approach enables the parent company to more accurately assess the profitability of grain cultivation, excluding the impact of financial and investment operations of subsidiaries. This significantly strengthens the control function of consolidated financial statements and promotes more transparent management (Vizerenko & Sidor, 2026). Consolidated financial statements include indicators of both the parent company and all subsidiary entities within the group. If the parent company intends to use the legal exemption and not prepare consolidated financial statements, it is mandatory to obtain prior written consent from all owners of non-controlling interests. These owners must be officially informed of the decision and provide written approval for the application of the exemption.

A subsidiary is considered controlled by the parent company if the following criteria are simultaneously met:

1. The parent company holds power over the subsidiary.
2. The activities of the subsidiary directly affect the structure and volume of the parent company's assets, liabilities, and equity.
3. The parent company has the practical ability to exercise its power (NAS 2, 2013).

It should be noted that the mere presence of rights aimed at protecting investors' interests does not in itself constitute control. According to Section II, "Procedure for Preparing Consolidated Financial Statements" of NAS 1 (2013), the financial statements of all group enterprises used to prepare consolidated reports must be prepared for the same reporting period and on the same balance sheet date. Consolidated statements are compiled based on the financial statements of all group enterprises using a unified accounting policy for similar transactions and events under comparable conditions. If a group entity applies a different accounting policy from the one adopted for consolidation purposes, its financial indicators must be adjusted accordingly to ensure consistency in the consolidated financial statements.

According to part 4, Section II of NAS 1 (2013), the following must be mandatorily eliminated when preparing consolidated financial statements:

- The carrying amounts of the parent company's investments in subsidiaries and the corresponding share in their equity.
- Results of intragroup transactions and balances arising between enterprises within the same group.
- Unrealized gains and losses arising from intragroup transactions.

The parent company is exempt from preparing consolidated financial statements in the following cases:

- If it is itself a subsidiary fully or almost fully owned by another enterprise, and the owners, including non-controlling interests, have been properly notified and do not object to not preparing consolidated financial statements.
- If the parent company's debt or equity instruments are not traded on open markets (national or international stock exchanges, over-the-counter markets, including regional markets).
- If the parent company has not filed or participated in the filing of financial statements with the securities commission or other regulatory authority for the issuance of any financial instruments on the open market.
- If the primary or intermediate parent company already prepares consolidated financial statements for public use in accordance with IFRS (IFRS Foundation, 2025).

The accounting policy of a corporate-type agricultural enterprise defines a set of principles, methodological foundations, rules, and procedures applied for the preparation, presentation, and reporting of consolidated financial statements. It provides the basis for ensuring the reliability, comparability, and consistency of accounting data.

The procedures for consolidating financial statements involve the systematic execution of the following stages:

1. Preparation of financial statements by all members of the enterprise group.
2. Making the necessary adjustments during consolidation to eliminate double-counting of transactions.

3. Preparation and submission of consolidated financial statements.

In order for consolidated financial statements to reflect the financial position of a group of agricultural enterprises as a single economic entity, the following adjustments are carried out: simultaneous elimination of the carrying amount of the parent company's investments in subsidiaries and the corresponding share in their equity; elimination of intragroup transactions and balances between group enterprises; and allocation of the non-controlling interest in the net assets and net profit (loss) of subsidiaries.

Accounting for intragroup transactions is an integral component of ensuring the reliability of consolidated financial statements prepared in accordance with NAS and IFRS (Vizerenko & Sidor, 2026). During the consolidation process, full elimination of internal turnovers is crucial, including revenues, expenses, and mutual receivables and payables, which prevents duplication of figures and distortion of financial information. This approach ensures that the financial position and performance of the enterprise group are presented as a single economic organism. The methodological basis for accounting these transactions involves the clear identification of related parties and a comprehensive analysis of the economic substance of their business interactions (Melnichuk, 2021). Adjustment of unrealized gains arising from intragroup transfers of assets, primarily inventories and non-current assets, is also of significant importance. In the context of IFRS application, the principle of substance over form takes precedence, guiding the recognition, measurement, and presentation of such transactions. At the same time, the national accounting system demonstrates a consistent trend toward harmonization with international standards, enhancing transparency, comparability, and analytical value of financial statements.

The practical implementation of intragroup transaction accounting is accompanied by a number of methodological and organizational challenges. One key challenge is the difficulty of fully identifying related parties and all transactions between them, which increases the risk of incomplete elimination of internal turnovers. Significant difficulties also arise in determining fair value under transfer pricing

conditions, which directly affects the reliability of financial results. Adjusting unrealized gains presents a separate challenge, especially in the presence of multi-level intragroup transactions. An additional complication is the differences in accounting policies among group enterprises, necessitating their unification during the consolidation process. Moreover, insufficient automation of accounting processes limits the efficiency of reconciling intragroup balances and increases the likelihood of errors. Taken together, these factors highlight the need to improve methodological support and actively implement modern digital technologies in accounting practice.

The recording of intragroup transactions in agricultural enterprises is carried out using accounts for settlements with related parties, as well as revenue and expense accounts. For instance, when agricultural products are sold between group enterprises, the seller records: Dr 361 "Settlements with Domestic Buyers" – Cr 701 "Revenue from Sales of Finished Goods," whereas the buyer records: Dr 208 "Agricultural Materials" – Cr 631 "Settlements with Suppliers." During the preparation of consolidated financial statements, these transactions must be eliminated through adjustment entries, including reversing revenues and corresponding expenses (Dr 701 "Revenue from Sales of Finished Goods" – Cr 901 "Cost of Goods Sold"), as well as mutual settlement of intragroup payables and receivables (Dr 631 – Cr 361). If there is unrealized profit included in inventories, it is adjusted with the following entry: Dr 79 "Financial Results" – Cr 27 "Agricultural Production".

The use of this accounting system ensures the neutralization of intragroup transactions' impact on consolidated figures and contributes to improving the reliability and analytical significance of the financial statements of the agricultural enterprise group.

The parent or subsidiary company may also act as an investor in an associated company or as a controlling participant in another economic entity. Consolidated financial statements must accurately reflect: the financial position of the group; the results of financial and operational activities; and the cash flows of the parent company and its subsidiaries as a single economic entity. In accordance with international financial reporting standards, consolidated statements are

prepared based on defined principles and methodologies that ensure the reliability, consistency, and comparability of financial information.

During the preparation of consolidated financial statements, adjustments for intragroup transactions are made to eliminate double-counting of assets, liabilities, income, and expenses, including: the sale of inventories; disposal of non-current assets; recognition of gains or losses on the sale of depreciated assets; transfers of assets between inventories and non-current assets; provision of intragroup services; intragroup loans; and payment of intragroup dividends following asset acquisitions.

Based on the analysis of accounting for intragroup transactions, the following key conclusions can be drawn:

1. Transactions related to intragroup sales of inventories and non-current assets, provision of services, declaration and payment of dividends, as well as the incurrence of debt obligations, require mandatory adjustment during consolidation, taking into account tax consequences.

2. Intragroup transactions between group members should be classified by category according to their impact on consolidated financial results.

To create adjustment entries in the financial accounting system for intragroup transfers, it is recommended to use a consistent approach that includes: analyzing transactions and events within the accounts of legal entities with determination of their allocation to prior or current reporting periods; assessing the impact of transactions at the group level; preparing adjustment entries from the individual enterprise level to the group level; and considering the tax consequences of the adjustments made. If necessary, the parent company may maintain separate journal registers to account for adjustments made during the preparation of consolidated financial statements.

An important area of research is the deepening of theoretical and methodological approaches to the integration of financial and managerial accounting within the consolidated financial reporting system of agricultural enterprises. First and foremost, it is advisable to develop a unified accounting policy and apply a standardized chart of accounts, ensuring methodological consistency in the recording of

business transactions across all accounting subsystems. The digitalization of accounting processes based on the implementation of integrated information systems (ERP solutions) is of considerable importance, as it facilitates the synchronization of financial and managerial data in real time.

At the same time, the use of responsibility centers and segment accounting is recommended, as it increases the level of detail in information by type of activity, structural unit, and business line within the agricultural sector. A key tool for enhancing the analytical capacity of the accounting system is the application of the "smart aggregation" concept, which allows for multi-level summarization of data with the possibility of further breakdown for control and managerial analysis purposes. Special attention should also be given to harmonizing financial reporting indicators with key performance indicators (KPIs), which enhances the informativeness of reports and supports the soundness of managerial decision-making.

**Conclusions of the study and prospects for further research.** The assessment of current scientific concepts and the existing regulatory framework indicates that the key challenge in integrating Ukrainian Accounting Standards (UAS) with IFRS 18 "Presentation and Disclosure in Financial Statements" (IFRS Foundation, 2025) into the financial accounting and consolidated financial reporting system of corporate-type agricultural enterprises lies in the differences in approaches to differentiating operating results and in the methodology for measuring biological assets. To address these discrepancies, a set of comprehensive measures is proposed.

1. *Implementation of a hybrid disclosure model.* Agricultural enterprises are recommended to leverage the flexibility of IFRS 18 to create specialized "agricultural" subcategories within operating activities. This approach allows for the separate presentation of changes in the fair value of biological assets, balancing the requirements for international transparency with the cost detail characteristic of UAS.

2. *Development of internal consolidation regulations.* Given the importance of the control function of financial reporting, agroholdings should implement a unified accounting policy across all subsidiaries,

prioritizing IFRS-based valuations. The application of “parallel analytical accounts” is effective for automating transformation adjustments without losing primary data prepared according to UAS.

3. *Optimization of notes to consolidated financial statements.* To minimize the risk of disclosing commercial information, it is recommended to aggregate cost data for individual agricultural crops in the notes by clusters or regions. According to contemporary domestic researchers (Doduć & Kovalenko, 2025), this approach ensures compliance with the materiality principle of IFRS 18 while protecting the competitive advantages of corporate agricultural enterprises.

4. *Transformation of reporting methodology.* Transitioning to IFRS 18 implies moving from a formalistic approach toward analytical grouping of operating cash flows. This enhances the quality of financial information for investors and necessitates modernization of accounting policies and IT infrastructure within corporate-type agricultural enterprises.

5. *Convergence of accounting systems.* Experience with IFRS demonstrates that consolidated financial reporting under international standards is more effective for agroholdings compared to UAS. It enables transparent valuation of biological assets and adequately reflects operating profit while accounting for seasonal fluctuations in agricultural production, thereby improving overall management efficiency in agribusiness.

6. *Practical recommendations.* For effective implementation of IFRS 18, agricultural enterprises should develop internal rules for data disaggregation in the notes, allowing compliance with the standard without risking disclosure of strategic information to competitors.

The generalization of the study results allows us to conclude that the integration of financial and managerial accounting acts as a system-forming factor in enhancing the quality of consolidated financial statements of corporate-type agricultural enterprises. The proposed approaches to harmonizing information flows contribute to the creation of an integrated information environment, ensuring timeliness, relevance, and reliability in managerial decision-making. The use of “smart aggregation” tools allows optimization of the processing of large volumes of accounting data and enhances its

analytical value. In turn, this strengthens control over the financial and operational activities of agricultural enterprises and reduces information asymmetry. Ultimately, the implementation of these approaches lays the groundwork for increasing operational transparency, management efficiency, and ensuring sustainable development of Ukraine's agricultural sector.

**Prospects for further research** will focus on the digitalization of the financial consolidation process in corporate-type agricultural enterprises using ERP systems capable of real-time transformation of UAS-based data into IFRS format. Additionally, the refinement of internal financial and managerial accounting procedures will aim to ensure the most accurate and structured presentation of information in the notes to financial statements. This will minimize labor costs in agribusiness, reduce the likelihood of errors during the transition to new standards, and enhance the quality of financial information and effectiveness of managerial decision-making.

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