

PERSPECTIVES OF THE NON-FINANCIAL REPORTING IN UKRAINE

In order to ensure continuous and effective activity in the current conditions of development of the world economic space, the enterprise must adhere to the principles of ethical, social and environmental character. In Ukraine, the issue of ethical business has only recently emerged in response to the most recent trends in the development of world business. Ethical business activities contribute to solving social problems and improve the quality of life of communities, but on the other hand, it is a requirement to create a favorable image for the development of relations with foreign partners and investors.

Prospects for improving the reporting of domestic enterprises to meet the requirements of internal and external users of information became the subject of scientific interest of many researchers, in particular K.V. Bezverkhyi, T. V. Botsyan, O. V. Prokopyshina, I. M. Tsarik.

The purpose of this study is to determine the prospects for the development of nonfinancial reporting as a source of additional information about the activities of corporations, regulated by internal corporate and external international standards, and not mandatory for submission in accordance with national legislation.

For the effective economic activity of any enterprise, which is extremely important for the management of the enterprise, which carries out a permanent, decision-making procedure, which must be entered into data on the actual state of the enterprise and objectively vulnerable position. That is, the implementation of effective economic activity a priori is impossible without information, which is a small property. The necessary level of information security can be achieved for all reporting purposes, which provides the necessary information about the future and financial position of business entities, as well as the results of its production and economic activity during the reporting period.

The introduction of modern changes in the world community and in Ukraine, which leads to unprofessional process globalization, which is that society assumes the obligations of enterprises in terms of non-financial indicators. Among the most relevant non-financial indicators are environmental and social.

The appearance of enterprises, institutions, organizations is a very important part of the effective functioning of these facilities and their stable use in pursuance of strategic objectives.

Thanks to the modern development of the national economy and science in the field of information and economic provision, it is a big and significant impetus

for strengthening and coverage. On this basis, we make a distinction between statistical, financial, additional, operational, operational and non-financial reporting. The statistical reporting contains information that is necessary for the statistical study of the economic activity of enterprises and household macroeconomic indicators. Tax reporting is implemented through the filing of a tax on additional documentation, that is, documents containing information on the calculation and payment of tax. Operational-technical education for monitoring the progress and operational regulation of the production process, financial calculations, purchases of inventories, sales, etc.

K.V. Bezverkhyi [1] proposes to define non-financial statements as an integral part of the business reports, which are used as an instrument of responsibility to society, and also provide the information needs of interested users on economic, social and environmental indicators that further reveal and explain the activities, not only in qualitative but also quantitative indicators.

Non-financial reporting came about as a means of communicating the impact of companies on the economy, the environment and society. The financial statements contain brief information on the environmental, social aspects and corporate governance of companies, in particular regarding the significant risks in these areas.

Non-financial reporting provides much more information about the company's impact on society, the economy and the environment, describing the company's activities in the relevant social context. Typically, financial and non-financial statements are published separately, vary widely in format and serve different purposes. Financial reporting has a clearly defined goal - informing shareholders, lenders, investors and regulators, non-financial reporting - informing a wider range of stakeholders, in particular employees, non-governmental organizations, authorities, and experts.

Today, companies are preparing for the reporting, so that the data presented in it are as useful as possible. Excess information and complicated presentation techniques significantly reduce the chances of effective interaction from stakeholders.

In addition, the financial indicators of the last period without a description of the future strategy and long-term prospects of the company have little to say about its success. Reporting users are curious about the risks and opportunities that the company expects not only in the reporting period, but also in the coming

years. In order to provide users with a concise, but meaningful and complete information about company achievements and how it manages resources (not only financial but also human), enterprises, institutions, organizations as soon as possible need to master a new stage in the evolution of accounting and reporting - non-financial reporting.

Non-financial reporting by its nature is a projection of the ethics of the corporation. Domestic enterprises provide users with no financial statements in the form of various reports, such as: Corporate Social Responsibility Report, Sustainability Report, Corporate Citizenship Report, Environmental Impact Report, EHS Report (Environment, Health and Safety), social report, etc. However, in order to achieve its information purpose, non-financial reporting must meet numerous requirements for its quality.

Under the quality it is possible to understand the set of properties of the non-financial report, which determine the degree of its suitability for intended use. Since the main purpose of nonfinancial reporting is to provide information to stakeholders about the company to make decisions about their future activities, the quality of non-financial reporting is determined by the possibility of assessing the company's performance based on information presented in the non-financial statements and its use for making appropriate decisions regarding the development of the company. Therefore, the quality of reporting should be determined by the quality of information displayed in it.

By the quality of information it is possible to understand the set of properties that reflect the degree of suitability of specific information or data about objects and their interrelation, which meet the needs of users of information. In order to minimize the information burden on consumers, information contained in non-financial reporting should be high-quality. The quality of information is a fundamental condition for the adoption of sound management decisions and a guarantee of a qualitative report. Qualitative information must meet three main criteria: 1) value (user orientation); 2) meaningfulness (orientation to the adoption of an optimal administrative decision); 3) adequacy and proper format (consistency with other information about the company).

The most comprehensive reporting requirements are defined by the Global Reporting Initiative [4]. Requirements for non-financial reporting are also called "reporting principles" or "principles of quality assurance of the information provided". The essence of these principles meets the information requirements:

1. clarity - information should be provided in a manner that is understandable and accessible to interested parties.

2. reliability - information should be collected and systematized in such a way that its authenticity can be verified.

3. impartiality - the information reflected in the reports should contain positive and negative aspects of business.

4. comparability - information should be collected and communicated systematically so that stakeholders

can analyze changes in the company's activities and in its relations with other business entities.

The preparation of non-financial reporting should be initiated not only by business entities, but also at the legislative level, since the openness of information on the activities of domestic enterprises contributes to accelerating the processes of Ukraine's integration into the world community and as a consequence - to attract investments.

However, at this time, the domestic business environment has many features that restrain the spread of the practice of using non-financial reporting among companies, namely: the lack of developed methodological and methodological tools for the preparation of non-financial reporting; the company's failure to form an internal system for registration and processing of data to ensure the quality of the information content of non-financial statements; the absence in Ukraine of a single legal act regulating social accounting and the formation of appropriate reports that contain data on the social activity of the entity; the absence of state regulation system and unified concept for the formation of social reports; high financial and labor costs on preparation and publication of non-financial reports; disinterest of national information users and stakeholders; lack of understanding of the main purpose and benefits of non-financial reporting among senior management; the subjective reluctance of company management to disclose information about corporate social and environmental responsibility.

The overcoming of these obstacles by the management of domestic corporations meets the modern world trends in the development of corporate governance and requires further research.

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