

ACCOUNTING FOR EQUITY IN THE AGRICULTURAL SECTOR

У роботі розкрито поняття та принципи управління власним капіталом в сільськогосподарських підприємствах. Визначено роль робочого плану рахунків бухгалтерського обліку в обліку власного капіталу. Охарактеризовано форми фінансової звітності, що містять інформацію про власний капітал.

Ключові слова: *власний капітал, зареєстрований капітал, нерозподілений прибуток, сільськогосподарські підприємства, облік, статутний капітал.*

The concepts and principles of equity management in agricultural enterprises are revealed in theses. The role of the working plan of accounting accounts in the accounting of equity capital is determined. The forms of financial statements containing information on equity are characterized.

Key words: *equity capital, registered capital, retained earnings, agricultural enterprises, accounting, authorized capital, control.*

In today's global economic landscape, we are witnessing a rise in the production, quality, and quantity of agricultural goods. Nonetheless, Ukraine faces significant vulnerability in this sector due to various factors, including increasing depreciation of assets, insufficient foreign investments, and a tax policy primarily focused on government revenue rather than supporting businesses. The financial health and viability of agricultural businesses hinge upon making sound decisions regarding resource allocation, capital sourcing, and utilization. Consequently, it's crucial to grasp the intricacies of capital structure and characteristics and represent them accurately in accounting practices.

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According to national regulation (standard) of accounting 1 "General requirements for financial reporting": Equity represents that part of the company's property, which is formed due to the contributions of owners and resources owned by the organization itself. Determining the value of equity consists in measuring the difference between the value of the assets and the amount of the company's liabilities.

The main principles of capital management are: Effective distribution of the enterprise's capital at various stages of its turnover; Systematic planning of the amount and composition of capital; Organization of the system of sources of capital formation; Control over the state and use of the enterprise's capital[1].

Information about the company's equity capital is displayed in various forms of financial reporting, each of which has its own level of detail of this information. These forms are indicated in figure 1.

Form No. 1 - "Balance Sheet (Statement of Financial Status)"

where the total amount of equity is indicated.

Form No. 2 - "Statement of financial results (Statement of comprehensive income)"

where you can see changes in equity due to operating activities.

Form No. 4 - "Report on Equity"

which usually provides detailed information on the movements of equity over a certain period

Form No. 5 - "Notes to financial statements"

where additional explanations can be given regarding the components of equity capital and its changes.

Figure 1: Reporting forms with equity[2].

The working plan of accounts of the enterprise is important for the accounting of equity capital. In Ukraine, passive accounting accounts of the 4th class, which are called "Own capital and securing obligations", are designated for this purpose. Accounting for the formation of authorized capital for companies with limited and additional liability, full and limited partnerships, as well as state and communal enterprises is displayed using subaccounts 401, 404 and 46. However, for such entities there is no mandatory requirement to contribute part of the authorized capital to registration legal entity, and its minimum size is also not established[3].

In conclusion, equity accounting is an important component of financial management of every enterprise, especially in the agricultural sector. He must correctly allocate resources, plan development, organize sources of capital formation and monitor its condition and use. This information is key for making informed management decisions and ensuring the stability and competitiveness of the enterprise. Accurate accounting of own capital allows you to avoid financial risks and ensure effective management of resources, which is a quantity for the further development and success of the enterprise.

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