УДК 657.336
DOI: 10.32342/2074-5354-2024-1-60-6

OKSANA KAZAK,
PhD (Economic), Associate Professor,
Deputy of Dean, Associate Professor at Finace Department,
Borys Grinchenko Kyiv University, Kyiv (Ukraine)
https://orcid.org/0000-0003-2088-9022

MARIANA SULYMA,
PhD (Economic), Associate Professor,
Associate Professor at Finace Department,
Borys Grinchenko Kyiv University, Kyiv (Ukraine)
https://orcid.org/0000-0002-5297-7388

THE IMPACT OF EVENTS AFTER THE REPORTING DATE ON THE FINANCIAL POSITION AND PERFORMANCE OF BANKS

The article discusses the essence and classification of events after the reporting date. The methodology for disclosing events after the reporting date in financial statements in accordance with IFRS has been analyzed. Accounting for events after the reporting date is regulated by IAS 10 «Events after the Reporting Period». It determines when the financial statements should be adjusted due to material events that occurred after the reporting period and what information about such events should be disclosed in the financial statements before they are issued. The authors have identified problems with disclosing events occurring after the reporting date, assessing their materiality, applying an individual approach to their recognition, and reflecting information about them in the auditor's report. Particular attention is paid to the going concern principle. Ultimately, IFRS prohibit banks from preparing financial statements on a going concern basis if events after the reporting period indicate that such an assumption is inappropriate. The consequences of a full-scale military invasion touched all spheres of life and significantly affected business. The situation develops rapidly and sometimes unpredictably, and management needs to constantly assess the impact of the situation on the business in order to continue to prepare reliable financial statements and make correct and timely management decisions. Financial reporting specialists closely monitor events that occur after the reporting date and assess their possible impact on the financial statements. An important role in this process is played by the auditor, who assesses the going concern basis and expresses his or her opinion. It has been established that the war in the accounting sense belongs to non-adjusting events. In the course of the study, the impact of events after the reporting date on the financial position and performance of banks has been determined. The notes of PrivatBank for 2019-2022 have been analyzed.

Keywords: analysis, audit, banks, accounting, events after the reporting date, financial position, profit, loss, financial statements, notes, IAS, IFRS
JEL classificasion*: G21, G28, M41, M42*

У статті розглянуто сутність та класифікацію подій після звітної дати. Проаналізовано методику розкриття у фінансовій звітності подій після звітної дати згідно МСФЗ. Облік подій після звітної дати регламентує МСБО 10 “Події після звітного періоду”. Він визначає, коли слід коригувати фінансову звітність у зв’язку з суттєвими подіями, що відбулися після звітного періоду, і яку інформацію про такі події слід розкривати у фінансовій звітності до її випуску. Виявлено проблеми щодо розкриття у звітності подій, які відбуваються після дати звітності, оцінки їх суттєвості, застосування індивідуального підходу до їх визнання, відображення інформації щодо них у аудиторському звіті. Особливу увагу приділено принципу «безперервної діяльності». Адже МСФЗ забороняють банкам складати фінансову звітність на підставі припущення про безперервність, якщо події після звітного періоду свідчать про неприйнятність такого припущення. Наслідки повномасштабного військового вторгнення охопили всі сфери життя та суттєво вплинули на бізнес. Ситуація розвивається швидко та іноді не передбачувано – керівництву компаній необхідно постійно оцінювати вплив ситуації на бізнес для подальшого складання достовірної фінансової звітності та прийняття правильних та своєчасних управлінських рішень. Фахівці з фінансової звітності уважно стежать за розвитком подій, що відбуваються після звітної дати, а також оцінюють їхній можливий вплив на фінансову звітність. Велику роль у цьому процесі відіграє аудитор, який проводить оцінку принципу безперервності діяльності та висловлює свою думку. Встановлено, що війна у бухгалтерському сенсі належить до некоригувальних подій. У процесі дослідження визначено вплив подій після звітної дати на фінансовий стан і результати діяльності банків. Проаналізовано примітки ПАТ КБ «Приватбанк» за 2019-2022 рр.

Ключові слова: аналіз, аудит, банки, облік, події після звітної дати, фінансовий стан, прибуток, збиток, фінансова звітність, примітки, МСБО, МСФЗ
JEL classificasion*: G21, G28, M41, M42*

Statement of the problem. Banks, as financial institutions that carry out monetary settlements, accumulate cash and other valuables, provide loans and provide other services for financial transactions, are profitable institutions. It is known that banks keep records and prepare financial statements in accordance with IFRS. Annual financial statements are a set of reports characterizing the financial position, performance of the bank, its cash flows and changes in equity for the year. It is interesting to note that the end of the reporting period is only the beginning of the stage of preparation and disclosure of financial statements. After all, in addition to the reporting date and the date of disclosure of the annual financial statements, which are known to the general public, there is a whole list of dates that are known only to managers, accountants and auditors. This is the date of completion of preparation, the date of presentation to the Board of Directors, the date of partial disclosure of individual indicators such as profit, the date of approval of financial statements by shareholders, etc. Approximate dates for annual financial statements are shown in Fig. 1.

As a rule, the reporting date is December 31 of the respective year, although it may be different in accordance with IFRS [1]. The date of authorization may vary depending on legal requirements, governance structure, and the procedures followed in preparing and finalizing the financial statements. As a rule, financial statements are approved when all work on their preparation is completed and they can be presented to external users. This means approval by the Board of Directors and signing by authorized persons. In other circumstances, banks submit financial statements for approval by shareholders or the supervisory board after they are issued. Thus, in the first case, the date of approval is the date of the original issue and not the date of shareholder approval. Similarly, in the second case, this is the date of management’s approval of the financial statements for presentation to the supervisory board, and not the date of approval by the supervisory board [2]. Accordingly, the publication date of annual financial statements is April 30 of the year following the reporting year. In this case, a certain period of time passes between the reporting date and the date of approval of the financial statements. The Bank’s activities continue, and therefore there is a high probability of new events and circumstances arising. IFRSs recommend

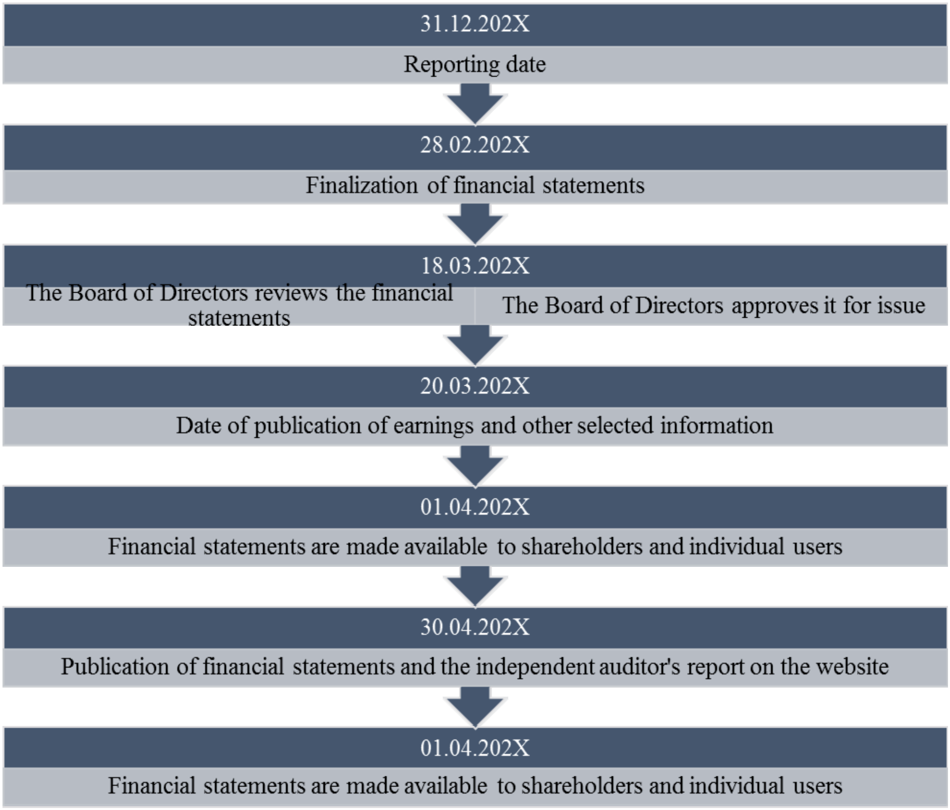

Fig. 1. Estimated dates for annual financial statements
Created independently

disclosure of events that occur between the reporting date and the date the financial statements are authorized for issue or the date the financial results or selected information are available. Such recommendations should not be ignored, as this may indicate the concealment of important information or even be classified as fraud.

In addition, the impact of such events should be assessed, applying an individual or comprehensive approach depending on the type of event and its impact on the reporting. Since the financial statements are to be published together with the auditor's report on the bank's website, the issue of appropriate disclosure of the material impact of events after the reporting date will be one of the key issues in the audit of the financial statements and may affect the auditor's opinion.

Properly reflected events after the reporting date will allow users of the financial statements to obtain information about the real state of affairs and make economic decisions based on these financial statements.

Analysis of recent research and publications. The study of events after the reporting date is found in the works of scientists, practicing accountants and auditors, in particular, Zubilevych S., Mazina O., Rogozny S., Karpachova O., Dyadyun O. The issues of accounting and reporting under IFRS are interesting to Voynarenko M., Ponomaryova N., Zamaziy O., Parkhomenko V., Malyuza N. The study of the methodology for accounting for events after the reporting date is available in the works of Nesterenko K., Khomyuk A., Kulina O., Korol O. and others.

The article is devoted to the identification of previously unresolved parts of the general problem. However, most scholars have studied the theoretical and practical aspects of the events after the reporting date. In the course of the study, the authors analyzed the notes to the annual financial statements of banks for 2019-2022 and identified the differences and main problems of events after the reporting date of banks.

Formulation of the objectives of the article (statement of the task). The purpose of the article is to study the essence of events after the reporting date, to provide their classification, to study the legal and regulatory support, to analyze the notes to the bank's financial statements and to find out what events were disclosed in the notes for 2019-2022, and to assess the impact of such events on the financial condition and performance of banks.

Summary of the main research material. Events after the reporting period are any events that can be positive and negative, favorable and unfavorable, and that occur from the end of the reporting period to the date of approval of the financial statements for issue. The classification of these events depends on the date of their probable occurrence and, accordingly, their impact on the financial statements (Fig. 2).

The date the financial statements are authorized for issue depends on the management structure, legal requirements, and the procedures followed during the preparation and finalization of the financial statements. In practice, the following situations exist:

1) financial statements are issued and submitted to shareholders for approval. In this case, the financial statements are authorized for issue on the date of issue, not on the date of approval of the financial statements by the shareholders.

2) the financial statements are first submitted to the supervisory board for approval. In such cases, the financial statements are authorized for issue when the management approves them for submission to the supervisory board [3]. Recognition, measurement, regulation of IFRS and reflection in the financial statements of events after the reporting date that require adjustments are presented in Table 1.

Events that require adjustment after the reporting date usually provide additional information about conditions that existed at the reporting date. Such events affect the financial position and performance for the reporting period.

Recognition, measurement, IFRS regulation and presentation in the financial statements of events after the reporting date that do not require adjustment are presented in Table 2.

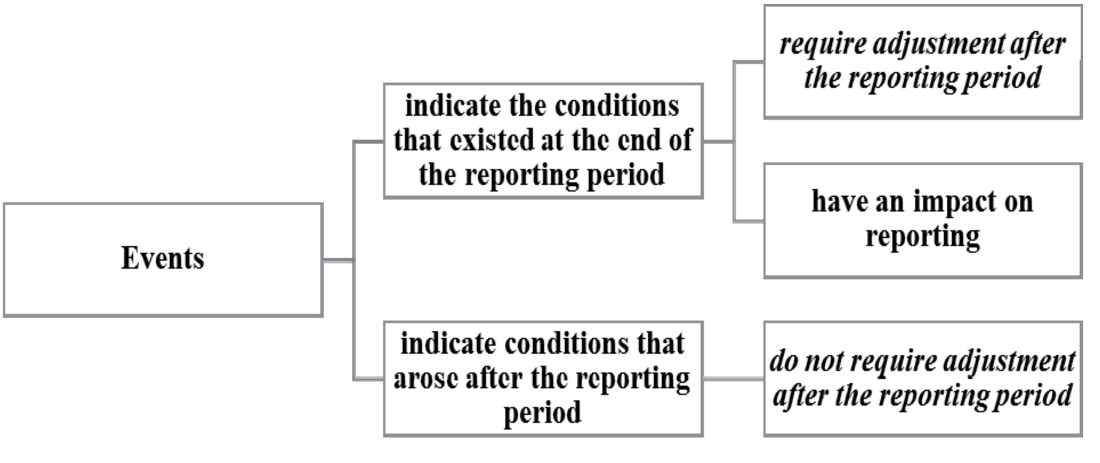

Fig. 2. Classification of events after the reporting date
Source: [3]

Table 1

Recognition, measurement, IFRS regulation and reflection in the financial statements of events after the reporting date that require adjustments

No	Name of the event	IFRS
Events that require adjustment after the reporting period		
1	A court judgment confirming that the bank has a liability at the end of the reporting period, unless it is already recognized in the balance sheet. Any previously recognized collateral related to the litigation is adjusted or new collateral is recognized	IAS 37
2	Impairment of an asset due to: 1) bankruptcy of the customer 2) sale of inventories at net realizable value at the end of the reporting period. The carrying amount of trade receivables should be adjusted.	
3	Unprofitable sale of an asset	IFRS 13
4	Determining the cost of assets acquired or proceeds from assets sold by the end of the reporting period	IAS 2, IAS 16, IAS 38
5	Payment of bonuses to employees subject to a present legal or constructive obligation at the end of the reporting period	IAS 19
6	Intentional or unintentional errors in the financial statements	IAS 8
+	*Additional information about conditions existing at the reporting date*	=
Disclosure of of events	→	Statement of financial position (balance sheet) Statement of comprehensive income

Source: [3,4]

Table 2

Recognition, measurement, IFRS regulation and presentation in the financial statements of events after the reporting date that do not require adjustment

No	Name of the event	IFRS
Events that do not require adjustment after the reporting period		
1	Decreases in the market value of investments between the end of the reporting period and the date the financial statements are authorized for issue. The amounts recognized in the financial statements for investments are not adjusted and the amounts of investments disclosed at the end of the reporting period are not updated	IAS 1 IAS 32
2	Dividends. No liabilities are recognized for	
+	*Additional information about conditions that did not exist at the reporting date*	=
Disclosure of events	→	Notes to the Statement

Source: [3,4]

For example, events that do not require adjustment after the reporting period provide information about conditions that did not exist at the reporting date. Accordingly, such events should be separately disclosed in the notes. Recognition, measurement, IFRS regulation and disclosure in the financial statements of material events after the reporting date that do not require adjustment are presented in Table 3.

Table 3

Recognition, measurement, IFRS regulation and presentation in the financial statements of material events that do not require adjustments

No	Name of the event	IFRS
Events that do not require adjustment after the reporting period but are material		
1	A significant business combination or acquisition of a subsidiary after the reporting period. Requires disclosure of specific information in each such case or disposal of a significant subsidiary	IFRS 3
2	Announcement of a plan to cease operations	IFRS 5
3	Significant acquisitions of assets, classification of assets as held for sale, other disposals	
4	Liquidation of the bank as a result of a fire after the reporting period	
5	Announcement of a restructuring program or the start of its implementation	IAS 37
6	Significant transactions with ordinary shares and transactions with potential ordinary shares after the reporting period. Disclosures should be made describing such transactions, except for capitalization or bonus share issuance, or share split or reverse share split, which should be adjusted for	IAS 33
7	Extremely large changes after the reporting period in asset prices or foreign exchange rates	IAS 21
8	Tax rate changes enacted or announced after the reporting period that significantly affect current and deferred tax assets and liabilities	IAS 12
9	Entering into significant commitments or contingent liabilities, for example, as a result of providing significant guarantees	IAS 37
10	Commencement of major litigation arising solely from events occurring after the reporting period	
+	Information on each material category of events	Stating the facts that such an assessment is impossible
	1) the nature of the events; *2) preliminary assessment of their financial impact.*	
Disclosure of events	→	Notes to the Statement

Source: [3,4]

It is worth paying attention to events after the reporting period that may affect the going concern principle. After all, the conceptual basic financial statements indicate that the financial statements are prepared on the basic assumption that the bank's activities will continue in the future [5]. Thus, there is neither need nor intention to start the process of liquidation or winding up its activities. If there is such an intention, the financial statements are prepared on a going concern basis.

In accordance with IAS 1 "Presentation of Financial Statements", an entity must disclose information related to events or conditions that cast doubt on the entity's ability to continue as a going concern. If there are no such facts, the notes simply describe the entity's compliance with the going concern assumption [6]. The decision to comply with the going concern principle is based on a checklist of continuity triggers and their detailed analysis. The checklist of triggers includes: economic and geopolitical situation; level of income and cash flows of the bank; liquidity and solvency of the bank, as well as current and future profitability; financial condition of counterparties; external and internal factors affecting the work of the employees.

If there are material uncertainties or doubts about the ability to continue as a going concern, then disclosure of the material uncertainties is required and their effect on the going concern assumption should be indicated. In general, going concern disclosures when the basis of going concern is met but a material uncertainty exists should include information about the material uncertainty; events and conditions that cause significant doubt; management's plans to mitigate the effects of those events; significant judgments made by management in assessing going concern; a clear statement that a material uncertainty exists related to events that may cast significant doubt on the bank's ability to continue as a going concern and to realize its assets and discharge its liabilities in the normal course of business [7].

To assess the bank's ability to continue as a going concern, management should analyze profitability, review the debt repayment schedule, and assess possible sources of refinancing. If the analysis raises doubts about the going concern, the financial statements should disclose information about the uncertainty, indicate its cause and describe the basis on which the statements are prepared. The IFRSs according to which the disclosure is made are illustrated in Fig. 3.

In general, there are 3 possible scenarios for applying the going concern principle. The first scenario is when the bank is profitable, has no liquidity problems and no doubts about its ability to continue operations. The notes show the going concern principle as the basis for reporting. The second scenario is when there are doubts that the bank will be able to continue operating next year. However, managers developed an action plan, developed a new product, attracted investors, and there is nothing to question the application of the going concern basis. The third scenario is when the bank is on the verge of closure. It has losses, problems with customers, and it is expected that funding sources will dry up within a year. The going concern principle can still be applied, but there are risks that management will not be able to raise funds or find new customers. Thus, in 2021, when preparing their financial statements for 2020, banks described events after the reporting date related to the COVID-19 pandemic. In 2022, the negative situation in Ukraine significantly intensified. After all, the war called into question the existence of many Ukrainian companies. Those whose business was located in the territory of hostilities, under occupation, or was connected with the markets of Russia and Belarus were especially affected. In this regard, the Council of the Audit Chamber of Ukraine has developed an information letter on accounting for the effects of the military aggression of the Russian Federation in the financial statements of companies in Ukraine. The document states that when preparing financial statements, companies should take into account the impact of the war on going

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"	sets out the disclosure requirements for reporting on discontinued operations
	determines the procedure for accounting for assets that are disposed of in a sale or other transaction
IFRS 10 "Events after the end of the reporting period"	if after the reporting date the operating results and financial position of the banks have deteriorated, the going concern status should be reviewed
	if there is a risk of its termination, it is necessary not only to adjust the amounts recognized by the original accounting method, but also to radically change the accounting procedure
IFRS 7 "Financial Instruments: Disclosures"	disclosure of risks arising from financial instruments improves the quality of reporting and allows for a more accurate justification of the applicability of the going concern basis

Fig.3. IFRSs governing the disclosure of a going concern disclosure
Source: [3,8,9]

concern. To do this, they should consider how all these events may affect future operations within the next 12 months from the date of the financial statements or after the date of their signing. And, if necessary, make additional disclosures in the financial statements. If there is no certainty that the banks will be able to operate as a going concern, other reporting principles are used, for example, a liquidation balance sheet. The final part of the assessment is an audit. Auditors carefully examine the sections of the financial statements, the process of their preparation, and the management's judgment on which these statements are based [10]. In the ISAs, a separate auditing standard ISA 570 «Going Concern» is devoted to the assessment of this principle [11]. Thus, the auditor is obliged to review the statements for compliance with the going concern principle, regardless of the requirements of reporting concepts, standards or industry legislation. In accordance with this standard, the auditor is responsible for obtaining sufficient audit evidence about the appropriateness of the going concern basis of accounting and financial reporting. However, there is also a clarification that the auditor cannot predict future events or conditions that may affect the going concern. Therefore, the existence of an audit opinion does not guarantee that the banks will operate stably in the next financial period. If the audit reveals that there is a material uncertainty in the bank's future, it may require a restatement of the financial statements and the financial position as a whole. The auditor may also request written confirmation of shareholder support. What auditors pay attention to when assessing going concern: a significant increase or decrease in income; an increase in the turnover of accounts payable or receivable; a decrease in non-current assets; assessment of risks: interest rate, liquidity, credit, currency and other risks, as well as disclosure of their impact on subsequent financial periods; negative net assets are an obvious sign for auditors of a possible violation of the going concern principle and a clear risk of bank liquidation. The reliability of the bank's forecasts can be confirmed by the contracts concluded with clients for the next year, as well as written decisions of the board of directors, shareholders and investors on the future operation of the business. Upon completion of the audit, the auditor prepares an official letter of representation. In it, the auditor identifies the main points of the accounting policy, concludes on the completeness of the disclosure of accounting information and compliance with the going concern principle. In the same letter or in a separate document, the specialist may substantiate management's judgments about going concern or express doubts about them if the judgments are not supported by independent documents. Thus, the application of the going concern basis of accounting when preparing financial statements can be a guarantee for owners and shareholders that the bank will not significantly reduce its operations and continue to make a profit. However, this principle can be practically implemented only in a stable economic and geopolitical situation, when external threats and risks to business are leveled. On the other hand, assessing the bank's ability to operate as a going concern allows management to take these risks into account and adjust the management process in advance [10].

For the financial statements prepared for the year ended December 31, 2021, the war and its consequences are events that do not require adjustment, as they indicate conditions that arose after the reporting period. For example, the bank's assets were damaged as a result of hostilities between the end of the reporting period and the authorization of the financial statements for issue. In accordance with IFRS, any impairment losses are recognized in the period in which they occur. Accordingly, information about significant losses from asset damage will not adjust the 2021 financial data, but should be disclosed in the notes to the financial statements. In addition, banks should comprehensively evaluate all events that have occurred, rather than focusing on just one event, such as the war itself or international economic sanctions. The same event can affect different companies in different ways, and therefore requires an individual approach in financial reporting. As the war will have farreaching consequences beyond Russia and Ukraine and will develop rapidly, the later the financial statements are issued, the more in-depth and detailed the disclosures will need to be Each entity will need to assess its own relevant facts and circumstances to determine the extent of disclosure required. In accordance with IFRS requirements, for each material category of events that do not require adjustment after the reporting period, the business entity discloses the nature of the event and preliminarily assesses its financial effect or declares that it is practically impossible to do so. The assessment of the financial impact should be based on the facts available on the date of approval of the financial statements, and should not contain generalized statements [12]. Thus, war is an event that is not adjusted after the reporting period but is material, and the impact of non-disclosure on the decisions made by the main users of general purpose financial statements prepared on the basis of those financial statements that provide financial information about a specific reporting entity can reasonably be expected. Accordingly, the bank should disclose the following information about each significant category of events that are not adjusted after the reporting period: the nature of the events and a preliminary estimate of their financial impact or a statement that such an estimate is not possible [13].

We have analyzed the notes of PrivatBank for 2019-2022. Thus, in the notes to the annual financial statements for 2019, the bank notes the repayment of long-term refinancing loans from the NBU; reduction of the discount rate from 13.5% per annum to 8% per annum (April 2020); the impact of the COVID-19 pandemic that began in 2020; decrease of the hryvnia exchange rate by 18.5% from 23.6862 hryvnias per US dollar on January 1, 2020 to 28.0615 hryvnias per US dollar (March 2020). The note states that further adverse developments in the political and macroeconomic environment may adversely affect the Group's financial position and results of operations.

The note to the annual financial statements for 2020 was the least informative and contained only information about the increase in the discount rate from 6.0% per annum to 6.5% per annum (March 2021).

The most informative was the note "Events after the reporting date" for 2021 and can be presented in the following sections:

1) introduction of martial law, description of the aggressor's military actions on the territory of Ukraine;

2) description of the NBU's actions regarding the introduction of temporary restrictions on the foreign exchange market, the establishment of the official exchange rate on February 24, 2022; restrictions on withdrawing cash from customer accounts in the amount of UAH 100,000 per day (except wages and social benefits); prohibition of cash withdrawals from customer accounts in foreign currency; moratorium on cross-border payments in foreign currency; suspension by servicing banks of spending operations on the accounts of residents of the state that committed armed aggression against Ukraine; suspension of the issuance of electronic currency;

3) measures to support the NBU (the procedure for blanket refinancing of banks to support the liquidity of the banking system; the requirements for compliance with prudential standards were canceled if the violation occurred as a result of military aggression;

4) downgrading of Ukraine's rating (on February 25, 2022, Fitch Ratings lowered the country's long-term RDE in foreign and national currency from level "B" to "CCC");

5) payment of dividends and income tax;

6) relocation to the European Union and western Ukraine;

7) support programs for the Armed Forces and domestic business;

8) adaptation to the war conditions (restoration and adjustment of branches, ATMs and terminals; establishment of collection routes);

9) analysis of potential losses and damage. Based on the results of such analysis, in March-April 2022, a provision was made for cash balances in the amount of UAH 515 million, and impairment of property, plant

and equipment and other property in the amount of UAH 66 million was recognized;

10) additional expenses related to the conduct of military operations on the territory of Ukraine, in particular: expenses for recognition of provisions for expected credit losses on financial assets and credit related commitments due to increased credit risks and assessments of damage to collateral in the amount of UAH 3,113 million; expenses for maintaining operations in emergency conditions. The estimated amount of such expenses as of the reporting date is UAH 315 million;

11) information on the going concern basis (continuation of operations and provision of services to customers both online and in branches; economic standards and limits of open currency position, calculated in accordance with the NBU regulations, including liquidity and capital ratios, continue to be met during the period of martial law);

12) meanwhile, the note "Events after the reporting date" for 2022 differs significantly from the previous year's note and describes the NBU's actions regarding: increasing the requirements for mandatory reserves of banks to be kept on a correspondent account with the NBU; another increase in the standards for the formation and storage of mandatory reserves for term funds and retail deposits; the amount of mandatory reserves to be kept by the bank on an account with the NBU (increased to UAH 73,302 million). In addition, the note states that on March 31, 2023, the Board of Executive Directors of the International Monetary Fund approved a four-year Extended Fund Facility program for Ukraine in the amount of 11.6 billion Special Drawing Rights, which is about USD 15.6 billion and the first tranche of USD 2.7 billion [14].

Conclusions. The study allowed us to conclude that it is necessary to properly classify the event and consider its materiality. Events occurring after the reporting date may or may not require adjustments to the financial statements. However, if the event does not adjust the financial statements but was material, the failure to disclose the information may affect the economic decisions of users based on the financial statements. Thus, the bank must disclose information about each material category of events without adjusting the financial statements, namely: the nature of the events and a preliminary assessment of their financial impact or state that such an assessment is impossible. Thus, material events after the reporting date are to be reflected in the financial statements for the reporting period or disclosed in the notes to the Statement of Financial Position (balance sheet) and the Statement of Comprehensive Income. Accordingly, an immaterial event is not reflected in the financial statements. An entity must assess the effects of each event after the reporting date individually, making appropriate monetary adjustments. Financial reporting specialists closely monitor developments after the reporting date and evaluate their possible impact on the financial statements. As a result, inaccurate or incomplete information may be provided to owners, shareholders, investors, and regulatory authorities. The war is a non-adjusting event, but it is definitely a material event for all Ukrainian banks. We analyzed the notes of PrivatBank for 2019-2022, identified their main structural elements and made relevant conclusions.

Bibliophy

1. Войнаренко М.П., Пономарьова Н.А., Замазій О.В. Міжнародні стандарти фінансової звітності та аудиту : навчальний посібник. – К.: «Центр навчальної літератури», 2020. 488 с.

2. Зубілевич С.Я., Мазіна О.І., Рогозний С.А., Карпачова О.В., Дядюн О.О. МСФЗ: Короткий курс для практиків. – К. : Фактор Друк, 2020. 364 с.

3. МСБО 10 «Події після звітного періоду». URL: https://zakon.rada.gov.ua/laws/show/929_024#Text (дата звернення 20.04.2023)

4. Рогозний С., Карпачова О. Коригуючі події фінансової звітності після закінчення звітного періоду. URL: https://msfz.ligazakon.ua/ua/magazine_article/fz000627 (дата звернення 25.04.2023)

5. Концептуальна основа фінансової звітності. URL: https://mof.gov.ua/storage/files/2019_RB_ConceptualFramework_ukr_AH.pdf (дата звернення 28.04.2023)

6. МСБО 1 «Подання фінансової звітності». URL: https://zakon.rada.gov.ua/laws/show/929_013#Text (дата звернення 30.04.2023)

7. Харламова О. Можливі сценарії в оцінці безперервності діяльності. URL: https://amsfo.com.ua/mozhlyvi-stsenarii-v-otsintsi-bezperervnosti/ (дата звернення 2.05.2023)

8. МСФЗ 5 «Непоточні активи, утримувані для продажу, та припинена діяльність». URL: https://zakon.rada.gov.ua/laws/show/929_023#Text (дата звернення 14.05.2023)

9. МСФЗ 7 «Фінансові інструменти: розкриття інформації». URL: https://zakon.rada.gov.ua/laws/show/929_007#Text (дата звернення 14.05.2023)

10. Нестеренко К. Принцип безперервності діяльності: що означає і як застосовувати у кризу. URL: https://finacademy.net/materials/article/printsip-nepreryvnosti-deyatelnosti-ua (дата звернення 12.05.2023)

11. Міжнародні стандарти аудиту. URL: https://mof.gov.ua/uk/mizhnarodni-standarti-auditu (дата звернення 11.05.2023)

12. Куліна О., Король О. Облік та фінансова звітність підприємств під час війни https://assets.kpmg.com/content/dam/kpmg/ua/pdf/2022/06/podiyi-pislya-zvitnoyi-daty.pdf (дата звернення 14.05.2023)

13. Хомяк А. «ПРАКТИКА МСФЗ: Події після дати балансу та війна». URL: https://ibuhgalter.net/articles/884 (дата звернення 14.05.2023)

14. Фінансова звітність. URL: https://privatbank.ua/about/finansovaja-otchetnost (дата звернення 16.05.2023)

References

1. *Vojnarenko M.P., Ponomar'ova N.A., Zamazij O.V. (2020). Mizhnarodni standarty finansovoi zvitnosti ta audytu [International Standards on Financial Reporting and Auditing]. Kyiv, Tsentr navchal'noi literatury, 488 p.*

2. *Zubilevych S.Ya., Mazina O.I., Rohoznyj S.A., Karpachova O.V., Diadiun O.O. (2020). MSFZ: Korotkyj kurs dlia praktykiv [IFRS: A short course for practitioners]. Kyiv, Faktor Druk, 364 p.*

3. *MSBO 10 "Podii pislia zvitnoho periodu" (2012), IAS 10 "Events after the reporting period",* available at: https://zakon.rada.gov.ua/laws/show/929_024#Text *(*Accessed *20 April 2023)*

4. *Rohoznyj S., Karpachova O. (2014). Koryhuiuchi podii finansovoi zvitnosti pislia zakinchennia zvitnoho periodu. [Adjusting events in financial statements after the end of the reporting period]* Available at: *https://msfz.ligazakon.ua/ua/magazine_artitsle/fz000627 (*Accessed *25 April 2023)*

5. *Kontseptual'na osnova finansovoi zvitnosti (2019), Conceptual framework for financial reporting,* available at: *https://mof.gov.ua/storage/files/2019_RB_ConceptualFramework_ukr_AH.pdf (*Accessed *28 April 2023)*

6. *MSBO 1 "Podannia finansovoi zvitnosti" (2012), IAS 1 "Presentation of financial statements",* available at: https://zakon.rada.gov.ua/laws/show/929_013#Text *(*Accessed *30 April 2023)*

7. *Kharlamova O. Mozhlyvi stsenarii v otsintsi bezperervnosti diial'nosti. (2022). [Possible scenarios in a going concern assessment]* Available at: https://amsfo.com.ua/mozhlyvi-stsenarii-v-otsintsi-bezperervnosti/ *(*Accessed *2 May 2023)*

8. MSFZ 5 "Nepotochni aktyvy, utrymuvani dlia prodazhu, ta prypynena diial'nist'" (2012), IFRS 5 "Non-current assets held for sale and discontinued operations", available at: https://zakon.rada.gov.ua/laws/show/929_023#Text *(*Accessed *14 May 2023)*

9. *MSFZ 7 "Finansovi instrumenty: rozkryttia informatsii" (2012), IFRS 7 "Financial instruments: disclosure of information",* available at: https://zakon.rada.gov.ua/laws/show/929_007#Text *(*Accessed *14 May 2023)*

10. *Nesterenko K. Pryntsyp bezperervnosti diial'nosti: scho oznachaie i iak zastosovuvaty u kryzu. (2022). [Going concern principle: what it means and how to apply it in a crisis]* Available at: https://finacademy.net/materials/article/printsip-nepreryvnosti-deyatelnosti-ua *(*Accessed *12 May 2023)*

11. *Mizhnarodni standarty audytu (2022). [International Standards on Auditing],* available at: *https://mof.gov.ua/uk/mizhnarodni-standarti-auditu (*Accessed *11 May 2023)*

12. *Kulina O., Korol' O. Oblik ta finansova zvitnist' pidpryiemstv pid chas vijny. (2022). [Accounting and financial reporting of enterprises during the war]* Available at: *//assets.kpmg.tsom/tsontent/dam/kpmg/ua/pdf/2022/06/podiyi-pislia-zvitnoyi-daty.pdf (*Accessed *14 May 2023)*

13. *Khomiak A. "PRAKTYKA MSFZ: Podii pislia daty balansu ta vijna". (2022). ["IFRS PRACTICE: Events after the balance sheet date and war"]* Available at: *https://ibuhgalter.net/artitsles/884 (*Accessed *14 May 2023)*

14. *Finansova zvitnist' [Financial reporting]* Available at: *https://privatbank.ua/about/finansovaia-otchetnost (*Accessed *16 May 2023)*

THE IMPACT OF EVENTS AFTER THE REPORTING DATE ON THE FINANCIAL POSITION AND PERFORMANCE OF BANKS

Oksana O. Kazak, Borys Grinchenko Kyiv University, Kyiv (Ukraine).
E-mail: o.kazak@kubg.edu.ua
Mariana O. Sulyma, Borys Grinchenko Kyiv University, Kyiv (Ukraine).
E-mail: m.sulyma@kubg.edu.ua
DOI: 10.32342/2074-5354-2024-1-60-6

Keywords: analysis, audit, banks, accounting, events after the reporting date, financial position, profit, loss, financial statements, notes, IAS, IFRS
JEL classificasion*: G21, G28, M41, M42*

Banks maintain their accounting records and prepare financial statements in accordance with IFRS. Annual financial statements are a set of reports that characterize the financial position, results of the bank's operations, cash flows and changes in equity for the year. It is interesting to note that the end of the reporting period is only the beginning of the stage of preparation and disclosure of financial statements. After all, in addition to the reporting date and the date of disclosure of the annual financial statements, which are known to the general public, there is a whole list of dates that are known only to managers, accountants and auditors. These are the date of completion of preparation, the date of submission to the Board of Directors, the date of partial disclosure of certain indicators, such as profit, the date of approval of the financial statements by shareholders, etc.

As a rule, the reporting date is December 31 of the respective year, although it may be different in accordance with IFRS. Accordingly, the date of publication of the annual financial statements is April 30 of the year following the reporting year. At the same time, a certain period of time elapses between the reporting date and the date of approval of the financial statements. The Bank's operations are ongoing, and therefore, there is a high probability that new events and circumstances may arise. IFRSs recommend disclosing information about events that occur between the reporting date and the date the financial statements are authorized for issue or the date the financial results or selective information is available. Such recommendations should not be ignored, as this may indicate the concealment of important information or even be classified as fraud.

Events after the reporting period are any events, which may be positive or negative, favorable or unfavorable, that occur from the end of the reporting period until the financial statements are authorized for issue. The classification of these events depends on the date of their probable occurrence and, accordingly, their impact on the financial statements. In general, these are events that affect the financial statements and require adjustments or events that do not require adjustments.

It is worth paying attention to events after the reporting period that may affect the going concern basis. IFRS prohibit banks from preparing financial statements on a going concern basis if events after the reporting period indicate that such an assumption is inappropriate.

The decision to use the going concern basis is based on a checklist of going concern triggers and their detailed analysis. The checklist of triggers includes: economic and geopolitical situation; level of income and cash flows of the bank; liquidity and solvency of the bank, as well as current and future profitability; financial position of counterparties; external and internal factors affecting the work of employees.

For the financial statements prepared for the year ending December 31, 2021, the war and its consequences are events that do not require adjustment, as they reflect conditions that arose after the reporting period. For example, the company's assets were damaged as a result of hostilities between the end of the reporting period and the authorization of the financial statements for issue. In accordance with IFRS, any impairment losses will be recognized in the period in which they occur. Accordingly, information on significant losses from asset damage will not adjust the 2021 financial data, but should be disclosed in the notes to the financial statements. The study analyzed the notes to the annual financial statements of banks for 2019-2022.

Одержано 14.09.2023.