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Portrayal of the Concession Agreement Transactions Through the Financial Statement Improvement

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Abstract
Purpose: The article is focused on improving the financial statements and developing the new ones in the context of revealing transactions under concession agreements.
Design/methodology/approach: In the course of scientific research, general philosophical and scientific methods of phenomena and processes cognition in accounting were used. In particular, the analogy methods,

abstraction, grouping and generalization were used to explain the financial reporting of new forms and trends development revealing the transactions under concession agreements.
Findings: The article examines the financial statements types in order to improve their forms and develop the new ones in the context of revealing the studied objects. The forms of footnotes to the annual financial statements were developed and the directions of their expansion for the management purposes and reporting on the contract fulfillment of the terms were determined.
Research and practical implications: The practical importance of the study lies in improving the financial statements of a concession enterprise through the financial reporting expansion, development of internal (management) reporting forms and explanation of the composition and the content of specific reporting related to purely contractual concession transactions. It can be used by a concessioner while reporting to the state partner.
Originality/value: The financial statement footnote forms design is characterized by the following objects: non-current assets received by the concession in the context of: fixed assets, other non-current tangible assets, intangible assets, long-term biological assets, capital involved in non-current assets modernization in terms of their types, non-current assets depreciation received by the concessioner and the capital expenditures for the non-current assets modernization received by the concessioner, public services costs carried out as a result of the concession agreement. The peculiarity of accounting reporting improving areas under the concession agreements is to take into account the specific features of both national concession legislation and international financial statement standards.
Paper type: original research.

Keywords: accounting, concession agreement, public-private partnership, financial statement, financial assurance.

1. Introduction

Accounting is the main tool for delivering accounting information to users and a source of information for analysis supporting decision making processes. “Accounting is the accounting deliverable provided to users for decision-making. It has always been and will be the main focus of researchers and experts in the future. The relevance of accounting information and the ability of the accounting system to meet the requests of the users interested in it are based on the analysis of its quality level. Both the accounting indicator problems and the information product presentation form on which the level of user perception depends − are important" (Koriagin and Kutsyk, 2015, p. 5). The problem of accounting reporting development is extremely important today, when it comes to reforming the national accounting system in accordance with the requirements of the international accounting community and the transformation of major regulatory institutions. "The considerable problem and a prerequisite for European integration processes in Ukraine is the reform of the national accounting and reporting system through introduction of the national standards responding to the international standards" (Korytnyk and Klymenko, 2015, p. 18). A quality information product is a key factor for business development. "The reliable information awareness is one of the main competitive advantages for all businesses developing in modern conditions. It objectively characterizes the financial and economic activities of the enterprise and provides an opportunity to make effective decisions. Accounting ensures the most complete description of the financial conditions, performance results and the enterprise cash flows for the whole period of its performance. Information assurance is formed on the basis of fulfilling the accounting purpose by disclosing accounting information in reporting. The information assurance management interest is provided by economic analysis in terms of analytical justification and decision-making" (Sheveria, 2012, p. 2).

To ensure effective management and maintaining economic benefits, financial statement information is essential for a private partner while engaging in the public-private partnership projects in the form of a concession. The statement format will depend on the concession activity direction, namely wheter a new enterprise is founded in order to carry out concession activities or public services are provided on the basis of an existing enterprise concession. There is a need to generate information for the concessionnaire enterprise management in terms of managing the concessionaire activities (resource management), production processes and public service implementation. All these information sources as for external and internal users are implemented through various types of financial statements (financial statements, management statements, etc).

The aim of this study is to substantiate the directions of development of financial statements to reflect and disclose information about transactions under concession agreements. We propose to build our research by identifying the areas for improving reporting forms and developing new ones in the context of displaying the following objects:

(1) non-current assets received in the concession in the context of: fixed assets, other non-current tangible assets, intangible assets, long-term biological assets;
(2) capital expenditures for modernization of non-current assets in terms of their types;
(3) depreciation of non-current assets as received in the concession and capital expenditures incurred for the modernization of non-current assets received in the concession;
(4) costs incurred for the provision of public services, which are carried out as a result of the concession agreement.

In the process of research, general philosophical and general scientific methods of cognition of phenomena and processes in accounting were used. In particular, the methods of analogy, abstraction, grouping and generalization were used to justify the development and development of new forms of financial reporting that reflects the transactions under concession agreements.

2. Context of the study: Public-Private Partnership

The issue of public-private partnership has been recently receiving a lot of attention both in management theory and business practice. The growing research output has been tackeling, among others, with such topics as: stakeholder inovolvement and trust, project evaluation criteria, risk management, public value and accountability. A significant contribution to the field was made by Nederhand and Klijn (2019) in their work "Stakeholder involvement in public-private partnerships: Its influence on the innovative character of projects and on project performance". The authors examine the extent to which citizens and public stakeholders are involved in public-private partnership projects, what factors determine their participation and what impacts the effectiveness and innovation of projects. Their research shows that the relationship of trust between the subjects promotes the involvement of public parties, and a contract that allows flexibility leads to greater citizen participation. They also claim that stakeholder involvement leads to more innovative projects, but not necessarily to better projects. The study by Palaco and colleagues (2019), "Public–private partnerships for e-government in developing countries: An early stage assessment framework", employs a comprehensive literature review to understand the evaluation criteria for PPP projects throughout the early planning process. Qualitative metasynthesis was used to identify critical factors for PPPs and e-government, with particular emphasis on evolving criteria, PPPs and e-government. Bakar et al. (2019), in their work entitled "Risk management practices to strengthen public sector accountability", consider the impact of the use of risk management and determine the mediating effect of risk management practices on the relationship between the use of performance measurement and responsibility. The results of their study provide valuable information for public sector bodies on ways to improve public sector governance through new accountability mechanisms, such as purely management practices. Benington (2009), in "Creating the public in order to create public value?", expands and develops both the theory and application of the concept of public value and transfers them to an alternative framework that begins with the public sphere and the team as the main units of analysis, not with the private market and the individual. The article considers the main questions about social value, how, by whom and where it is produced, and how it can be measured. The research by Bracci and associates (2009), entitled "Public value and public sector accounting research: A structured literature review", is a starting point for the development of new areas of research in the field of accountability / external reporting, and in the field of management accounting and performance management.

Nevertheless, the issue of portrayal of concession agreements transactions in financial statements has not been investigated very much, so far. The theoretical basis for the formation of accounting transformation areas in the context of revealing transactions under concession agreements are the works of researchers such as: C. Adams, J. Bebbington, O. Baryshnikova, K. Bezverkhyi, T. Vasilieva, S. Golova, L. Gnylytska, D. Hrytsyshen, V. Ievdokymov, R. Eccles, J. Elkington, R. Gray, I. Ioannou, P. Healy, I. Zhyglei, V. Zhuk, I. Zamula, M. Koriagin, R. Kostyrko, R. Kuzina, P. Kutsyk, A. Kolk, O. Lagovska, S. Legenchuk, N. Lokhanova, I. Makarenko, M. Milne, O. Nesterenko, W. O'Dwyer, P. Perego, O. Petruk, O. Redka, S. Svirko, G. Serafeim, R. Simnett, J. Unerman, O. Kharlamova, N. Shalimova, S. Shulga, I. Yaremko and others.

3. Types of reports

The development of financial statements in order to reflect transactions under the concession agreements should take into account the particular characteristics of accounting portrayal of these transactions within the preferred regulatory system, particularly, in accordance with domestic concession legislation (the concession object is exposed in the balance sheet) or in accordance with international financial reporting standards. These standards ensure the portrayal of the concession object as a part of financial asset, intangible asset or the financial part of an intangible asset in the accounting system. Taking into account the previous investigation results, all the transactions under concession agreements should be revealed in the following reporting types:

(1) **financial statement.** Sheveria (2012) finds the "financial reporting to be the main component of the accounting system, the basic source of information for users about the enterprise performance. It binds the enterprise with the society (both external users and business partners). In this case, the economically active part of the population, using various analysis methods, is able to evaluate indicators and make the respective decisions. In this case, financial statement performs two basic functions such as communication and information, confirming its importance in meeting the information needs of external users. Clarifying the economic essence of financial statement, determining its place and role in the national accounting and reporting system, from this angle, it is a new and an underdeveloped issue requiring further research" (Sheveria, 2012, p. 4). Discovering the financial statement development in modern business conditions Tsaruk (2017) has noted the following: "The information contained in the financial statements of the enterprise allows take the necessary measures aimed at the enterprise survival in the competitive conditions, bankruptcy and financial failures prevention, leadership in combating competitors, growth of the enterprise economic potential, profit and expenses maximization and maintenance of profitable performance of the enterprise. Financial statement inaccuracies lead to errors in management decisions by the information users, and as a result − to reduce the enterprises efficiency and, consequently, the level of

their profitability" (Tsaruk, 2017, pp. 236–237). Bogutska and colleagues (2017) believe that "the purpose of financial statements aims at providing users with complete, truthful and unbiased information about the financial condition, results of the enterprise cash flows and its activity. The completeness and reliability of the indicators are two the most important reporting requirements for enterprises and organizations of all ownership forms. In order to make profitable management decisions, as well as for the effective financial management, the enterprise has to prepare all forms of financial statements allowing you assess, analyze the financial condition of the enterprise, its performance results and cash flows for the reporting period; and based on this − plan financial policy of the enterprises for the future" (Bogutska et al., 2017, p. 56). Thus, the financial statements should be the basis for the transactions under concession agreements information development for the external users. In its turn, it requires the transformation of the content and the form of accounting information presentation;

(2) **internal management reporting.** The domestic researchers such as Skrypnyk and Grigorevska (2016) emphasize the main problems of the internal management reporting study: "The study of the economic literature on management reporting resulted in revealing the problems of its formation; the problems are given little attention compared to other types of reporting. The issues related to the internal management reporting development are mainly revealed in management accounting manuals and research papers. It should be noted that a lot of them have the theoretical foundations of internal management reporting being described superficially, vaguely and not fully. A lot of problems related to its writing, indicators interpretation and its practical effectiveness on the enterprises are not solved" (Skrypnyk and Grygorevska, 2016, p. 111). Slobodniak (2012) in his research identifies the main stages of internal management reporting system formation including " − determination of entities participating in accounting management reporting development and using its information; − decision makers and their information needs determination, setting goals and defining tasks to be solved by means of addressing to the information management financial statements; − producing

source documents − reporting forms and their indicators, portrayed in the accounting management reports − higher level indicators; − designing of an accounting management reporting information model as a column, its organization, defining indicators to be added to the database and a set of the 0^{th} level indicators, compiling a list of primary documents containing input information; − regulations development, according to which the accounting management reporting on each object will be formed; − development of information processing means on accounting and management reporting objects; − channels formation for receiving primary information; − control of the main parameters at each of these stages, quality control of the received accounting management reporting as the result of information assurance use revealing the most essential deviations from the set purposes with return to the initial stage and the beginning of a new cycle. The suggested method is basic and can be used for the development of the accounting management reporting by any enterprise preserving the product uniqueness" (Slobodniak, 2012, pp. 19–20). This indicates the importance of the internal management reporting development to manage the economic activity of enterprises. This issue is especially burning for reporting, containing information about concession activities, having a number of specific properties related to the implementation of the concession agreement terms and the state-private partnership project implementation in the form of a concession.

(3) **other specific financial statements.** This type of reporting is purely related to the transactions under concession agreements and can be used by a concessioner enterprise to report to the state partner – the concessor. Reporting like that may contain any accounting information confirming performance of the concession agreement terms. The information may include operations to advance the concession facility, the efficiency of concession objects use, the quality of provided public services, etc. This issue is not currently researched and developed in concession operations management practice.

4. Recommended changes in notes to financial statements

Every defined accounting transaction object under the concession agreements takes place in the financial statement of the above mentioned types: financial statement, internal management reporting, other specific statement. In accordance with each reporting type, the object is viewed depending on the user's requests. To ensure full coverage of transactions under concession agreements, the financial statement is suggested to be expanded in terms of notes to the annual financial statement. It should be noted that transactions under concession agreements may be differently reflected in the financial statement, depending on the option of accounting portrayal of the concession objects. According to the international standards, a concecssion object may be presented as an intangible or financial asset or reflected in the balance sheet of the relevant groups of non-current assets.

As already mentioned, two approaches are offered to portray the received by the concession non-current assets such as an intangible asset (Table 1) and non-current assets by various types (Table 2). Some forms of notes to the annual financial statement may have the same form, but the content and procedure will be different.

Table 1. The concession object portrayal as an intangible asset in the notes to the annual financial statement

Form N.IA.C
Notes to the annual financial statement
Concession objects information disclosure

Object	**Code number**	**Formation**
Fixed assets fixed in the concession	**1000**	DT 011.1 "Non-current assets issued by the enterprise on a contractual basis"
by types of fixed assets	**10N0**	DT of sub-ledger accounts
Other non-current assets fixed in the concession	**2000**	DT 011.2 "Other non-current assets have been fixed"
by types of other non-current assets	**20N0**	DT of sub-ledger accounts
Other non-current assets fixed in the concession	**3000**	DT 011.3 "Other non-current assets have been fixed"
by intangible assets types	**30N0**	DT of sub-ledger accounts

Table 1. Continued

Object	Code number	Formation
Long-term biological assets fixed in the concession	**4000**	DT 011.4 "Long-term biological assets have been fixed"
by types of long-term biological assets	**40N0**	DT of sub-ledger accounts
Chief accountant	______	*I. Ivanova*

Source: own elaboration.

Table 2. The concession object portrayal as non-current assets by various types in the notes to the annual financial statement

Form N.IA.C
Notes to the annual financial statement
Concession objects information disclosure

Object	Code number	Formation
fixed assets received	**1000**	DT 101(6,7,9).2 DT 103(4,5).5 101.2 "Land fixed in concession"; 103.5 "Buildings and constructions fixed in concession"; 104.5 "Machinery and equipment fixed in concession"; 105.5 "Vehicles fixed in concession"; 106.2 "Tools, devices and inventory fixed in concession"; 107.2 "Tools, devices and inventory fixed in concession"; 108.2 "Perennial plantations fixed in concessions"; 109.2 "Other fixed assets"
by types of fixed assets	**10N0**	DT of sub-ledger accounts
other non-current assets received	**2000**	DT 111(2,3,4,5,7).2 111.2 "Library funds fixed in concession"; 112.2 "Low-value non-current tangible assets fixed in concession"; 113.2 "Temporary (untitled) structures in relation to the unfinished construction objects fixed in concession"; 114.2 "Natural resources fixed in concession"; 115.2 "Inventory containers used in concession activities"; 117.2 "Other non-current tangible assets fixed in the concession"
by types of other non-current assets	**20N0**	DT of sub-ledger accounts

Table 2. Continued

Object	**Code number**	**Formation**
other intangible assets received	**3000**	DT 121 (2,3,4,5,7).2 121.2 “Rights to use natural resources gained as a result of concession”; 122.2 “Rights to use property gained as a result of concession”; 123.2 “Rights for commercial designations gained as a result of concession”; 124.2 “Rights for industrial property gained as a result of concession”; 125.2 “Copyright and related rights gained as a result of concession”; 125.6 “Other intangible assets fixed as a result of concession”
by types of intangible assets	**30N0**	DT of sub-ledger accounts
long-term biological assets received	**4000**	DT 161(2,3,4,5, 6).2 161.2 “Long-term biological plant production assets fixed in concession being fairly valued”; 162.2 “Long-term biological assets of crop production fixed in concession being valued at the initial cost”; 163.2 “Long-term biological livestock assets fixed in concession being fairly valued”; 164.2 “Long-term biological assets of livestock fixed in concession being valued at the initial cost”; 165.2 “Long-term biological livestock assets fixed in concession being valued at the initial cost”; 166.2 “Immature long-term biological assets fixed in concession being valued at the initial cost”
by types of long-term biological assets	**40N0**	DT of sub-ledger accounts
Chief accountant		I. Ivanova

Source: own elaboration.

The use of these forms is possible in the internal management reporting system of the concession enterprise. The reporting forms have to be expanded in the context of certain groups of non-current assets fixed in the concession.

Providing information on the non-current assets income sources is the next direction of the annual financial statements notes formation. The information on the concession object revenue source can be viewed as targeted funding or long-term liabilities. Both options can be used in Ukraine. That is why information about them is important from the standpoint of assessing the financial condition of the concession enterprise. The information on targeted financing or long-term liabilities is suggested to be revealed in the following forms of notes to the annual financial statements (Tables 3, 4).

In relation to the preferred accounting option, the process of the concession object obtaining will depend on the suggested forms of notes to the annual financial statement development. The information provided in the notes is the basis for assessing the financial condition of the enterprise and the level of financial and economic security, in particular for the calculation of the analytical indicators such as: financial stability, financial soundness, liquidity, etc. The mentioned reporting forms can become the basis for management reporting in case the indicators in terms of analytical accounts are expanded and the information is provided in dynamics, that is in different periods of time − reporting periods.

An important accounting object, being the basic one in meeting the terms of the concession agreement, is the concession object modernization and capital expenditures incurring. In order to fully portray the object, the reporting forms − to be used either in terms of notes to the annual financial statement and as internal reporting or other specific reporting as a part of reporting to the state partner, that is the concessionnaire − are suggested. The statement information on the concession object modernization condition and the capital expenditures incurring will be provided depending on the system of accounting transactions under concession agreements, that is: in accordance with the national concession legislation and the international financial reporting standards. The first option involves increasing the non-current assets balance cost of the amount of capital expenditures incurred. According to the second option, considering the international financial reporting standards, the value of intangible assets increases. Table 5 depicts the first option, and Table 6 − the second one.

Table 3. The concession object portrayal as a part of the target financing notes to the annual financial statement

Form N.E.C
Notes to the annual financial statement
Target financing information disclosure

Section	Code number	Balance cost of the received assets	Balance cost of the assets in the beginning of the year	Calculated assets depreciation	Balance cost of the assets in the end of the year
Assets received as a result of concluding a concession agreement as for the sale of public service activities implementation	1000	**DT** (debit turnover) 10, 11, 12, 16 **CT** (credit turnover) *484.1.1 "Assets received as a result of concluding a concession agreement for the public services implementation"1; 484.1 2 "Assets received as a result of the concession agreement"*	The difference between the opening balances (OB) of sub-ledger accounts	**DT** 484.1; 484 **CT** 745	The difference between the closing balances (CB) of sub-ledger accounts
Fixed assets	1001	**DT** 101(6,7,9).2 103 (4,5).5 **CT** 484.1.1; 484.1	The difference between the OB accounts 101(6,7,9).2; 103 (4,5).5 and 131.2 *"Depreciation of fixed assets received in the concession"*		The difference between the CB accounts 101(6,7,9).2; 103 (4,5).5 and 131.2
Other non-current intangible assests	1002	**DT** 111(2,3,4,5, 7).2 **CT** 484.1.1; 484.1	The difference between the OB accounts 111(2,3, 4,5,7).2 and *132.2 "Depreciation of other non-current tangible assets fixed in the concession"*		The difference between the CB accounts 111(2,3, 4,5,7).2 and 132.2

Table 3. Continued

Section	Code number	Balance cost of the received assets	Balance cost of the assets in the beginning of the year	Calculated assets depreciation	Balance cost of the assets in the end of the year
Intangible assets	1003	**DT** 121(2,3,4,5, 7).2 **CT** 484.1.1; 484.1	The difference between the OB accounts 121(2,3,4, 5,7).2 and *133.2 "Accumulated depreciation of intangible assets fixed in the concession"*		The difference between the CB accounts 121(2,3,4, 5,7).2 and 133.2
Long-term biological assest	1004	**DT** 161(2,3,4,5, 6).2 **CT** 484.1.1; 484.1	The difference between the OB accounts 161(2,3,4,5, 6).2 and *134.2 "Accumulated depreciation of long-term biological assets fixed in the concession"*		The difference between the CB accounts 161(2,3,4,5, 6).2 and 134.2

Source: own elaboration.
Note: In italics the sub-ledger accounts are suggested.

Table 4. The concession object portrayal as a part of long-term liabilities to the notes of the annual financial statement

Form N.LL.C
Notes to the annual financial statement
Long-term liabilities information disclosure

Section	Code number	Balance cost of the received assets	Balance cost of the assets in the beginning of the year	Calculated assets depreciation	Balance cost of the assets in the end of the year
Assets received as a result of concluding a concession agreement as for the sale of public service activities implementation	1000	**DT** 10, 11, 12, 16 **CT** *55.1 "Long-term liabilities under the concession agreement"; 552 "Long-term liabilities under the concession agreement"*	The difference between the opening balances (OB) of sub-ledger accounts	**DT** 55.1; 552 **CT** 745	The difference between the closing balances (CB) of sub-ledger accounts

Table 4. Continued

Section	Code number	Balance cost of the received assets	Balance cost of the assets in the beginning of the year	Calculated assets depreciation	Balance cost of the assets in the end of the year
Fixed assets	1001	**DT** 101(6,7,9).2 103 (4,5).5 **CT** 55.1; 552	The difference between the OB accounts 101(6,7,9).2; 103 (4,5).5 and 131.2		The difference between the CB accounts 101(6,7,9).2; 103 (4,5).5 and 131.2
Other non-current intangible assets	1002	**DT** 111(2,3,4,5, 7).2 **CT** 55.1; 552	The difference between the OB accounts 111(2,3, 4,5,7).2 and 132.2		The difference between the CB accounts 111(2,3, 4,5,7).2 and 132.2
Intangible assets	1003	**DT** 121(2,3,4,5, 7).2 **CT** 55.1; 552	The difference between the OB accounts 121(2,3,4, 5,7).2 та 133.2		The difference between the CB accounts 121(2,3,4, 5,7).2 та 133.2
Long-term biological assets	1004	**DT** 161(2,3,4,5, 6).2 **CT** 55.1; 552	The difference between the OB accounts 161(2,3,4,5, 6).2 та 134.2		The difference between the CB accounts 161(2,3,4,5, 6).2 та 134.2

Source: own elaboration.

Note: In italics the sub-ledger accounts are suggested.

Table 5. Modernization of the concession object: capital expenditures portrayal

Form N.M.C
Notes to the annual financial statement
Capital expenditures on the non-current assets modernization fixed in the concession: information disclosure

Section	**In exploitation**	**Out of exploitation**	**Planned expenditures**
		Fixed assets	
Tangible expenditures	**DT** 10 **CT** 152	**DT** 15 **CT** 20	According to the planned targets
Labour expenditures	**DT** 10 **CT** 152	**DT** 152 **CT** 66	
Social service expenditures	**DT** 10 **CT** 152	**DT** 152 **CT** 65	
Depreciation	**DT** 10 **CT** 152	**DT** 152 **CT** 13	
Others	**DT** 122.2 **CT** 152	**DT** 152 **CT** 68	
Total			
		Other non-current assets	
Tangible expenditures	**DT** 10 **CT** 153	**DT** 15 **CT** 20	According to the planned targets
Labour expenditures	**DT** 10 **CT** 153	**DT** 153 **CT** 66	
Social service expenditures	**DT** 10 **CT** 153	**DT** 153 **CT** 65	
Depreciation	**DT** 10 **CT** 153	**DT** 153 **CT** 13	
Others	**DT** 122.2 **CT** 153	**DT** 153 **CT** 68	
Total			
		Intangible assets	
Tangible expenditures	**DT** 10 **CT** 154	**DT** 15 **CT** 20	According to the planned targets
Labour expenditures	**DT** 10 **CT** 154	**DT** 154 **CT** 66	
Social service expenditures	**DT** 10 **CT** 154	**DT** 154 **CT** 65	
Depreciation	**DT** 10 **CT** 154	**DT** 154 **CT** 13	
Others	**DT** 10 **CT** 154	**DT** 154 **CT** 68	
Total			
		Long-term biological assets	
Tangible expenditures	**DT** 10 **CT** 154	**DT** 155 **CT** 20	According to the planned targets
Labour expenditures	**DT** 10 **CT** 154	**DT** 155 **CT** 66	
Social service expenditures	**DT** 10 **CT** 154	**DT** 155 **CT** 65	
Depreciation	**DT** 10 **CT** 154	**DT** 155 **CT** 13	
Others	**DT** 10 **CT** 154	**DT** 155 **CT** 68	
Total			
Chief accountant		______	*I. Ivanova*

Source: own elaboration.

Table 6. Capital expenditures on the concession object modernization portrayal (according to the international financial statement standards)

Form N.M.C
Notes to the annual financial statement
Capital expenditures on the non-current assets modernization fixed in the concession: information disclosure

Section	**In exploitation**	**Out of exploitation**	**Planned expenditures**
	Fixed assets		
Tangible expenditures	**DT** 122.2 **CT** 154.1.1	**DT** 154.1 **CT** 20	According to the planned targets
Labour expenditures	**DT** 122.2 **CT** 154.1.2	**DT** 154.2 **CT** 66	
Social service expenditures	**DT** 122.2 **CT** 154.1.3	**DT** 154.3 **CT** 65	
Depreciation	**DT** 122.2 **CT** 154.1.4	**DT** 154.4 **CT** 13	
Others	**DT** 122.2 **CT** 154.1.5	**DT** 154.5 **CT** 68	
Total			
	Other non-current assets		
Tangible expenditures	**DT** 122.2 **CT** 154.1.1	**DT** 154.1 **CT** 20	According to the planned targets
Labour expenditures	**DT** 122.2 **CT** 154.1.2	**DT** 154.2 **CT** 66	
Social service expenditures	**DT** 122.2 **CT** 154.1.3	**DT** 154.3 **CT** 65	
Depreciation	**DT** 122.2 **CT** 154.1.4	**DT** 154.4 **CT** 13	
Others	**DT** 122.2 **CT** 154.1.5	**DT** 154.5 **CT** 68	
Total	**DT** 122.2 **CT** 154.1.1		
	Long-term biological assets		
Tangible expenditures	**DT** 122.2 **CT** 154.1.1	**DT** 154.1 **CT** 20	According to the planned targets
Labour expenditures	**DT** 122.2 **CT** 154.1.2	**DT** 154.2 **CT** 66	
Social service expenditures	**DT** 122.2 **CT** 154.1.3	**DT** 154.3 **CT** 65	
Depreciation	**DT** 122.2 **CT** 154.1.4	**DT** 154.4**CT** 13	
Others	**DT** 122.2 **CT** 154.1.5	**DT** 154.5 **CT** 68	
Total			
Chief accountant		*I. Ivanova*	

Source: own elaboration.

The suggested reporting forms determine the specific features of the analytical procedures application as for the efficiency of the concession object performance and meeting the terms of the concession agreement. The reporting forms data can be used both for providing information in the external reporting through the notes to the annual financial statements and in the management or specific reporting.

5. Conclusions

Hence, based on the conducted investigation the following development directions for the accounting reporting have been determined: financial statement, internal management reporting and other specific reporting. Other specific reporting is related to the transactions under concession agreements and can be used for reporting by the concession enterprises to the state partner. It consists of accounting information that confirms meeting the concession agreement terms: operations of the concession object modernization, efficiency of the concession objects use, the quality of provided public services, etc.

To generate information on transactions under concession agreements for a wide range of users, for both internal and external, the forms of notes to the annual financial statements have been developed and the areas for their expansion defined with the management and reporting purposes in case of meeting the agreement terms. The provided reporting forms characterize the accounting operations objects under the concession agreements as follows: non-current assets fixed in the concession, income sources of the concession object, capital costs the for concession object modernization. The procedure for reporting indicators accounting support is described for each of the direction.

The methodological provisions of accounting for capital expenditures for the modernization of the concession object have been improved through providing two options for reflecting the concession object according to international financial reporting standards as intangible assets and as part of non-current assets of the enterprise in separate analytical accounts. Improved financial reporting by types of financial statements, internal management reporting and other specific reporting (related to purely transactions under concession agreements) can be used from the standpoint of reporting the concessionaire to the government partner through the development of notes to annual financial statements and their direction expansion for management and reporting purposes under the terms of the contract.

The practical importance of the study lies in improving the financial statements of a concession enterprise through the financial reporting expansion, development of internal (management) reporting forms and explanation of the composition and the content of specific reporting related to purely contractual concession transactions. It can be used by a concessioner while reporting to the state partner.

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