– не исчислять амортизацию основных средств и не считать ее элементом затрат. Однако для целей налогового учета и инвестиционного планирования сохранить исчисление износа (амортизации) основных средств с его отражением на счетах забалансового учета;

– считать основным собственным финансовым источником долгосрочных инвестиций имеющуюся у экономического субъекта чистую (неиспользованную) прибыль и другие средства инвестиционной деятельности с обособленным их учетом и хранением, не исключая возможности их временного использования для нужд операционной деятельности.

ЛИТЕРАТУРА

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IMPACT OF NON-CONTROLLING INTERESTS ON RELIABILITY AND COMPARABILITY OF CONSOLIDATED FINANCIAL STATEMENTS

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This paper discusses selected problems with reliability and comparability of consolidated financial statements in cases where a parent company obtains control over its subsidiary without obtaining 100 % ownership in its shareholders equity. In such instances, there are two broad categories of subsidiary's shareholders: a controlling entity, which consolidates the subsidiary's financial results and net assets in its consolidated financial statements, and non-controlling interests, also known as minority interests. Figure 1 presents a hypothetical example of such shareholding structure.

Before discussing the problems with reliability and comparability of financial statements it is legitimate to emphasize the distinction between the separate and consolidated financial statements. Generally speaking, separate financial statements report financial results of a single company, while consolidated financial statements present financial results of a group of related companies, composed of a parent company and its subsidiary companies (i.e. the companies over which the parent company has a control). The consolidated financial statements report the results of a group of separate legal entities as if they are a single company.

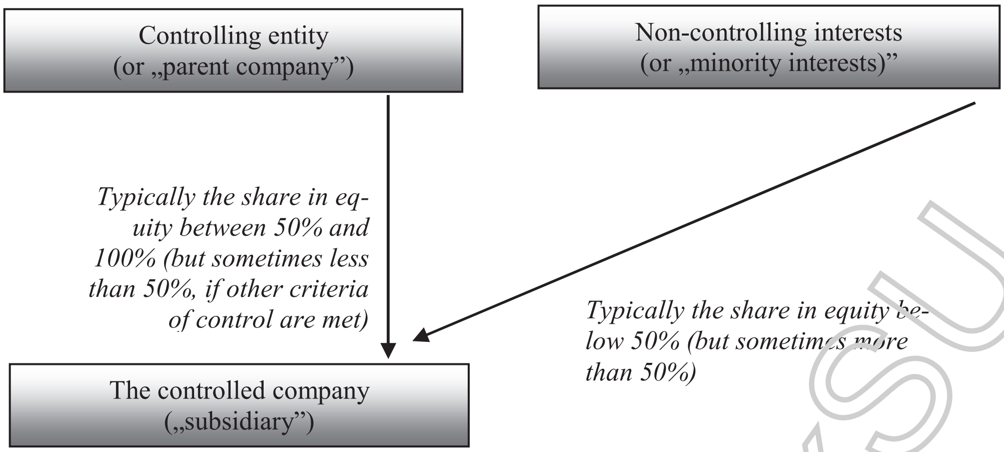

Figure1 – A hypothetical example of a control of a parent company over its subsidiary without full ownership of the subsidiary's shareholder's equity.

Source: author.

Basically, control is assumed when a parent company controls more than 50 % of voting rights on shareholder's meeting of its subsidiary. However, these are simplified principles and accounting standards (such as IFRS) provide much more detailed guidance on when the control exists. On the ground of these guidelines companies often claim to control other entities despite owning less than 50 % of voting rights (e.g. thanks to voting agreements with other shareholders or significant dispersion of other shareholders) or they state lacking control despite possession of more than 50% voting rights (e.g. due to specific legal regulations).

Definition of control is very important for financial reporting [1]. This is so because any company owning controlling interests in other entities prepares two types of financial reports: separate and consolidated financial statements. In separate financial statements the individual line items contain only the amounts attributable to a parent company. For example, a separate income statement of a parent company would include only revenues, expenses and taxes of that parent itself, while its balance sheet would contain only individual line items of its own assets and liabilities. Thus, generally speaking, none of the revenues, expenses, assets and liabilities of its subsidiaries would be included in its separate financial statements. In contrast, the individual line items of consolidated financial statements contain aggregated revenues, expenses, assets, liabilities and cash flows of a parent company and all of its controlled entities (subsidiaries), after adjusting for any intra-group transactions (that is transactions between parent and its subsidiaries or between individual subsidiaries).

Referring to the consolidation of subsidiaries by their parent company, it is important to note that financial results of subsidiaries are always fully consolidated with financial results of the parent company, regardless of the parent's share in the equity of these controlled entities [2]. Thus, the full consolidation of subsidiaries entails summing full amounts of all items of assets, liabilities, revenues, expenses and cash flows of a parent and all its subsidiaries (with adjustment for effects of intra-group transactions), regardless of the fact that parent may possess, for instance, only 60% (instead of 100%) shareholding in subsidiary's equity (and thus there are other parties entitled to participate in subsidiary's economic achievements). In such cases the only consolidation adjustments which account for a less-than-full share of the parent company in the equity of its subsidiary are:

- adjustment of the consolidated shareholders' equity by presenting the share of the entities other than the parent company in the equity of its subsidiary in the item labeled as „*non-controlling interests*" (also called „*minority interest*"),
- adjustment of the consolidated net earnings and consolidated total comprehensive income by presenting the share of the entities other than the parent company in the earnings of its subsidiary in the items labeled as „*net earnings attributable to non-controlling interests*" and „*total comprehensive income attributable to non-controlling interests*".

Problems with non-controlling interests

Problems with non-controlling interests will be illustrated by real-life data of Fiat Group, as shown in Table 1.

Table 1 – Consolidated income statement (shortened) of Fiat Group for 2013

EUR million	2013	2012
Net revenues	86 816	83 957
TRADING PROFIT / (LOSS)	3 394	3 541
EBIT	2 972	3 404
Financial income / (expenses)	-1 964	-1 885
PROFIT / (LOSS) BEFORE TAXES	1 008	1 519
Tax (income) / expenses	-943	623
PROFIT / (LOSS)	1 951	896
PROFIT / (LOSS) ATTRIBUTABLE TO:		
Owners of the parent	904	44
Non-controlling interests	1 047	852

Source: Fiat S.P.A. Annual Report at 31 December 2013.

As might be seen, only at the very bottom of Fiat's consolidated income statement it may be found that in both 2012 and 2013 the non-controlling interests had high share in Fiat's consolidated net earnings (53,7 % in 2013 and as much as 95,1 % in 2012). It may be found in other information disclosed (Note 23) that the main reason staying behind it is the full consolidation of Chrysler Group, in which Fiat owned 58,5 % share in equity. However, in the consolidated income statement not any information about the non-controlling interest's share in other line items (e.g. revenues or trading profit) is provided, which may significantly distort the conclusions from the financial statement analysis (e.g. profitability ratios).

Possible distortions of Fiat's financial analysis

In 2013 the Fiat's consolidated trading profit amounted to 3.394 million EUR, as reported in Table 1. However, the intra-group structure of this profit (i.e. where it was generated: in a parent or its subsidiaries) is undisclosed in the financial report. Thus, several hypothetical scenarios may be considered, as shown in Table 2.

Table 2 – Three hypothetical scenarios of the intra-group structure of Fiat’s trading profit for 2013

	Scenario 1	Scenario 2	Scenario 3
Reported consolidated TRADING PROFIT, including:	3 394	3 394	3 394
Fiat (parent) and subsidiaries other than Chrysler	*2 000*	*5 000*	*-8 000*
Chrysler Group	*972*	*-1 606*	*11 394*
TRADING PROFIT attributable to Fiat's shareholders (with 58,5% share in Chrysler)	2 569	4 060	-1 335

Source: author.

As the above hypothetical scenarios show, depending on circumstances, the actual profit from a “core business” (i.e. excluding unusual items, financial income / expense, etc.), earned by Fiat for its shareholders, may be either higher or lower than reported (even negative). However, the actual trading profit attributable to Fiat’s shareholders is not disclosed in the company’s consolidated financial statement (which may significantly distort the credibility of financial statement analysis).

The usefulness of consolidated financial statements in evaluating the company’s financial condition may be heavily eroded when significant non-controlling interests (NCI) are present [3]. This is because the NCI’s share in individual line items of an income statement and a balance sheet is not disclosed (except for net earnings and total equity).

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НЕОБХОДИМОСТЬ РАЗВИТИЯ АНАЛИТИЧЕСКОГО УЧЕТА ПРИ ОЦЕНКЕ ЭФФЕКТИВНОСТИ ИСПОЛЬЗОВАНИЯ НЕДВИЖИМОГО ИМУЩЕСТВА ЖЕЛЕЗНОЙ ДОРОГИ

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Современный этап развития экономики железной дороги ставит перед управлением задачи поиска путей эффективного использования всех ресурсов, и, прежде всего, основных средств. Железнодорожный транспорт, наделенный государственной собственностью, является фондоемкой отраслью и поэтому эф-