

CAPITAL RESERVE MANAGEMENT OF PUBLIC COMPANIES: ACCOUNTING TOOLS AS INFORMATION FUNCTION OF TARGET MECHANISM

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Abstract. *The purpose* of the article is to present the financial and economic content and purpose of capital reserves, insurance funds to ensure future costs and payments as the main components of the reserve system of public companies. *The methods* of theoretical and comparative analysis allowed to expand the view of the objects of reservation in the global space by comparing the norms of international standardization of financial reporting and the mandatory requirements of individual states in the field of reservation. *The research methodology* covers the analysis of reserved sources for Ukrainian and global companies in the context of the large-scale socio-economic crisis caused by the global COVID-19 pandemic. Based on a comparative assessment of the potential of reserve sources of surveyed companies, reservation in today's crisis economy and in the foreseeable future is one of the most necessary and important means of ensuring the stable operation of socially significant companies. The study of regulatory norms of different states and principles and norms of standardization of public financial reporting led to the conclusion that for internal management purposes and market counterparties and public administration in the face of increasing unpredictability and depth of risk requires a more detailed and reliable information base on existing modern companies reserved funds to overcome the risks of loss (reduction) of capital. The practical consequences of weak imperatives on the obligation to create reservation facilities have been reflected in the allocation of subsidies from the state budgets of different countries to commercial structures in many areas of the economy. The existing issues actualize multi-vector developments in the system of interdisciplinary research, which substantiates the scientific legitimacy and relevance of our study. *The results* of analytical and logical approaches in assessing the state of backup support for Ukrainian and well-known international companies became the basis for obtaining evidence and arguments in formulating the parameters of adequate information for the current needs of targeted management of backup processes. The methods of verification of reserve system components proposed in this study can be used to establish general trends in the development of information parameters (accounting and public reporting system) in the field of reserve management and future losses (reduction) of capital of modern public companies.

Key words: management, company, equity, reserves, trust funds and provision, formation, use, accounting and analytical support.

JEL Classification: G32, M41

1. Introduction

The market management system always includes various risks in the process of conducting their financial, investment and economic activities. The degree and strength of the negative factors of the external (general economic) environment on the stable functioning of

economic systems are different at different stages of the global and national environment. The dynamism of modern processes of globalization and concentration of capital is accompanied by the high complexity of civilizational changes, which carry new risks with them. Increased competition forces the company to change the

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format of its operation, which requires additional costs for the modernization of production and management processes.

The economic crisis of 2008-2011 showed a lack of attention (theory and practice) to the formation of companies' own insurance and stabilization funds, many of which were allocated budget support. To overcome systemic risks and ensure stable operations in the practice of many companies introduced adequate to the specifics of their activities concept of crisis management, a component of any of them was to create different types of reserves to cover possible future losses (reduction) of their capital.

In today's conditions of stagnation and recession of global and national economies, the creation of companies' own reserve system is of particular importance. The cardinal mines in the market system, the social environment and the loss by companies of part of the capital for measures to combat the global pandemic indicate the need to create reserve and insurance funds. An additional argument for such management measures is the weak outlines of the expected future state of the economic space. The above and other factors completely differently focus the projection of economics and management science on the creation of companies of any national economies with their own backup systems. In this article we emphasize that only such a backup system can be effective in practice, which really contains the productive power of economic resources allocated for this type of targeted measures. Only in this case, the reserved sources become a guarantee of protection not only of the interests of the owners (equity of the company), but also the attracted capital of investors and creditors.

In many cases, the reserve and insurance funds presented by companies are fictitious because they are not backed by real assets. The novelty of our study is the substantiation of a different view of the reserve system of a modern company, which is confirmed by analytical reviews of the state of reserves in Ukrainian and multinational companies, the content of mandatory regulations of different states on the obligation to reserve funds by national entities. The conceptual bases of development of information support of processes of management of reserves offered in our research are constructed on the basis of a real condition of modern global and national social and economic environment and projections on its uncertainty in the foreseeable future.

The acquisition of modern subjects of market economy (companies, corporations) of increasing social importance objectively necessitates the formation of reserves of socio-economic nature, which is one of the problematic components of the research topic. The relevance of our study is based on real problems in the management of stable operation of modern

companies, and is confirmed by the importance of thematic developments in the international scientific environment, which explores the main areas of improvement of accounting and analytical support of equity management (Evstafeva, 2011). In theoretical and applied research, this problem has not been adequately covered, which justifies the feasibility of formulating multi-vector developments. In our study, the emphasis of the problem focuses on the objectivity of the information field for any paradigms of reserve and trust fund management.

This article aims to demonstrate the fictitiousness of information provided in public reporting on the sources of provisions by Ukrainian and international companies and to draw attention to the need for radical changes in international standardization of accounting tools to expand parameters and provide a higher level of reliability to information support processes. The research methodology includes a comparison of regulatory requirements in European countries regarding the obligation to create reserve funds, legislation in the field of accounting and reporting on reserves, insurance and trust funds as part of equity. The objectives of the article are to disclose the financial economic and accounting content of reserves and capital, the specific content, role and functional purpose of the reserve system in the enterprise, the study of semantic parameters of accounting information to characterize capital reserves as a tool for the protective function of equity. An element of scientific novelty in the subject area of knowledge should be considered justified in this study, the feasibility of introducing a criterion on the degree of redundancy as an indicative component in the concept of sustainable development, methods of investment attractiveness, etc.

2. Target function and regulations in the field of redundancy and construction of formalized information

Numerous analytical reviews of the activities of well-known international and fairly large Ukrainian companies (corporations) during the global pandemic pointed out that in previous periods they did not create a proper protective mechanism (insurance funds) in case of an unexpected multifactorial crisis environment. For this reason, various countries have developed programs for the allocation of subsidies or targeted subsidies (subventions) from the state budget to commercial structures of many sectors of the economy to maintain their stable operation or functioning in general. Lack of own spare (reserve) sources to mitigate the factors of negative impact on the financial and economic condition of economic entities also affects the social plane, as it is directly related to job losses due to reduced production and services, lack of their own sources for temporary maintenance of their employees during forced leave.

In conditions when overcoming such circumstances becomes the subject of joint activities of commercial structures and state institutions, the importance of objective information about the formed by companies (especially socially significant) reserve (insurance) funds and trust funds increases significantly.

This study analyzes the principles of formation of formalized sources of information – targets of the accounting and public reporting system, which are set according to international principles (standardization in the field of accounting and financial reporting) and regulatory (imperative) regulations of different authorities. The importance of this information is that it is based not only on internal management decisions in the formation of reserve and insurance funds, but also confirmed by the fact that the company's public reporting data are the basis for analysis and evaluation by external users of its protective function. own and involved (involved) in capital turnover.

Reserves and earmarked operating capital are primarily intended for the financial stabilization of the entity in the indefinite future, but the official presentation of their availability, structure and volume increases the confidence of the entity by investors, creditors and other market counterparties. Such information is expected to be extremely necessary for public administration bodies of general economic processes, a component in regulating the economic security of economic units of national economies.

Any of the types of monitoring is based on the data of public reporting, including the state of reservation (insurance) of fixed capital by companies. The objectivity of the results of monitoring processes is directly dependent on the system of indicators involved in it, which reveal the expected appearance and strength of negative factors, establishing on their basis the needs and amounts of targeted insurance savings. In modern theory and practice, “when monitoring supplies and reserves, attention is mainly focused on tracking certain quantitative, qualitative and structural indicators, bypassing the study of conditions and circumstances of threats and the prerequisites for their duration” (Mekh, 2004). Current problems concern not only the difficulties of clear verification of information indicators on reservation objects, but also the development of adequate to the modern socio-economic environment approaches to building a system of criteria for identifying real threats that require early creation of reserves or insurance trust funds.

In many cases, the current standardization of public financial reporting allows only a general idea of the reflected in the accounting method of insurance (reserve) capacity of the company, ignoring the clear articulation of the productive power of the presented resources to protect working capital. The principles and approaches to the formation of accounting reserves

(accounting regulations and recommended methods) set out in the standards need to be changed, as the practice of information formation based on them allows the possibility of manipulating data on the objects of reservation. The infrastructure of International Financial Reporting Standards is implemented in most countries, on the basis of which their application is enshrined at the state level, including in Ukraine. This applies both to the international principles for the presentation of information in financial statements (IAS 1) and to the disclosure of reserves and earmarked capital (IAS 37).

In this context, we present the views of well-known scientists – economists in the field of accounting and financial reporting (Mathews, Perera, 1996), which indicate the importance of comparative analysis of different accounting systems and methods. In their works it is substantiated that the results of such analysis allow to establish a typical model of accounting development on the basis of a better understanding of its change under the influence of environmental factors. These and other well-known scholars in the field of knowledge (Hendriksen, Van Breda, 1991) also point to the possibilities of expanding the choice of acceptable solutions based on the experience of improving such accounting models. From the point of view of our research, the above concerns the differentiation of types of reserves and regulations on the order of their reflection in public reporting.

For comparison, we present the practice of implementing international standards in the field of accounting and reporting of reserve and trust funds of capital collateral by the mandatory requirements of some European countries. For example, in the Czech Republic, the group of indicators on Funds and Profits provides opportunities to give only summary information on the role of the Reserve Fund. In comparison with the regulations of this country, in Slovakia, the following balance sheet items are provided for the group of indicators on share capital and funds: 413 – Reserve investment revaluations; 414 – Legal reserve funds from participation in capital, and in the article Funds created from profits and recognized economic results, item 421 – Legal Reserve Fund. Latvian legislation reflects in the balance sheet generalized information on the state of Equity separate articles – Fixed or partial capital, reserve for revaluation of long-term deposits and Reserves. In Ukraine, in accordance with the accounts of the fourth class “Equity and collateral” information on the authorized and additional capital in the balance sheet is supplemented by the following items: 43 – Reserve capital; 47 – Ensuring future expenses and payments; 48 – Targeted financing and targeted revenues; 49 – Insurance reserves.

Legislative norms of public reporting in Germany in the consolidated balance sheet item “Equity and contributions to the reserve fund” identified a separate

position group of indicators: 31 – Capital reserve; 32 – Deduction of profit to the reserve; 3210 – Deductions to the reserve according to the legislation; 3230 – Contributions to the reserve in accordance with the statute; 3240 Other deductions to the reserve. In the development of the above, we indicate the possible parameters of providing information about equity and reserves in the balance sheet of the British company. In particular, under the item Capital and reserves reflect: revaluation reserve; other reserves; reserves for redemption of preferred shares; reserve for own shares; reserve provided by the founding documents; other reserves. According to the possible form of a balance sheet by an American company under the group item Share capital, it is allowed to provide information on a wide range of reserve and trust funds.

Analysis of the content and results of recent research indicates an insufficiently concretized conceptual and categorical apparatus and formalized quantitative expression of accounting reserves, trust and special funds and future capital provision in almost all national systems of standardization of public reporting. At present, the legislative regulation of the procedure for creating and determining various types of reserves and capital provision does not regulate the mechanisms and methods of calculating almost all components of the reserve system, i.e., the size of the necessary sources to cover losses and unforeseen costs. Existing problems in modern practice of management of components of reserve system put forward the objective need of working out in more adequate standardization both methods of reflection in the account of reserve objects, insurance funds and maintenance of future expenses and payments, and development of adaptive basic principles of their presentation in the public reporting. modern companies.

3. Review of scientific developments on the research topic

Analysis of case studies and publications in the field of information generation to develop an adequate for modern companies backup management subsystem (risk management) shows that this topic is given increased attention by scientists and practitioners. In the thematic works of scientists it is quite reasonable to conclude that to develop an effective for a particular enterprise protective mechanism must first solve the existing “problem of accounting and analytical support, which will meet the needs of reserve management” (Krutova, Tarasova, 2016). Research works of scientists from different countries on this topic show that there are numerous problems in the approaches to the presentation by companies of their actual sources to ensure reflected in their balance sheets targeted provision for future costs and payments and various special funds.

Scholars note the lack of clear semantic articulation of these accounting objects, not specified financial and economic expression of their presentation in public financial (corporate) reporting. For example, in a study (Ponokova, 2007) made a completely objective conclusion: “reserves that are formed in the financial statements are purely financial in nature, ... they do not represent any stocks or values, and the financial result is reserved and the assessment of the main objects of accounting (income, expenses), assets, capital and liabilities of the organization”.

The starting point of the vast majority of studies is the analysis and evaluation of the basic provisions of mandatory requirements (international norms and state legislation) of the processes of formation of reserves and insurance funds and the principles of their public presentation. According to the results of this type of analysis in most cases it is concluded that the basic principles of “capital reservation of the enterprise involve the formation of a certain stock of its value without comparability with a specific asset held to ensure it” (Pylypenko, 2016). Against this background, the need for and the actual creation of reserve capacity by companies not provided by law are studied very limitedly.

In this context, in scientific developments, in particular in publications (Haiduk, 2016), argues that in practice there is an objective difficulty in clearly formulating this type of accounts (reserve, trust and special funds and future capital provisions), as their set depends on the specifics of a particular company. In general, in the development of this issue, scientists mostly take the position that the task of the process of formation of reserves in accounting is to reflect the degree of readiness to use a certain amount of resources in the need for protection of fixed capital in the future. This, in our opinion, absolutely correct justification, should be supplemented by such a component as creation of an appropriate reserve for protection of the market value of share capital from reduction.

4. Economic and managerial aspects in the field of reservation

The current state and review of the operating environment of companies in many sectors of the economy draw attention to the appropriate content of economic content and adequate to these conditions of the functional tasks of backup system management. The level of existing and expected threats determines the need for economic entities to form their own protective functions. The high degree of uncertainty of the modern business environment highlights the need to develop an adaptive management mechanism for the formation of its own reserve system, which should be considered in the context of the concepts of preserving financial and physical capital.

In the parameters of financial and economic definitions and most accounting conventions, the content of reserve capital and reserve funds is positioned so that in real practice the reserved amount should cover the loss of capital assets. From the conceptual basis of modern management models – are the means of protective function in the form of various types of capital reserves. Such compensation can be formed from any source, not just from profits or legally permitted operating expenses. For example, the company's reserve capital can be replenished by additional contributions from partners, which are provided in exchange for specific privileges (priority in the payment of dividends, etc.). Components of the backup system (funds) are created for strictly defined purposes. In our opinion, in addition to the well-known ones, reserves for covering (financing) problematic completion of research works, as well as dividend funds in the coming years should be relevant for modern practice, as financial results are expected to decline in many sectors of the economy.

The reserve in the "ideal" sense is considered as a separate part of the economic resources of the enterprise, which is concentrated in reserve (insurance) funds and is intended to cover unforeseen needs or allocate funds to insure fixed capital. In a general sense, the reserve is understood as the source from which the necessary resources are drawn. In the same "ideal sense" it is about filling it with real assets, and not recognized by the existing method of the object of "accounting reserve", which in essence only visually changes the capital structure. Securing future expenses and payments, as an economic category, is considered a target source to guarantee the repayment of a certain type of debt, and financially – legally are liabilities with an indefinite amount or time of repayment on the date of their creation. Together with the signs of security obligations are signs of the internal reserves of the enterprise and until their use carry the productive energy of capital.

In the operational management system, reserves are considered as a categorical concept from the standpoint of the existing reserves of economic resources to ensure the smooth operation of the entity and untapped opportunities to improve efficiency. From this point of view, the company's reserves refer to the reserve stocks of raw materials, free production capacity and specific material elements for the production process, which are involved in the company's economic turnover if necessary. In a more formalized sense, capital reserves are understood as the company's "accumulated" (blocked from distribution) net profit, i.e., the created source of coverage of possible or expected additional costs or losses. From the financial and economic point of view, it is a real stock of economic values or cash created by the enterprise for specific reserve and insurance purposes.

The economic mechanism of controlling the redundancy process is based mainly on the part of the

profit that is blocked from distribution and stored for use in the event of certain events. For the tools involved in this mechanism, information on the reserves that are formed in the accounting system and actually constitute a source of potential opportunities for the protection of fixed capital is primarily important. By its purpose, the accounting of reserves provides information to the target subsystem of enterprise management, but its functions should also be considered as an input, transition and output element of the management process. From the point of view of the creation of reserve (insurance) objects and future capital provision, the accounting system is a tool of soft infrastructure in the management of obviously risky operations. At the same time, the tools of this system (methodological and methodological arsenal) include appropriate mechanisms for counteracting risks, making it impossible to withdraw from the enterprise part of the actual functioning capital.

Accurate and complete reflection of the facts of formation by the company of various objects of capital reserves, sources of future expenses and payments and trust funds is the main function of accounting, but it is also reasonable to assume that adequate accounting methodology to reflect such objects allows to improve management efficiency. parameters of the concept of risk management. This applies to such functional management tools as planning, analytical function and budgeting, monitoring and control processes for the targeted use of reserved sources. In general, the functions of the reserve system in financial management include the provision of protection against impending risk. The creation of reserves in the accounting system is compared in order to more realistically reflect the financial result, reducing it in the period when the risk arose, and not when the real losses were incurred.

The economically sound structure of reserves and trust funds of an insurance nature is an important indicator of rationally prudent management of an economic entity and the financial basis for ensuring its stable functioning in crisis conditions. From the point of view of the canonical principles of economic doctrines, insurance of functioning capital increases the investment attractiveness of any subject of a market economy. At the same time, the reservation processes require (in the classical version of economic theories) the withdrawal from the company's turnover of part of the possible reinvestment of profits (additional capital) in the special reserve of the company. In practice, an aggressive provisioning policy is unattractive to owners and shareholders because it blocks their ability to receive dividend income.

In addition, it should be noted that the objects of capital reserves recorded in the financial accounting system and the information used in management processes about them are debatable. It is not only about the reality of the economic matter of these reserve sources, but also

about the lack of confidence that the negative processes against which the created reserves will occur. That is why the incorrect creation of the reserve distorts the financial result of two periods of creation and write-off. Therefore, in determining the provision by purpose and amount, the entity should clearly consider the criteria of numerical risks and uncertainties, which in no way justifies the creation of excessive reserves or intentional overstatement of liabilities.

The given economic managerial and accounting content for the construction of the reserve system of modern companies allows us to state that its functional role is to ensure stable (sustainable) activity of the company in uncertain conditions of its future operation. The reservation system contains restrictive, protective and guarantee functions, which in their synergistic interaction provide the concept of development implemented by the company.

5. Analytical review of reservation practice

Market economy entities must (theoretical speculation and declarative principles of socially responsible business) create sources to cover unexpected future costs (losses) in compliance with the "reserve criteria". These, in addition to the traditional and most common components of the provision, should include funds for supplementary pensions, targeted guarantees for the fulfillment of guarantee obligations, fulfillment of obligations under onerous (unprofitable) contracts or insurance funds for fulfillment of obligations in case of termination, etc. Despite a number of objective and subjective factors that constrain the processes of reservation on the subjects of modern market economy, we present the argument formulated in the distant past by a famous scientist (Gerster, 1926): "the greater the amount of reserves compared to the authorized capital, the more stable the financial condition should be considered, and the greater the amount of secured debts relative to unsecured, the lower the potential probability of bankruptcy of the enterprise".

The parameters of the conducted analytical review include arbitrarily selected enterprises of the corporate type (of LLC AMC Capital Group, Ukgazvydobuvannya JSC, Energoatom NNEG, Ukrtransgaz JSC, Kyiv Metro ME) that are significant enough for the national economy of Ukraine and well-known companies operating in the international economic space (Volkswagen AG, Nestle Group, Samsung Electronics Co., Roche Holding Ltd, Bayer AG). The presented data on the status and approaches to the provision of companies taken for analytical review do not significantly change the general view of the current common practice of creating capital reserves and ensuring future costs and payments; other selection of objects (socially significant companies) for analytical assessment would not change the general picture in the

field of modern practice of management of components of reserve system.

The low level of the following reserve indicators of the surveyed companies has an objective justification. First of all, it should be noted the deterrent effect of tax rules, which in most countries do not recognize the tax costs of creating trust and insurance funds. The created reserve item, taking into account tax restrictions, has a double negative impact on the company's presentation of its performance – it reduces the financial result and, in addition, increases contingent liabilities, which is reflected in the deterioration of profitability and solvency. The formation of reserves is accompanied by a number of subjective choices, including the problem of using an adequate assessment of the degree of risk threat as a tool to determine the need and size of the source of the reserve system.

The processed financial statements of the surveyed companies provide information on open reserves, which are certified in their balance sheets under various items of structuring information on equity. The results of the creation of required and optional (at the initiative of company management) reserves are given in separate articles of the sections "Additional capital" and "Reserve capital". At any of the companies there are also hidden reserves, which are not reflected in the balance sheet, and therefore we did not take them into account. It should be noted that the created reserve capital and other types of reserved sources are a factor in increasing the amount of equity in all surveyed companies. Our analytical assessment leads to the conclusion that the creation of reserves and trust funds for future expenses and payments provided companies with the opportunity to evenly distribute future expenses between reporting periods, i.e., to form more objective information about financial results.

International Financial Reporting Standards provide for the possibility of creating reserves to compensate for the loss of impairment of assets (tangible and intangible economic resources), which is especially relevant for Ukrainian companies. The results of the analysis show that, unlike foreign companies, Ukrainian companies do not practice creating this type of reserve. Undoubtedly, the magnitude of the potential depletion of the productive power of assets can be estimated only hypothetically (the expected period of need and the size of the created target reserves), but we consider it necessary to introduce into Ukrainian practice foreign experience.

The materials of the analytical review show that in both Ukrainian and foreign companies, accounting standardization and practice pay much attention to the depreciation of receivables as a component of the assets of the entity. This is confirmed by the data of the processed reports of both groups of companies. The reserve for doubtful debts becomes especially important in the event of a crisis of non-payment in

the economy, receivables of debtors in liquidation and bankruptcy, which indicates the need to improve existing methods.

In general, it should be noted that the formation of different companies is carried out on the basis of applicable for each country mandatory rules for accounting. The financial statements of different companies reflect different types of reserves (reserve capital, doubtful debt reserve) and legally permissible reserves of an economic nature (potential reserves) and numerous objects of reservation for similar content and purpose. Many of the reserves reported by corporations are formed in accordance with the statutory rules of a particular company or defined by the governing body and the founders of the types of insurance funds for the management of the system of protective functions.

It is worth giving more detailed results of the analytical assessment of general state of capital reserves and target reserve funds and its individual components on the basis of public financial statements of analyzed companies (all indicators are calculated before the global pandemic 2020).

Table 1 provides information on these indicators at Ukrainian enterprises as for 2019.

The data of analyzed Ukrainian companies show the general picture of practice of reserve creation emphasizing the lack of reserve sources formed on the initiative of management. The sample includes joint-stock companies with state ownership (JSC Ukrgezvydobuvannya, JSC Ukrtransgaz), a state-owned enterprise (SE NEAC Energoatom), a municipal enterprise (Kyiv Metropolitan) and a commercial corporation (Capital Group Asset Management Company).

The data given in the table show that at two enterprises of state – corporate type, and also at municipal enterprise there is no legally regulated reserve capital due to their unprofitable activity. The municipal enterprise by the nature of its activity is socially oriented with the support of its activities with subsidies.

On the comparative example of the private company LLC AMC Capital Group and the profitable public-

private corporation Ukrgezvydobuvannya JSC it is possible to establish the all-Ukrainian approach to creation of reserves and provisions that are involved in the economic turnover of capital

A private company creates reserve capital and current provisions in the amount of minimum legislation. As for public-private corporations, the creation of reserve capital is also minimized there, but current liabilities are equal to 71.4% of the registered (authorized) capital. The same situation is present at JSC Ukrtransgaz, which is partly related to the formation of sources for payments on preferred shares.

It is important to disclose information (Table 2) on the created reserves of the short-term period (Provisions), long-term reserves (Long-term provisions), deferred reserves (Translation reserve) and other reserves (Other reserves), which are listed in the public reporting of selected global companies. Analytical assessment of provisions is carried out in comparison with total liabilities and equity, the total amount of capital (total equity) and retained earnings.

The above information demonstrates the different structure of reserve sources, their different percentages to the capital invested in the company. This is a natural factor in terms of the different specifics of their activities, compliance with various laws, but it also largely depends on the policy chosen by management in the field of creation of reserves of employed capital. We can note that most companies do not have short-term reserves (Provisions), deferred reserves (Translation reserve) and reserves intended to cover losses of the current period – Other reserves.

The results of the evaluated components of the reserve system of the studied companies demonstrate the idea of the created potential to insure the stability of their activities in the conditions of uncertainty of their future operation.

The strategic development plans of most commercial structures are traditionally dominated by well-known criteria of market growth, but the criteria of reserve provision are insufficiently expressed in them, which, to some extent, distorts the declared prerequisites for the development of companies in many sectors.

Table 1

Balance sheet items with reserve purpose as a part of ownership and total equity (thousand UAH)

Company name	Involved (functioning) capital	Including					% of reserves and current provisions to the capital:	
		Ownership capital (registered capital)	Reserve capital	Current liabilities (provisions)	Target capital reserves	Special reserve funds	involved	registered
LLC AMC Capital Group	32 253	30 000	107	66	X	X	0.54	0.6
Ukrgezvydobuvannya JSC	145 630 950	3 854 125	578119	2174199	X	X	1.9	71.4
Energoatom NNEGC	218 867 050	168 875 664	-	4 394 643	X	X	2.0	2.6
Ukrtransgaz JSC	190 275 014	6 494 612	-	3 972 777	X	X	2.1	61.2
Kyiv Metro ME	51 344 183	3 010 437	-	193 426	X	X	0.38	6.4

Table 2

Indicators of reserves and components of reserve sources in companies for 2020

Indicators, million	Company name									
	Nestle Group (CNY)		Volkswagen AG (EUR)		Samsung Electronics Co., LTD		Roche Holding LTD (CHF)		Bayer AG (EUR)	
	Absolute amount	% of capital	Absolute amount	% of capital	Absolute amount	% of capital	Absolute amount	% of capital	Absolute amount	% of capital
Total liabilities and equity	127940	100	101276	100	3025110	100	18440	100	84586	100
Total equity	52862	41.3	46217	45.6	2255596	74.6	17517	95.0	47739	56.4
Retained earnings	83060	64.9	100772	99.5	2184398	72.2	300	1.6	26151	30.9
Provisions	802	0.6	X	X	3491	1.5	X	X	X	X
Long-term provisions	1162	0.91	14554	X	524	0.17	35	0.19	18261	21.6
Translation reserve	21526	16.8	X	X	X	X	7.9	0.04	X	X
Other reserves	45	0.04	3564	X	X	X	13	0.07	X	X

6. Conclusions

The results of the evaluated components of the reserve system of Ukrainian and global companies demonstrate different parametric characteristics. Provisioning information is a necessary condition of financial reporting to disclose the fair property and financial condition and financial results of a modern company. Therefore, the imperative norms of state institutions should regulate significantly higher requirements for the creation of reserve and trust funds of an insurance nature by economic entities of national economies. In the field of international standardization of accounting and financial reporting and national accounting legislation, the issue of developing an adequate conceptual framework for the presentation of information on reserved sources for insurance of capital invested in the company remains relevant.

In the parameters of the actual global and national socio-economic environment and its projection in the foreseeable future, there are numerous risks of

companies losing part of the capital operating in their turnover. The creation by companies of their own reliable backup system is one of the means of maintaining their stable operation, management tools to mitigate the expected systemic multifactorial crisis factors. The acquisition of increasing social significance by many companies (corporations) objectively presupposes the consideration of components of a socio-economic nature in their reserve system, in particular, target reserves for the protection of pension funds. We propose to supplement the existing methods of assessing the effectiveness of socially significant companies (increasing the cost of capital, capturing the market, maximizing profits, etc.) with indicators of the degree of insurance of own reserves of capital invested in the company. We believe that such an adjustment criterion will provide a higher level of assessment of the potential financial and economic stability of the company, its disposition in the context of concepts of sustainable development.

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