

ACCOUNTING FOR THE COSTS OF RESTORING ASSETS AND INFRASTRUCTURE IN THE POST-WAR PERIOD: PROBLEMS AND DIRECTIONS FOR IMPROVEMENT

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Abstract. The article examines the theoretical and methodological foundations as well as the practical aspects of accounting for the costs of restoring assets and infrastructure in the context of Ukraine's post-war economic recovery. Current regulatory documents are analyzed, and problems and gaps in the accounting treatment of restoration expenditures are identified. Directions for improving enterprises' accounting policies regarding the restoration of destroyed assets, the adaptation of international standards, and the use of digital technologies to enhance transparency and efficiency of accounting are proposed.

Keywords: expenditures, accounting, assets, restoration, infrastructure, post-war period, accounting policy, IFRS.

The issue of accounting for the costs of restoring assets and infrastructure in the post-war period is gaining special relevance in light of the unprecedented destruction inflicted on Ukraine's economy by the full-scale aggression of the Russian Federation. The scale of damage, the diversity of funding sources, and the need for transparent reporting necessitate the development of a modern, methodologically coherent accounting system for recovery expenditures. Such a system should serve not only as a tool for recording costs and losses but also as a basis for managerial decision-making, reconstruction planning, and the receipt of international assistance and compensation.

One of the key challenges lies in the insufficient clarity within current regulatory acts regarding the criteria for capitalizing expenditures related to the restoration of assets that have been partially or fully destroyed. Both NAS 7 and IAS 16 outline general approaches to distinguishing capital from current expenditures; however, they lack specific provisions for situations in which an asset is being restored after destruction caused by military actions. This creates significant difficulties in establishing the initial or recoverable value of objects, particularly when primary documents have been lost and when the objective assessment of market value is complicated by instability in the construction materials and services market.

An important component of the study is the analysis of reconstruction funding sources. These include enterprises' own funds, state support programs, grants, donor assistance, and international financial instruments. Each source imposes specific reporting, documentation, and accounting requirements, which must be harmonized within the internal regulations of enterprises. Particular attention should be given to accounting for compensation received

from the state or international institutions, as its proper recognition directly affects financial results, tax liabilities, and the valuation of assets.

The article also highlights methodological challenges such as the complexity of classifying expenditures, risks of cost overstatement, duplication of expenses, or their incomplete inclusion in accounting records. The author emphasizes that mitigating such risks requires the implementation of a unified electronic system for recording losses and recovery expenses—one that integrates document flow, asset valuation functionality, and links to state databases, ensuring consistency of approaches nationwide. Digitalization, the use of geographic information systems, and automated document auditing collectively form a new, transparency- and analytics-oriented model for reconstruction.

Improvement of the accounting system is proposed through a revision of enterprises' accounting policies. It is advisable to include a separate section dedicated to accounting for recovery works: classification of expenditure types, capitalization criteria, documentation procedures, rules for recognizing compensation in income, and asset valuation methods in cases of partial or complete loss. Such approaches will enhance information standardization and improve the reliability of financial reporting.

The study concludes that effective accounting of recovery expenditures is strategically important not only for individual enterprises but for the state as a whole. It ensures accountability to citizens, donors, and partners, creates prerequisites for attracting international financing, and supports more rational reconstruction management. In the period of post-war transformation, accounting becomes an instrument of economic resilience and trust, shaping both the pace and the effectiveness of the country's recovery.

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