

**O. E. Lubenchenko,**  
DSc in Economics, Professor,  
Head of National Center for Accounting and Audit,  
National Academy of Statistics, Accounting and Audit,  
E-mail: olga.lubenchenko@gmail.com  
ORCID: <https://orcid.org/0000-0002-4209-8929>

## Goodwill: Accounting, Assessment and Auditing

The accounting of goodwill is an integral part of the transactions on business mergers and acquisitions. An analytical review of the definitions of the notions “asset” and “goodwill” was made. It revealed that goodwill was not a “classical” asset, because it could not be separated from a business entity. As investors, business managers and auditors have the need in its assessment, e. g. by evidence-based methods of goodwill assessment, such as balance method, business activity method, excess earnings method or expert assessment. The goodwill depreciation test is complicated and performed through assessing the capabilities of a company or its units to generate monetary flows. It is emphasized due the pandemic of COVID-19 leading European companies had to recognize goodwill devaluation in their financial reports in 2020–2021. The assessment of goodwill is a subject of auditor’s concern. The factors devaluating the assets, goodwill in particular, including the ones caused by the martial law, were systematized and supplemented, the working document of an auditor for the goodwill devaluation test was elaborated. In parallel with the goodwill devaluation test, an auditor is recommended to perform assessment of the company’s operation continuity, which will also confirm or deny the opinion about asset devaluation; a working document that considers for financial, operational and other factors of utility loss is proposed. The working documents are universal and can essentially simplify the documenting of auditing procedures. Based on a review of the International Standards on Auditing, the author came to the conclusion that the goodwill testing would not be always the key issue of audit. When an auditor does not agree with the estimates of goodwill depreciation made by accounting personnel and this disagreement is material, he will have to modify his report by articulating an opinion with reservation or a negative opinion, or by abstaining from giving his opinion.

**Key words:** goodwill, asset, accounting, assessment, audit, working documents of auditor, key issues of audit.

**Introduction.** Consolidations and mergers of companies are transformation processes in business, meant to ensure the competitiveness at tactic and strategic level of management. Studies of main tendencies at the international capital markets after the military aggression of Russia against Ukraine show that European buyers refuse to purchase commodities made by the Asian invader. Hence, Ukrainian companies can have a good expectation that once the war ends and Ukraine wins, the capital market will get a new impulse for development. Even in time of the war a good many buyers and sellers are willing to acquire or sell businesses in Ukraine [1]. That is why the issue of company acquisitions is vitally important for European and Ukrainian business entities.

**Materials and methods.** The process of acquisition or consolidation of business and its assessment has been in focus of domestic and foreign researchers. R. A. Chaves da Silva [2] demonstrated that the accounting data lays the basis for the recognition of company’s intangible

assets (reputation, goodwill) and their management, and defined the sources for aggregating the actual company’s value. The authors argue that a decision on recognizing the increased value of the capital on the basis of qualitative intangible information about goodwill has been found, although not a final one.

D. Bratus treated goodwill as an intellectual property object in the context of the national law of the Kazakh Republic and demonstrated that the definition of “goodwill”, apart from business reputation, incorporated definitions of business used in commerce (including the ones that are not registered as a means of individualization) – the qualification of not only a company per se, but its founders and personnel, perspectives of obtaining licenses, non-patented technical decisions [3].

A. Yeremenko explored the impact of intangible assets on the company (business) value and existing problems of company valuation using both balance sheet and off-balance intangible assets.

A. Poberezhnik investigated reputation characteristics of business enterprises in case of acquisition and sale or reorganization and revealed that goodwill as a reputational characteristic

had value features, existed throughout the whole period of the company operation, but could not be specified in a reliable manner; between the fair value of a company and its net value there always exists a difference that is actually goodwill [5].

The article's objective is to analyze the definition of the notion "goodwill" in view of the amendments in the International Accounting Standards and the procedures of audit pertaining to the assessment of goodwill in financial and non-financial reporting.

**Results and discussion.** The so called "intangible wealth", or goodwill, appears in time of company acquisition, merger or consolidation. To grasp the essence of the notion "goodwill", business managers, owners, investors and auditors need to clarify how it essentially appears. Goodwill is an intangible asset created at the moment of company acquisitions or mergers. Goodwill represents the difference between the fair value paid in a company acquisition and the sum of acquired assets minus acquired liabilities. Therefore, goodwill provides users with information about the price paid by a purchaser and his expectations, which is not identical with the actual value of a purchased business.

The positive margin (which can be regarded as business reputation and future profitability of a business enterprise) is considered as a price bonus in expecting future economic benefits. The negative goodwill occurs when the sale value of a company is smaller than the value of its net assets. At the same time, a buyer needs to recognize the received profit as part of the profit or loss as of the date of acquisition. Foreign analysts, with reference to requirements of international standards on accounting and national practices, consider goodwill as an asset with doubtful value [6; 7; 8], which requires a constant annual valuation.

The COVID-19 pandemic had heavy impact on the company operation across the world since the beginning of 2019. Due to this, for many companies the consequences of COVID-19 pandemic may cause the necessity of intermediate test for goodwill devaluation performed more often than once in a year. The indicators of goodwill devaluation are as follows:

- macroeconomic conditions: aggravated overall business climate, limited access to capital, fluctuations of currency rates or other events on stock and capital markets;
- sectoral or market limitations: aggravated environment where a business entity operates, more rigid competitive environment, changed market demand for products or services provided by a business entity, regulatory or political pressures;
- fluctuations of prices: increased prices for raw materials, energy or workforce, which had adverse effects for incomes and monetary flows;

- overall financial indicators: negative or reduced monetary flows from operational activities, reduced actual income and profit in comparison with planned figures or figures in comparable previous periods, reduced value of net assets;

- management factors: loss of key managerial personnel, a large share of clients or suppliers, which may cause bankruptcy, stable reduction of share price, legal proceedings [9].

In view of the above, the largest Spanish telecommunication company Telefónica ranking eighth among analogous global companies by market capitalization and providing services for 325 million subscribers in Spain, Latin America, Germany and U.K., in 2020 had to correct its goodwill value in the balance sheet by reducing it by 8,359,000 euro (at the end of 2020 compared with the end of the previous year). As stated in the company's financial report, the goodwill value decreased from 25,403,000 euro to 17,044,000 euro, which is an effect of the crisis provoked by COVID-19 [10]. Therefore, companies recognize goodwill as an asset that is subject to testing for devaluation at least once a year or more often, when signs of devaluation occur. The goodwill recognized in the initial inventory of a business consolidation is allocated on the units generating monetary flows, which are expected to benefit from a merger.

Can goodwill be regarded as a "classic" asset from the perspective of international or national standards on accounting? This issue is explored in Table 1 (compiled on the basis of [11–16]).

The conceptual framework of financial reporting published by the International Accounting Standards Board in September 2010 and revised in March 2018 defines an asset as the right with respect to the capabilities for creating economic benefits, and notes that not all the rights of a business entity are its assets. To be business entity's assets, the rights need (i) to have the potential of creating surplus economic benefits for a business entity compared with the economic benefit accessible for the rest of the parties and (ii) be controlled by a business entity (p. 4.9). Paragraph 4.11 of the Conceptual Framework for Financial Reporting defines that each of the business entity's rights is a separate asset. The legal right for property of a physical object can generate several rights, including:

- a) the right to utilize to an object;
- b) the right to sell the rights to an object;
- c) the right to pledge the rights to an object;
- d) other rights not specified in items a) – c) [11].

Goodwill can be regarded as an intangible asset, i. e. an asset without a material component. But goodwill is not a typical asset, because, contrary to other assets, it cannot be separated from a business entity, cannot be sold or pledged to anybody.

“Asset” and “goodwill”: a review of definitions

Definition	International Financial Reporting Standards (IFRS)	National regulations (standards) of accounting	Other sources
Asset	Asset is a current economic resource controlled by a business entity as a result of past events. Economic resource is a right with the potential of creating economic benefits (p. 4.3, 4.4, [11])	Assets are resources controlled by a business entity as a result of past events, which utilization is expected to bring economic benefits in the future [13]	Assets are resources utilized by a business entity for making products or carrying out activities aimed at income generation [15]
Goodwill	Goodwill is an asset representing economic benefits in future, resulting from other assets acquired in business consolidation, but not identified or recognized separately. As of the date of acquisition, goodwill is valued as a surplus of (a) over (b) given below: (a) the total sum: i) of the transferred compensation valued by this IFRS, which, as a rule, requires fair value as of the date of acquisition; ii) of the amount of any uncontrolled share in an object of acquisition, valued by IFRS 3; iii) in case of gradual business consolidation: the fair value as of the date of acquisition of the share in capital previously kept by a purchaser in an object of acquisition. b) the balance of the amounts as of the date of acquisition of identified acquired assets and accepted liabilities valued by IFRS 3 [12]	Goodwill is a surplus of the value of acquisition over the purchaser's share in the fair value of the acquired identified assets, liabilities and unpredicted liabilities as of the date of acquisition [14]	Goodwill is an accumulated nontangible asset of a business entity, including its name, reputation, business relations (including clients), brands, etc.; the property right [16]

However, goodwill can be utilized in the production of goods or services. IFRS has established very rigid requirements for the accounting of goodwill and its recognition in financial reporting. As already mentioned, business management needs to perform annual tests on goodwill devaluation, envisaged by the International Accounting Standard 36 “Impairment of Assets” [7; 8].

Because of inaccurate measurement of reporting indicators, the expected business duration proves to be considerably reduced for certain companies, and when non-financial internal issues are identified in a timely manner, companies will have to revise the reporting to submit it anew [17]. This conclusion can be applicable to the reporting on non-financial information about sustainable development and goodwill valuation.

An asset devalues when its balance sheet value is higher than the sum that is subject to compensation (fair value of the asset sale / value in use). However, goodwill cannot be tested for devaluation as a separate asset, because, as mentioned above, goodwill cannot be sold separately, hence, its fair value cannot be defined. Its value in use cannot be defined either, because goodwill does not generate monetary flows on its own, regardless of other assets. The value in use is the current value of monetary flows expected from a certain asset. The test for goodwill devaluation should be, therefore, regarded through the prism of business valuation: it is necessary to compare the balance sheet value of a company with its capacity

to generate monetary flows (revenue), i. e. to compare the balance sheet value of a company as a unit generating monetary flows with its value that is subject to compensation. Besides that, to test the utility reduction, goodwill acquired from business consolidation should be shared among all the units, or groups of units, generating monetary flows. It is a quite difficult problem for business entity's management and for an auditor in time of verifications of financial and non-financial information.

Foreign authors approach the goodwill valuation from expert opinion (analysts' consensus) perspective. Sometimes, when, according to experts, indicators of the period in scrutiny do not show a positive business development, strategic five-year plans of projecting monetary flows will be used. This model is consistent with the model of Gordon – Shapiro designed for company valuation through the sharing of dividends. In elaborating and assessing strategic plans, the current condition of the market, macroeconomic, competitive, regulatory and technological environments are accounted for [10].

Another quantitative methods for goodwill valuation are balance methods, methods of business activity and excess profits (Table 2, compiled in the basis of [10; 18; 19]).

The foreign analysts that have explored the issue of audit of reporting (by scrutinizing 131 audit reports) observe that goodwill devaluation, recognition of revenues and valuation of noncurrent tax liabilities constitute the key issues of audit [2].

Methods of goodwill valuation

Method	Description
Balance methods	a) accounting method: used in the acquisition of a business entity with the balance sheet value lower than the purchase value. The difference is allocated by a purchasing business entity on goodwill; b) comparative method: the valuation of a company image compared with the image of another company is performed by expert method through questioning, computation of weighting factor and ranking; c) cost method: based on estimating the costs for formation and use of business reputation; d) method of revenues: used in estimating the brand value, earmarking the income generated by the utilization of tangible assets and the income from intangible assets
Methods of business activity and excess profits	a) method of business activity: estimating goodwill as the difference between the net operational profit and the volume of sales multiplied by the profitability ratio. This method is applicable for evaluating the current reputation of a business entity. The estimations do not include the product specifics; b) method of excess profits: based on the comparison of the profitability of a given business entity and similar entities in the industry (or normative values), and on the identification of their difference not attributable to the impact of tangible assets

The key issues of audit are the issues that, in the professional opinion of an auditor, were the most significant ones in the financial reporting audit in the current period. These issues are addressed in the general context of the financial reporting audit and accounted for in forming the opinion about the reporting, but an auditor does not articulate his individual opinion on these issues [20]. It means that these are important issues that may draw attention of users of audit report and financial reporting, but they do not require a modification in the auditor' opinion.

To put it another way, a client has done every properly, with reference to the current law and the chosen accounting policy, but the issue is so important that an auditor makes emphasis on it in a separate paragraph.

This consideration made us systematize and extend the factors with impact on asset devaluation, goodwill in particular (see Table 3, compiled on the basis of [7; 21]). It can be useful in analysis of assets and identification of signs of their devaluation. These factors can be divided into external and internal ones.

Table 3

The working document of an auditor "Assessment of the objective data giving evidence of asset devaluation"

Factors	Testing (auditor's assessment)		Source of information and explanations of accounting and technical staff (notes, comments)
	Yes (existing)	No (absent)	
1	2	3	4
External sources of information			
1. Throughout the period the market value of an asset reduced much more than expected due to the passage of time or conventional utilization	x		Indicate an information source, send a request to management staff with respect to issues in items 1, 2, 3, 4, and assess the response
2. Throughout the period there was a change in (i) technological, market, economic or legal environment where a business entity operates, or (ii) in the targeted market of an asset, which had a heavy adverse effect for a business entity, or this change is forthcoming	x		
3. Market interest rates or other market rates of income from investment increased throughout the period, and this increase is likely to have effect for the discount rate used in valuating an asset in use, with substantially decreasing the amount of the expected compensation for an asset	x		
4. The balance sheet value of net assets of a reporting business entity is higher than its market capitalization	x		

1	2	3	4
Internal sources of information			
1. Heavy financial troubles faced by a business entity	x		Indicate an information source, send a request to management staff with respect to issues in items 1, 2, 3, 4, and assess the response
2. Signs of moral ageing or physical wear and tear of an asset (which can be identified in time of inventory)	x		
3. Reported net monetary flows or operational income (loss) from an asset are far less than the planned ones	x		
4. Facts of business contract violations (refusal or abstaining from paying any kind of debt)	x		
5. High probability of bankruptcy or financial reorganization in a business entity (signaled by estimates in financial reporting, including profitability) (companies grant customers additional discounts due to their low purchasing capacity)	x		Use financial reporting data for estimating: overall and interim liquidity, financial sustainability, profitability, business activity, probability of bankruptcy
6. Privileged terms provided by a lender for economic or legal reasons related with financial troubles of a borrower, which would never be applied in the other circumstances	x		Indicate an information source, send a request to management staff with respect to the issues in item 6–11 and assess the response
7. Recognition of the loss from asset devaluation in financial reporting for the previous period. The occurrence of information about reduced utility of an asset on an active market	x		
8. Carrying out risky transactions with financial assets (contracts of guarantees, bails)	x		
9. For accounts receivable specifically:			
a) a retrospective analysis of the term of paying the accounts receivable show that the whole nominal sum of accounts receivable cannot be withdrawn;			
b) an analysis of financial ratios gives evidence of negative tendencies in the business activity;			
c) the balance sheet value of net assets of a business entity is smaller than the statutory (deposited) capital (which occurs in business entities demonstrating negative results of profit-making)	x		
10. Limitations on the production of finished goods, carrying out works, rendering services (disruptions of raw materials supplies, downtime of production capacities related with not only supply chains, but also with quarantine or martial law, resulting in production recessions)	x		
11. Limitations on sales of goods, works or services due to quarantine measures or martial law	x		
Conclusion: signs of asset depreciation (indicate the asset) exist (do not exist)			
Executor: position, name, surname, date, signature Signatures of the inventory commission members: name, surname, signature (if this working document was compiled in time of inventory) Engagement quality controller: name, surname, signature			

Items 10 and 11 of Table 3 account for the specifics of business entity operation in the conditions of martial law caused by the large-scale aggression of the Russian Federation against Ukraine.

In parallel with the test on asset depreciation, an auditor needs to assess the company's business continuity in conformity with the International

Standard on Auditing 570 "Going Concern", which will also confirm or deny the opinion on asset depreciation (Table 4, compiled on the basis of [20]). This table shows an example of the auditor's working document on the assessment of financial, operational and other indicators with impact on the company's business continuity.



The working document of an auditor "Assessment of the continuity of company's operation"

№	Events	Occurrence (Yes/No)	Conclusion
1	2	3	4
Financial indicators			
1	Excess of liabilities over assets or excess of current liabilities over current assets	Yes	Estimate the amount of net assets, when the amount of net assets in a business entity is lower than the amount of registered (shared) capital, which raises doubts on the possibility to continue business operation in the next 12 months; request the explanations of management staff
2	Fixed-term loans with the forthcoming repayment, given the lack of real perspectives for prolongation or repayment; or excessive use of short-term loans for financing long-term assets	Yes	Document the information on the existing short-term and long-term loans and their repayment terms
3	Signs of the cancellation of financial support by lenders*	No	Information on the prolongation of loan contracts
4	Negative monetary flows from the operational activities, demonstrated by retrospective and prospective financial reporting and forward-looking financial plan (main indicators)	No	Report on the cash flows
5	Negative key financial ratios	Yes	Estimate the dependence on external sources of financing, the tendencies in indicators of absolute and overall liquidity, financial sustainability and profitability, business activity
6	Heavy operational losses or the essentially reduced value of assets used for generating monetary flows	Yes	See item 1
7	Debts or termination of payment of dividends	No	Dividends were not charged in the reporting period. Debts are none
8	Impossibility of timely payments to lenders	No	
9	Impossibility of fulfilling the terms of loan contracts	No	
10	Adoption of a scheme for payment at the moment of delivery of goods or services in place of a credit payment scheme	No	Advanced payments are made according to signed contracts
11	Impossibility of obtaining funds for the development of new main products or financing other material investment	No	Financing by obtained loans and crediting
Operational indicators			
12	Intentions of management staff to liquidate a business entity or stop business operation	No	Financial reporting is prepared on the principle of going concern. A company has neither intention or necessity to liquidate or substantially reduce its operation, nor is any alternative to this (obtain the assurance of management staff with respect to this issue)
13	Loss of the key management staff without their replacement. *In time of the martial law, the management staff can be drafted into the Armed Forces of Ukraine and the Territorial Defense	No	Turnover of key management staff is none. Make an additional request about change in the key personnel of a client, and assess the impact of this change on the probability of misstatement in financial reporting (obtain the assurance of management staff with respect to this issue)

## УДОСКОНАЛЕННЯ ОБЛІКУ ТА ЗВІТНОСТІ

Table 4, continued 1

1	2	3	4
14	Loss of the principal market, key client (clients), franchise, license or principal supplier (suppliers). *The martial law causes production recession, and ruining or damaging of assets require accounting valuation	No	Make an additional request to management staff with respect to the loss of the principal market, clients, etc., perform analytical procedures using alternative sources (obtain the assurance of management staff with respect to this issue)
15	Difficulties with workforce	No	Skilled personnel are available
16	Shortage of the most important resources	No	
17	The occurrence of a very successful competitor	No	Alternative sources of information. The management staff believes that effective competitors are few on the market
18	*In time of the martial law, the official regulation can prove to be more rigid ([22; 23], loss of the key client (clients), suppliers)		Make an additional request to management staff with respect to regulatory constraints in time of the martial law, perform analytical procedures, review the documents pertaining to financial monitoring (obtain the assurance of management staff with respect to this issue)
Other			
19	Failure to meet the requirements for the level of capital or other legal or normative requirements*	No	See item 1
20	Continuing judicial or regulatory proceedings against a business entity, which, when finished, may entail claims that will unlikely to be satisfied by this business entity	No	Request the response of lawyers, alternative sources.
21	Amendments in legal or normative acts or in government policies, which are expected to have adverse effects for a business entity	No	
22	Lacking or inadequate insurance for disasters in case of their occurrence. Loans provided by the owner (director)*	No	Property insurance contracts
23	Is there a negative value of net assets?	No	
24	Are there overdue credits or loans?	No	
25	Are there overdue payables?	No	
26	Is the financial condition adverse or is there a probability of its occurrence in the future period?	No	
27	Does the amount of net assets correspond to the statutory capital?	No	See item 1
28	Are there unfinished judicial proceedings that may cause the bankruptcy?	No	Request the response of lawyers, alternative sources
29	Are there any events occurring after the balance sheet date, which may cause the bankruptcy?	No	
30	Are there any conditions or events that mitigate the client's condition with respect to further events? Are the data about long-term financial support available with third parties? A request to these parties	No	
31	Does financial reporting disclose the management staff's assessment of the significance of events and conditions pertaining to the business entity's capability to fulfil its obligations, as well as material judgments made by the management staff as a component of their assessment of the business entity's capability to continue operation on an ongoing basis	No	

1	2	3	4
32	<p>Supplementary procedures, when events or conditions are revealed, raising doubts about the continuity of business operation (according to item 16, IAS 570):</p> <ul style="list-style-type: none"> <li>• analysis and discussion of monetary flows, profit and other relevant projections with management staff;</li> <li>• analysis and discussion of the latest available interim financial reporting of a business entity;</li> <li>• analysis of debt obligations and loan agreements, to find out if they are violated;</li> <li>• analysis of the minutes of meetings of shareholders and the persons charged with supreme authorities, and the relevant committees, to identify the problems with financing;</li> <li>• requests to the external lawyer of a business entity about the existence of lawsuits or claims and their assessment by management staff;</li> <li>• confirmation of the existence, validity and execution of the agreements with related and third parties on granting or providing financial support, and assessment of the financial capabilities of these parties to provide these funds;</li> <li>• assessment of the business entity's plans with respect to unexecuted clients' orders;</li> <li>• performance of auditing procedures concerning further events or identification of the events that mitigate, or effect in other way, the business entity's capability to continue operation on an ongoing basis;</li> <li>• confirmation of the existence of the ample room for obtaining loans;</li> <li>• receipt and review of reports of regulatory bodies, and assessment of the imposed penalties;</li> <li>• verification of the adequacy of confirmation of any planned asset disposal</li> </ul>		<p>Describe the algorithm of the procedures, including assessment of the financial condition by the available interim reporting</p>
<p>Conclusions about the continuity of business entity's operation                      Executor: position, name, surname, date, signature                      Engagement quality controller: name, surname, date, signature                      * For each client it is necessary to assess the impact of the martial law on its capability to continue operation (analyze potential scenarios and forecasts of management staff), to form a judgment, if there exists a material uncertainty with respect to the capability to continue operation and a necessity in additional disclosure of information in the financial reporting. For some clients the reasonability of making reports on the principle of going concern should be considered (by analyzing all the events occurring since the date of reporting or the date of its signing, and their impact on the future operation)</p>			

The proposed working documents are universal, i. e. they allow an auditor to reveal signs of asset depreciation, including goodwill, form the opinion about this depreciation and highlight it in an independent auditor's report. It should be emphasized that the issue of goodwill depreciation will not always be the key issue of audit, as argued in [2]. When an auditor does not agree with the estimates of goodwill depreciation made by accounting staff and this disagreement is material, he will have to modify his report by:

- stating the opinion with a stipulation, when an amount that caused disagreement with the accounting staff is material, but not comprehensive;
- stating the negative opinion in case of a material and comprehensive disagreement;
- abstaining from providing the opinion, when it is not possible to obtain audit evidence on depreciation.

**Conclusions.** Goodwill as an intangible asset is recognized in financial reporting in case of company acquisition and its being inseparable from it. Goodwill,

assuring competitive advantage and investment attractiveness, requires annual valuation to be made by management personnel of a business entity, i. e. the depreciation test. Its necessity is caused by investors' demands: (i) an investor purchasing a business can hope for "hidden" value and be willing to pay for it, expecting that the investment will bring even higher profit in the future; (ii) once a business is acquired, an investor seeks for the response on the questions, if the investment is profit-making, if the earned profit can cover the costs for acquisition, if the assets recognized in the balance sheet proved to be overvalued.

The goodwill devaluation test is quite complicated in practice and should be made part of the business assessment, because an individual asset (goodwill) does not generate monetary flows and its fair value cannot be estimated. The factors of asset devaluation, if defined in a sound manner, e. g. through assessing the continuity of business entity's operation and considering the martial law, allow accounting staff and an independent auditor to come to the conclusion



on the goodwill depreciation and form the judgment on the completeness and reliability of the accounting information provided in the reporting.

Further research is expected to focus on the assessment of intellectual capital as a non-financial information.

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### **О. Е. Лубенченко,**

доктор економічних наук, професор,  
завідувач Національного центру обліку та аудиту,  
Національна академія статистики, обліку та аудиту,  
E-mail: [olga.lubenchenko@gmail.com](mailto:olga.lubenchenko@gmail.com)  
ORCID: <https://orcid.org/0000-0002-4209-8929>

## **Гудвіл: облік, оцінка та аудит**

Облік гудвілу є невід'ємною частиною операцій з об'єднання чи придбання бізнесу. У статті розглянуть дефініції "актив" і "гудвіл". З'ясовано, що гудвіл не є класичним активом, тому що не може бути відокремленим від підприємства. У інвесторів, менеджменту суб'єктів господарювання, аудиторів виникає потреба в його оцінці, тому систематизовані методи оцінки гудвілу, такі як балансові методи, методи ділової активності і надлишкових прибутків, експертні оцінки. Тест на знецінення гудвілу є складним і проводиться через оцінку можливості компанії або її підрозділів генерувати грошові потоки. Зауважено, що пандемія COVID-19 призвела до того, що провідні європейські компанії у 2020–2021 роках визнали знецінення гудвілу в своїх фінансових звітах. Оцінка гудвілу є предметом уваги аудитора. Були систематизовані та додані фактори, що впливають на знецінення активів, зокрема гудвілу, в тому числі фактори, що пов'язані із воєнним станом, розроблено робочий документ аудитора для тестування знецінення активів. Разом с тестом на знецінення активів аудитору пропонується провести оцінку безперервності діяльності компанії, що також буде підтверджувати чи спростовувати

думку щодо знецінення активів, запропоновано робочий документ, що враховує фінансові, операційні та інші фактори втрати корисності. Робочі документи є універсальними і значно полегшуватимуть документування аудиторських процедур. На підставі вивчення приписів Міжнародних стандартів аудиту авторка дійшла висновку, що тестування гудвілу не завжди буде ключовим питанням аудиту. Якщо аудитор не погодиться з оцінками облікового персоналу щодо знецінення гудвілу і така незгода буде суттєвою, він має модифікувати свій звіт: вказати думку із застереженням, негативну думку або відмовитись від надання думки.

**Ключові слова:** гудвіл, актив, облік, оцінка, аудит, робочі документи аудитора, ключові питання аудиту.

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