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FOR MASTER'S QUALIFICATION THESIS

Student Name: _____Su Benyun

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Supervisor: Khrystenko Larysa Mykolaivna, Prof., PhD (Econ.)

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4. Content of the Explanatory Note: 1. Theoretical and methodological studies of issues in enterprise financial flow management. 2. Research into the operating environment, analysis of the state and results of financial and economic activities of LLC IMC ("Industrial milk company"). 3. Formation of proposals for improving the management of financial flows at the enterprise

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Levels of formation and movement of financial flows in the economy. Similarities and differences between the concepts of "cash flow" and "financial flow". The definition of "financial flow" is a movement of financial resources. Features of financial flows management. Scheme of management of financial flows of a business entity. Dynamics of crop production indicators of the IMC. Key factors of the activities of LLC IMC. The business model of LLC IMC. Financial results for IMC LLC. Analysis of the state of assets and sources of their financing at IMC LLC. General analysis of summarized cash flows of IMC LLC. Detailed analysis of cash flows from operating activities at IMC LLC. Characteristics of the financial flows management system. Elements of the financial flows management system. The proposed architecture of the financial flow management system in the company. Characteristics of financial resource management centers.

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6	Submission of Chapter 2 materials	February 2025	
7	Preparation and drafting of Chapter 3	February 2025	
8	Submission of Chapter 3 materials	March 2025	
9	Drafting conclusions and finalizing the thesis	March 2025	
10	Defense presentation preparation	March 2025	

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РЕФЕРАТ

Текст стор. 92, табл. 16, рис. 16

Аграрний сектор, суб'єкти агробізнесу, фінансові ресурси підприємства, фінансові відносини підприємства, фінансові потоки підприємства, об'єкт управління, система управління, елементи системи управління фінансовими потоками, функції елементів системи управління фінансовими потоками, функціональні взаємозв'язки, канали фінансових потоків, архітектоніка системи управління фінансовими потоками.

У кваліфікаційній роботі магістра ретельно досліджена сутність та характеристику фінансових потоків як об'єкта управління на мікрорівні; досліджено процес управління фінансовими потоками, його підходи та механізми реалізації на рівні суб'єкта господарювання; надано характеристику компанії ТОВ «ІМС» («Індустріальна молочна компанія»), проведено аналіз результатів її фінансово-господарської діяльності; проведено діагностику стану кадрового, організаційно-управлінського потенціалу ТОВ «ІСМ»; проведено дослідження стану фінансової діяльності та ефективності управління грошовими та фінансовими потоками ТОВ «ІМС». У частині формуванні пропозицій щодо вдосконалення управління фінансовими потоками на підприємстві в магістерській кваліфікаційній роботі здійснена спроба виявлення ефективних структурних елементів системи управління фінансовими потоками, їх функції та відповідних функціональних зав'язків; запропоновано побудову архітектоніки системи управління фінансовими потоками на підприємстві.

ABSTRACT

Su Benyun. Improving the management of financial flows at the enterprise. The manuscript.

Qualifying work of the master's degree in specialty 073 "Management", educational and professional program "Management". Volodymyr Dahl East Ukrainian National University, Ministry of Education and Science of Ukraine. Kyiv, 2024.

In the qualification work of the master's degree, the essence and characteristics of financial flows as an object of management at the micro level were studied; the process of financial flow management, its approaches and mechanisms of implementation at the level of a business entity were studied; a characteristic of the company LLC "IMC" ("Industrial Milk Company") was provided, an analysis of the results of its financial and economic activities was conducted; a diagnosis of the state of personnel, organizational and managerial potential of LLC "IMC" was carried out; a study of the state of financial activity and the effectiveness of cash and financial flow management of LLC "IMC" was conducted. In terms of formulating proposals for improving the management of financial flows at the enterprise, the master's qualification work attempts to identify effective structural elements of the financial flows management system, their functions and corresponding functional relationships; the construction of the architectonics of the financial flow management system at the enterprise was proposed.

Key words: Key Words: Agrarian sector, agribusiness entities, financial resources of the enterprise, financial relations of the enterprise, financial flows of the enterprise, object of management, management system, elements of the financial flows management system, functions of the elements of the financial flows management system, functional relationships, channels of financial flows, architectonics of the management system financial flows

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INTRODUCTION

The expansion of practical activities of business entities related to the movement of financial resources leads to the complication of financial relations between them, which is manifested in the increase and diversification of transactions, changes in the range of counterparties and intermediaries, and the emergence of various financial schemes (complex financing schemes, tax optimization, etc.). Therefore, scientific literature increasingly considers financial flows as an economic category and a specific economic concept. The issue of changing the paradigm of financial management in general, and financial flows in particular, is actualized by financial crises, which have become a permanent phenomenon since the 1990s. This is mainly because financial crises are no longer isolated in the context of economic globalization. At this stage, the current trends in finance are the creation of new value through new investment schemes, financial levers, and methods of managing financial flows. In a globalized economy, the latter move across borders, are based on information technology, and cause benefits for some economic agents and losses for others. Therefore, the study of the nature of financial flows as a phenomenon and object of management at both the micro and macro levels is relevant from both theoretical and practical points of view [33].

Among the researchers who studied financial flows and their management mechanisms are well-known domestic scientists. Thus, G. Azarenkova [1], in her monograph, emphasizes the need to focus on financial resources depending on the type of activity of the business entity. M. Derkach [15] focuses on financial flows at the national level, T. Payenko [32] emphasizes the differences in financial flows at the level of the enterprise and the state, A. Podderyogin [36] and I. Blank [9] build a mechanism for managing the finances of an economic entity. Numerous foreign scholars have also studied this issue within the financial management framework - J. Brigham and M. Ehrhardt [13], Z. Bodie and R. Merton [10], and others. Many scholars (S. Barulin [33], A. Marantika [41]) talk about the transformation of modern economies into a financial market economy of an innovative type. However, there is

no single characteristic and no single view of the essence and role of financial flow in the development of economic entities, so further research in this area is necessary [33].

The object of the master's qualification work is financial flows at the micro level, as well as their essence and characteristic features. The subject of the study is approaches, methods and mechanisms of financial flow management at enterprises. The purpose of the master's qualification work is to formulate proposals for improving the management of financial flows at the enterprise level. To achieve the set goal, the following tasks were solved in the master's qualification work: the essence and characteristics of financial flows as an object of management at the micro level were studied; the process of financial flow management, its approaches and mechanisms of implementation at the level of a business entity were studied; a characteristic of the company LLC "IMS" (Innovations. Management. Team) was provided, an analysis of the results of its financial and economic activities was conducted; a diagnosis of the state of personnel, organizational and managerial potential of LLC "IMS" was carried out; a study of the state of financial activity and the effectiveness of cash and financial flow management of LLC "IMK" was conducted. In the formation of proposals for improving the management of financial flows at the enterprise, an attempt was made in the master's qualification work to establish the structural elements of the financial flow management system, their functions and corresponding functional relationships; the construction of the architectonics of the financial flow management system at the enterprise was proposed.

The study used the method of generalization and comparison, descriptive analysis and the method of groupings, structural and logical analysis, the method of analogy, comparison and integration, methods of expert evaluation, the method of graphical presentation of analytical data, etc.

SECTION 1

THEORETICAL AND METHODOLOGICAL STUDIES OF ISSUES IN THE FIELD OF ENTERPRISE FINANCIAL FLOW MANAGEMENT

1.1. The essence and characteristics of financial flows as an object of management at the micro level.

In today's rapidly changing and turbulent times, when any business entity faces, first and foremost, the task of survival in its environment and maintaining its financial and economic stability, the issue of effective management of financial flows and their directions plays a crucial role. Since financial flows are created and activated at all economic and management systems levels, the issue of developing effective mechanisms for managing financial flows in terms of their organization and regulation, adapted to modern conditions and their challenges, is of great importance.

Before moving on to the practical issues of creating appropriate mechanisms, it is necessary to study all the relevant aspects that characterize the object of management at the enterprise - financial flows. To begin with, financial flows are responsible for the receipt (creation), transformation (transformation), and use of financial resources of an enterprise through purposeful with positive (receipt) or negative (disposal) results. Therefore, despite the different levels of occurrence and multidirectional impact on the state of financial resources, the main functions of the financial flow are still the formation and use of financial resources and the sources of their receipt.

In a globalized environment, the role and capabilities of national economies are changing, and access to financial resources is growing. We agree with the opinion of S. Barulin [33] regarding the growth and modification of the role of finance in the economy. Among the main features that characterize the new type of economy are the following: the transformation of all monetary relations without exception into financial relations, monetary resources into financial resources, and ultimately, money into finance; transfer of money functions to finance (financial instruments);

replacement of large-scale market transactions of purchase and sale with speculative transactions in the market of derivative financial instruments (derivatives); replacement of real capital with fictitious (financial) capital. As a result, finance as a dynamic redistribution relationship is increasingly replacing cash, and financial flows are replacing cash flows.

An economic system of any level initiates the movement of financial flows during its functioning. Financial flows transform the financial resources formed in a certain way into a purposeful movement characterized by a positive or negative result for this economic system. Thus, financial flows as a dynamic form of financial resource movement are manifested at the national (global) level (international financial flows); macro-level (national) (financial flows between sectors, economic areas, industries, and regions), meso-level (the movement of financial flows between companies during their operation and ecosystem actors); micro-level: the movement of financial flows within a company (corporation, integrated structure, responsibility centers, etc.) (Fig. 1.1).

Thus, financial flows occur at different levels; at the appropriate level, they are the object of management. Thus, unlike at the enterprise level, financial flows at the country level are characterized not only by monetary relations but also by economic relations, which are a broader concept. They characterize the dynamic features of the movement of the country's financial resources in carrying out specific operations - tax collection, budget investments, external borrowing, foreign trade, etc. Despite the level of functioning, the main function of the financial flow is the formation and use of financial resources.

An analysis of the scientific literature on financial flows at the level of business entities has shown that experts in this area distinguish several approaches to defining the concept of “financial flow”.

One group of scholars emphasizes three approaches to the definition of financial flow: 1) as a component of the logistics system; 2) identifying them with the cash flow; 3) recognizing them as specific cash flows or as the movement of financial resources [22, 30]. Substantiating scientific approaches to the definition of financial flows, O. Bondarenko systematized them according to the following three approaches: 1) financial

flows in the logistics system; 2) financial flows in the financial management system of an economic entity; 3) financial flows in the macro- and micro-environment [12]. O.V. Maiboroda also systematizes them according to three approaches in the study of the essence of financial flows: 1) financial flow is equal to cash flow; 2) financial flow exists only at the macro level; 3) financial flow exists at the micro level [27]. D.I. Tokarev, studying the essence of the financial flow, divides them into groups in three areas of management: 1) from the point of view of public finance, 2) financial management, 3) financial logistics [34]. These approaches have something in common, but there are also some differences. Let us characterize them and determine which approach most fully reveals the essence of the financial flows of insurance companies.

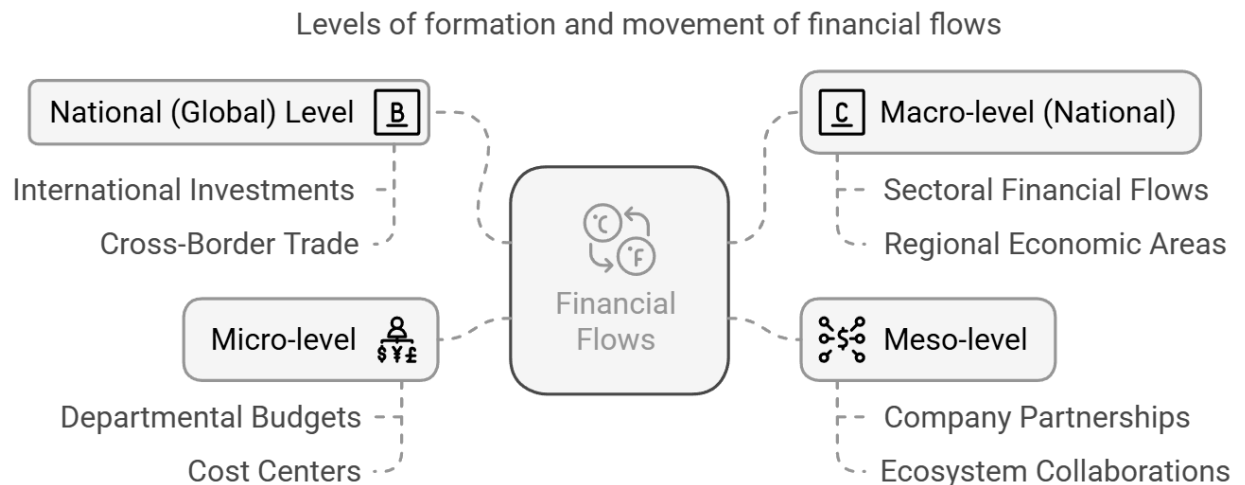


Fig. 1.1. Levels of formation and movement of financial flows in the economy [33].

Proponents of the logistics approach define financial flow as a component of the logistics system, understanding it exclusively in conjunction with the material (commodity) flow. V.I. Sergeev defines financial flow as “the directed movement of financial resources associated with material, information, and other flows both within and outside the logistics system”. He believes that financial flows arise when reimbursement of logistics costs, attraction of funds from financing sources, reimbursement (in monetary terms) for products sold, and services rendered to participants in the logistics chain [25], according to A. I. Moroz, the logistics financial flow is “a directed movement of financial resources, which is conditioned by the need

to ensure the movement of the corresponding commodity flow” [29]. From the point of view of representatives of the Ukrainian logistics school, in particular, E. V. Krykavsky, the subject of logistics research should be considered an integrated system of material, information, and financial flows at the enterprise [26]. The concept of logistics is realized in the management of logistics processes. Logistics flows (material, information, and financial) in the process of their spatial and temporal transformation with changes in the parameters of space, time, quantity, quality, and other properties of the logistics product, which is a product that is transported in the form of cargo [26]. O. Bondarenko defines financial flows “as a directed movement of financial resources in a certain logistics system in a certain period.

Thus, most foreign and domestic scientists in the field of logistics agree when it comes to the category of “flow” that the key concept in logistics is the material flow, and other types of flows are considered concomitant. The main purpose of financial flows is to ensure the movement of material flows in the required volumes on time and using the most efficient sources of financing [12].

It is not correct to disclose the essence of the financial flows of enterprises within the framework of the logistics approach because the financial resources that ensure the movement of material flows are considered mainly as cash, i.e., there is an identification of financial and cash flows and the relations accompanying the movement of financial resources are not considered.

According to the second approach, financial flows are considered an object of management in financial management or the financial management system of a business entity. Within the framework of financial management, the concept of “financial flow” is identified with the cash flow “Cash Flow”, which is explained by the fuzzy boundaries in determining the composition of financial resources and financial relations [38]. In other words, they reduce the understanding of financial flow to the aggregate movement of monetary assets and other equivalent means of payment.

Cash flow (cash flow, payment flow) is a fundamental concept for financial

management. The concept of “cash flows” was introduced into scientific circulation and became the subject of research by US scientists in the postwar years in connection with the intensification of the securities market. The difference between cash and financial flows is inherent in money and finance. For an enterprise, money is a part of its assets, namely, the most liquid monetary assets, the amount and movement of which is determined in financial (accounting) statements. At the same time, “finance” is a relationship regarding the formation and distribution of financial resources. At the same time, money and finance are flowing, and their functions are performed in dynamics [33].

The term “cash flow”, which describes the dynamics of cash flow, is used by financial management at the micro level. Any business can be represented as incoming and outgoing cash flows. A.M. Podderiyogin and M.D. Bilyk defines the economic basis for forming cash flows as “the circulation of capital in commodity production” [36]. Management of cash flows is aimed primarily at their synchronization in time and balance in volume to ensure the solvency and financial stability of the business entity.

Undoubtedly, the actual movement of cash and cash equivalents on cash, settlement, and other accounts mediates a significant part of transactions of business entities. Still, the economic essence of financial flows is much broader. In its activities, an enterprise performs many transactions that do not directly affect cash. In managing financial resources, a financial manager may make decisions that change their movement, volume, or structure unrelated to cash flow. For example, tax optimization schemes, factoring, granting (obtaining) commodity loans, and other non-cash investment and financial transactions [33].

It is worth noting that theoretical works offer different approaches to interpreting the concept of “financial flow” at the micro level (enterprise level). The most common are two approaches: according to the first, in our opinion, simplified approach, financial flow is identified with cash flow. The simplicity of this approach is explained by the fact that cash is only a type of financial resource, and therefore, cash flow is part of the overall system of financial flows. Therefore, despite the

scientific and practical fundamentality of the two concepts of “cash flow” and “financial flow”, it is inappropriate to compare these two concepts since, unlike cash flow, which involves the movement of cash, financial flow may also involve movement related to both monetary and non-monetary transactions related to the movement of the entire set of financial resources, depending on the sources of their receipt. It is this concept that is the basis of the second approach to the interpretation of the concept of “financial flow”.

Table 1.1 summarizes the comparative characteristics of cash and financial flows.

Table 1.1

Similarities and differences between the concepts of “cash flow” and “financial flow” [33]

Cash flow	Financial flow
cash receipts and payments for a specified period	a purposeful movement of financial resources or financial instruments characterized by a positive or negative result
Common characteristics	
<ul style="list-style-type: none"> - Accompany the entity throughout its operation and have their own characteristics at different stages of its life cycle. - Arise because of operating, investing, and financing activities. - They are dynamic and perform their functions in the movement process. - Have a cost expression measured by a specific amount of cash. - Are subject to management financial and investment planning. 	
Distinctive characteristics	
The purpose of management is to guarantee the constant solvency of the enterprise, which is a necessary condition for ensuring its financial stability	Management aims to improve financial and economic results and increase business value by forming and implementing optimal schemes for forming, moving, and using financial resources.
Cash flows ensure that the company fulfills its internal and external financial obligations and contributes to the formation of company reserves.	Financial flows perform distribution and redistribution functions, as well as control functions in relation to the formed cash funds.

Therefore, cash flow can be considered a type of financial flow. Unlike cash flow, which involves the movement (inflow and outflow) of monetary assets (money and its equivalents), financial flow may also involve movement related to both

monetary and non-monetary transactions (obtaining assets through financial leases; barter transactions; acquisition of assets through the issue of shares, etc.

Therefore, the study considers the financial flow of an enterprise as a purposeful movement of financial resources with the help of special instruments within a certain financial system, considering the financial policy and financial relations at the enterprise, sources of financing its resources in compliance with legal and regulatory norms and rules. The financial flow of an enterprise is a set of time-distributed receipts and expenditures of funds generated in the course of business activities, and therefore, it acquires such characteristic parameters as volume, diversified movement both within and outside the enterprise, ways, and channels of movement; time; sources of formation and directions of distribution.

Nevertheless, most researchers associate financial flow with the movement of financial resources and believe that the defining feature of financial flows is the source of their formation - financial resources.

The definition of financial flow as the movement of financial resources in the interpretation of domestic authors is presented in Table 1.2.

In the researchers' definitions, the influence of time factors on the volume and types of financial resources is clearly seen, as well as the nature of financial relations, the allocation, and the impact of financial flow management processes on business entities' liquidity and financial condition. However, researchers' views on “financial resources” and their composition differ. Depending on the sectors of the economy to which business entities belong, various factors affecting the effective management of financial flows and approaches to financial flow management are distinguished [38].

The analysis of the definition of financial flows and the essential characteristics of the financial flow at the level of business entities [1], allowed to determine the general essential characteristics of the financial flow that are inherent in all business entities [38]: 1) financial and economic activity as the economic basis for the emergence of financial flows; 2) financial flows cause a change in the volume, composition, placement and use of financial resources; 3) financial flow generalizes various forms and types of movement of financial resources of certain business

entities; 4) each financial flow has its own source and direction of movement; 5) financial flow does not always lead to real movement of cash and cash equivalents; 6) financial flow as a process leads to the achievement of a certain economic result; 7) financial flows are.

Table 1.2

The definition of “financial flow” is a movement of financial resources

Author	Concept
O.V. Yermoshkina [19, p. 43]	The financial flow is a dynamic set of financial resources distributed in time and space, which are formed, distributed, and used in enterprise functioning, i.e., purposefully moved by separate flow management centers.
G.M. Azarenkova [1, p. 75].	The financial flow is a purposeful change (volumes, types, forms, and types) of financial resources of a certain business entity, carried out together with its corresponding cash flows (equivalent financial flows) or without them (non-equivalent financial flows) but always considering the time factor, and reflects the liquidity of these financial resources.
O.V. Mayboroda [27, p. 5]	The financial flows of an enterprise are a purposeful movement of financial resources in the process of conducting business operations, which results in economic relations
O.V. Kneisler [24, p. 320]	The financial flow of an insurer is an orderly and systematic movement of financial resources for all types of activities over a certain period of time, which is aimed at achieving efficient management.
N.O. Nebaba [30, p. 55].	The financial flow in the system of private pension provision is a purposeful movement of financial resources within the system of NPF to ensure social security and provide guarantees of stable income for participants of funded pension schemes when they reach retirement age by accumulating voluntarily in individual pension accounts and increasing funds through investment income received as a result of a balanced, effective, minimally risky investment activity.

Therefore, from the point of view of the third approach, financial flow (at the micro level) is a purposeful movement of financial resources or financial instruments within a certain financial scheme, which is the result of a management decision made considering regulatory and legal norms and is consistent with the financial policy of the enterprise. The scheme of financial flow means a combination of its main characteristics - volume, time, ways and channels of movement, etc. It should correspond to the financial strategy and objectives of the enterprise [33].

The following parameters characterize financial flows: 1) volume (the amount

of financial resources that form the financial flow is indicated in documentary, electronic, or any other support in monetary units); 2) diversified movement both within the enterprise, since financial flows cover all subsystems of the enterprise, and outside it; 3) ways and channels of movement; 4) time; 5) sources of formation and directions of distribution.

Thus, the movement of financial flows is initiated by an economic system of any level during its functioning. Financial flows transform the financial resources formed in a certain way into a purposeful movement characterized by a positive or negative result for this economic system. Regardless of the level of functioning, the main function of financial flow is the formation and use of financial resources. There are two most common approaches to considering financial flows at the enterprise level. According to the first approach, financial flows are identified with cash flows. Since cash flow is a fundamental financial management concept, comparing these two concepts is still inappropriate. Cash flow is only a type of financial flow. Unlike cash flow, which involves cash movement, financial flow can also include movements related to monetary and non-monetary financial transactions. Therefore, financial flows are associated with the movement of the entire set of financial resources according to the sources of their receipt. Therefore, the financial flow at the enterprise level in the thesis is understood as a purposeful movement of financial resources or financial instruments within a certain financial scheme, which results from a management decision made by regulatory and legal norms and is consistent with the financial policy of the enterprise. Financial flows are characterized by the following parameters: volume and diversification.

Like any management category that is objectively related to an enterprise as an open economic system, financial flow management is also seen as a system whose complexity is primarily related to the lack of universality of mechanisms due to the need to maintain a high degree of adaptability to the individual characteristics and specific conditions of functioning of each individual business entity, the system of financial flows must necessarily comply with the financial strategy and objectives of the enterprise.

1.2. Financial flow management: characteristics of approaches and management mechanism at the level of an economic entity.

In the formation of effective management mechanisms in the field of creation and use of financial resources, as well as regulation and control of flows responsible for the appropriateness of their structure, volumes, sources of income, etc., in relation to the operating activities of the enterprise, it is financial flows that become the key to creating the necessary reasonable financial reserves for the survival and development of Ukrainian enterprises in the context of the political, financial and economic crisis. The efficiency of any business entity (enterprise) in obtaining the main result and additional financial benefits depends on the quality of all processes related to the movement of financial flows. Optimally regulated financial flows at an enterprise are responsible for financial balance and ensuring the growth of the enterprise's value, its financial and economic stability, solvency, and even profitability of operating, financial, and investment activities.

An analysis of modern approaches to managing financial flows allows us to distinguish two main ones: from the perspective of logistics and financial management.

The logistic approach is based on the flowing nature of the movement of financial resources and uses dynamic characteristics and appropriate methods of analysis of inherent inflows as a phenomenon. Financial flows (according to the logistic approach) are the movement of financial resources that circulate in the logistics system and between the logistics system and the external environment. Logistics emphasizes such basic parameters that characterize the flow as its starting and ending points and the trajectory of movement. The logistics approach allows for maximizing revenues, minimizing costs, and hedging risks [33].

According to the logistics approach, financial flow management is associated with material flow management (most often, financial flows are a monetary reflection of material flows) and information flow management (financial flows are the result of management decisions, are generated and start moving after receiving and processing

relevant information, i.e., after information flows). Accordingly, financial flow can be defined as a directed movement of financial resources associated with cash and/or information flows within the enterprise's logistics system.

Within the framework of financial management, as already mentioned in paragraph 1.1, financial flow is considered a set of time-distributed receipts and outflows of financial resources, often identifying financial flow with cash flow. Therefore, financial flow management considers the mobilization, movement, and distribution of financial resources, which ends with a certain result.

In the growing prevalence of flow approaches to characterizing the economy, “the basis for the development of effective mechanisms for managing the finances of enterprises is the integration of methodological provisions of financial management and logistics” [11]. The first step towards this, according to O. Bondarenko, is the emergence of a new direction in the system of economic science - financial logistics. The financial approach to managing financial flows acquires new specific features due to the logistics approach and is transformed into a logistics-oriented one [11].

Therefore, the financial logistics of an enterprise is associated with the effective management of its financial flows. Financial logistics as an approach to financial management involves planning and controlling the formation of financial flows, focusing on their optimization and synchronization in time and space. Management of financial logistics flows is understood as optimizing the financial mechanism of logistics systems, controlling the financial operations of the enterprise, and ensuring their orderliness and balance [33].

Regardless of the chosen approach (financial management or financial logistics), financial flows are the object of management. I.A. Blank defines the process of financial flow management as “a system of principles and methods of development and implementation of management decisions related to the formation, distribution, and use of enterprise funds and organization of their turnover” [9]. E.A. Utkin considers financial flow management somewhat broader - as management of cash, financial resources, and the process of their formation and movement, distribution, and redistribution [35]. All management decisions in the field of formation and use of

financial flows are closely interrelated and have a direct or indirect impact on the results of the enterprise.

Since the issue of high-quality and efficient management of the company's financial flows is one of the key issues in ensuring its functioning and development, the role of the Chief Financial Officer (CFO) is growing. The CFO is a manager responsible for managing the financial flows of the business, for financial planning and reporting, and is turning into a key person in the company's management. The CFO determines the company's financial policy and manages the financial management work based on the strategic goals and prospects of the company's development. Therefore, among his functions, it is worth emphasizing the optimization of financial flows, which consists in developing models for their management. Optimization of financial flows is impossible without management of receivables and payables, investment management, tax optimization, etc.

Management of an enterprise's financial flows is a complex process that involves the purposeful management of the movement of financial resources or financial instruments within a certain financial scheme, which is the result of a management decision made by regulatory and legal standards and is consistent with the financial policy of the enterprise. Financial flows occur in economic systems of different levels, and at each level, they should not be chaotic but managed. The enterprise financial flows management system includes a set of methods and tools for organizing economic relations, based on which financial resources flow to achieve the set goals. The growing role of financial flows in the global economy in general and within the enterprise ecosystem requires improving methods and management tools. The introduction of the latest financial instruments is impossible without understanding the essence of financial flows and the new challenges facing the financial manager of an enterprise. The key tasks of management include rethinking the principles and functions of financial management and considering modern theories of financial management [33].

The management of an enterprise's financial flows is considered a complex, multi-level, dynamically ordered system, the activities of which are aimed at the formation, maintenance, distribution, and movement of such financial flows that would

ensure the sustainable functioning and development of the enterprise. The formation, maintenance, distribution and movement of financial flows in such a system should be a permanent process at the enterprise, the termination of which indicates the presence of certain problems. In order to develop measures to improve the management of financial flows at an enterprise, it is advisable to distinguish the following elements of the management system of this object: functional divisions of an enterprise; all types of enterprise resources and sources of their formation; external counterparties; infrastructure of markets (commodity, financial, labor, capital markets); management centers responsible for performing certain functions of financial flows management (planning; organizational and information support, maintenance, accounting, control, monitors, etc. Since each element of the system performs a specific set of functions, and the quality and timeliness of their performance affect the results of its functioning, it can be argued that the financial flows management system has all the types of relationships that are characteristic of complex multilevel systems, namely: interaction, generation, transformation, structure, functioning, development, and management.

Like any structure, the enterprise financial flow management system combines primary and secondary elements (units, resources, external environment, responsibility centers, models, and mechanisms). These elements have certain connections, such as interaction, generation, transformation, structure, functioning, development, and management. Having defined the elements of the financial flow management system as a dynamically active structure and the relationships in such a system, we can proceed to build its architectonics. According to the flow theory, all flows in a system must pass through certain channels. Financial flows move through input, distribution, and output channels within the movement, management, service, and control circuits between financial flow management centers (planning, service organization, monitoring, accounting and control, and motivation). In the future, it will be advisable to determine the distribution of relevant management functions between individual management centers, to establish the factors that affect the operation of the financial flows management system, and to determine the parametric characteristics of the system and its contours. Implementation of an effective system of financial flow management at

an enterprise, based on the proposed architectonics, is carried out by activating several processes.

Financial flow management should be aimed at implementing the basic concepts of financial management [33]:

1) Analysis of retrospective and forecast information (financial flows management should consider information about the company's activities in the past while being focused on obtaining future results and achieving strategic development goals).

2) Evaluation of money in time (optimization of financial flows involves ensuring that their inequality in the present and the future is taken into account), since the financial flow is a tool that allows you to work with both the volume of receipts and payments and with moments of time [6].

3) Balance (optimization of financial flows is based on ensuring compliance between incoming and outgoing financial flows);

4) A trade-off between risk and return - optimization of financial flows involves allocating financial resources to the most profitable areas while determining an acceptable level of risk that limits the profitability of financial transactions.

5) Opportunity costs - the distribution and use of the enterprise's financial resources should be carried out considering the loss of income associated with rejecting alternative options.

6) Socially significant finances are a system of funds accumulated by the enterprise and used by it to meet social needs or have an indirect social effect. The social component should be considered and, in some cases, be the key factor in making many management decisions regarding financial flows at the enterprise level. Today, business ethics is increasingly integrated into the financial decision-making process, and various aspects of financial management are becoming more socially oriented.

In addition, such characteristics of financial flows as transparency and legality are becoming increasingly important today. Although financial flow may be legal, the ethics of its use may be questioned. For example, let's look at the use of offshore schemes - they do not contradict the law, but their use of financial flows withdraws

significant amounts of money from countries. Smuggling, transfer pricing, conversion schemes, etc., form illegal financial flows.

Financial flow management aims to solve the following tasks [33]: 1) providing financial and economic activities with the necessary financial resources in sufficient quantities and at any time; 2) maximizing the results of business processes and activities in general with minimal outgoing financial flows. 3) increasing the balance and intensity of financial flows; 4) optimizing the quantitative composition of financial flows; 5) reducing the need for borrowed capital and increasing the amount of own working capital; 6) improving the work of functional units.

Financial flow can occur both in the company's ecosystem and within it. It is worth noting that the more complex a business entity is in terms of organization and economy, the more diversified its financial flows are, and the more complex is the mechanism for managing them. Considering integrated corporate structures (financial and industrial groups, holdings, TNCs, etc.), managing financial flows is their priority. In managing the financial flows of complex integrated corporate entities, it is important to consider the peculiarities of transfer pricing - when optimizing financial flows, it is necessary to consider the approach to determining prices when conducting transactions within an integrated corporate structure. An important task of managing financial flows in integrated corporate structures is to achieve a synergistic effect [33].

The structure of financial flow management includes the internal mechanism for managing the formation and movement of financial resources, as well as specific methods and techniques for managing financial flows used in the process of accounting, analysis, planning, control, and regulation (balance sheet, regulatory, economic and statistical, comparison, etc.) [33].

To create an effective mechanism for managing financial flows, it is necessary to consider the peculiarities of implementing and improving the management of financial flows of enterprises, as presented in Table 1.3.

Table 1.3

Features of financial flows management [4]

Features	Characteristics
1) Overcome the stereotype that formalizing financial flow management procedures is unnecessary.	The biased nature of this stereotype is usually caused by the low level of personnel qualifications and only sometimes (objectively) the elementary nature of the operations performed by the company.
2) Expanding the volume of internal and external financial flows for a particular business entity.	The ability to promptly identify and realize internal reserves is achieved through comprehensive detailed planning of the company's expenses and income and the dynamics of its financial condition. Evaluating the efficiency of financial resources allows timely identification of the need to change the direction of using such resources and its prompt implementation.
3) Clear identification of sources of financial resources at the planning stage.	Planning of expenses and revenues at large enterprises is usually observed without their linkage to each other, or planning is carried out mainly for the total volume of production without division into types of products or specific areas of activity. Such a planning system does not answer the question of how much financial resources are needed to achieve the expected financial result, and the analysis of planned income and expenses does not allow for an objective assessment of the company's performance.
4) Implementation of cost planning by the production program and the established planned income standard.	The planned production volume should be considered in the context of the nomenclature with the help of which it is planned to generate income, providing the information necessary to prepare certain plans and budgets, as well as the information they provide and the directions of its further application.
5) Consider the organizational and financial structure when planning the company's activities.	The plans should be detailed for individual areas of activity and the departments or employees responsible for implementing their individual elements. This improves the quality of management only when the formed structure is constantly used in forecasting, planning, financial operations, and financial analysis.
6) Short- and long-term forecasting of the total financial resources and their individual types.	The financial strategy of the enterprise should be based on the implementation of appropriate financial forecasts of certain types of resources
7) Overcoming the limited approach to assessing financial condition.	Most enterprises diagnosed their financial condition superficially, limiting themselves to determining some liquidity indicators and comparing accounts receivable and accounts payable. A detailed financial analysis is the starting point for further management of financial resources.

Features	Characteristics
8) Applying economic and mathematical methods (EMM) to manage financial resources.	8. Application of economic and mathematical methods (EMM) in managing financial resources. Economic and mathematical methods allow for analyzing large amounts of data and identifying the negative impact of factors on the results of the company's financial activities, which helps to neutralize their impact quickly.
9) Management of financial flows of enterprises in the context of the existing business system and application of the logistics approach.	The logistics approach determines the management of financial activities, both financial resources and the types of resources into which they are transformed: material, labor, and information.

Fig. 1.2 summarizes the methodological aspects of managing the financial flows of a business entity.

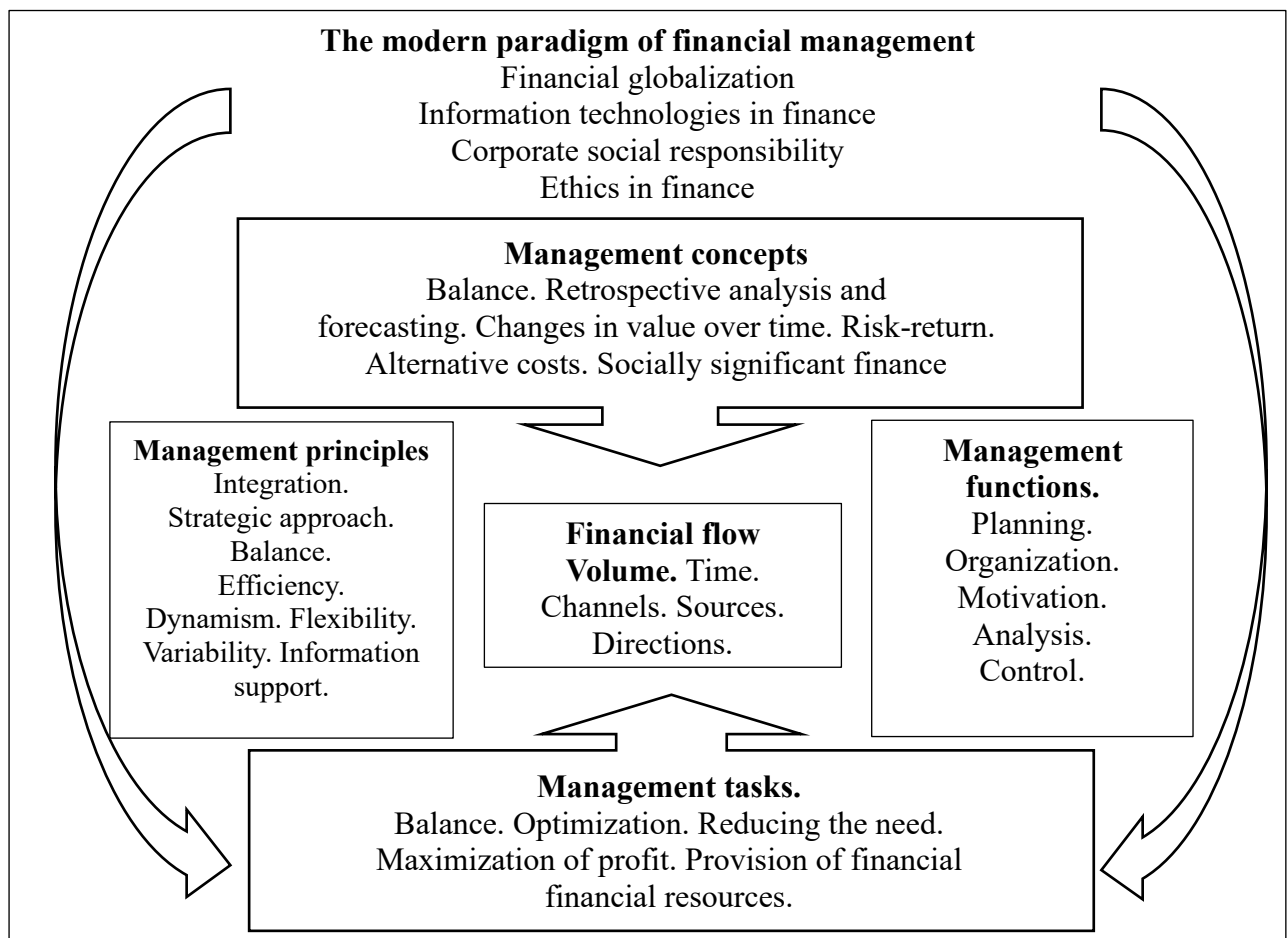


Fig. 1.2. Scheme of management of financial flows of a business entity [33].

The principles of the financial flows management system, compliance with which contributes to the efficiency of the enterprise, include: 1) integration with the general management system of the enterprise; 2) focus on the strategic goals of the enterprise development, which means that even the most effective draft management decisions should be rejected if they contradict the enterprise strategy; 3) information support of management decisions; 4) the principle of balance (all types of financial flows should be subject to the same goals and objectives of management, which requires their balance in terms of various characteristics: types, volumes, time intervals, etc; 5) high dynamism of management due to the instability of environmental factors, the potential for the formation of financial resources, forms of organization of production and financial activities; 6) flexibility, which implies the ability of the structure and parameters of financial flows to change in accordance with changes in the environment; 7) variability of approaches to the development of specific management decisions, which should take into account alternative options, the choice of which is based on a system of criteria determined by the enterprise development strategy; 8) the principle of ensuring effective.

Since the financial flow management system is a part of the overall enterprise management system, it has inherent management functions - planning, organization, motivation, control, and regulation.

Forecasting and planning of financial flows. Forecasting primarily concerns incoming financial flows (receipt of financial resources), while planning determines outgoing financial flows (distribution of financial resources) with a high level of detail. Financial flows are managed and optimized by ensuring the financial plan meets specific economic conditions. The most effective planning tool is the budgeting of financial flows, which requires the development of methods for building a system of budgets, their structuring, and consolidation within the enterprise [33].

The organization of financial flow management involves allocating centers of financial responsibility and forming information flow schemes. It aims to ensure the balance of incoming and outgoing financial flows and their optimization in size, time, and intervals [33].

Motivation in managing financial flows contributes to the interest of financial managers in determining the optimal schemes of financial flows to improve the enterprise's financial performance [33].

The purpose of financial flow analysis is to identify the interdependence between the flows of financial resources of an enterprise and its financial and economic results. The analysis of financial flows is based on their classification. The analysis is based on information on the enterprise's financial resources' formation, movement, structure, and efficiency [33].

Control and regulation involve coordinating the movement of financial flows according to certain criteria and parameters, goals, and objectives [33].

Thus, in the formation of effective management mechanisms in the field of creation and use of financial resources, as well as regulation and control of flows responsible for the appropriateness of their structure, volumes, sources of income, etc., in relation to the operating activities of the enterprise, it is financial flows that become the key to creating the necessary reasonable financial reserves for the survival and development of Ukrainian enterprises in the context of the political, financial and economic crisis. Managing the financial flows of an enterprise is a complex process that involves the purposeful management of the movement of financial resources or financial instruments within a certain financial scheme, which is the result of a management decision made by regulatory and legal standards and is consistent with the financial policy of the enterprise. Financial flows occur in economic systems of different levels, and at each level, they should not be chaotic but managed. The enterprise financial flows management system includes a set of methods and tools for organizing economic relations, based on which financial resources flow to achieve the set goals. The growing role of financial flows in the global economy in general and within the enterprise ecosystem requires improving methods and tools for managing them. The introduction of the latest financial instruments is impossible without understanding the essence of financial flows and the new challenges facing the financial manager of an enterprise. The key tasks of management include rethinking the principles and functions of financial management and considering modern financial management theories.

CONCLUSIONS TO SECTION 1

In the formation of effective management mechanisms in the field of creation and use of financial resources, as well as regulation and control of flows responsible for the appropriateness of their structure, volumes, sources of income, etc., in relation to the operating activities of the enterprise, it is financial flows that become the key to creating the necessary reasonable financial reserves for the survival and development of Ukrainian enterprises in the context of the political, financial and economic crisis. The efficiency of any business entity (enterprise) in obtaining the main result and additional financial benefits depends on the quality of all processes related to the movement of financial flows. Optimally regulated financial flows at an enterprise are responsible for financial balance and ensuring the growth of the enterprise's value, its financial and economic stability, solvency, and even profitability of operating, financial, and investment activities.

An economic system of any level initiates the movement of financial flows during its functioning. Financial flows transform the financial resources formed in a certain way into a purposeful movement characterized by a positive or negative result for this economic system. Regardless of the level of functioning, the main function of financial flow is the formation and use of financial resources. The most common approaches to considering financial flows at the enterprise level are two. According to the first approach, financial flows are identified with cash flows. Since cash flow is a fundamental financial management concept, comparing these two concepts is still inappropriate. Cash flow is only a type of financial flow. Unlike cash flow, which involves the movement of cash, financial flow may also involve movements related to both monetary and non-monetary financial transactions. Therefore, financial flows are associated with the movement of the entire set of financial resources according to the sources of their receipt. Therefore, the financial flow at the enterprise level in the thesis is understood as a purposeful movement of financial resources or financial instruments within a certain financial scheme, which is the result of a management decision made in accordance with regulatory and legal norms and is consistent with

the financial policy of the enterprise. Financial flows are characterized by the following parameters: volume, diversified movement both within and outside the enterprise, ways and channels of movement, time, sources of formation, and distribution directions. The scheme of financial flows must necessarily correspond to the financial strategy and objectives of the enterprise.

Management of an enterprise's financial flows is a complex process that involves the purposeful management of the movement of financial resources or financial instruments within a certain financial scheme, which is the result of a management decision made in accordance with regulatory and legal standards and is consistent with the financial policy of the enterprise. Financial flows occur in economic systems of different levels, and at each level, they should not be chaotic but managed. The enterprise financial flows management system includes a set of methods and tools for organizing economic relations, based on which financial resources flow to achieve the set goals. The growing role of financial flows in the global economy in general and within the enterprise ecosystem requires improving methods and tools for managing them. Implementing the latest financial instruments is impossible without understanding the essence of financial flows and the new challenges facing the financial manager of an enterprise. The key tasks of management include rethinking the principles and functions of financial management and considering modern financial management theories.

SECTION 2

RESEARCH OF THE OPERATING ENVIRONMENT, ANALYSIS OF THE STATE AND RESULTS OF FINANCIAL AND ECONOMIC ACTIVITIES OF LLC IMC ("INDUSTRIAL MILK COMPANY")

2.1. Characteristics of the company IMC LLC ("Industrial Milk Company") and analysis of the results of its financial and economic activities

IMC is an integrated agricultural business operating in Ukraine. In May 2011 IMC conducted IPO on Warsaw Stock Exchange [31].

The main areas of IMC's activities are:

cultivation of grain & oilseed crops

storage of grain & oilseeds crops [31].

IMC was established in 2007, and since then, it has been operating. However, the history of existing shareholders' business development goes back to 1998 [31].

IMC is among Ukraine's top 10 agricultural companies.

Smart green strategy 2023-2033. In 2023, IMC announced its SMART GREEN STRATEGY 2033, focused on implementing precision & regenerative agriculture practices to improve operational efficiency and align the company's activity with the EU Green Deal targets.

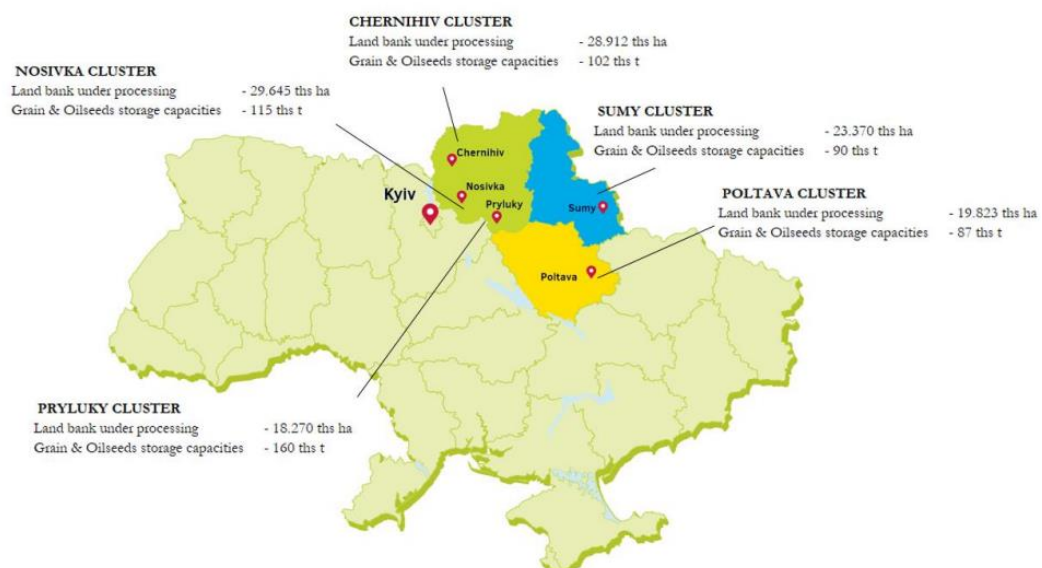


Fig. 2.1. Location and infrastructure of the land bank of LLC IMC [31]

Areas of activity of IMC LLC include the production of agricultural crops, such as corn, wheat, and sunflower; the storage of agricultural crops; and milk production [31].

The company has:

- 1) 120 ths hectares in prime fertile farming regions of Ukraine.
- 2) High concentration of land plots within the clusters (average distance between fields up to 20 km).
- 3) Developed and self-sufficient farming infrastructure: 3.1) own storage capacities for grain and oilseeds; 3.2) logistic infrastructure; 3.3) own machinery park.

The activities of IMC LLC are formed in the form of clusters (Table 2.1.).

The land bank and production infrastructure are located in Chernihiv, Sumy, and Poltava regions [31].

Table 2.1

An example of cluster organization of activities of LLC IMC [31]

#	Cluster	Land under management, ths ha		Grain and oilseeds storage, ths t	
		ths ha		ths t	
1	Chernihiv	28.9		102	
2	Nosivka	29.6		115	
3	Pryluky	18.3		160	
4	Poltava	19.8		87	
5	Sumy	23.4		90	
		120.0		554	

Operating activity. Despite the war, the lack of production personnel, and forced changes in crop cultivation technology, IMC achieved record yields of two main crops in 2023: corn – 12.4 t/ha and winter wheat – 7.1 t/ha.

The idea of vertical integration is at the heart of the IMC business model. A vertically integrated business structure allows us to take advantage of diversification, guarantee the supply of raw materials with minimal transportation costs, and effectively manage all value chain elements. A high level of vertical integration, both within each business and between segments, provides competitive advantages in the

markets, high production efficiency, and financial stability [31].

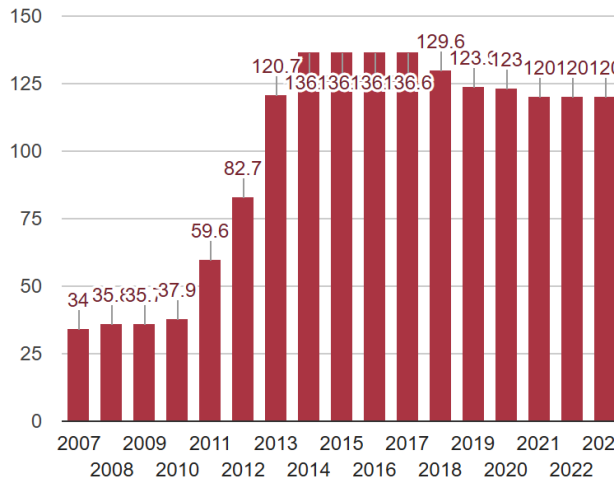


Fig. 2.2. IMC land bank, thousand hectares [31]

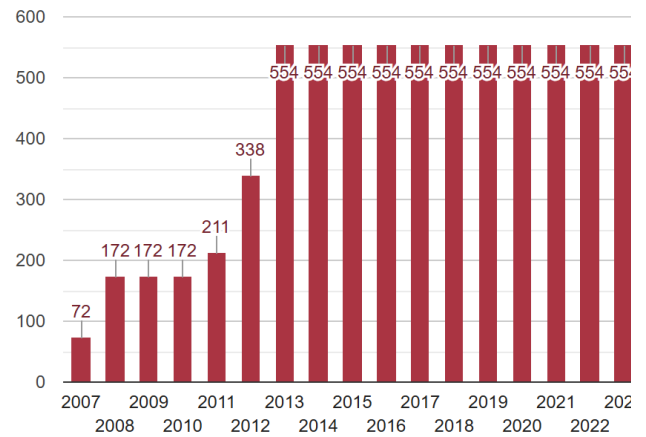


Fig. 2.3. Grain and oilseed storage capacity, thousand tons

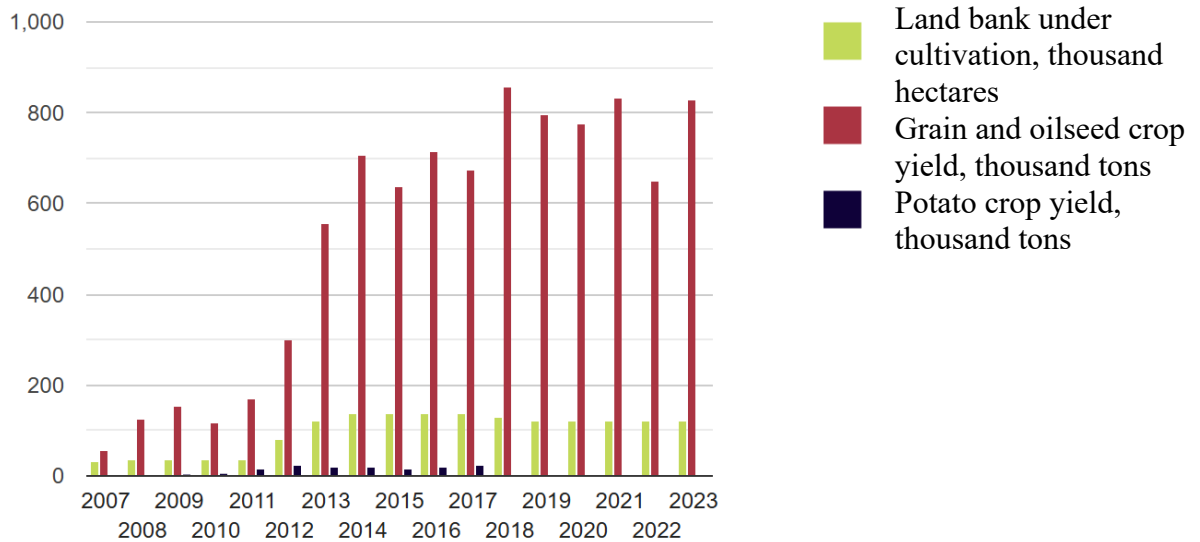


Fig. 2.4. Dynamics of crop production indicators of the IMC[31]

Key factors of IMC LLC's activities in 2021 are presented in Fig. 2.5.



Fig. 2.5. Key factors of the activities of LLC IMC in 2023 [31]

The business model of IMC LLC is presented in Fig. 2.6 [31].

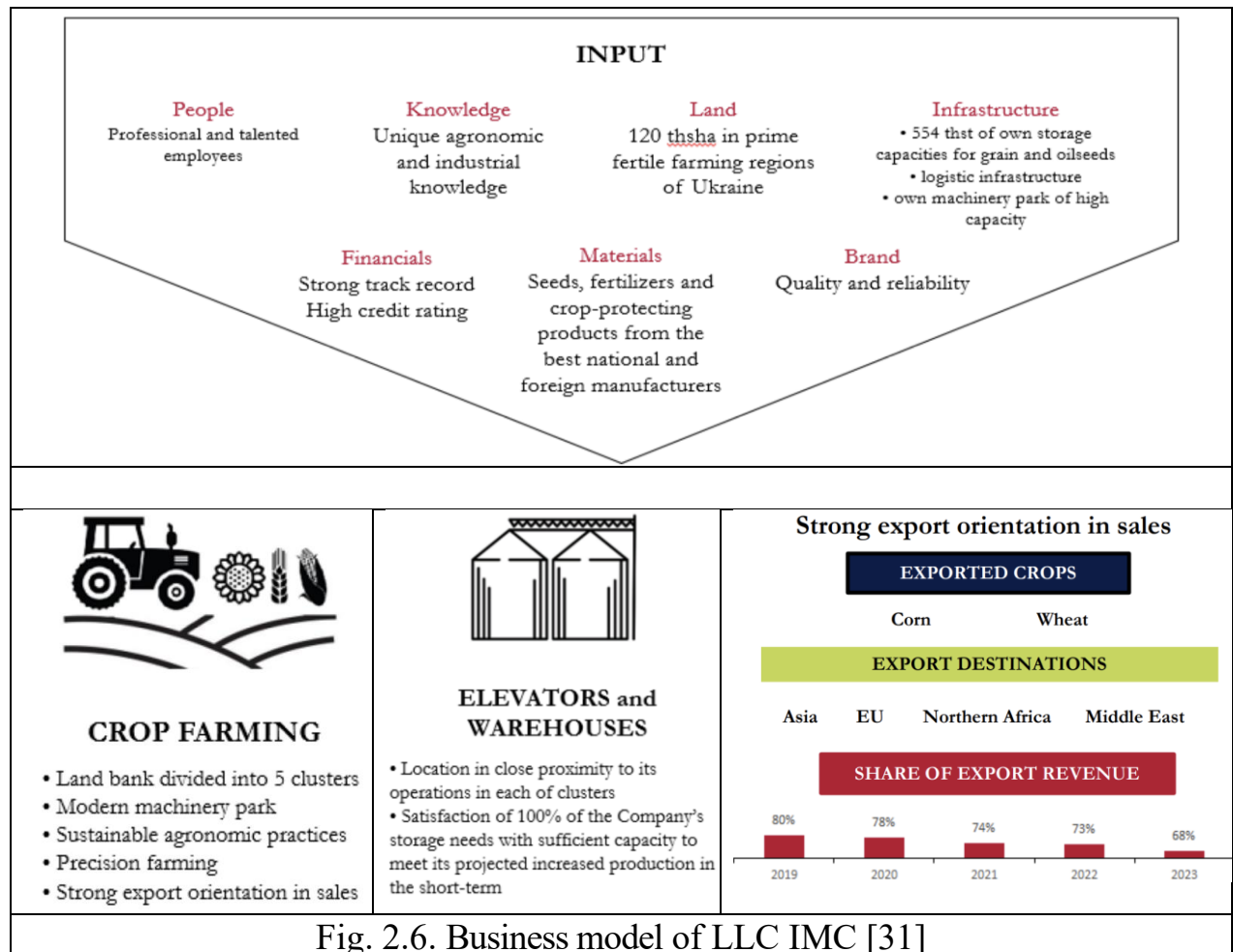


Fig. 2.6. Business model of LLC IMC [31]

Characteristics of crop production of IMC LLC [31].

The main crops grown by IMC are corn, sunflower, and wheat.

The lands on which IMC operates are in Poltava, Chernihiv, and Sumy regions. These are favorable agricultural regions regarding soil and climatic conditions for growing crops. The company's land bank is formed in five clusters, with fields near each other. This makes it possible to maximize operational efficiency and achieve cost reduction by optimizing the use of human and technical resources and contributing to effective operational management.

IMC LLC applies modern production and management practices in agriculture and constantly invests in the purchase of new agricultural machinery and equipment from leading world brands. IMC fields use a system of multi-depth soil cultivation: deep loosening, plowing, disking and cultivation. Alternating such technological methods allows you to create optimal conditions for the growth and development of

crops. The technology used to grow crops at IMC involves using seeds, fertilizers, and plant protection products exclusively from the best domestic and foreign manufacturers. Elements of precision agriculture are being tested and implemented in production: GPS-monitoring systems for equipment, autopiloting, methods of remote sensing of the earth, monitoring of yields, variable seed sowing rates, and differentiated fertilizer application.

The state of crop production after the armed conflict between the Russian Federation and Ukraine started.

Autumn sowing 2022. In the fall of 2022, winter wheat was sown on an area of almost 33 thousand hectares, which is 80% more than the traditional sowing areas for winter crops in the Company in previous years. The war forced the management of IMC LLC to review the agricultural mix in 2022. The area under corn was reduced in favor of winter wheat since corn requires more gas and electricity for drying grain. Also, in the fall of 2022, winter wheat was sown in areas where the spring sowing campaign was not carried out due to the need to demine and inspect these areas for shell remnants. The Company has positive prospects for increasing the sowing areas of winter wheat. Firstly, this is IMC's contribution to Ukraine's food security. Secondly, in Ukraine in 2022, the area sown with winter wheat was significantly reduced, potentially negatively affecting the wheat supply on the world market and leading to an increase in wheat prices.

At the end of August 2022, IMC completed the threshing of winter wheat. Grain was threshed from an area of 18.3 thousand hectares, yielding almost 123 thousand tons of grain, with an average yield of 6.7 t/ha, which is a record for all years of the company's business activities and 18% higher than the wheat yield at IMC in 2021.

In 2023, winter wheat was sown on an area of almost 33 thousand hectares at IMC - 80% more than the traditional area under winter crops in the company in previous years. The war forced IMC to review the sowing structure in 2022: the area under corn was reduced in favor of winter wheat since corn requires higher gas and electricity costs for drying grain; also, in the fall of 2022, winter wheat was sown in

areas where the spring sowing campaign was not carried out, due to the need to demine and inspect these areas for shell remnants. However, IMC also associates positive expectations with the increase in the area under winter wheat. Firstly, this is IMC's contribution to Ukraine's food security. Secondly, in general, in Ukraine in 2022, the area sown with winter wheat significantly decreased, which will potentially negatively affect the wheat supply on the world market and increase its prices.

Taking advantage of the resumption of grain exports through deep-water Ukrainian ports, in the last quarter of 2023, IMC completed the sale of corn from the 2022 harvest and began sales of grain and oilseed crops from the 2023 harvest [43].

Sales volumes of corn in the fourth quarter of 2023 amounted to 121 thousand tons, wheat - 77 thousand tons, and sunflower - 34 thousand tons [43].

A significant decrease in world prices for agricultural products during 2023, as well as significant logistical costs for delivering grain to the port (in the last quarter of 2023 - \$25 per 1 ton, which is more than for most other large Ukrainian agricultural holdings due to the location of the IMC land bank) led to the fact that even despite the opening of Ukrainian Black Sea ports for export, average sales prices for grain and oilseeds remained low [43].

The average sales price of corn in the fourth quarter of 2023 was \$141 per 1 ton (excluding grain delivery costs), and wheat - was \$147 per 1 ton [43].

Characteristics of the condition of elevators and warehouses.

IMC has significant agricultural storage facilities (elevators and floor storage warehouses) near its production areas. The company uses only its own storage facilities. IMC's storage facilities meet 100% of the company's storage needs and have sufficient potential to meet these needs in the short term, subject to increased production volumes. Possession of these storage facilities enables the company to sell its agricultural products throughout the marketing year. It significantly reduces the negative impact on prices during and after harvest and the risks associated with physical crop losses.

Financial and operating results of IMC LLC.

Table 2.2 presents the results of IMC Company's activities obtained from the

consolidated financial statements.

Table 2.2

Financial results of IMC LLC, thousand dollars [31]

Current activities	2021	2020	Changes, %	2022	2023	Changes, %
Revenue	181693	161387	13%	139453	114034	22%
Gain from changes in fair value of biological assets and agricultural produce, net	113184	77022	47%	15242	46133	-67%
Cost of sales	(183900)	(159170)	16%	(132710)	(107664)	23%
GROSS PROFIT	110977	79239	40%	21985	52503	-58%
Administrative expenses	(11333)	(11258)	1%	(9666)	(16878)	-43%
Selling and distribution expenses	(16375)	(15839)	3%	(23994)	(18829)	27%
Other operating income	4442	1315	238%	1444	1043	38%
Other operating expenses	(1901)	(2056)	-8%	(3323)	(1143)	191%
Write-offs of property, plant, and equipment	(251)	(82)	206%	(41)	(16)	153%
Reversal of impairment of property, plant, and equipment	-	120	-100%	390	-	100%
Impairment of property, plant, and equipment	-	(1090)	-100%	(184)	-	100%
OPERATING PROFIT/(LOSS)	85559	50349	70%	(13389)	16680	-180%
Financial expenses, net	(789)	(2137)	-63%	(1110)	(658)	69%
Financial effect of lease of right-of-use assets	(7201)	(7234)	0%	(5396)	(6264)	-14%
Foreign currency exchange (loss)/gain, net	2255	(7918)	-128%	(1185)	(10327)	-89%
PROFIT / LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	79824	32188	148%	(21080)	(569)	3605%
Income tax expenses, net	(1114)	(483)	131%	50	(552)	-109%
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	78710	31705	148%	(21030)	(1121)	1776%
Normalized EBITDA	110348	71839	54%	3216	36224	-91%

Detailed Conclusion on the Financial Results of IMC LLC

The financial performance of IMC LLC over the period from 2020 to 2023 demonstrates significant fluctuations in revenue, profitability, and operational efficiency. The company experienced both strong growth in earlier years and a substantial decline in financial indicators in the later period.

Revenue and Gross Profit (Fig. 2.7). Revenue increased 13% in 2021 compared to 2020, reaching \$181.7 million, indicating strong market demand and effective sales strategy. However, in 2022 and 2023, revenue experienced a steep decline of 22%, falling from \$139.4 million in 2022 to \$114 million in 2023. This decline suggests adverse market conditions, lower sales, or pricing pressure. Gross profit followed a similar pattern, growing by 40% in 2021, but falling by 58% in 2022 and 2023, reflecting the increased cost of sales and decreasing efficiency.

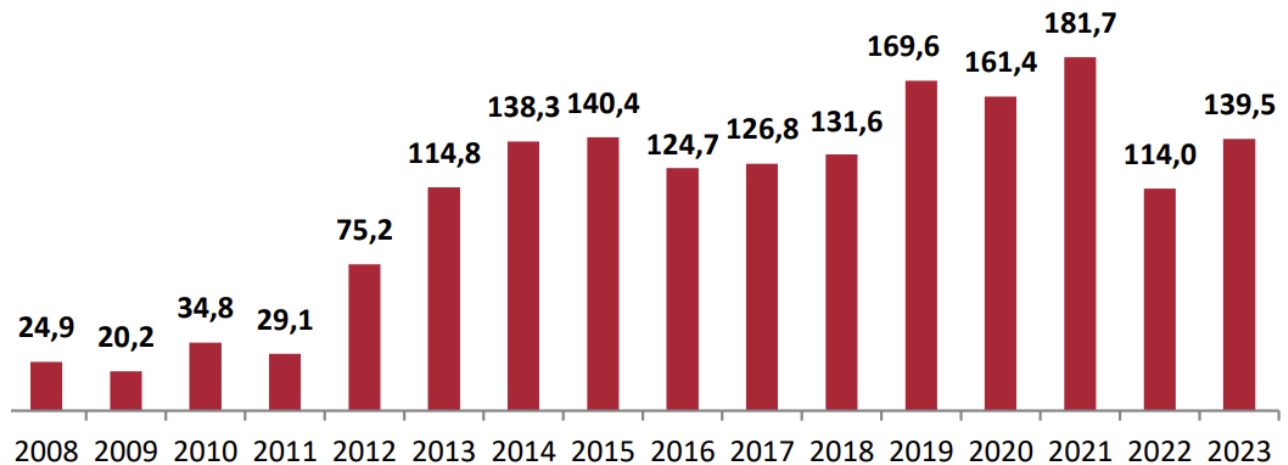


Fig. 2.7. Revenue of LLC IMC, mln USD [31]

Cost and Expense Analysis. The cost of sales increased proportionally with revenue in 2021 but declined in 2022 and 2023, aligning with reduced production or sales volumes. Administrative expenses remained relatively stable from 2020 to 2021 but surged by 43% in 2023, indicating increased operational costs. Selling and distribution expenses increased significantly by 27% in 2023, suggesting higher logistics and marketing expenditures despite declining revenue. Other operating income showed a positive trend with a 238% increase in 2021, while in 2022 and 2023, growth was limited to 38%, which may indicate reduced diversification in income sources.

Operating and Net Profit. Operating profit increased by 70% in 2021, reaching \$85.6 million, indicating strong operational efficiency. However, in 2022, the company suffered an operating loss of \$13.4 million, signaling a severe decline in financial health. In 2023, the company recovered to an operating profit of \$16.7

million, but this remains significantly lower than 2021 figures. Profit before taxation followed a similar trend, with a 148% increase in 2021, a significant loss of \$21 million in 2022, and a partial recovery in 2023. Net loss for the period also reflects volatility, showing a huge increase of 1776% in 2023, highlighting financial instability.

Financial and Currency Factors. Financial expenses declined steadily from 2020 to 2023, which is a positive indicator of cost management. The financial effect of leasing right-of-use assets remained relatively stable but had a negative impact on profitability. Foreign currency exchange losses were volatile, with a sharp loss of \$10.3 million in 2023, suggesting unfavorable exchange rate fluctuations.

EBITDA Analysis (Fig. 2.8). Normalized EBITDA showed a strong growth of 54% in 2021, reaching \$110.3 million. However, in 2022 and 2023, EBITDA fell by 91%, indicating a severe decline in earnings before interest, taxes, depreciation, and amortization.

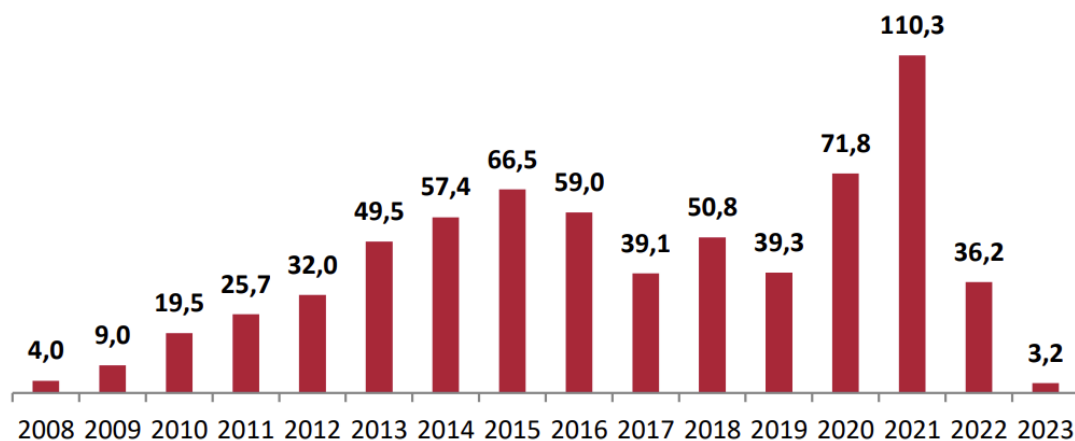


Fig. 2.8. EBITDA of LLC IMC, mln USD [31]

Thus, IMC LLC exhibited strong financial growth in 2021, with significant revenue, profit, and EBITDA increases. However, 2022 and 2023 were characterized by financial downturns, reflected in declining revenue, operating losses, and increasing costs. The primary factors affecting performance include rising administrative and selling expenses, adverse foreign exchange movements, and increased financial risks. While a partial recovery was observed in 2023, the company still faces challenges in regaining its previous profitability levels. To enhance

financial stability, IMC LLC should focus on cost optimization, risk management, and revenue diversification strategies to mitigate financial volatility and improve long-term sustainability.

IMC's revenue from sales of finished products increased by 13% in 2021 compared to the previous period. The Company's revenue from sales of finished products increased by 22% in Y2023 compared with the previous period.

Table 2.3 shows the revenues of IMC LLC from sales by main types of products.

Table 2.3

Revenues of IMC LLC from sales of its main types of products, thousand dollars [31]

Current activities	2021	2020	Changes, %	2023	2022	Changes, %
Corn	107 271	103 678	3%	99 522	77 474	28%
Sunflower	44 675	31 470	42%	17 062	23 868	-29%
Wheat	26 720	22 421	19%	22 059	11 340	95%
Milk	1 431	1 304	10%	-	317	-100%
Cattle	177	288	-39%	-	597	-100%
Other	538	430	25%	590	333	77%
Result	180 812	160 031	13%	139 233	113 929	22%

The financial results of IMC LLC largely depend on the main types of products that generate the company's revenue. An analysis of data from 2020 to 2023 indicates significant changes in the structure of product sales, which have impacted the company's overall financial position. The key crops contributing to the company's income were corn, sunflower, and wheat, as well as milk and cattle in previous years.

In 2021, the company demonstrated a positive revenue growth trend due to an increase in the production of key agricultural crops. Revenue from corn sales grew by 3% compared to 2020, indicating stable demand for this crop. Revenue from sunflowers increased significantly by 42%, which could be attributed to both favorable market prices and an expansion of sown areas. Wheat also showed a positive trend, with a 19% increase. At the same time, revenue from cattle sales decreased by 39%, suggesting a gradual reduction in this segment of the company's operations. Similarly, milk sales declined, likely due to a shift in the company's strategy toward focusing on grain and oilseed crop production.

The 2022-2023 period significantly changed the company's revenue structure. Due to the full-scale war in Ukraine, the company faced logistical constraints, unstable market prices, and high production risks. In 2022, corn revenue decreased by 28%, indicating either lower production volumes or difficulties in selling the product. The most significant decline was observed in the sunflower sector, which fell by 29%, possibly due to reduced sown areas or unfavorable market conditions. Meanwhile, wheat revenue saw record growth of 95%, likely driven by changes in production structure and high demand for food crops during the crisis. The livestock sector faced a catastrophic situation, with milk and cattle sales dropping by 100% in 2023, signifying the complete termination of this business segment.

The company's overall financial results showed a 22% decline in revenue in 2023 due to the combined impact of war, disruption of logistics chains, decreased export volumes, and market price instability. The loss of revenue from milk and meat production, along with significant fluctuations in revenue from major agricultural crops, highlights the need for flexibility in management strategies and adaptation to market changes. Despite the challenging situation, the company still has the potential to stabilize its financial position through production diversification and effective management of agricultural assets.

Thus, the analysis showed that IMC is an integrated agricultural business in Ukraine. In May 2011, IMC conducted an IPO on the Warsaw Stock Exchange. The main areas of IMC's activities are the cultivation of grain & oilseed crops and the storage of grain & oilseed crops. IMC is among Ukraine's top 10 agricultural companies. The activities of the IMC are formed in the form of 5 clusters in the territory of Chernihiv, Sumy and Poltava regions. The company has 120 thousand hectares in prime fertile farming regions of Ukraine, a high concentration of land plots within the clusters, and developed and self-sufficient farming infrastructure (own storage capacities for grain and oilseeds, logistic infrastructure, machinery park). The idea of vertical integration is at the heart of the IMC business model. A vertically integrated business structure allows one to take advantage of diversification, guarantee the supply of raw materials with minimal transportation costs, and effectively manage all

value chain elements—operating activity. Despite the war, the lack of production personnel, and forced changes in crop cultivation technology, IMC achieved record yields of two main crops in 2023: corn – 12.4 t/ha and winter wheat – 7.1 t/ha.

IMC LLC exhibited strong financial growth in 2021, with significant revenue, profit, and EBITDA increases. However, 2022 and 2023 were characterized by financial downturns, reflected in declining revenue, operating losses, and increasing costs. The primary factors affecting performance include rising administrative and selling expenses, adverse foreign exchange movements, and increased financial risks. While a partial recovery was observed in 2023, the company still faces challenges in regaining its previous profitability levels. To enhance financial stability, IMC LLC should focus on cost optimization, risk management, and revenue diversification strategies to mitigate financial volatility and improve long-term sustainability. The company's overall financial results showed a 22% decline in revenue in 2023, which is a consequence of the combined impact of war, disruption of logistics chains, decreased export volumes, and market price instability. The loss of revenue from milk and meat production, along with significant fluctuations in revenue from major agricultural crops, highlights the need for flexibility in management strategies and adaptation to market changes. Despite the challenging situation, the company still has the potential to stabilize its financial position through production diversification and effective management of agricultural assets.

2.2. Diagnostics of the state of personnel, organizational, and managerial potential of LLC IMC LLC

As IMC SA Shares have been traded on the Main List of the Warsaw Stock Exchange (“WSE”) since 2011, the WSE Corporate Governance Rules, adopted by the WSE Management Board, are a set of corporate governance rules for public companies whose securities are listed on the WSE. The Corporate Governance Rules aim to increase the transparency of listed companies, improve the quality of communication between companies and investors and strengthen the protection of

shareholders' rights, including those not regulated by law, while refraining from imposing a burden on listed companies that may outweigh the benefits arising from market needs. However, certain Corporate Governance Rules may only be applied to the extent permitted by Luxembourg's mandatory corporate law and the corporate structure (single board system).

Table 2.4

Shareholders of the company IMC LLC [31]

Shareholders	Number of shares	Share weight, %
Alexander Petrov	27 031 614	76.14%
Alex Lissitsa	1 971 900	5.55%
Shares in free sale	6 496 950	18.30%
Total	35 500 464	100%

Company management, board of directors, delegation, auditors.

Board of Directors [31].

Since the IMC Company consists of several shareholders, it must be managed by a Board of Directors consisting of at least five members who are not necessarily shareholders. At least two directors who are members of the Board of Directors must be independent. Directors are appointed by the general meeting of shareholders, which determines their number, remuneration and the duration of their term of office, which shall not exceed six years. Directors shall hold office until their successors are elected. They shall be re-elected at the end of their term of office and may be dismissed at any time, with or without cause, by resolution of the sole shareholder or the general meeting of shareholders. The general meeting of shareholders may decide to classify the appointed directors as class A directors and class B directors. If a legal entity is appointed as a director, it shall act on behalf of the legal entity.

The Board of Directors of IMC is represented by [31]:

- 1) Chairman of the Board of Directors – PETROV Oleksandr Leonidovich.
- 2) Executive Director, General Director – Alex LISSITSA
- 3) Executive Director, Financial Director – MARTYNIUK D.V.
- 4) Executive Director, Operations Director – VERZHYKHOVSKYY O.O.
- 5) Executive Director, Commercial Director – KRYSENKO A.V.

6) Executive Director, Director of the Legal Department – KLIMISHYN S.V.

7) Non-executive Director (heads the Audit Committee of the company) – Alphonse BALMAN.

8) Non-executive Director (Advises the company in the direction of investor relations and media) – Andrzej SHUREK

Company management. IMC LLC is a vertically integrated agro-industrial company that operates a full production cycle – from cultivating agricultural crops to their storage and sales. This organizational structure allows the company to efficiently control all stages of operations, optimize costs, improve product quality, and minimize risks associated with supply and distribution.

Key Levels of IMC LLC's Organizational Structure.

Head Office:

1) Executive Director and Board of Directors – oversee the strategic management of the company and make key decisions regarding business development.

2) Financial Department – responsible for budgeting, financial control, accounting, and reporting.

3) Legal Department – ensures the legal support of the company's operations and its subsidiaries.

4) Risk Management Department – analyzes financial, operational, and production risks.

5) HR Department – manages personnel recruitment, human resources, and corporate culture.

Operational Divisions:

1) Production Enterprises (Agricultural Divisions) – engage in the cultivation and harvesting of grain and industrial crops. These units are located in various regions of Ukraine and form the core of the production process.

2) Elevator Complexes and Storage Facilities – responsible for receiving, drying, storing, and shipping grain products for further sales.

3) Logistics Department – manages product transportation, supply chain optimization, and export operations.

4) Commercial Department – develops marketing strategies, product sales, buyer cooperation, and export transactions.

5) Investment and Strategic Departments – formulate modernization programs, business diversification strategies, and the implementation of innovative technologies.

Subsidiaries and Regional Offices

1) Each production unit functions as a separate business entity, reporting to the management of IMC LLC.

2) Subsidiaries may be in different regions and specialize in specific activities (crop production, storage, logistics).

So, the organizational structure of IMC LLC as a vertically integrated company enables centralized management of all stages of the production process – from growing agricultural crops to storage and sales. This structure allows the company to minimize risks related to raw material supply and product distribution, ensuring its financial stability and competitiveness in both the Ukrainian agrarian market and the international arena.

Smart Green Strategy 2023-2033 [31]. In 2023, IMC announced a new strategy for 2023-2033 – SMART GREEN STRATEGY, focused on implementing precision and regenerative agriculture practices to increase operational efficiency and align the company's activities with the European Union's Green Deal goals.

Strategic directions:

- 1) Increasing operational efficiency
- 2) Reducing the use of fossil fuels in production activities
- 3) Reducing greenhouse gas emissions
- 4) Preserving soil fertility and health
- 5) Acquisition of agricultural land in Ukraine
- 6) Personnel development
- 7) Supporting local communities.

IMC signed a loan agreement with the European Bank for Reconstruction and Development (EBRD) for \$10 million. The loan agreement with the EBRD also

attracted another \$3 million from the Clean Technology Fund.

The loan funds were used to purchase 75-grain trucks, which helped to increase operational efficiency and expand IMC's export capabilities.

The staff of IMC LLC.

IMC has been proud of its stable and well-coordinated team of professionals who possess valuable skills, knowledge, and experience for many years.

The team consists of about 1,700 talented and dedicated people. Cohesion, teamwork, and mutual assistance are the main principles of our team's success.

The Company believes in the benefits diversity can bring to its workforce and tends to maintain a workforce comprised of talented and dedicated individuals whose skills and backgrounds reflect the nature of the agricultural business environment. The Company's workforce is intended to reflect diverse skills, experience, knowledge, and backgrounds. The Company is fully committed to being an equal opportunities employer and opposes unlawful and unfair discrimination. All employees, whether part-time, full-time, or temporary, are treated fairly, equally, and respectfully. Selection for employment, promotion, training, or any other practice being made on criteria free from unlawful bias.

Fig. 2.9 presents data on the personnel of IMC LLC and corporate approaches to its management.

Despite the almost two-month suspension of IMC's operational activities in the spring of 2022, active military operations in the Chernihiv and Sumy regions, missile attacks, and problems with product sales due to the Russian Federation's blockade of Ukrainian seaports on the Black and Azov Seas, in 2022 IMC ensured for its employees:

- 1) Payment of labor by law and without delays. Moreover, on the second day of a full-scale war, the company paid all employees full wages for the unfinished working month.

- 2) Guarantees of salary preservation and additional material assistance for all employees mobilized into the ranks of the Armed Forces of Ukraine.

- 3) Implementation of a project to increase wages for all employees by 10-20%, starting in November 2022.

4) Reservation of the company's military employees for the mobilization period and wartime.

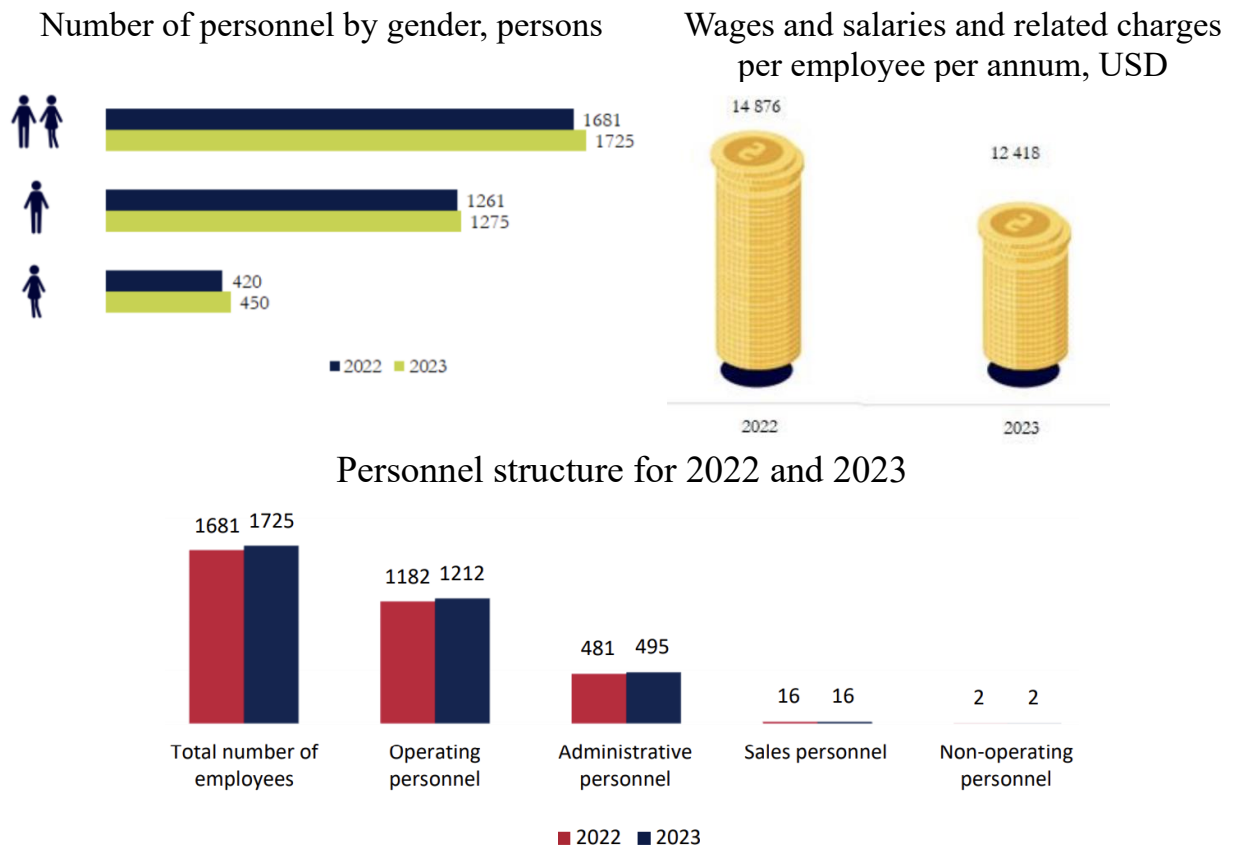


Fig. 2.9. Staff of LLC IMC and corporate approaches to its management [31]

Since 2016, the following main policies regarding personnel have been in force at IMC enterprises: 1) “On the prohibition of the use of alcoholic beverages, narcotics or toxic substances in the workplace”, “On the prohibition of discrimination on the grounds of sexual orientation and gender identity”, “On collective agreements and agreements”, “On the employment of minors”, “On working and overtime hours”, “On freedom of association, joining trade unions”, “On labor relations with pregnant women and women with children under 3 years old”, “On equality (non-discrimination policy)”, “On consideration of complaints and suggestions”, “On providing housing for employees”.

Motivation and engagement. In 2021, IMC allocated UAH 1.23 million for financial support of employees (+11% to the amount in 2020), including:

UAH 806 thousand – for reimbursement of medical expenses for employees and their close relatives, as well as compensation for COVID-19 testing.

UAH 203 thousand – assistance in case of difficult life circumstances.

UAH 217 thousand – for childbirth, weddings, etc.

In March 2022, the Policy “On Targeted Assistance to Employees” was updated. During martial law in Ukraine, the company focused on supporting employees mobilized into the Armed Forces of Ukraine ranks. In particular, the Policy provides that employees injured as a result of hostilities are provided with additional material assistance in the amount of UAH 25 thousand; in the event of the death of a mobilized employee, the employee's family receives UAH 35,000.

In addition, the company has retained additional targeted assistance of UAH 5,000 to employees who need treatment and to employees' families in the event of their death. In 2022, UAH 486,000 was allocated for financial support for IMC employees. In 2021-2022, the company spent UAH 5.9 million on motivational events for staff, including UAH 3.8 million for motivational trips abroad, UAH 2.1 million for corporate events, and New Year's gifts for employees' children. 213 employees of IMC enterprises participated in motivational trips during 2021-2022. All motivational trips abroad will take place by February 24, 2022.

Teaching and Social Policy. In 2018, the Regulations on Employee Training were approved, which define the process of planning, implementing, administering, and evaluating the effectiveness of training by the strategic goals and values of IMC. 548 IMC employees underwent training in 2021-2022, for which the company spent about UAH 1.5 million. The bulk of the training budget in 2022 was directed to assisting the Ukrainian army. At the beginning of 2022, 109 employees of IMC production departments, including specialists in precision agriculture and R&D technologies, underwent training from representatives of leading global agribusiness companies. In 2022, due to a limited training budget, the company focused its attention on conducting systematic courses on occupational health and safety, employee safety during military operations, and on compliance with legislation on mandatory training for obtaining work permits.

Priority directions of social policy: 1) Targeted assistance to landlords of IMC's enterprises; 2) Rural development and consumer services; 3) Assistance to school and

pre-school institutions; 3) Health care, assistance in the medical care of peasants (realization of medical projects); 4) Assistance in the developments of the culture; 5) Help in the development of sport in the countryside.

All investments and initiatives in social projects, including personalized support and projects of local infrastructure maintenance and development (roads, water supply, public lighting, schools, kindergartens, FAPs, and medical points, etc.) that IMC conducts within the villages it operates, are conducted on the principles of «IMC. Aid to People» program. The full-scale invasion of the Russian Federation on the territory of Ukraine on 24 February 2022 significantly influenced the life of the country and the Group. Assistance for social projects was reduced to the minimum required, which, together with a reduction in the budget for training and motivation of employees, made it possible to allocate significant sums to help the Armed Forces of Ukraine.

Thereby, IMC LLC is a vertically integrated agro-industrial company that operates a full production cycle – from cultivating agricultural crops to their storage and sales. This organizational structure allows the company to efficiently control all stages of operations, optimize costs, improve product quality, and minimize risks associated with supply and distribution. So, the organizational structure of IMC LLC as a vertically integrated company enables centralized management of all stages of the production process – from growing agricultural crops to storage and sales. This structure allows the company to minimize risks related to raw material supply and product distribution, ensuring its financial stability and competitiveness in both the Ukrainian agrarian market and the international arena. For many years, IMC has been proud of its stable and well-coordinated team of professionals who possess valuable skills, knowledge, and experience. The team consists of about 1,700 talented and dedicated people. Cohesion, teamwork, and mutual assistance are the main principles of our team's success. The Company believes in the benefits diversity can bring to its workforce and tends to maintain a workforce comprised of talented and dedicated individuals whose skills and backgrounds reflect the nature of the agricultural business environment.

2.3. Research into the conditions of financial activities and the efficiency of cash and financial flows at IMC LLC

An enterprise's financial flows are a system of financial resource movement that ensures the financing, distribution, use, and control of funds within the enterprise and in interaction with the external environment. They reflect the company's financial relations with counterparties, the state, banks, investors, and other economic entities. Therefore, the study of the state of financial flows should begin with analyzing financial resources and sources of their financing.

Table 2.5 shows the analysis of the financial assets of IMC LLC and the sources of their financing, USD thousand [31].

The financial resources and sources of financing at IMC LLC have undergone significant fluctuations from 2020 to 2023, reflecting both internal operational adjustments and external economic challenges. The company's total financial assets showed a notable increase in 2021, from \$280,088 thousand in 2020 to \$413,899 thousand, marking an impressive \$133,811 thousand growth. However, in 2022, financial assets declined sharply to \$312,204 thousand, followed by a modest recovery in 2023 to \$326,499 thousand.

Non-Current and Current Assets. The company's non-current assets significantly increased in 2021, rising by \$72,305 thousand, mainly due to higher investments in right-of-use assets, which grew by \$74,651 thousand. However, in 2022 and 2023, non-current assets declined, with a loss of \$14,384 thousand in 2023, signaling reduced long-term investments or depreciation of existing assets. Property, plant, and equipment experienced major fluctuations, dropping by \$26,202 thousand in 2022 before recovering to \$72,265 thousand in 2023. This decline and partial recovery indicate a shift in the company's asset management strategy, possibly due to operational restructuring. Current assets experienced similar volatility. They peaked at \$178,334 thousand in 2021 but dropped to \$132,285 thousand in 2022, before rebounding to \$160,964 thousand in 2023. Inventories, a crucial component of working capital, followed a downward trend, declining from \$121,104 thousand in 2021 to \$71,164 thousand in 2023, suggesting lower production or difficulties in stock management due to external economic pressures. Cash and cash equivalents

declined in 2022, reaching \$16,198 thousand, before increasing again in 2023 to \$24,864 thousand, reflecting improved liquidity management.

Table 2.5

Analysis of the state of assets and sources of their financing at IMC LLC, USD thousand [31]

Indicators	2021	2020	Dynamic	2023	2022	Dynamic
<i>Non-current assets, total</i>	<i>235565</i>	<i>163260</i>	<i>72305</i>	<i>179919</i>	<i>165535</i>	<i>14384</i>
Property, plant, and equipment	64128	65881	-1753	72265	46063	26202
Right-of-use assets	168614	93963	74651	106975	118968	-11993
Intangible assets	900	1230	-330	337	452	-115
Non-current biological assets	1769	2027	-258	0	0	0
Prepayments for property, plant, and equipment	154	159	-5	342	52	290
<i>Current assets, total</i>	<i>178334</i>	<i>116828</i>	<i>61506</i>	<i>132285</i>	<i>160964</i>	<i>-28679</i>
Inventories	121104	81978	39126	89508	71164	18344
Current biological assets	16784	11269	5515	11 294	47 432	-36138
Trade receivables	281	202	79	4051	8219	-4168
Prepayments and other current assets	11305	5389	5916	11023	9285	1738
Cash and cash equivalents	28830	17990	10840	16198	24864	-8666
<i>Total financial assets</i>	<i>413899</i>	<i>280088</i>	<i>133811</i>	<i>312204</i>	<i>326499</i>	<i>-14295</i>
<i>Equity capital of the company, total</i>	<i>190916</i>	<i>138427</i>	<i>52489</i>	<i>141694</i>	<i>150315</i>	<i>-8621</i>
Authorized capital	59	59	0	62	62	0
Share premium	29512	29512	0	37425	37425	0
Revaluation reserve	35207	40151	-4944	48554	33136	15418
Retained earnings	255785	201973	53812	237660	257055	-19395
Effect of foreign currency translation	(129042)	(133458)	4416	(181231)	(176767)	-4464
Equity attributable to owners of the parent company	191521	138237	53284	142470	150911	-8441
<i>Non-current liabilities, total</i>	<i>159835</i>	<i>89780</i>	<i>70055</i>	<i>102524</i>	<i>116484</i>	<i>-13960</i>
Deferred tax liabilities	2895	3177	-282	2434	1973	461
Long-term borrowings	4524	4207	317	9024	619	8405
Long-term lease obligations	152416	82396	70020	99188	109892	-10704
<i>Current liabilities, total</i>	<i>63148</i>	<i>51881</i>	<i>11267</i>	<i>67986</i>	<i>59700</i>	<i>8286</i>
Current portion of long-term borrowings	2247	3023	-776	19427	4925	14502
Current portion of non-current lease liabilities	18568	16765	1803	12931	15325	-2394
Short-term borrowings	26000	26000	0	25398	28867	-3469
Trade payables	3222	963	2259	2312	2873	-561
Other current liabilities and accrued expenses	13111	5116	7995	7918	7710	208
<i>TOTAL funding sources</i>	<i>413899</i>	<i>280088</i>	<i>133811</i>	<i>312204</i>	<i>326499</i>	<i>-14295</i>

Equity and Liabilities. The company's equity capital significantly expanded in 2021, increasing by \$52,489 thousand, demonstrating financial stability. However, in 2022 and 2023, equity capital dropped due to financial challenges, settling at \$150,315 thousand in 2023, with a modest increase of \$8,621 thousand from the previous year. Retained earnings continued to grow, reaching \$257,055 thousand in 2023, indicating ongoing profitability, though at a reduced rate compared to earlier years. The revaluation reserve, however, dropped significantly by \$15,418 thousand in 2023, likely due to the depreciation of fixed assets or foreign currency revaluation effects. On the liabilities side, non-current liabilities surged in 2021, growing by \$70,055 thousand, primarily driven by an increase in long-term lease obligations. In 2022, total non-current liabilities declined slightly but increased again by \$13,960 thousand in 2023, reflecting continued reliance on long-term financing. Long-term borrowings fluctuated, reaching \$9,024 thousand in 2022 before dropping sharply to \$619 thousand in 2023, suggesting debt repayments or reduced access to long-term credit.

Current liabilities rose sharply in 2021, increasing by \$11,267 thousand, reflecting higher short-term obligations. 2022 current liabilities peaked at \$67,986 thousand before declining to \$59,700 thousand in 2023, indicating improved short-term debt management. Short-term borrowings remained high, fluctuating around \$25,398–\$28,867 thousand in 2022-2023, highlighting a reliance on short-term financing to sustain operations. The current portion of long-term borrowings spiked significantly in 2022 to \$19,427 thousand before decreasing sharply to \$4,925 thousand in 2023, suggesting efforts to reduce financial leverage.

To summarize, the financial position of IMC LLC over the period 2020-2023 has experienced substantial changes driven by shifts in investment strategies, operational restructuring, and external economic pressures. The company significantly expanded its asset base and equity in 2021, indicating a strong financial position. However, 2022 marked a downturn, with declines in both non-current and current assets, increased short-term liabilities, and potential liquidity constraints. 2023 showed partial recovery, with stabilized equity, improved cash reserves, and

reduced current liabilities, suggesting that the company is implementing measures to manage its financial obligations effectively. The main challenges faced by IMC LLC during this period include declining inventory levels, reduced long-term investments, and an increased dependence on short-term financing. These factors have been exacerbated by economic instability, currency fluctuations, and geopolitical risks, particularly the impact of the war in Ukraine, which disrupted logistics, production, and financing options. The company must optimize its financial structure, improve cash flow management, and secure stable long-term financing sources to ensure sustainable growth and operational stability.

Table 2.6 below presents the analysis of cash flows as the main component of IMC LLC's financial resources.

Table 2.6

General analysis of summarized cash flows of IMC LLC [31]

Indicators	2021	2020	Changes, %	2023	2022	Changes, %
Net cash flows from operating activities	67077	59963	12%	17069	14795	15%
Net cash flows from investing activities	(6157)	(5736)	7%	(16561)	(4466)	271%
Net cash flows from financing activities	(50320)	(37767)	33%	(8652)	(8014)	8%
Net increase in cash and cash equivalents	10600	16460	-36%	(8144)	2315	- 452%

The net cash flows of IMC LLC from operating, investing, and financing activities over the period 2020-2023 reflect notable shifts in the company's financial strategy and external economic influences. The company's ability to generate cash from operations, manage investment expenditures, and control financing activities has fluctuated significantly due to changing market conditions and the broader impact of economic disruptions, including the war in Ukraine. In 2021, the company saw a strong increase in net cash flows from operating activities, rising by 12% compared to 2020, reaching \$67,077 thousand. This improvement was likely driven by higher revenues and more efficient cost management. However, in 2022 and 2023, net cash flows from operations dropped significantly, with only \$14,795 thousand in 2022 and a slight increase to

\$17,069 thousand in 2023. This downward trend highlights the challenges faced by the company, such as supply chain disruptions, increased production costs, and declining market demand due to geopolitical instability.

The net cash flows from investing activities followed a similar downward trend. In 2021 the company recorded a negative cash flow of \$6,157 thousand, reflecting capital expenditures and asset investments. By 2022, this figure worsened to -\$4,466 thousand, but in 2023, the company significantly increased its investment outflows to -\$16,561 thousand, representing a 271% increase compared to 2022. This sharp rise in investment outflows in 2023 may indicate necessary reinvestments in core operations or asset acquisitions despite financial constraints.

The net cash flows from financing activities have shown continuous negative figures, suggesting that the company has been repaying more debt than it has been acquiring. In 2021, the financing cash flow was -\$50,320 thousand, which was a 33% increase in outflows compared to 2020. By 2022 and 2023, the financing outflows declined to -\$8,014 thousand and -\$8,652 thousand, respectively, indicating that the company reduced its dependence on external financing. This trend suggests an effort to stabilize financial obligations and lower the company's debt burden.

The overall net increase in cash and cash equivalents highlights the impact of these changes. In 2020, the company had a positive net increase of \$16,460 thousand, but in 2021, this decreased to \$10,600 thousand due to higher financial outflows. By 2022, the company experienced a net cash decrease of -\$8,144 thousand, signaling cash flow strain and financial pressure. However, in 2023, the company managed a slight recovery with \$2,315 thousand in net cash increase, suggesting an improvement in cash management despite continuing operational and financial challenges.

So, the financial trends of IMC LLC from 2020 to 2023 indicate increasing difficulties in maintaining strong operating cash flows, growing investment expenditures, and efforts to reduce financing dependency. While 2021 demonstrated strong operational cash generation, the effects of macroeconomic uncertainty, geopolitical risks, and disruptions in supply chains led to weaker performance in 2022 and 2023. The significant increase in investment outflows in 2023 raises questions

about the company's capital allocation strategy, while the consistent reduction in financing cash flow suggests an effort to lower financial liabilities. Moving forward, IMC LLC needs to focus on strengthening its operational cash flow, optimizing investment decisions, and maintaining a stable liquidity position to navigate ongoing financial uncertainties effectively.

Table 2.7

Detailed analysis of cash flows from operating activities at IMC LLC [31]

Indicators	2023	2022	Dynamic
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit / (loss) before tax from continuing operations	(21080)	(569)	-20511
Gain from changes in fair value of biological assets and agricultural produce, net	(15242)	(46133)	30891
Disposal of revaluation of biological assets and agricultural produce in the cost of sales, net	47945	53365	-5420
Depreciation and amortization	16770	19529	-2759
Financial effect of lease of right-of-use assets	5396	6264	-868
Interest expenses and other financial expenses	2328	1469	859
Foreign currency exchange loss/(gain), net	2113	10529	-8416
Loss/(gain) on disposal of property, plant and equipment	(204)	(157)	-47
Write-offs of property, plant and equipment	41	16	25
Gain on recovery of assets previously written off	(20)	(11)	-9
Interest income	(1218)	(811)	-407
Accruals for unused vacations	1570	1125	445
Accruals for audit services	120	135	-15
Write-offs of VAT	31	24	7
Shortages and losses due to impairment of inventories	2512	51	2461
Income from write-offs of accounts payable	(153)	(193)	40
(Gain)/loss on disposal of inventories	(157)	47	-204
Allowance for doubtful accounts receivable	91	51	40
Effect of modification of right-of-use assets	(668)	(315)	-353
Expenses on options	0	7 893	-7893
Impairment/(reversal of impairment) of property, plant and equipment, net	(206)	0	-206
Cash flows from operating activities before changes in working capital	39969	52309	-12340
Changes in trade accounts receivable	4153	(8100)	12253
Changes in prepayments and other current assets	(1000)	(176)	-824
Changes in inventories	(58172)	8727	-66899
Changes in current biological assets	37008	(32344)	69352
Changes in trade accounts payable	(457)	481	-938
Changes in other current liabilities and accrued expenses	(1351)	(3575)	2224
Cash flows from operations	20150	17322	2828
Interest paid on loans and borrowings	(2198)	(1289)	-909
Interest paid on lease liabilities as to right-of-use assets	(620)	(731)	111
Income tax paid	(263)	(507)	244
Net cash flows from operating activities	17069	14795	2274

The cash flow from operating activities at IMC LLC for 2022 and 2023 reveals a significant shift in the company's financial dynamics, reflecting changes in

profitability, working capital adjustments, and financial obligations. The net cash flow from operating activities in 2023 amounted to \$17,069 thousand, which represents a \$2,274 thousand increase compared to \$14,795 thousand in 2022. While this suggests a slight improvement, the underlying components of operational cash flow indicate major financial challenges that the company has faced.

One of the most striking figures is the loss before tax from continuing operations, which deteriorated significantly in 2023, reaching -\$21,080 thousand, compared to -\$569 thousand in 2022. This sharp decline of \$20,511 thousand highlights increased financial pressure and potential inefficiencies in operational cost management. However, the gain from changes in the fair value of biological assets and agricultural produce improved by \$30,891 thousand, reducing the overall impact of the company's losses.

Depreciation and amortization expenses, which indicate the company's capital expenditure on assets, decreased in 2023 to \$16,770 thousand from \$19,529 thousand in 2022, suggesting a lower investment in asset renewal or technological upgrades. The financial effect of lease obligations also declined by \$868 thousand, showing a slight reduction in leasing expenses. At the same time, interest expenses increased by \$859 thousand, indicating higher borrowing costs.

The company's ability to manage foreign currency exchange risks weakened, as exchange losses in 2023 were significantly lower (\$2,113 thousand) compared to \$10,529 thousand in 2022. This decline of \$8,416 thousand suggests that the company has adjusted its financial hedging strategies or experienced favorable foreign exchange conditions. Additionally, property, plant, and equipment write-offs increased slightly by \$25 thousand, reflecting minor asset impairments.

Changes in working capital have significantly impacted cash flows from operations. A major concern is the sharp reduction in inventories, which led to a negative cash effect of \$58,172 thousand in 2023, compared to a positive \$8,727 thousand in 2022. This \$66,899 thousand decline suggests difficulties in maintaining production levels, supply chain disruptions, or market demand changes. However, a notable improvement in current biological assets (+\$69,352 thousand) offset some of

these negative effects.

The company's ability to manage trade accounts payable and other current liabilities weakened, as reflected in the negative changes in trade accounts payable of \$457 thousand in 2023, compared to a positive effect of \$481 thousand in 2022. The changes in other current liabilities and accrued expenses showed a positive shift of \$2,224 thousand, indicating improved short-term financial management.

Despite the challenges, cash flow from operations before interest and taxes increased by \$2,828 thousand in 2023, reaching \$20,150 thousand. However, the company faced higher interest expenses on loans and lease liabilities, increasing by \$909 thousand compared to 2022, leading to further constraints on net cash availability. Income tax payments decreased slightly to \$263 thousand, compared to \$507 thousand in 2022, indicating lower taxable income.

So, IMC LLC's operational cash flow performance in 2023 showed marginal improvement compared to 2022, but the overall structure of cash flows raises concerns. The sharp increase in losses before tax, significant inventory reductions, and higher financial costs indicate challenges in sustaining profitability and managing liquidity. The positive changes in biological assets and reduced exchange losses partially offset these challenges, but the dependence on financing to maintain operations remains a risk. The company must optimize inventory management, improve cost control, and strengthen operational efficiency to generate stable cash flow and reduce financial vulnerabilities.

Table 2.8 analyzes cash flows from investing and financing activities at IMC LLC.

The analysis of cash flows from investing and financing activities at IMC LLC for 2022 and 2023 highlights significant shifts in the company's financial management strategy, influenced by internal investment decisions and external financing needs. The company's cash balance at the end of the period also reflects changes in liquidity and financial stability over this period.

The net cash flows from investing activities in 2023 amounted to -\$16,561 thousand, a significant deterioration compared to -\$4,466 thousand in 2022, reflecting

a \$12,095 thousand increase in investment outflows. The largest portion of this investment was allocated to purchasing property, plant, and equipment, which rose sharply from \$4,972 thousand in 2022 to \$17,132 thousand in 2023. This suggests that the company is still prioritizing asset expansion or maintenance despite financial pressures. However, the proceeds from asset disposals were relatively insignificant, increasing only slightly by \$65 thousand compared to 2022. The overall negative cash flow from investment activities indicates a substantial capital outflow, which could pose liquidity challenges if not supported by strong operational earnings or external financing.

Table 2.8

Detailed analysis of cash flows from investment and financing activities at IMC LLC [31]

Indicators	2023	2022	Dynamic
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(17132)	(4972)	-12160
Proceeds from disposal of property, plant and equipment	571	506	65
Net cash flows from investing activities	(16561)	(4466)	-12095
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term loans and borrowings	15710	3217	12493
Proceeds from short-term loans and borrowings	13915	3045	10870
Repayment of long-term loans and borrowings	(4925)	(444)	-4481
Repayment of short-term loans and borrowings	(17385)	0	-17385
Repayment of long-term and short-term lease liabilities as to right-of-use assets (land)	(14554)	(10888)	-3666
Repayment of long-term and short-term lease liabilities as to right-of-use assets (other)	(1413)	(2967)	1554
Issue of share capital	0	23	-23
Net cash flows from financing activities	(8652)	(8014)	-638
NET CASH FLOWS	(8144)	2315	-10459
			0
Cash and cash equivalents as at the beginning of the period	24864	28830	-3966
Effect of translation into presentation currency	(522)	(6281)	5759
Cash and cash equivalents as at the end of the period	16198	24864	-8666

The net cash flows from financing activities in 2023 amounted to -\$8,652 thousand, marking a slight decline compared to -\$8,014 thousand in 2022, reflecting an increase in financial obligations by \$638 thousand. The company actively sought new financing, as evidenced by the \$15,710 thousand received from long-term loans and borrowings in 2023, a \$12,493 thousand increase from 2022. Similarly, the proceeds from short-term loans increased to \$13,915 thousand, up \$10,870 thousand from the previous year. These figures suggest that the company relied heavily on

borrowed capital to maintain liquidity and sustain investments. However, repayments of loans and borrowings also grew significantly. The repayment of short-term loans reached \$17,385 thousand, compared to zero in 2022, while long-term loan repayments rose to \$4,925 thousand, a \$4,481 thousand increase. The company also maintained substantial lease payments, with \$14,554 thousand allocated to land leases and \$1,413 thousand to other lease liabilities, reflecting a total lease repayment of \$15,967 thousand in 2023. This suggests a continued commitment to financial obligations despite cash flow constraints.

The net cash flow balance in 2023 was negative (-\$8,144 thousand), significantly declining from the positive \$2,315 thousand recorded in 2022, showing a \$10,459 thousand reduction in net cash flow. This deterioration highlights the combined impact of increased capital expenditures, higher loan repayments, and ongoing lease obligations. The company's cash and cash equivalents at the beginning of the period stood at \$24,864 thousand, declining to \$16,198 thousand by the end of 2023, marking a \$8,666 thousand reduction in liquidity. The effect of currency translation fluctuations was less severe in 2023 (-\$522 thousand) compared to -\$6,281 thousand in 2022, which indicates a reduction in exchange rate-related losses.

So, the financial position of IMC LLC in terms of investment and financing activities in 2023 demonstrates a significant increase in capital investments and reliance on external financing, coupled with higher loan repayments and lease obligations. While the company has maintained a strong focus on asset investments, its ability to sustain such expenditure without generating sufficient positive cash flow remains challenging. The substantial decrease in net cash flow and overall liquidity decline indicates potential risks in meeting short-term financial obligations. The company must optimize cash management, balance capital investments with operational cash flows, and carefully manage debt levels to ensure financial stability and sustainable growth.

Thus, it can be concluded that managing financial and cash flows remains problematic for IMC LLC, requiring urgent strategic interventions to ensure financial sustainability and long-term stability. The company must focus on building an

effective financial management system, which includes optimizing cash flow from operations, restructuring investment strategies, and improving financial planning. To overcome the current financial challenges, IMC LLC should implement a structured cash flow management framework that prioritizes cost control, working capital optimization, and debt restructuring. Additionally, developing a robust financial architecture with real-time monitoring of cash inflows and outflows, better investment decision-making, and improved forecasting models will help the company mitigate risks and strengthen financial resilience. Given the impact of macroeconomic instability and war-related disruptions, the company should explore alternative financing options, such as strategic partnerships, equity financing, or government support programs, to diversify funding sources and reduce reliance on short-term borrowings. A well-structured financial management system will enable IMC LLC to achieve financial sustainability, enhance profitability, and ensure long-term competitiveness in the agribusiness sector.

CONCLUSIONS TO SECTION 2

The analysis showed that IMC is an integrated agricultural business in Ukraine. In May 2011, IMC conducted an IPO on the Warsaw Stock Exchange. The main areas of IMC's activities are the cultivation of grain & oilseed crops and the storage of grain & oilseed crops. IMC is among Ukraine's top 10 agricultural companies. The activities of the IMC are formed in the form of 5 clusters in the Chernihiv, Sumy and Poltava regions. The company has 120 thousand hectares in prime fertile farming regions of Ukraine, a High concentration of land plots within the clusters, and Developed and self-sufficient farming infrastructure (own storage capacities for grain and oilseeds, logistic infrastructure, machinery park). The idea of vertical integration is at the heart of the IMC business model. A vertically integrated business structure allows one to take advantage of diversification, guarantee the supply of raw materials with minimal transportation costs, and effectively manage all value chain elements—operating activity. Despite the war, the lack of production personnel, and forced changes in crop

cultivation technology, IMC achieved record yields of two main crops in 2023: corn – 12.4 t/ha and winter wheat – 7.1 t/ha.

IMC LLC exhibited strong financial growth in 2021, with significant revenue, profit, and EBITDA increases. However, 2022 and 2023 were characterized by financial downturns, reflected in declining revenue, operating losses, and increasing costs. The primary factors affecting performance include rising administrative and selling expenses, adverse foreign exchange movements, and increased financial risks. While a partial recovery was observed in 2023, the company still faces challenges in regaining its previous profitability levels. To enhance financial stability, IMC LLC should focus on cost optimization, risk management, and revenue diversification strategies to mitigate financial volatility and improve long-term sustainability. The company's overall financial results showed a 22% decline in revenue in 2023 due to the combined impact of war, disruption of logistics chains, decreased export volumes, and market price instability. The loss of revenue from milk and meat production, along with significant fluctuations in revenue from major agricultural crops, highlights the need for flexibility in management strategies and adaptation to market changes. Despite the challenging situation, the company still has the potential to stabilize its financial position through production diversification and effective management of agricultural assets.

LLC is a vertically integrated agro-industrial company that operates a full production cycle – from cultivating agricultural crops to their storage and sales. This organizational structure allows the company to efficiently control all stages of operations, optimize costs, improve product quality, and minimize risks associated with supply and distribution. So, the organizational structure of IMC LLC as a vertically integrated company enables centralized management of all stages of the production process – from growing agricultural crops to storage and sales. This structure allows the company to minimize risks related to raw material supply and product distribution, ensuring its financial stability and competitiveness in both the Ukrainian agrarian market and the international arena.

IMC LLC's financial and cash flow management has faced significant

challenges from 2020 to 2023, marked by declining operational cash flows, increased investment outflows, and a heavy reliance on external financing. While the company experienced financial growth in 2021, 2022 brought a downturn, with reduced liquidity, rising costs, and growing financial obligations. Despite partial recovery in 2023, IMC LLC still struggles with unstable cash flows and investment pressures.

The operating cash flow remains positive but has weakened due to higher operational costs and reduced revenue margins. Investment activities saw a sharp rise in capital expenditure in 2023 despite financial constraints, indicating a need for better investment planning. Financing activities reflect high reliance on loans and leases, with increasing interest expenses limiting financial flexibility. The decline in cash reserves signals potential liquidity risks if the company does not address these issues.

Managing financial and cash flows remains problematic for IMC LLC, requiring urgent strategic interventions to ensure financial sustainability and long-term stability. The company must focus on building an effective financial management system, which includes optimizing cash flow from operations, restructuring investment strategies, and improving financial planning. To overcome the current financial challenges, IMC LLC should implement a structured cash flow management framework that prioritizes cost control, working capital optimization, and debt restructuring. Additionally, developing a robust financial architecture with real-time monitoring of cash inflows and outflows, better investment decision-making, and improved forecasting models will help the company mitigate risks and strengthen financial resilience. Given the impact of macroeconomic instability and war-related disruptions, the company should explore alternative financing options, such as strategic partnerships, equity financing, or government support programs, to diversify funding sources and reduce reliance on short-term borrowings. A well-structured financial management system will enable IMC LLC to achieve financial sustainability, enhance profitability, and ensure long-term competitiveness in the agribusiness sector.

SECTION 3

FORMATION OF PROPOSALS FOR IMPROVING THE MANAGEMENT OF FINANCIAL FLOWS AT THE ENTERPRISE

3.1. Identification and research of effective structural elements of the financial flows management system and their inter-functional links

In managing an enterprise's financial flows, one of the fundamental issues is the distribution of management functions between departments and the identification of “localization sites” of individual functions, flows, and resources. As noted by researchers [2, 23], many problems in managing both financial flows and the enterprise are caused by the inconsistency of actions of individual enterprise units and the lack of an established system of information, resources, and flow management. At the same time, too much concentration or dispersion of functions among individual units leads to inefficiently functioning units. All this leads to additional costs, loss of potential profits, and deprivation of the management system's basic necessary properties (flexibility and mobility). Accordingly, the management of the enterprise faces the task of determining the most optimal distribution of management functions, resources, and flows, as well as the design of the management system that will most fully contribute to achieving the strategic goals of enterprises.

The material presented in the first section shows that the existing approaches to managing financial flows and defining the structure, relations, objects, and subjects of management are imperfect and need further refinement.

In determining the structure, links and elements of the financial flows management system, we will be based on the fact that the management of financial flows of an enterprise should be considered as a continuous functioning of a complex multi-level dynamic ordered system, the activities of which are aimed at the formation, maintenance, distribution and movement of such financial flows that would ensure a steady increase in the market value of the enterprise as an investment object. This is due to several factors [20].

Firstly, the formation, maintenance, distribution, and movement of financial flows under the condition of normal operation of the enterprise is a constant process, the termination of which indicates the presence of technical, technological, financial, managerial, or other problems at the enterprise [20].

Secondly, if financial flows are in constant motion, then, accordingly, the process of managing them should be continuous since the regularity of the performance of management functions is the basis for the successful operation of the enterprise. In addition, when determining the design, connections and interdependencies between individual elements of the financial flows management system, it should be taken into account that the financial flows management system is: 1) complex, since it contains a large number of elements (units, resources, external environment, infrastructure elements, models and subsystems); 2) multi-level, since management processes take place at different levels of management, and the number of levels increases with the expansion of the enterprise, the creation of integrated structures, and the increase in the spatial and sectoral diversity of the enterprise's activities; 3) dynamic, which is due to the requirements for the system itself, i.e. it should respond quickly to changes in internal and external conditions, develop in accordance with the main trends in the development of the enterprise, theory and practice of management, technology and engineering; 4) orderly, as noted above, the process of managing financial flows should be well planned, adjusted, and help to identify and eliminate bottlenecks [20].

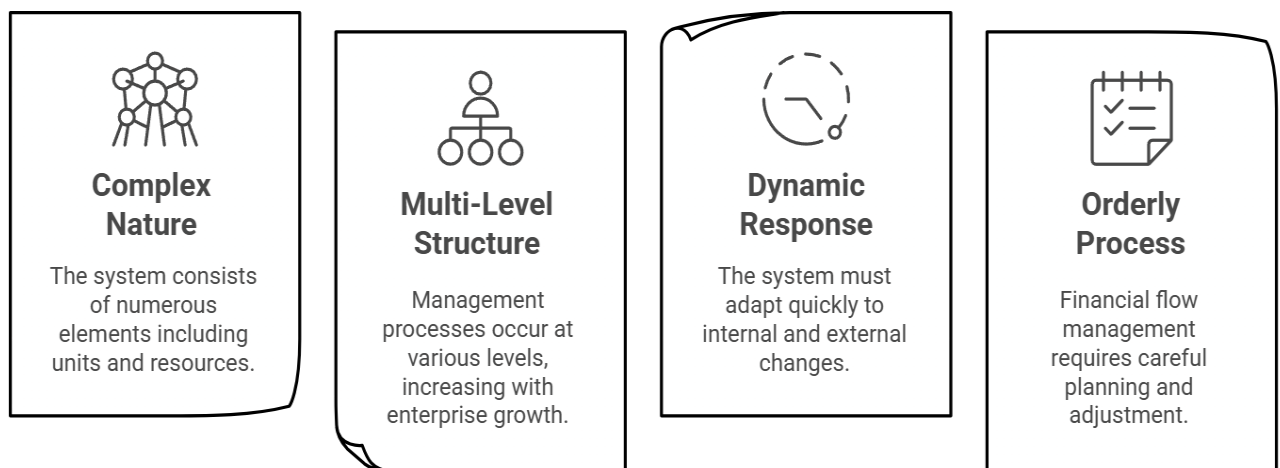


Fig. 3.1. Characteristics of the financial flows management system

Based on the study of the essence and approaches to defining the main elements of systems [2, 23, 28, 39], the scheme of construction and mechanism of the system of management of financial flows of an enterprise [17], it is advisable to distinguish the following elements of the system:

1) functional divisions of the enterprise involved in the process of servicing financial flows: financial service (department, division, office, etc.); heads of certain divisions with the authority to use certain financial resources; management bodies of the enterprise (general meeting of shareholders, chairman and members of the board, other managers with the appropriate authority);

2) all types of resources (material, financial, labor, information, technological) that are necessary to ensure the achievement of the objectives of the financial flows management system;

3) economic entities of the external environment that are counterparties of the said enterprise: suppliers, buyers, financial institutions, the state, households, etc.;

4) infrastructure of the commodity, financial, labor, and capital markets, which ensures the organized movement of financial flows;

5) subsystems that form a complex dynamic multilevel system of financial flows management of an enterprise, function by performing management actions in relation to certain aspects of the system and are an integral part of the higher level system: subsystem of financial flows planning; subsystem of organizational support of the process of financial flows management and financial flows servicing; subsystem of control, monitoring and information support of the financial flows management system; subsystem of motivation;

6) models that reflect the system of existing and possible (potential) relationships between the goals of individual subsystems that form the system, alternative methods, means, and resources necessary to achieve them, factors of the internal and external environment that determine the performance of the subsystems and the system.

The main elements of the financial flow management system are shown in Fig. 3.2.

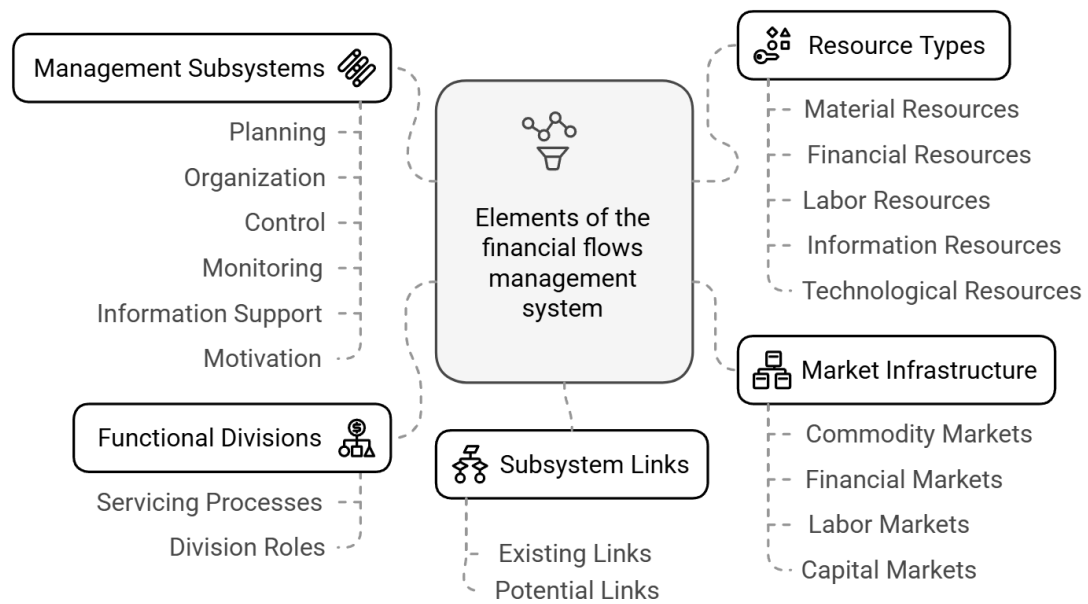


Fig. 3.2. Elements of the financial flows management system

There is a certain set of relationships between individual elements of the financial flows management system, which are reflected in the relevant management decisions within the system and are a response to internal or external signals (stimuli). Each element of the enterprise financial flows management system is related to other elements. At the same time, the traditional [28] division into the relationship of properties and the relationship of objects also takes place. The relationship of properties in the enterprise's financial flow management system means the interdependence and interdependence of such parameters of financial flows as volume, direction, speed, regularity of movement, and sources of financial flow formation. On the one hand, certain properties (characteristics) of financial flows obtained because of the functioning of the management system partially reflect the efficiency of the system itself, and on the other hand, create conditions for the emergence of other relationships that are realized in the process of functioning of the system and achievement of its goals. It should be borne in mind that the quantitative and qualitative parameters of financial flows are closely interrelated, depend on internal and external factors, and are determined by the effectiveness of the financial flow management system [17].

The existence of relations between objects (cooperative and conflict) is

necessary for the existence and successful functioning of a management system. Moreover, it is thanks to them that the system's activity is possible; since both cooperative, i.e. aimed at achieving common goals and conflictual ties, which to some extent contribute to the dynamic development of any system, the adoption of non-standard decisions is the driving force behind the implementation of qualitative transformations in the activities of the enterprise. It should be noted that conflictual relationships arise both within the enterprise (between different hierarchical levels, between separate functional units, between separate management bodies of the same hierarchical level, etc.) and when building relationships with the external environment. For example, when raising borrowed capital, an enterprise and a financial institution may have both cooperative (making a profit from the project being financed) and conflictual relations (ensuring loan repayment for the bank, minimizing the amount of property pledged as collateral for enterprises), which is due to the presence of both cooperative and conflictual goals of the functioning of two complex systems (bank and enterprise). At the same time, incoming and outgoing financial flows, their volumes, directions of movement, sources of formation, regularity, and speed reflect the existence of these links. The tighter the connection, the more orderly the financial flows of the enterprise [19, 20].

The existence of “generation” relations, when one object is the basis for the emergence of another [23], is one of the most important characteristics of financial flows. In determining the classification features of financial flows [18], depending on the ability of the financial flow to move through the system, there are:

incoming financial flows that give rise to outgoing financial flows in the future (Class 1), i.e. generate outgoing financial flows;

outgoing financial flows that give rise to incoming financial flows in the future (Class 2);

absorbed financial flows (Class 3), which in the future indirectly (through the company's operating activities) generate outgoing flows of financial, material, information, labor and technological resources;

generated outgoing financial flows (Class 4), which, as a result of the

enterprise's activities, generate incoming financial flows, flows of material, information, labor and technological resources in the future.

Table 3.1

Classification of financial flows depending on the ability of the financial flow to move through the system

Class	Characteristics
Incoming financial flows (Class 1)	give rise to outgoing financial flows in the future, i.e. generate outgoing financial flows.
Outgoing financial flows (Class 2)	that give rise to incoming financial flows in the future
absorbed financial flows (Class 3)	in the future indirectly (through the company's operating activities) generate outgoing flows of financial, material, information, labor, and technological resources
Generated outgoing financial flows (Class 4)	as a result of the enterprise's activities, generate in the future incoming financial flows, flows of material, information, labor, and technological resources

In addition, if we consider the process of making management decisions, it is obvious that management decisions made at the previous stages determine the emergence of relevant incoming and outgoing financial flows, which are the basis for making management decisions in the future. Accordingly, financial flows, by their nature, determine the existence of generation relations in their management system [20].

In the process of financial flows, individual elements (functional units, resources, external environment, infrastructure elements, models, and subsystems) affect the movement of financial flows, their volumes, regularity, speed, distribution directions, and sources of formation. Thus, there are links of transformations, i.e., system elements affect financial flows and cause their transformation from one state to another [20].

Since each element of the system performs a certain set of functions, and the quality and timeliness of their performance affect the results of its functioning, it can be argued that there are links in the financial flows management system that are reflected in the specificity of the functions of each element of the system. At the same time, these links have both the nature of state links, i.e., the next state of the system in time is a consequence of management decisions, quality and timeliness of functions

performed by each element in the past, and energy links, for example, functional units operate simultaneously. Still, they are linked by the unity of the global function performed in achieving the single goal of the management system (increase in the enterprise's market value as an investment object). Since the system has functional links that reflect the gradual change in the system's state over time, it can be argued that with significant changes in the system's state, developmental links appear between the elements, which is essential for the sustainable development of the enterprise, maintaining competitive positions in the market, ensuring its investment attractiveness and viability. However, it should be noted that fundamental changes in the company's activities do not always contribute to progress.

Functional and developmental links determine the presence of management links in the system. Moreover, in the system of financial flows management, there are both recursive [28], which reflect the cause-and-effect relationships between individual phenomena (sources of financial flows formation - incoming financial flows (basic parameters) - distribution of flows by directions - outgoing financial flows (basic parameters), and synergistic relationships that lead to a higher result from the joint activity of the system elements than the simple sum of effects. The synergistic effect in the enterprise financial flows management system is achieved because the interaction of the constituent elements makes it possible to form a more complete picture of the movement of financial flows, dependence, and influence of the basic parameters of financial flows on the enterprise as a whole, to track environmental signals and respond to them promptly, to use all the opportunities provided by infrastructure elements within the enterprise and in the external environment (use of new equipment and technologies, financial instruments, etc. Accordingly, the peculiarities of financial flows, which cover heterogeneous elements of the system that are interconnected by several links, significantly affect the characteristics of the management system. The latter are fundamental since, being subject to system-wide laws, they determine the system parameters and, accordingly, affect the ability of the system to achieve the goal of its functioning.

Thus, the management of financial flows in a company is considered a

complex, multi-level, dynamically structured system aimed at ensuring the formation, servicing, distribution, and movement of financial resources to maintain stable operation and long-term development. The continuous nature of financial flows within such a system is crucial, as any interruption signals the presence of financial instability or managerial inefficiencies. To effectively manage financial flows, it is essential to define key structural elements, including functional divisions of the enterprise, various resource types and their sources, external counterparties, market infrastructure (commodity, financial, labor, and capital markets), and specialized management centers. Each element plays a role in executing financial management functions such as planning, organizational and informational support, servicing, accounting, control, monitoring, and motivation. Additionally, specialized financial management models and mechanisms contribute to optimizing financial flow distribution and stability. Each element within the system performs specific functions, and the quality and timeliness of their execution directly affect overall system performance. Given the complexity of such a system, all types of interconnections are present, including interaction, generation, transformation, structuring, functioning, development, and management. These connections ensure coordinated decision-making and continuous adaptation of financial flows to internal and external economic conditions. The formation, service, distribution, and movement of financial flows within an enterprise must be ongoing and uninterrupted. A break in this process often indicates financial distress or structural inefficiencies that may jeopardize operational stability. Therefore, to enhance financial flow management, it is necessary to optimize inter-functional relationships, strengthen financial planning capabilities, improve monitoring mechanisms, and ensure systematic financial decision-making. In conclusion, a well-structured system for managing financial flows, with clearly defined elements and functional relationships, enables an enterprise to effectively allocate resources, respond to financial challenges, and sustain long-term growth. By ensuring the continuous movement and transformation of financial flows, businesses can maintain financial stability, improve profitability, and strengthen their market position in a dynamic economic environment.

3.2. Proposals for building the architectonics of the management system financial flows at the enterprise

Having identified the elements of a dynamically functioning financial flow management system and the interrelationships in such a system, we can proceed to build the system's architectonics. According to the traditional interpretation [20], architectonics (the art of building) is the relative arrangement of parts of a certain structure that determines its static forces. Architectonics is manifested in proportions, the ratio of major and minor elements. A financial flow management system, like any structure that combines primary and secondary elements (units, resources, external environment, infrastructure elements, models, and subsystems), which are connected by interconnections (interaction, generation, transformation, structure, functioning, development, and management), also has certain architectonics.

According to the flow theory, all flows in the system must pass through certain channels. As noted by L. Mirotyan and I. Tashbayev [28], the financial system must have channels of financial flows in monetary terms. And they, in turn, are a projection of material flows and technological changes in logistics systems. In general, the movement of financial flows occurs through certain channels (input, distribution, output) within the contours (movement, management, service, control) between the centers of financial flow management (planning, organization of service, monitoring, control, motivation). Organized channels, contours, and centers, connected by appropriate relationships, form the architectonics of the financial flow management system (Fig. 3.3).

In the master's qualification work, it is proposed to distinguish three main types of channels for enterprises of the agricultural production complex [20] (Table 3.1):

- 1) Channels of financial flows entry, which, ensuring the process of movement “Entry”, determine the movement of financial flows from the sources of their formation through the appropriate conductors to the node “Accumulated financial flows”, where financial flows are converted into financial resources of enterprises.

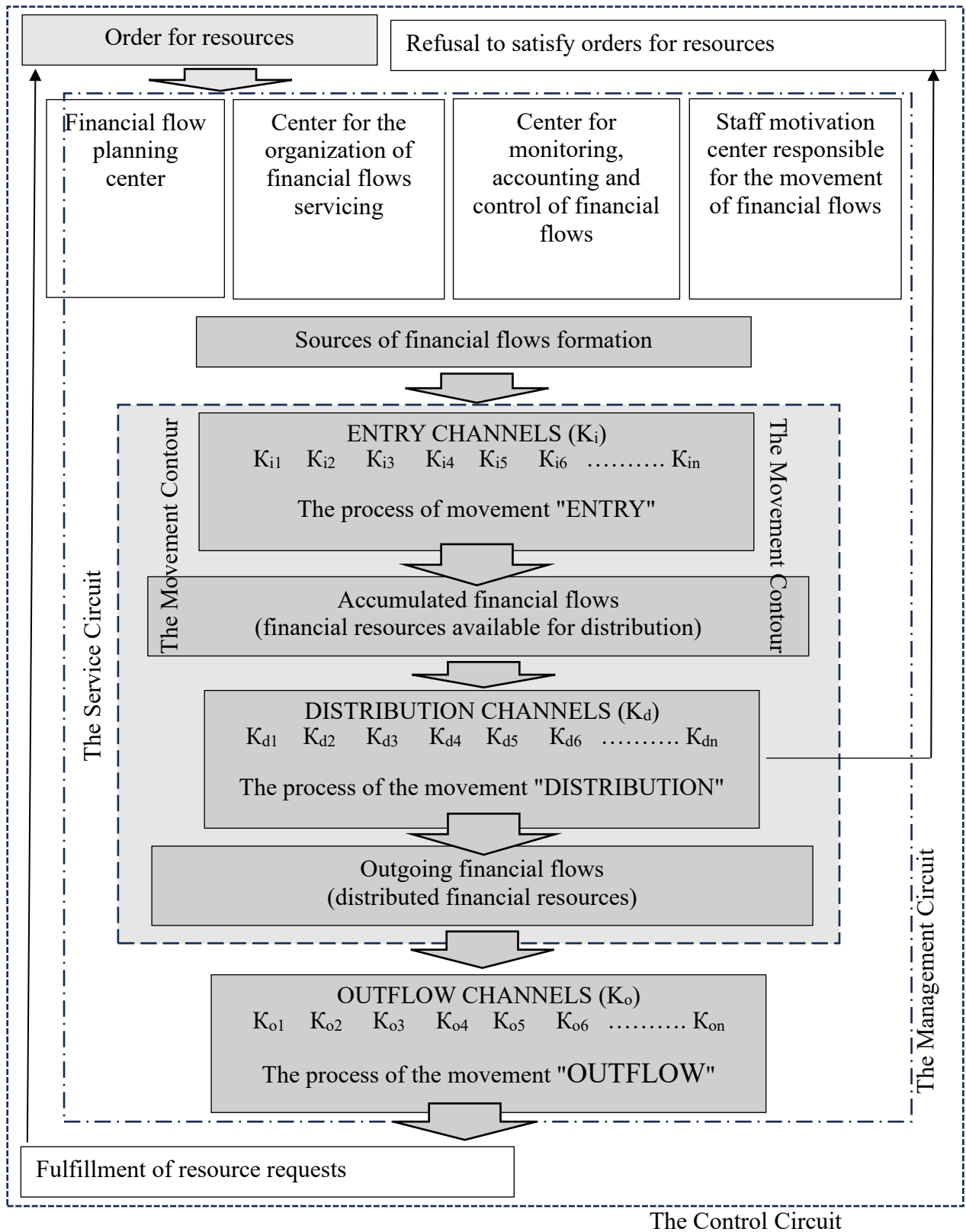


Fig. 3.3. The proposed architecture of the financial flow management system in the company [20].

2) Channels of distribution of financial flows that arise based on management

decisions on the directions of distribution. At the same time, available financial resources are transformed into internal conditional financial flows that flow to the distribution channels in accordance with the powers of individual elements of the system, forming the “Distribution” movement process. As a result, the following static category, “Distributed financial resources,” is formed.

3) Channels of financial flows outflow, which provides outgoing financial flows to the external environment through appropriate flow carriers, ensuring the movement process “Outflow.”

Table 3.2

Proposed channels of financial flows of agribusiness enterprises [20].

Channel	Explanation
ENTRY CHANNELS	Financial flow input channels ensure the “Entry” process and determine the movement of financial flows from the sources of their formation through the relevant conductors to the “Accumulated financial flows” node, where financial flows are transformed into financial resources of enterprises.
DISTRIBUTION CHANNELS	Distribution channels of financial flows arise based on management decisions based on distribution directions. At the same time, available financial resources are transformed into internal conditional financial flows that flow to the distribution channels by the powers of individual elements of the system, forming the “Distribution” movement process. As a result, the following static category, “Distributed financial resources,” is formed.
OUTFLOW CHANNELS	Financial flow outlet channels provide outgoing financial flows to the external environment using appropriate flow carriers, ensuring the “Outflow” movement process.

In addition, the process of managing financial flows should take place within certain management contours. For the first time, the concept of a control loop was applied by S. Beer in his work “Diagnosing the System of Organizations” [7], in which he noted that the key issue for an organization is to determine the relationships between individual elements and operations of the system that determine the effectiveness of activities and called them control loops. This theory was further developed in the works of K. Weick, who argued that interconnected cycles of actions are created because of the organization's activities, which can be represented as “casual contours” [23].

System theory [28] states that to ensure the viability of a system, it is necessary to establish certain system boundaries - contours. Otherwise, in the absence of contours and the system's closedness, the system's controllability is lost since, along with unauthorized leakage of financial flows, information flows may go beyond its boundaries, affecting the system's viability and the economic security of the entire enterprise.

In the master's qualification work, the financial flows management system adheres to the idea of distinguishing four main contours [20] (Table 3.3):

1) The Flow path that represents the union of system boundaries from the receipt of an order and incoming financial flow into the system to the output of the corresponding financial flow and the satisfied requirement or information about the rejection of the requirement if the system is in a state that does not allow satisfying the requirement.

2) The Management circuit covers the entire management process from determining the sources of financial flows, distribution of incoming flows by directions, and outflow of financial flows to the external environment.

3) The service circuit, which contains the process of satisfying the requirements of the enterprise's divisions for the allocation of certain amounts of financial resources at the expense of certain sources of financial resources (unlike the movement circuit, it embodies the process of allocating financial resources, i.e. the process of forming the outgoing financial flow).

4) The control circuit should be distinguished separately since it is an effective mechanism for controlling the receipt, distribution, and outflow of financial flows that can thoroughly assess the system's current and future state. Given that the system is dynamic, the correctness of the current state and control of its compliance with the goals and objectives of the system depends on the correctness of the selected tools and management mechanisms in the future.

The financial movement flows through certain channels and within certain circuits should be organized by centers. The content of the activities of these centers, which represent the relevant subsystems, should correspond to the functions of the

system and the powers of certain levels of management and be aimed at achieving the strategic goals set.

Table 3.3

Proposed contours of the financial flows management system at agribusiness enterprise

Circuit	Characterization of the circuit
1) The Movement Circuit	System boundaries from the receipt of an order and incoming financial flow into the system to the exit of the corresponding financial flow and the satisfied claim or information about the rejection of the claim if the system is in a state that does not allow satisfying the claim.
2) The Management circuit	The contour covers the entire management process from identifying sources of financial flows, distributing incoming flows by direction, and outputting financial flows to the external environment.
3) The service Circuit	The circuit includes satisfying the requirements of the enterprise's divisions for allocating certain amounts of financial resources from certain sources of financial resources (unlike the flow circuit, it embodies the process of allocating financial resources, i.e. the process of forming the outgoing financial flow).
4) The Control Circuit	The contour is represented by an effective mechanism for controlling the receipt, distribution, and outflow of financial flows, which can provide a thorough assessment of the system's state in the current and future periods. Given that the system is dynamic, the correctness of the current state and control of its compliance with the system's goals and objectives determine the correctness of the selected tools and management mechanisms in the future.
[compiled with the help of 23]	

The implementation of an effective system of financial flow management at an enterprise, based on the proposed architectonics, is carried out by activating the following processes [4]:

1) The process of defining the goal and objectives of the financial flow management system. The goal is synchronized with the enterprise's main goal for a certain period and outlines the main problems in management and ways to overcome them.

2) The process of classifying the financial flows of an enterprise by sources of income and expenses allows you to determine the characteristics of financial flows and simplify the choice of a management decision.

3) The process of creating a regulation on the financial flow management system as an information base for management. It should contain the main aspects of

accounting for financial resources by type of activity of the enterprise (investment, operating, and financial), procedures and principles of planning and control to be applied in the financial flows management system, analytical base of coefficients, indicators, methods of financial analysis by groups and types of financial flows at the enterprise.

4) The process of maintaining periodic payment calendars and budgets with monthly, quarterly, and annual plans at the enterprise.

5) The process of distributing functions related to accounting for financial resources, conducting internal and external systematic analysis, planning for the forecast period, and controlling and developing measures to optimize financial flows between the relevant departments (accounting and economic departments).

6) Comprehensive consideration of tax, dividend, and depreciation policies, commercial lending terms, exchange rate differences, and the structure and weighted average cost of capital raised in preparing forecast financial statements.

7) The process of planning and coordinating the activities of departments (responsibility centers) by the head of the enterprise.

Financial flow management tools for the company's internal environment include financial support, cost estimation, analysis of financial and economic activities, and risk insurance. Methods of motivation, mutual settlements, advertising and public relations, and contract management are aimed at the external environment [4].

Financial flow management tools aimed at the company's internal environment focus on ensuring the organization's efficient allocation and utilization of financial resources. These tools help in financial planning, risk mitigation, and cost optimization. Key tools include:

1) Financial Support. Encompasses forming, distributing, and utilizing financial resources to ensure the company's operational stability and development.

2) Cost Estimation. Involves analyzing the structure of enterprise costs, planning the budget, and optimizing expenditures to improve financial efficiency.

3) Analysis of Financial and Economic Activities: Includes methods for evaluating liquidity, financial stability, profitability, and other key indicators, which

assist in making well-grounded managerial decisions.

3) Risk Insurance. Helps mitigate financial losses by employing insurance mechanisms to protect assets, investments, and personnel.

These tools contribute to financial stability, minimize internal risks, and enhance financial resource management efficiency.

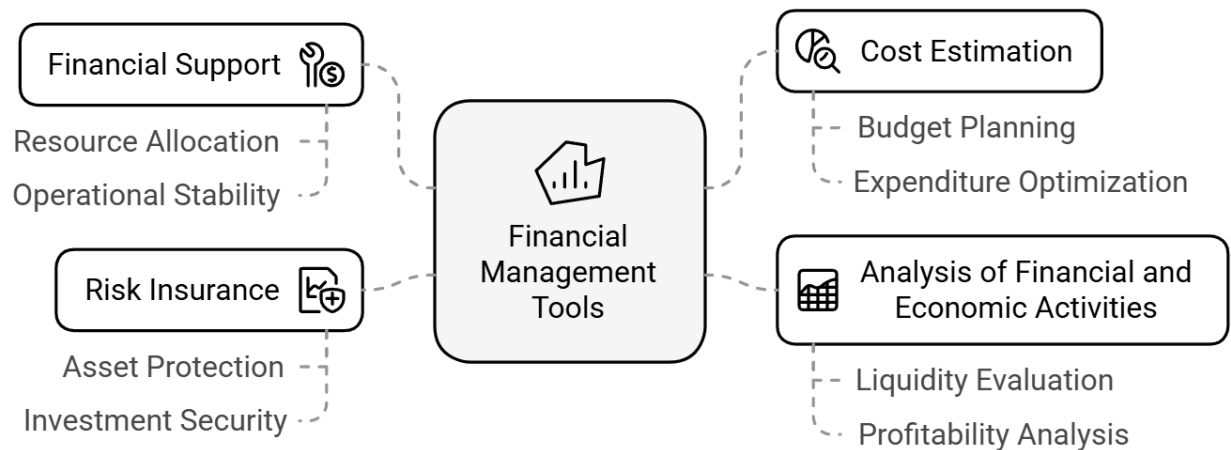


Fig. 3.4. The proposed system of financial flow management tools aimed at the internal environment of the company

Financial flow management tools aimed at the company's external environment focus on interactions with the market, stakeholders, and investors. These tools are essential for improving competitiveness and maintaining strong financial positioning. Key tools include:

1) Methods of Motivation. Encompass financial incentives for employees and partners, fostering increased productivity, loyalty, and collaboration.

2) Mutual Settlements. Cover mechanisms for processing payments between the enterprise and counterparties influence liquidity and solvency.

3) Advertising and Public Relations: Strengthen the company's image, increase consumer and partner trust, and ultimately enhance financial performance.

4) Contract Management. Ensures effective cooperation with suppliers, customers, and investors, minimizing risks and securing stable financial inflows.

These external tools enable a company to adapt to changing market conditions, enhance competitiveness, and attract additional financial resources.

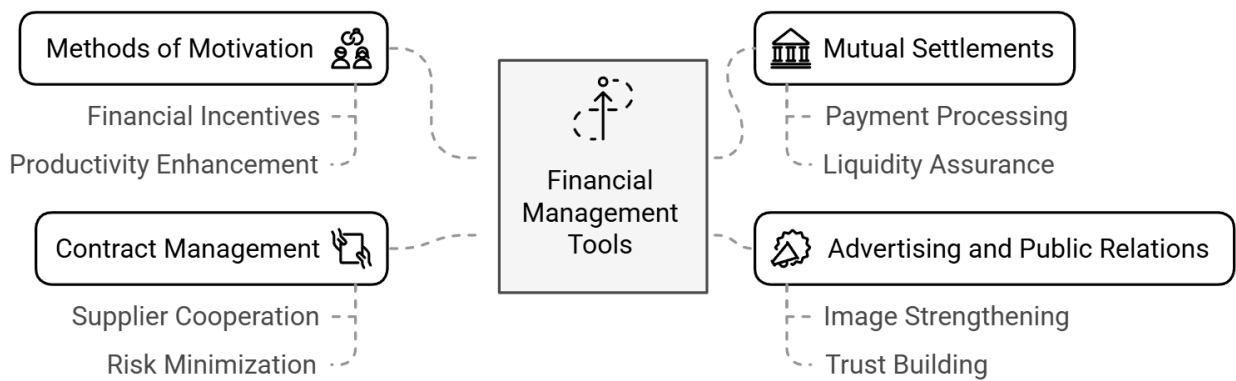


Fig. 3.5. The proposed system of financial flow management tools aimed at the external environment of the enterprise

So, dividing financial management tools into internal and external categories allows enterprises to strategically plan operations, mitigate risks, and enhance financial resilience. Internal mechanisms ensure effective resource utilization and financial process optimization, while external tools strengthen market positioning, improve partner relations, and increase financial attractiveness. By integrating both internal and external financial management tools, companies can achieve sustainable growth and long-term competitiveness.

The choice of methods and tools of the financial enterprise management model should be based on the preliminary identification of the influence of certain factors. Table 3.3 provides an example of factors whose influence is proposed to be considered when choosing methods and tools for managing financial flows at an enterprise.

In the future, it will be advisable to distribute the relevant management functions among the management centers, identify the factors that affect the activities of each center of the financial flow management system, and determine the performance indicators of individual centers within the financial resources management system and its contours (Table 3.4).

The management of financial flows in an enterprise is distributed among several key responsibility centers, each of which performs specific functions to ensure the effective planning, servicing, monitoring, and motivation related to financial resources. The Financial Flow Planning Center is responsible for developing financial strategies and plans, forecasting financial flows, budgeting, and allocating resources. The

accuracy of financial forecasts, adherence to financial plans, and budget variance analysis measure the efficiency of this center. Market conditions, internal financial policies, and strategic corporate goals influence its operation.

Table 3.4

An example of factors that influence the choice of methods and tools for managing financial flows to enterprises [4]

Factors of choice	Characteristics
Financial flow management stage	information gathering, analysis, and planning, decision-making and implementation, accounting and control
Direction and scope of action	internal environment of the enterprise, internal environment of the logistics system, external environment
Scope of financial flow management	department level, enterprise level, industry and market level, country level
Changing parameters of resource flows	time, volume, cost, direction, structure
Functions of financial flows in the logistics process	a measure of value, a means of accumulation and preservation, a means of circulation and payment
Internal content and management tools	Mathematical, economic

The Center for the Organization of Financial Flows Servicing ensures the timely and accurate execution of financial transactions, optimizes financial processes and manages financial liquidity. The effectiveness of this center is assessed based on the speed and accuracy of financial transactions, reductions in processing costs, and improvements in cash flow management. Key factors affecting its performance include technological infrastructure, the efficiency of financial service providers, and internal workflow optimization.

The Center for Monitoring, Accounting, and Control of Financial Flows is crucial in overseeing financial transactions, maintaining accurate accounting records, and ensuring compliance with financial regulations. The timeliness of financial reports determines their efficiency, the compliance rate with financial regulations, and the error rate in financial records. The main factors influencing this center include regulatory changes, financial data accuracy, and monitoring systems' efficiency.

The Staff Motivation Center, Responsible for the Movement of Financial Flows, focuses on developing financial incentive systems, motivating employees for financial

efficiency, and managing reward distribution. The effectiveness of this center is evaluated through employee financial performance, staff satisfaction with incentives, and the correlation between motivation strategies and productivity. The main factors impacting its operation are economic conditions, the effectiveness of motivation strategies, and employee engagement.

Table 3.5

Characteristics of financial resource management centers within the proposed architecture of connections and system contours.

Center of Responsibility	Functions of the Center	Indicators of Center Efficiency	Factors Affecting Center Operations
Financial Flow Planning Center	Developing financial strategies and plans, forecasting financial flows, budgeting, and resource allocation.	Accuracy of financial forecasts; adherence to financial plans; budget variance analysis.	Market conditions, internal financial policies, strategic corporate goals.
Center for the Organization of Financial Flows Servicing	Ensuring timely and accurate financial transactions, optimizing financial processes, and managing financial liquidity.	Speed and accuracy of financial transactions; reduced processing costs; cash flow optimization.	Technological infrastructure; efficiency of financial service providers; internal workflow optimization.
Center for Monitoring, Accounting, and Control of Financial Flows	Monitoring financial transactions, accounting, and reporting, ensuring compliance with financial regulations.	Timeliness of financial reports; compliance rate with financial regulations; error rate in financial records.	Regulatory changes; accuracy of financial data; efficiency of monitoring systems.
Staff Motivation Center Responsible for the Movement of Financial Flows	Developing financial incentive systems, motivating staff for financial efficiency, and managing reward distribution.	Employee financial performance; staff satisfaction with incentives; correlation between motivation and productivity.	Economic conditions; effectiveness of motivation strategies; level of employee engagement.

Overall, the coordination and effectiveness of these financial flow management centers determine the company's ability to maintain financial stability, optimize liquidity, and enhance operational efficiency. The company can improve its financial resilience and long-term sustainability by ensuring the alignment of these centers with corporate objectives and external market conditions. The architectonics of the financial resource management system play a crucial role in ensuring the efficient allocation,

movement, and optimization of financial flows within a company. By structuring financial flow management through well-defined channels and circuits, companies can enhance financial stability, improve decision-making, and maintain control over resource distribution. The proposed system outlines financial flow management as a dynamic and multilevel structure that integrates various elements, including financial planning, servicing, monitoring, control, and motivation, ensuring the continuous and efficient movement of financial resources.

The architectonics of financial flow management relieve three primary channels: entry, distribution, and outflow. The entry channels facilitate the inflow of financial resources from different sources, ensuring that companies have adequate capital for their operations. The distribution channels ensure the proper allocation of financial resources, transforming them into internal financial flows that align with business objectives. The outflow channels manage financial disbursements to external parties, ensuring compliance with obligations and maintaining financial sustainability. These channels operate within management contours encompassing movement, service, control, and administration, providing a structured approach to financial resource utilization. The effectiveness of this system depends on well-coordinated financial flow management centers, including financial planning, servicing, monitoring, and staff motivation. Each center plays a vital role in ensuring financial efficiency, maintaining liquidity, and optimizing the allocation of resources. The financial planning center focuses on forecasting and budgeting, the service center ensures accurate and timely financial transactions, the monitoring center oversees compliance and reporting, and the staff motivation center enhances financial productivity through incentive programs. The integration of these centers allows enterprises to streamline financial processes, minimize risks, and enhance overall financial performance. The practical implementation of this financial management system should focus on key efficiency criteria, such as the accuracy of financial forecasts, adherence to financial plans, cost reductions, and optimized cash flow management. Financial control mechanisms should also be reinforced to ensure compliance with regulations and maintain data accuracy. Implementing a robust financial flow management system based on the

proposed architectonics ensures the enterprise's long-term stability, competitiveness, and sustainable development in a dynamic business environment.

CONCLUSIONS TO SECTION 3

The management of financial flows in a company is considered a complex, multi-level, dynamically structured system aimed at ensuring the formation, servicing, distribution, and movement of financial resources to maintain stable operation and long-term development. The continuous nature of financial flows within such a system is crucial, as any interruption signals the presence of financial instability or managerial inefficiencies. To effectively manage financial flows, it is essential to define key structural elements, including functional divisions of the enterprise, various resource types and their sources, external counterparties, market infrastructure (commodity, financial, labor, and capital markets), and specialized management centers. Each element plays a role in executing financial management functions such as planning, organizational and informational support, servicing, accounting, control, monitoring, and motivation. Additionally, specialized financial management models and mechanisms contribute to optimizing financial flow distribution and stability. Each element within the system performs specific functions, and the quality and timeliness of their execution directly affect overall system performance. Given the complexity of such a system, all types of interconnections are present, including interaction, generation, transformation, structuring, functioning, development, and management. These connections ensure coordinated decision-making and continuous adaptation of financial flows to internal and external economic conditions. The formation, service, distribution, and movement of financial flows within an enterprise must be ongoing and uninterrupted. A break in this process often indicates financial distress or structural inefficiencies that may jeopardize operational stability. Therefore, to enhance financial flow management, optimize inter-functional relationships, strengthen financial planning capabilities, improve monitoring mechanisms, and ensure systematic financial decision-making are

necessary. In conclusion, a well-structured system for managing financial flows, with clearly defined elements and functional relationships, enables an enterprise to effectively allocate resources, respond to financial challenges, and sustain long-term growth. By ensuring the continuous movement and transformation of financial flows, businesses can maintain financial stability, improve profitability, and strengthen their market position in a dynamic economic environment.

Overall, the coordination and effectiveness of these financial flow management centers determine the company's ability to maintain financial stability, optimize liquidity, and enhance operational efficiency. The company can improve its financial resilience and long-term sustainability by ensuring the alignment of these centers with corporate objectives and external market conditions. The architectonics of the financial resource management system play a crucial role in ensuring the efficient allocation, movement, and optimization of financial flows within a company. By structuring financial flow management through well-defined channels and circuits, companies can enhance financial stability, improve decision-making, and maintain control over resource distribution. The proposed system outlines financial flow management as a dynamic and multilevel structure that integrates various elements, including financial planning, servicing, monitoring, control, and motivation, ensuring the continuous and efficient movement of financial resources. The architectonics of financial flow management relieve three primary channels: entry, distribution, and outflow. The entry channels facilitate the inflow of financial resources from different sources, ensuring that companies have adequate capital for their operations. The distribution channels ensure the proper allocation of financial resources, transforming them into internal financial flows that align with business objectives. The outflow channels manage financial disbursements to external parties, ensuring compliance with obligations and maintaining financial sustainability. These channels operate within management contours encompassing movement, service, control, and administration, providing a structured approach to financial resource utilization. The effectiveness of this system depends on well-coordinated financial flow management centers, including financial planning, servicing, monitoring, and staff motivation. Each center plays a vital role in

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CONCLUSIONS

In the formation of effective management mechanisms in the field of creation and use of financial resources, as well as regulation and control of flows responsible for the appropriateness of their structure, volumes, sources of income, etc., in relation to the operating activities of the enterprise, it is financial flows that become the key to creating the necessary reasonable financial reserves for the survival and development of Ukrainian enterprises in the context of the political, financial and economic crisis. The efficiency of any business entity (enterprise) in obtaining the main result and additional financial benefits depends on the quality of all processes related to the movement of financial flows. Optimally regulated financial flows at an enterprise are responsible for financial balance and ensuring the growth of the enterprise's value, its financial and economic stability, solvency, and even profitability of operating, financial, and investment activities.

An economic system of any level initiates the movement of financial flows during its functioning. Financial flows transform the financial resources formed in a certain way into a purposeful movement characterized by a positive or negative result for this economic system. Regardless of the level of functioning, the main function of financial flow is the formation and use of financial resources. The most common approaches to considering financial flows at the enterprise level are two. According to the first approach, financial flows are identified with cash flows. Since cash flow is a fundamental financial management concept, comparing these two concepts is still inappropriate. Cash flow is only a type of financial flow. Unlike cash flow, which involves the movement of cash, financial flow may also involve movements related to both monetary and non-monetary financial transactions. Therefore, financial flows are associated with the movement of the entire set of financial resources according to the sources of their receipt. Therefore, the financial flow at the enterprise level in the thesis is understood as a purposeful movement of financial resources or financial instruments within a certain financial scheme, which is the result of a management decision made in accordance with regulatory and legal norms and is consistent with

the financial policy of the enterprise. Financial flows are characterized by the following parameters: volume, diversified movement both within and outside the enterprise, ways and channels of movement, time, sources of formation, and distribution directions. The scheme of financial flows must necessarily correspond to the financial strategy and objectives of the enterprise.

Management of an enterprise's financial flows is a complex process that involves the purposeful management of the movement of financial resources or financial instruments within a certain financial scheme, which is the result of a management decision made in accordance with regulatory and legal standards and is consistent with the financial policy of the enterprise. Financial flows occur in economic systems of different levels, and at each level, they should not be chaotic but managed. The enterprise financial flows management system includes a set of methods and tools for organizing economic relations, based on which financial resources flow to achieve the set goals. The growing role of financial flows in the global economy in general and within the enterprise ecosystem requires improving methods and tools for managing them. Implementing the latest financial instruments is impossible without understanding the essence of financial flows and the new challenges facing the financial manager of an enterprise. The key tasks of management include rethinking the principles and functions of financial management and considering modern financial management theories.

The main areas of IMC's activities are the cultivation of grain & oilseed crops and the storage of grain & oilseed crops. IMC is among Ukraine's top 10 agricultural companies. The activities of the IMC are formed in the form of 5 clusters in the Chernihiv, Sumy and Poltava regions. The company has 120 thousand hectares in prime fertile farming regions of Ukraine, a high concentration of land plots within the clusters, and developed and self-sufficient farming infrastructure (own storage capacities for grain and oilseeds, logistic infrastructure, machinery park). The idea of vertical integration is at the heart of the IMC business model. A vertically integrated business structure allows one to take advantage of diversification, guarantee the supply of raw materials with minimal transportation costs, and effectively manage all

value chain elements—operating activity. Despite the war, the lack of production personnel, and forced changes in crop cultivation technology, IMC achieved record yields of two main crops in 2023: corn – 12.4 t/ha and winter wheat – 7.1 t/ha.

LLC is a vertically integrated agro-industrial company that operates a full production cycle – from cultivating agricultural crops to their storage and sales. This organizational structure allows the company to efficiently control all stages of operations, optimize costs, improve product quality, and minimize risks associated with supply and distribution. So, the organizational structure of IMC LLC as a vertically integrated company enables centralized management of all stages of the production process – from growing agricultural crops to storage and sales. This structure allows the company to minimize risks related to raw material supply and product distribution, ensuring its financial stability and competitiveness in both the Ukrainian agrarian market and the international arena.

IMC LLC's financial and cash flow management has faced significant challenges from 2020 to 2023, marked by declining operational cash flows, increased investment outflows, and a heavy reliance on external financing. While the company experienced financial growth in 2021, 2022 brought a downturn, with reduced liquidity, rising costs, and growing financial obligations. Despite partial recovery in 2023, IMC LLC still struggles with unstable cash flows and investment pressures. The operating cash flow remains positive but has weakened due to higher operational costs and reduced revenue margins. Investment activities saw a sharp rise in capital expenditure in 2023 despite financial constraints, indicating a need for better investment planning. Financing activities reflect high reliance on loans and leases, with increasing interest expenses limiting financial flexibility. The decline in cash reserves signals potential liquidity risks if the company does not address these issues.

Managing financial and cash flows remains problematic for IMC LLC, requiring urgent strategic interventions to ensure financial sustainability and long-term stability. The company must focus on building an effective financial management system, which includes optimizing cash flow from operations, restructuring investment strategies, and improving financial planning. To overcome

the current financial challenges, IMC LLC should implement a structured cash flow management framework that prioritizes cost control, working capital optimization, and debt restructuring. Additionally, developing a robust financial architecture with real-time monitoring of cash inflows and outflows, better investment decision-making, and improved forecasting models will help the company mitigate risks and strengthen financial resilience. Given the impact of macroeconomic instability and war-related disruptions, the company should explore alternative financing options, such as strategic partnerships, equity financing, or government support programs, to diversify funding sources and reduce reliance on short-term borrowings. A well-structured financial management system will enable IMC LLC to achieve financial sustainability, enhance profitability, and ensure long-term competitiveness in the agribusiness sector.

The management of financial flows in a company is considered a complex, multi-level, dynamically structured system aimed at ensuring the formation, servicing, distribution, and movement of financial resources to maintain stable operation and long-term development. The continuous nature of financial flows within such a system is crucial, as any interruption signals the presence of financial instability or managerial inefficiencies. To effectively manage financial flows, it is essential to define key structural elements, including functional divisions of the enterprise, various resource types and their sources, external counterparties, market infrastructure (commodity, financial, labor, and capital markets), and specialized management centers. Each element plays a role in executing financial management functions such as planning, organizational and informational support, servicing, accounting, control, monitoring, and motivation. Additionally, specialized financial management models and mechanisms contribute to optimizing financial flow distribution and stability. Each element within the system performs specific functions, and the quality and timeliness of their execution directly affect overall system performance. Given the complexity of such a system, all types of interconnections are present, including interaction, generation, transformation, structuring, functioning, development, and management. These connections ensure coordinated

decision-making and continuous adaptation of financial flows to internal and external economic conditions. The formation, service, distribution, and movement of financial flows within an enterprise must be ongoing and uninterrupted. A break in this process often indicates financial distress or structural inefficiencies that may jeopardize operational stability. Therefore, to enhance financial flow management, it is necessary to optimize inter-functional relationships, strengthen financial planning capabilities, improve monitoring mechanisms, and ensure systematic financial decision-making. In conclusion, a well-structured system for managing financial flows, with clearly defined elements and functional relationships, enables an enterprise to effectively allocate resources, respond to financial challenges, and sustain long-term growth. By ensuring the continuous movement and transformation of financial flows, businesses can maintain financial stability, improve profitability, and strengthen their market position in a dynamic economic environment.

Overall, the coordination and effectiveness of these financial flow management centers determine the company's ability to maintain financial stability, optimize liquidity, and enhance operational efficiency. By ensuring the alignment of these centers with corporate objectives and external market conditions, the company can improve its financial resilience and long-term sustainability. The architectonics of the financial resource management system play a crucial role in ensuring the efficient allocation, movement, and optimization of financial flows within a company. By structuring financial flow management through well-defined channels and circuits, companies can enhance financial stability, improve decision-making, and maintain control over resource distribution. The proposed system outlines financial flow management as a dynamic and multilevel structure that integrates various elements, including financial planning, servicing, monitoring, control, and motivation, ensuring the continuous and efficient movement of financial resources. The architectonics of financial flow management relieve three primary channels: entry, distribution, and outflow. The entry channels facilitate the inflow of financial resources from different sources, ensuring that companies have adequate capital for their operations. The distribution channels ensure the proper allocation of financial resources, transforming

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