



Statement of the problem

If economic activity is accompanied by industrial revolutions and breakthrough technologies, then its accounting on accounts and transactions was delayed in development at the level of the 15th century. The accountant still maintains the accounting with expensive service support, since it was possible to automate only settlement operations, and accounting operations on accounts and transactions did not work.

The incorrectness of creative accounting operations, insufficient information content and unreliable documentation of economic activities by persons interested in distorting reporting are the main problem of accounting and the state of the economy as a whole, since markets are guided by the stock market reports confirmed by an audit, and distortions in accounting provoke global crises.

So, in the crisis of 2008, almost all collapsed banks, financial organizations, corporations, according to official sources and the press, had unreliable financial statements. In the same year, the declaration of the G20 summit gave instructions to ministers and experts on the revision and creation of new accounting standards.

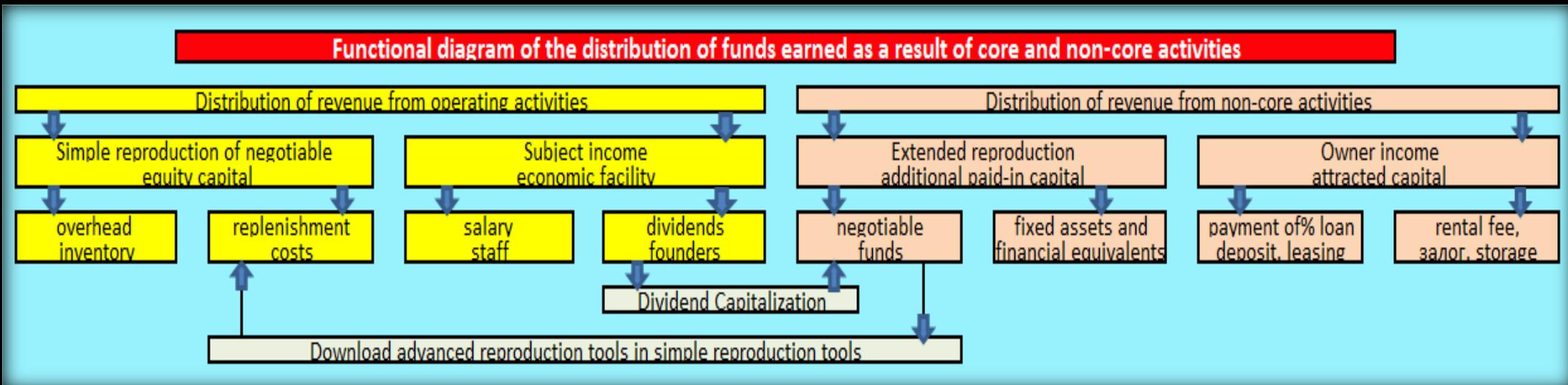
Since new financial reporting standards have not appeared, for the complete informatization of accounting for both settlement and accounting operations, the exclusion of the human factor and its carriers – the accountant, auditor, auditor, tax inspector from the accounting process and the formation of reports in automatic mode, an end-to-end accounting technology is proposed, which is comparable to digital technology, which has replaced manual communication on the PBX, and works on the principle: "I entered and forgot the primary data".



The study of economic activity from the point of view of the distribution of proceeds for simple and extended reproduction of resources and income generation to subjects and clients of an economic object allowed us to build a project of its financial architecture, according to which algorithms for the end-to-end accounting process are formulated, the formula for the balance of an economic object is derived and a full-format, easy-to-read financial statements with information content at the level of IFRS are automatically generated.

So, from the proceeds as a result of the main activity for the simple reproduction of resources, the stocks, economic and tax expenses that have been disposed of with the sale are automatically replenished, income is generated to the founders and staff, and from the proceeds as a result of non-main activities, the funds of expanded reproduction of resources in additional capital are replenished and income is generated to the owners of the attracted capital.

Further, the schemes of the financial architecture, the consolidated financial and balance sheet report of the economic object are proposed:







# Balance sheet and off-balance sheet reporting of end-to-end financial accounting.

Electronic financial accounting ASMF Enterprise

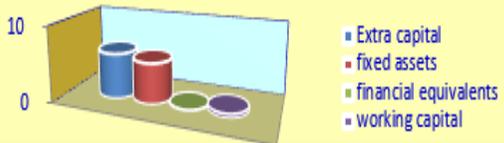
Public account of the enterprise OOO "Plastposuda"

Primary activity Manufacture of plastic dishes

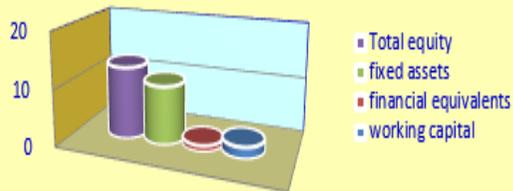
Authorized capital



Additional capital



Equity capital



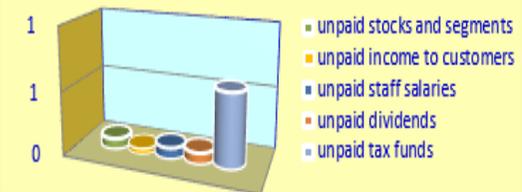
**Off-balance sheet income statement of subjects and clients from the beginning October 16, 2015**

|   |        |
|---|--------|
| Staff salary                                    | 6 183  |
| Dividends of founders and majority shareholders | 2 485  |
| Minority dividends                              | 0      |
| Income funds of the company's clients           | 973    |
| Taxes and fees not included in the state budget | 5 752  |
| Total income generated by the enterprise        | 15 393 |

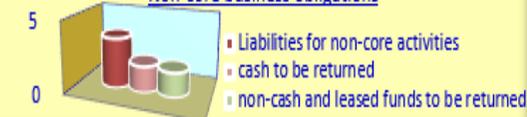
**Investment characteristics of the enterprise on October 16, 2015**

|  |              |                          |
|--|--------------|--------------------------|
| Instrumental and market valuation of the enterprise value                | 18 000       | 20 000                   |
| Stability and liquidity ratio  | X = 3,1      | X <sub>norm</sub> >= 1,1 |
| Return on equity in real time  | ROE = 18 %   |                          |
| Profitability as a ratio of income to expense                            | R = 26%      |                          |
| The number of staff and its productivity                                 | 18 human     | 149 rub/hour             |
| Planned and average revenue from core activities                         | 160          | 175                      |
| Return on deposits of founders and majority shareholders                 | For 727 days |                          |
| The nominal value of shares and their projected profitability            | 50 rub       | 106% for the year        |
| Number and price of shares offered for sale                              | 2000 шт.     | 52 rub.                  |
| Development dynamics (ratio of additional capital to authorized capital) | 0,8          |                          |
| Unfulfilled obligations under loan, investment, leasing agreements       | 0 rub        |                          |
| Required investments for the production of fast disposal eco-dishes      | 5200 rub     |                          |

Core business commitments



Non-core business obligations



Property on the balance sheet of the company



**Balance sheet on the state of property and capital of the enterprise on October 16, 2015**

| COMPANY PROPERTY                     |          |       |      |      | CAPITAL OF THE COMPANY                   |          |       |      |      |
|--------------------------------------|----------|-------|------|------|--|----------|-------|------|------|
|                                      | 16.10.15 | 2014  | 2013 | 2012 |  | 16.10.15 | 2014  | 2013 | 2012 |
| <b>Non-current property</b>          |          |       |      |      | <b>Equity</b>                            |          |       |      |      |
| Main property                        | 10 363   | 5 000 | 0    | 0    | Authorized capital                       | 7 500    | 7 500 | 0    | 0    |
| Property of cash equivalents         | 1 100    | 1 000 | 0    | 0    | fixed assets                             | 5 000    | 5 000 | 0    | 0    |
| Total non-current assets             | 11 463   | 6 000 | 0    | 0    | financial equivalents                    | 1 000    | 1 000 | 0    | 0    |
| <b>Circulating property</b>          |          |       |      |      | <b>Raised capital</b>                    |          |       |      |      |
| As a result of the main activity     | 2 390    | 1 500 | 0    | 0    | working capital                          | 1 500    | 1 500 | 0    | 0    |
| property in stock                    | 1 018    | 500   | 0    | 0    | Extra capital                            | 5 997    | 0     | 0    | 0    |
| cash register of the main activity   | 1 284    | 1 000 | 0    | 0    | fixed assets                             | 5 363    | 0     | 0    | 0    |
| property held by debtors             | 88       | 0     | 0    | 0    | financial equivalents                    | 100      | 0     | 0    | 0    |
| As a result of non-core activities   | 3 981    | 0     | 0    | 0    | working capital                          | 534      | 0     | 0    | 0    |
| property to be returned              | 3 535    | 0     | 0    | 0    | Total equity                             | 13 497   | 7 500 | 0    | 0    |
| cash register of non-core activities | 317      | 0     | 0    | 0    | <b>Total raised capital</b>              |          |       |      |      |
| property held by debtors             | 128      | 0     | 0    | 0    | Main activity commitments                | 801      | 0     | 0    | 0    |
| Total current assets                 | 6 370    | 1 500 | 0    | 0    | unpaid stocks and segments               | 87       | 0     | 0    | 0    |
| Total assets on the balance sheet    | 17 834   | 7 500 | 0    | 0    | unpaid income to customers               | 45       | 0     | 0    | 0    |
|                                      |          |       |      |      | unpaid staff salaries                    | 90       | 0     | 0    | 0    |
|                                      |          |       |      |      | unpaid dividends                         | 0        | 0     | 0    | 0    |
|                                      |          |       |      |      | unpaid tax funds                         | 580      | 0     | 0    | 0    |
|                                      |          |       |      |      | Liabilities for non-core activities      | 3 535    | 0     | 0    | 0    |
|                                      |          |       |      |      | cash to be returned                      | 1 835    | 0     | 0    | 0    |
|                                      |          |       |      |      | non-cash and leased funds to be returned | 1 700    | 0     | 0    | 0    |
|                                      |          |       |      |      | Total raised capital                     | 4 336    | 0     | 0    | 0    |



## Roadmap for setting up end-to-end financial accounting of economic activities

- Automatic formation of the electronic accounting process in accordance with the financial architecture of the economic object, the formula of the balance of property and capital, the basic logistics scheme of electronic registers and in accordance with the passport of the economic object.
- Integration of end-to-end electronic accounting in the accounting portal with the representative website of an economic object, its business platform, a demand research forum and a news feed about product developments for organizing economic activities on the Internet.
- Financial accounting of a multidimensional activity of an economic entity is carried out by a system of accounting portals on an application platform in the areas of this activity and is automatically consolidated in a consolidated accounting in real time.
- Consolidation of end-to-end financial statements of application platforms based on the parameters of simple reproduction of resources and income of economic entities in microeconomics generates supply and demand in macroeconomics in real time and in automatic mode.
- The balance sheet of an economic object as the sum of the values of property functions in the asset from the values of capital as an argument in the liability represents the functional of property from capital, when the movement of capital in the liability forms a warehouse of property in the asset registers.
- Useful financial accounting models and processes as end-to-end electronic accounting applications can be used to transform an analog financial system into a digital one.



Simultaneously with end-to-end financial accounting, useful financial models in the areas of accounting and analytics are proposed as applications:

- Financial diagnostics of an economic object due to interactive capital flow schemes and operational inventory of property.
- Automatic tax accounting system, auto tax payments in real time.
- Financial planning in the format of skozny financial accounting.
- Automatic assessment of the stability and liquidity of the economic object, auto rating of banks.
- Auto audit of an economic object, its infrastructure and personnel.
- Automatic consolidation of end-to-end financial accounting in real time.
- End-to-end financial accounting and balance sheet reporting of the public sector of the economy.
- Identification and relief of crisis phenomena in the economy in real time.
- Planning, accounting and evaluation of economic activities in coins – a hard, domestic currency backed by liquid state assets in gold equivalent.
- Blockchain technology in the electronic accounting security system.
- Multidimensional activity of an economic entity on an application platform.
- Smart contracts on a decentralized platform of cooperation, consumption and demand.
- Integration of end-to-end production and accounting technologies in a smart enterprise.
- End-to-end management of an economic object in the autopilot mode.
- Consolidation of end-to-end financial and production technologies in smart enterprises.



## Key expectations from the project implementation

- An increase in the productivity of accounting labor up to 100%, the release of 5 million accountants due to the final technology of financial accounting.
- Deterministic, free from accounting creativity as a human factor, financial and tax accounting.
- Generating business activity in society through simple, cheap, non-training financial accounting, free for households and state organizations and cheap by subscription for economic objects with revenue.
- Improving the quality of life by freeing individuals and legal entities from the routine of accounting for finance and taxes and invisible to the taxpayer and his own ego tax auto payments made by an automatic agent.
- Saving the business community, and then the population, by reducing the annual costs of organizing accounting by at least 100 times – from 2 trillion to 20 billion rubles.
- Setting up end-to-end financial and balance sheet reporting in the public sector of the economy in accordance with the Government Decree of 10.07.20 on project activities based on the Management system for predictable planning and management of the economy in real time.
- Setting up end-to-end management of cooperation, supply and demand for end-to-end accounting and production complexes on a decentralized platform using smart contracts in the platform economy.
- Identification of overheating of the economy and economic crises due to the crisis indicator-the ratio of consolidated consumption parameters to demand and its relief by sales tax.
- Evaluation of the consolidation of end-to-end production and financial accounting technologies for end-to-end management of a smart enterprise that implements orders taking into account the needs and identity of the client, price calculation and virtual presentation of the order.



- For the development, implementation and technical support of the project, it is planned to register a corporate enterprise "Automatic Accounting Products", and investments are supposed to be directed to the organization and functioning of a virtual IT development management structure without offices, with an Internet portal URL, electronic cloud office management and a staff of remote intellectuals of the corporate enterprise "Automatic Accounting Products".
- The investments are designed to transform end-to-end financial accounting for a corporate enterprise, performed in an Excel spreadsheet editor, into end-to-end financial accounting products for economic objects of any purpose from households to financial organizations using more advanced information technologies, in particular, programming languages to expand the operational capabilities of the software calculation module, to ensure software security and protect the accounting portal from unauthorized access, and also for filling the software product with legal content.
- The basis of the user interface of the innovative project is supposed to be based on the principle that "the user does not know how the device works, and does not want to know, but easily uses it".
- The amount of investments can be determined based on the contractual amount of the authorized capital required for the implementation of the project, while the share of investments can not exceed 25% of the agreed authorized capital of the enterprise "Automatic Accounting Products", the reporting of which is assumed in accordance with the end-to-end technology of financial accounting. At the same time , 15% of the agreed authorized capital is supposed to be placed between the developers who have made the greatest contribution to the development of the project.



## Implementation and monetization of the project using SaaS technology (subscription)

For the development, implementation and technical support of the project, it is planned to register a corporate enterprise "Automatic Accounting Products". The project of end-to-end electronic financial accounting is, in fact, a social one, since the main state social project of introducing the population to the business lifestyle through the products of economic activity accounting available for understanding and application depends on it. Products such accounting is planned to place on the portal and, thus, keep accounting for businesses who prefer creative accounting, as well as for competition accounting systems, which are always in the field of financial statements is not enough.

The portal of State Services of Russia, which has more than 103 million registered users, contains the heading "Taxes and Finance", which describes taxes, mentions finance, and electronic financial reporting products for any business entities will easily fill the niche of financial accounting. The business model of the project can be implemented by subscribing to a subscription service for the use of accounting products in the amount of a modest percentage of the revenue of the economic object. At the same time, households and self-employed people, which are estimated to be more than 33 million, use accounting products for free, and enterprises, organizations, businesses and farms, which are more than 6 million, pay a subscription fee from the proceeds.

The business model for foreign markets provides for the implementation of accounting products both by subscription to subscription services, and the implementation of boxed versions of the product in the existing network structure of firms that distribute accounting products. At the same time, any implementation implies technical support of the product, and the so-called classic customer funnel can be supplemented with preferences for customers of tax organizations for automatic payment of taxes.



## The core members of the project team

END-TO-END  
FINANCIAL  
TECHNOLOGIES

Boris Putilov, author and project coordinator,  
email: putilov.b@yandex.ru, tel. 8 900 6362500

Levin Dmitry , administrative support of the project,  
email:korenevka777@yandex.ru, tel. 8 929 9263369

### Our expectations

Electronic accounting as an intelligent software robot that excludes a person from the accounting process, anticipated the prophecy of Professor and Philosopher of Accounting Yaroslav Sokolov, who wrote in 2010:

"We live in a difficult time: the old great accounting is slowly dying. It is being rapidly replaced by a more realistic creative accounting of tomorrow. While we are still living with the ideas that have prevailed for five long centuries, and the rays of the setting sun still illuminate our era and our days. But the light is dimming. And in the semi-darkness of the coming twilight, it is increasingly difficult for us to find the right path. The darkness consumes us. But at the end of the path, at the end of the tunnel, the light is already flickering. And we know: we will break the deadlock. Everything will be fine."

The technology is protected by copyright certificates:

Putilov B. N. Automatic financial management system / / Certificate of registration of a computer program No. 2014611555 dated 05.02.2014.

Putilov B. N. Automatic accounting / / Certificate of registration of a computer program No. 2015611281 dated 27.01.2015.