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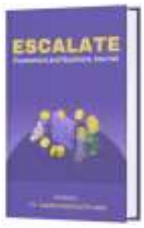

Preparation of Financial Statements Based on SAK EMKM for the Banjar-Style Grilled Fish and Chicken MSME in Palembang

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Abstract: *This study was conducted to analyze simple financial recording and financial reporting based on the Indonesian Accounting Standards (SAK) for Small and Medium Enterprises (SMEs) selling Banjarese Grilled Chicken and Fish in Palembang. This study employed a descriptive qualitative method, complemented by observation, interviews, and documentation. The data collected included sales transactions, raw material purchases, operational costs, and business assets for the period from January to December 2025. The results showed that before the implementation of SAK for Small and Medium Enterprises (SMEs), MSMEs merely recorded income and expenses and did not produce standardized financial reports. After the implementation of accounting standards, MSMEs successfully prepared financial position, profit and loss statements, and CALK reports based on SAK for Small and Medium Enterprises (SMEs). This can provide systematic and understandable financial information, thus serving as a benchmark for assessing financial performance and supporting business decision-making. The results revealed that preparing financial reports in accordance with SAK for Small and Medium Enterprises (SMEs) can improve the quality of financial reports and help business owners manage their business finances more effectively..*

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Introduction

MSMEs are a business sector that plays a vital role in the national economy. MSMEs not only expand employment opportunities and increase income but also strengthen regional economic development. Furthermore, MSMEs play a role in economic equality by leveraging local potential across various regions. The Ministry of Cooperatives and SMEs states that Indonesia has over 64 million MSMEs, contributing 61.07% to Gross Domestic Product (GDP) and employing approximately 97% of the total workforce (Junaidi, 2024). This fact indicates that MSMEs are the foundation of the country's economic development.

Financial reporting is a crucial component of corporate governance because it helps understand the financial situation, evaluate business performance, and make informed business decisions. According to Wibowo et al. (2024), financial reports are a crucial tool for companies to communicate financial information to various stakeholders. Financial reports can also assist companies in monitoring operational funds, establishing sales values, and assessing profitability.

However, in practice, most MSMEs have not implemented financial reporting accurately and systematically. Most MSMEs only keep very basic records, and some do not keep records at all. This makes it difficult for owners to obtain information regarding income, expenses, and profits for a given period (Fadhia & Ningsih, 2024). Furthermore, the integration of personal and business finances continues, making financial conditions uncertain. According to Hamzah et al. (2026), unsystematic financial record-keeping can make it difficult for business owners to control costs and make business decisions.

To help MSMEs produce simple financial reports while still adhering to accounting principles, the Indonesian Institute of Accountants (IAI) has issued Accounting Standards for MSMEs. The SAK EMKM was designed to simplify the process of preparing MSME financial reports while ensuring that the reports comply with generally recognized accounting principles. According to the IAI SAK EMKM (2024), the financial statements consist of a statement of financial position, an income statement, and notes to the financial statements.

One MSME still facing challenges in financial management is the Banjar-style Grilled Fish and Chicken MSME in Palembang. This business operates in the traditional culinary sector, featuring South Kalimantan specialties such as grilled fish and Banjar-style grilled chicken. In addition to meeting the community's consumption needs, traditional culinary businesses also play a role in preserving regional culture by introducing local foods to the wider community (Sari & Irawati, 2024). This MSME was founded on February 13, 2022, by Erlangga H. Ripin and has grown through social media promotions such as WhatsApp and Facebook. Despite experiencing quite good business growth, the financial recording system at the Banjar-style Grilled Fish and Chicken MSME in Palembang is still not systematic. The business owner still uses a daily capital turnover method, where sales proceeds are reused to purchase raw materials the following day. Furthermore, transaction recording is still limited to purchase and sales receipts without any account classification. This condition makes it difficult for business owners to accurately identify the business's financial condition and analyze the causes of fluctuations in business income.

Previous research indicates that many MSMEs have not implemented financial reporting following the Accounting Standards for MSMEs (SAK EMKM). A study conducted by Fathiah et al. (2025) revealed that MSME financial reports do not comply with SAK EMKM principles due to limited accounting insight and a lack of workforce. Furthermore, Davina and Manurung (2023) clarified that MSMEs still use simple bookkeeping, which results in incomplete and unstructured financial reporting. Furthermore, Selvinia et al. (2025) found that MSME financial records are limited to incoming and outgoing cash, without grouping accounts according to accounting provisions. Maradesa et al. (2025) identified low accounting knowledge and minimal support as the main obstacles to the implementation of SAK EMKM in MSMEs. Erika and Suantha (2025) also explained that many MSMEs do not yet realize the importance of preparing financial reports as a reference in determining business policies.

Based on existing research, it appears that most focus only on preparing financial reports that generally adhere to the Indonesian Micro, Small, and Medium Enterprises Accounting Standards (SAK EMKM). However, research on the application of simple record-keeping related to preparing financial reports in accordance with SAK EMKM in traditional culinary businesses has been less than optimal.

Therefore, this study is novel because it not only examines the preparation of financial reports based on SAK EMKM, but also analyzes the application of simple accounting tailored to the operational conditions of traditional culinary businesses. By implementing the Indonesian Accounting Standards for Micro, Small, and Medium Enterprises (MSMEs), it is hoped that these businesses will be able to prepare financial position reports, profit and loss statements, and notes to the financial statements in a more structured and reliable manner. This study was designed to provide theoretical and practical benefits to support business actors in producing clear, structured, and guideline-based financial reports, thereby encouraging decision-making and future business development.

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Method

Scope of Research

The subject of this research is the application of simple financial recording and the preparation of financial reports following the Accounting Standards for Micro, Small, and Medium Enterprises (SMEs) (SAK EMKM) in a Banjarese Grilled Fish and Chicken business in Palembang. The business is located at Jalan Jenderal Ahmad Yani No. 24 Ulu, Seberang Ulu II District, Palembang City, South Sumatra 30116. The preparation of financial reports based on SAK EMKM includes a statement of financial position, a profit and loss statement, and notes to the financial statements. The data used are records of daily sales and purchases of raw materials, business operational costs, fixed asset data, and other supporting documents such as sales notes, purchase notes, and other evidence of transactions related to business operational activities. This research was conducted by compiling business financial reports for one year of accounting period, namely from January to December 2025, with the aim of producing an explanation of the financial position and progress of the business during that period.

Types of Research and Data Sources

This study utilizes a descriptive qualitative approach. The purpose of this approach is to determine the financial record-keeping conditions of the Banjar Palembang Specialty Grilled Fish and Chicken MSME and to compile financial reports following the Indonesian MSME Financial Accounting Standards (SAK EMKM). This study utilizes primary and secondary data sources. Primary data were obtained by interviewing the business owners, Mr. Erlangga H. Ripin and Mrs. Rezeki Amelia, who focused on transaction recording, financial control, and their operational processes. Meanwhile, secondary data were obtained through business records and archives, such as sales receipts, raw material purchase receipts, operational cost records, proof of payment, and various supporting documents for the process of compiling Indonesian MSME Financial Accounting Standards (SAK EMKM).

Data collection technique

Data collection was conducted through a literature review and field research. The literature review was obtained from various sources, including books, journals, and the Accounting Standards for Micro, Small, and Medium Enterprises (SAK EMKM) on financial recording and financial reporting for MSMEs. This literature review serves as a theoretical foundation and reference for this research.

Field research was conducted through interviews, observation, and documentation. Interviews were conducted directly with business owners to obtain information on transaction recording and financial control. Observations were conducted through direct observation of business conditions, particularly those related to transaction recording and asset utilization. Documentation included collecting various documents, such as purchase orders, sales invoices, proof of payment, and operational expense records, which serve as references in preparing financial reports in accordance with the Indonesian Financial Accounting Standards (SAK) for MSMEs.

Framework of Thought

The framework of this study presents a description of the relationship between the application of simple financial recording and the preparation of financial statements following the Accounting Standards for Micro, Small, and Medium Enterprises (SAK EMKM) for the Typical Banjar Fish and Palembang Grilled Chicken businesses. First, this study analyzes the financial system in the business. Then, simple financial recording is implemented so that business transactions can be recorded more systematically. Furthermore, the results of this recording are used as the basis for preparing a statement of financial position, an income statement, and notes to the financial statements based on SAK EMKM. Figure 1 below shows the framework of this study.

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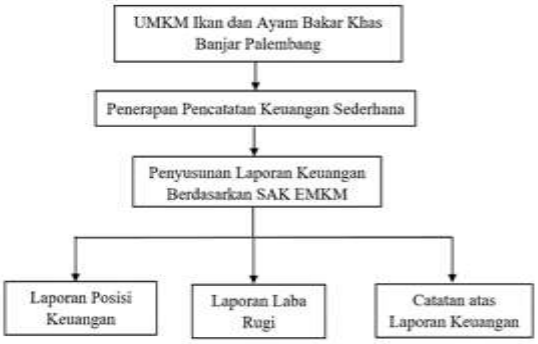

Figure 1. Research Framework

Data Analysis Techniques

Qualitative descriptive analysis was used to analyze the data in this study. Data were collected, categorized, and analyzed before the business's financial transactions were converted into financial reports based on the Indonesian Financial Accounting Standards (SAK) for MSMEs. Information obtained through interviews, observations, and documentation was analyzed by grouping transactions into accounts such as cash, raw material inventory, sales revenue, operating expenses, fixed assets, and equity.

In this study, the preparation of financial statements is carried out through several stages: transaction grouping, simple financial recording, account grouping, preparation of the statement of financial position, preparation of the income statement, and preparation of notes to the financial statements. The income statement shows revenues and expenses during the reporting period, which determine the company's profit or loss. The statement of financial position shows assets, liabilities, and working capital at the end of the reporting period. The notes to the financial statements include additional descriptions of the accounts listed in the financial statements and accounting principles.

This study uses the following basic accounting equation when preparing the statement of financial position:

$$Aset = Liabilitas + Ekuitas$$

This formula explains that assets represent all business resources, while liabilities represent the company's obligations to external parties. Equity is the remaining share of assets after all liabilities have been subtracted. This basic equation is used to determine a company's financial position when preparing a balance sheet based on Indonesian Accounting Standards for micro, small, and medium enterprises.

In addition, the following formula is used to calculate net income when preparing the income statement:

$$Laba\ Bersih = Pendapatan - Beban$$

According to the formula, net profit is calculated by dividing the total revenue by the business's expenses during the accounting period. Food and beverage sales by this Typical Banjar Palembang MSME are the source of revenue in this study. Meanwhile, expenses are derived from expenses including raw material costs, salaries, electricity, water, transportation, rent, and other operational costs.

Results and Discussion

Conditions of MSME Financial Recording

Based on observations and interviews, the Banjar Palembang Specialty Grilled Fish and Chicken MSME did not fully implement systematic financial records, but rather limited itself to recording daily cash inflows and outflows without any clear account classification. These records were not organized according to account classification, thus preventing the presentation of financial reports based on the Indonesian Financial Accounting Standards (SAK) for MSMEs. This condition resulted in the financial data obtained not being optimal in providing a picture of the business's overall financial condition.

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Implementation of Simple Financial Recording

The implementation of simple financial recording begins with collecting all transaction evidence for the period January–December 2025. This includes sales transactions, raw material purchases, and operational expenses. Next, transactions are grouped by account type in accordance with the MSME Financial Accounting Standards (SAK MSME) and recorded in the general journal, followed by the general ledger, and a trial balance and adjusting journal entries are prepared. These steps form the basis for preparing financial statements.

Preparation of Financial Reports Based on MSME SAK

The results of implementing simple financial record keeping demonstrate that this business can prepare financial reports based on the Indonesian MSME Financial Accounting Standards (SAK). The resulting reports include a statement of financial position, an income statement, and notes to the financial statements. With systematic financial information, these reports enable business owners to assess their business performance and determine their financial picture at the end of the reporting period.

Table 1. Financial Position Report of Banjar Palembang's Special Grilled Fish and Chicken MSMEs

SMEs Offering Grilled Fish and Chicken from Banjar, Palembang Statement of Financial Position As of December 2025	
ASSET	
Current assets	
Cash	Rp220,683,000
Raw Material Inventory	Rp. 534,638
Employee Receivables	Rp. 450,000
Total Current Assets	**Rp221,667,638**
Fixed assets	
Equipment	Rp19,994,000
Vehicle	Rp. 15,000,000
(-) Accumulated Depreciation on Equipment	Rp4,304,600
(-) Accumulated Vehicle Depreciation	Rp. 3,000,000
Total Fixed Assets	**Rp27,689,400**
TOTAL ASSETS	**Rp249,357,038**
LIABILITIES AND EQUITY	
Liabilities	
No Liabilities	Rp0
Total Liabilities	Rp0
Equity	
Owner's Capital	Rp33,631,000
Net Profit in 2025	Rp220,048,038
(-) Private	Rp4,322,000
Total Equity	**Rp249,357,038**
TOTAL LIABILITIES AND EQUITY	**Rp249,357,038**

Source: Processed data, 2026.

Based on Table 1, the financial position report of the Banjar Palembang Specialty Grilled Chicken and Fish MSME as of December 31, 2025, shows total assets of Rp249,357. The MSME has no liabilities, so all assets are financed by equity of Rp249,357,038 derived from owner's capital, 2025 net profit, and deducted from private funds. This condition indicates that the business is capable of running its operations using its own capital without any liabilities.

Table 2. Profit and Loss Report of Banjar Palembang's Grilled Fish and Chicken MSME

SMEs Offering Grilled Fish and Chicken from Banjar, Palembang Income statement As of December 2025	
INCOME	
Sale	Rp1,198,851,000
TOTAL INCOME	**Rp1,198,851,000**

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PRODUCTION EXPENSES	**Rp754,730,362**
OPERATING EXPENSES	**Rp216,768,000**
DEPRECIATION EXPENSE	
Equipment Depreciation Expense	Rp4,304,600
Vehicle Depreciation Expense	Rp. 3,000,000
TOTAL LOAD	**Rp978,802,962**
NET PROFIT	**Rp220,048,038**

Source: Processed data, 2026.

Based on Table 2, the Banjar Palembang Specialty Grilled Fish and Chicken MSME earned a net profit of IDR 220,048,038 as of December 31, 2025. These results indicate that the business is able to generate profits after all revenues are reduced by operating expenses.

Table 3. Notes to the Financial Report of the Banjar Palembang Specialty Grilled Fish and Chicken MSME

SMEs Offering Grilled Fish and Chicken from Banjar, Palembang
Notes to the Financial Statements
As of December 2025

1. General
   The Banjar Grilled Fish and Chicken MSME in Palembang is a culinary business specializing in Banjar-style grilled fish and chicken. Established on February 13, 2022, the business is located at Jalan Jenderal Ahmad Yani No. 24, 14 Ulu, Seberang Ulu II District, Palembang City, South Sumatra.
2. Cash
   Cash balance as of December 31, 2025 amounted to IDR 220,683,000.
3. Retain earning
   Retained earnings as of December 31, 2025 amounted to Rp220,048,038
4. Sales Revenue
   Sales revenue during 2025 amounted toRp1,198,851,000
5. Burden
   Total burden during 2025 is Rp978,802,962

Source: Processed data, 2026.

Table 3, in the Notes to the Financial Statements, presents a description of the MSME profile, cash balance, retained earnings, sales revenue, and operating expenses. This information complements the income statement and statement of financial position in accordance with the Financial Accounting Standards for Micro, Small, and Medium Enterprises.

Discussion

The research results show that the accounting system of the Banjar Palembang Specialty Grilled Fish and Chicken MSME before the implementation of financial reporting was unstructured and did not comply with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). Recording only recorded income and expenses and did not systematically group accounts. This hampered business owners in accurately understanding and assessing their business's financial progress.

The results of this study align with those of Fathiah et al. (2025), who stated that the majority of MSMEs have not fully prepared financial reports in accordance with accounting standards due to limited understanding of accounting and a shortage of labor. Furthermore, Davina and Manurung (2023) stated that the use of SAK EMKM can help MSMEs clearly understand information regarding assets, liabilities, equity, and operating income.

Based on research findings, implementing simple financial record-keeping provides benefits for managing business finances. Business owners are beginning to understand the benefits of differentiating personal and business finances. Furthermore, preparing financial reports makes it easier for business owners to analyze revenue, operating expenses, and net profit more accurately.

The research results indicate that preparing financial reports based on the Indonesian Accounting Standards for MSMEs (SAK EMKM) improves business information quality. Financial reports become more systematic, organized, and clear. This finding aligns with research by Hositania et

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al. (2024), which states that the implementation of SAK EMKM can strengthen the clarity of information and accountability in financial reporting in MSMEs.

From an operational perspective, the largest business costs come from raw materials and employee salaries. High raw material costs are driven by the daily purchase of fresh ingredients to maintain product quality. This highlights the key factor that must be monitored to maintain profitability: controlling raw material costs.

This research contributes to the implementation of simplified financial recording and financial reporting using the SAK EMKM (Indonesian Accounting Standards for Small and Medium Enterprises) for MSMEs operating in the traditional culinary sector. Furthermore, this research demonstrates that SAK EMKM is not required for large-scale businesses but can be implemented by micro-enterprises through simple financial standards.

By preparing financial reports in SAK EMKM, the Banjar Palembang Specialty Grilled Fish and Chicken UMKM is expected to improve the quality of business financial management, facilitate the process of evaluating business performance, and serve as a basis for more appropriate business policies in the future.

Conclusion

The Banjar Palembang Specialty Grilled Fish and Chicken MSME previously used financial records that did not meet the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), as recording was limited to daily cash receipts and disbursements without systematic account classification. The implementation of simple financial recording and preparation of financial reports based on SAK EMKM, including the statement of financial position, income statement, and notes to the financial statements, provides clearer, more structured, and organized financial information to support business performance evaluation and decision-making. However, this research is limited to documents and business transactions during the reporting period and does not examine digital financial recording systems or financial ratio analysis. Further research is recommended to extend the research period and examine financial analysis and the implementation of digital-based financial recording systems in MSMEs.

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