

IMPROVEMENT OF CONSOLIDATED FINANCIAL STATEMENTS ON THE BASIS OF INTERNATIONAL STANDARDS

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Abstract: This article describes the procedure and rules for the compilation of consolidated financial statements in the accounting policy, the timely, systematic and holistic structure of consolidated financial statements, as well as scientific and practical proposals for the compilation and presentation of consolidated financial statements on the basis of international standards.

Key words: Financial statements, consolidation Financial Statements, international financial reporting standarts, General company, subsidiary company, Joint Stock Company, assets accounting, liabilities accounting, accounting policy, reporting combination, income and expenses.

Introduction. In the process of integration into the world community in the Republic of Uzbekistan, there is a significant development of the activities of the main and subsidiary groups of companies interrelated and the need for mutual consolidation of the reports drawn up by them. For this reason, it is characterized by the emergence of the need to monitor the functioning of a large company and its branches in a interdependent manner and determine their scope. The emergence of working subjects in a large and interconnected holistic system, the need to draw up financial reports on the basis of international standards at national and international level, is one of the important tasks indicating the emergence of important prospects for the development of the market economy. As a result, the use of International Financial Reporting Standards in the compilation of Consolidated Financial Statements and, as a result, the provision of reports and indicators in the form in which they are understood for foreign partners creates conditions for attracting foreign capital, bringing new technologies from developed countries and introducing it into practice.

All joint-stock companies and large companies operating in various sectors of the world, together with their subsidiaries and other associated companies, are compiling consolidated financial statements in accordance with the international standards of

financial reporting. Therefore, the number of countries that recognize the international standards of financial reporting is increasing. The Coordination of accounts and reports with the requirements of the international standard, on the basis of which the effective use of the financial report at the national level from the world-wide advanced experience is the most pressing issue for all countries.

The first groups of companies established during this period were already associations with large goods and financial resources, formed by enterprises of various commercial and industrial sectors, which occupied the share of the domestic market in the market of goods, works and services.

Features of financial and economic activities of groups of companies, preparation of consolidated financial statements prepared in accordance with international financial reporting standards determine the need and relevance of scientific developments.

Literature review.

The major companies and firms operating in the Republic of Uzbekistan face challenges in preparing and presenting consolidated financial statements, which are necessary for the evaluation of the results achieved by the number of interested users and planning their activities in the coming periods, as well as making short-term and long-term strategic decisions. For this reason, there is a need to analyze the activities of the subjects operating in our country and using consolidation in the compilation of reports and work on their adaptation to international standards. Economist N.B.Khodjabekov (2009) in this matter-scientist Such an opinion was expressed by: Consolidated financial statements also differ from the individual financial statements of the enterprise in terms of interpretation and application of accounting principles, including the principles of recognition, evaluation of assets and liabilities, reflection of income and expenses.

An important issue in this process is the issue of mutual consolidation of obligations. Gerasimenko A.V. (2019) We can see that the consolidated financial statements by have expressed such an opinion on: Consolidated financial statements are important in reflecting the external and internal debts of companies , mutual settlements . In the consolidation of obligations in this matter, it is necessary to take into account the debts of the head and subsidiary enterprises in the form of mutual accounts receivable, creditors and other contingent liabilities, advance payments, expenses on securities, expenses for future periods, as well as the reserves established as the result of the relationship between them.

The main feature of this report is that bunda is provided by the head and subsidiary companies as a legal entity, it includes a certain period in full, a single accounting period and compliance with the provisions of the accounting policy unchanged. Therefore, in the reports drawn up by companies, these indicators must necessarily be observed. For this reason, consolidated financial statements differ from the summary report. As a result, if the aggregate report summarizes the arithmetic mean of the general indicators, then in the consolidated report the mutual calculations will be expressed once in the report. For this reason, the process of generalization in the subjects of a related company has its own characteristics. When compiling a consolidated financial report, there are some specific features and extended procedures as well as rules.

Table 1 Extended procedures for compiling consolidated financial statements *

Extended procedures for compiling consolidated report	
1	The procedure for presenting the head and branch group of enterprises not only as a new economic, but also as a legal entity
2	Full order
3	Uniform accounting period order
4	The order of non-change of the accounting policy

1. The procedure for presenting a group of head and branch enterprises not only as a new economic, but also as a legal entity. The consideration of this order Group as an independent economic structure is based on the prerequisites.

2. Order of completeness. This procedure means that all organizations, regardless of where they are located and the type of activity, are taken into account in the process of summarizing their properties, obligations, income and expenses.

3. Uniform accounting period order. This order derives from the unity theory and means that it is necessary to determine a single accounting period as well as a single reporting period for all the head and subsidiary groups.

4. The order of non-change of the accounting policy. This procedure plays a major role in ensuring the unity and comparison of the reporting data of the head and subsidiary group. The accounting policy should be applied consistently over several accounting periods, and the changes in it should be based specifically. In this case, the accounting policy includes methods for summarizing capital and liabilities, excluding internal working capital and intermediate results, summarizing jointly controlled societies, determining the scope of the merged societies, as well as reflecting those or those refusals that occur during the generalization.

* Developed by the authors.

In order to better understand the features of the legal regulation of the factors of preparation and presentation of consolidated financial statements, various areas of legislation were studied and the accounting normative documents were analyzed to determine the characteristics presented to the Consolidated Financial Statements in accordance with the international standards of the financial statements.

In order to publish a consolidated financial report in accordance with the requirements of the IFRS, another general enterprise, which is considered to be part of a group, will have to use the following methods:

The method of participation in capital is used to take into account the investments made to enterprises that are part of the group. Such investments are initially accounted for at face value, and then a nominal investment is formed, depending on the investor's contribution to the net assets.

The investor's contribution to the net assets, as well as the depreciation of goodwill should be reflected in the consolidated balance sheet through the accounting records of the profit and loss accounting.

Equal distribution the universally accepted method of formulating consolidated financial statements in the method of consolidation is the basis for all activities.

Full consolidation method this method is the only economic structure of the group. In this case, all the net assets of the subsidiary are included in the Consolidated Financial Statements and the minority's share is reflected in the consolidated balance sheet and is indicated in its passive.

As a result of this, it is considered as a method of acquisition or incorporation intended for the formed subsidiary.

The Chief company's financial statements for the reporting period of the subsidiary companies, as well as its minority shares, are consolidated in the consolidated financial report.

The general company requires the establishment and presentation of Consolidated Financial Statements of the business entity that controls its subsidiary, describes the Control Print-Out and defines control as the basis for consolidation, shows how the investor applies the Control Print-Out to determine whether the object of investment is in control or not and, consequently, whether the object of investment should carry out, Defines the requirements for accounting for the purpose of preparing consolidated financial statements, describes the concept of an investment entity and sets out the

exceptional situation with respect to the consolidation of certain subsidiary business entities of an investment entity[†].

If the subsidiary is not able to draw up a quarterly and semi-annual financial report, the consolidated financial report contains financial reporting data for the other reporting period of the subsidiary, the time elapsed between the compilation of these reports should not exceed three months and in this case is added.

During the preparation of consolidated financial statements, the financial statements of the general society and all affiliated societies owned by it are combined by the same consolidated items of assets, liabilities, own funds, income and expenses. In order to achieve this objective, the consolidated financial report should include the following information:

the balance sheet value of the main public investment in the subsidiary and the share of each subsidiary in the capital of the parent company;

remnant on mutual settlements between general and subsidiary societies;

operations within the group on income, expenses, dividends, as well as unrealized profits and losses arising as a result of these operations, with the exception of non-recoverable losses.

Analysis and results.

The general idea of unification was identified when studying the schemes of unification of groups of companies. For example, there is a group of companies that are legally independent, but interconnected economically and financially. The question arises about the preparation of consolidated financial statements, which will allow you to have an idea of the financial position and financial results of the group. At the same time, each legally independent enterprise that belongs to this group is obliged to maintain an account of its operations and record its financial results. Thus, consolidated financial statements have two main characteristics.

First, this is not a report of a legitimate independent commercial organization. Its purpose is not even to determine the taxable income, but only to have a general idea of the activities of companies that fall into one group, that is, have a clearly expressed analytical orientation;

Secondly, consolidation is not consolidation in the financial statements of companies of this same name group. Transactions between companies that are part of a group are not included in the consolidated financial report, only assets and liabilities

[†] "International financial reporting standard No. 10 " Consolidated financial statements. <http://www.mf.uz>

received from operations with third parties, income and expenses are indicated. In the process of consolidation, any internal and financial operations are identified, which are excluded.

Consolidated financial statements are basically a much broader concept in relation to the size, content, structure and relevance of the accounting (financial) report of an organization, they are mainly characterized by the insignificant volume of activities.

Golikov V. M (2007) We can see that expressed the following opinion on this issue: “The ease of management is that it is the group's shareholders and this is the ownership right within its competence arising from the shareholders. Consolidated financial statements are often transnational in nature and therefore require international regulation”.

Therefore, the international standards of financial reporting not only regulate the procedure for creating and reporting financial information, but also determine the amount of information that should be disclosed and identified as part of the consolidated financial report issued by the group. The basis of preparation and presentation of Group data of the company is established in the international standards of financial reporting.

Summarizing the results, it allowed us to conclude that the main purpose of the consolidated financial report of the group of companies is to provide structured information about the financial situation useful to a wide range of users in the process of making economic decisions, the results of financial and economic activities and the cash flows of the economic entity. Financial statements indicate the results of the management of resources transferred to responsible persons for the purpose of their effective use during the reporting period. To achieve this, the assets must be specified in the consolidated financial report; liabilities; amount of capital; income and expenses, including profit and loss; other changes in the authorized capital of the group of companies and in the cash flow.

When studying the basic norms of the international standards of financial reporting, which regulate the formation of consolidated financial statements, it is necessary to pay attention to the fact that at the stage of primary consolidation of the reporting data and at subsequent stages, the relevant companies concluded an agreement and carried out mutual operations. The information disclosed in the consolidated financial statements can be expressed in the framework of approved reporting forms. The amount of information that should be disclosed in the financial statement is regulated by the international standards of the financial statement. Additional information will be disclosed by the general company

based on the needs and interests of other users.

Disclosure of mandatory and additional information in the comments to the consolidated financial report allows you to receive timely collected, relevant, reliable, comparable information that satisfies the diversified needs of interested internal and external users. “Through the development of the national standards of financial reporting based on international standards, it seeks to gradually align the national standards with the international standards of financial reporting”.

Conclusion

Thus, in the reports drawn up on the basis of the international standards of the financial statements, the requirements of users are determined in the process of preparing and presenting a complete report on the status and results of the activities of the combined group of companies. The range of users of consolidated financial statements is wide and varied. In general form, they can be divided into three categories:

internal users-employees and managers of the enterprise;

external users (investors) who have a direct financial interest in corporate educational activities;

external users-individuals, organizations and agencies who have expressed an indirect interest in the activities of the group of companies.

In recent years, the society has become the largest and most important user of reporting data through state and public organizations.

As long as external users are interested in such information, we will need to ensure that such information is truthful and transparent. Therefore, when examining single companies, it is first necessary to understand the financial situation of the client and the impact of external factors on the business.

The audit of the consolidated financial statements requires not only to be carried out on the accounting system, but also to obtain information on the financial statements of the parent company, the financial statements of which are drawn up in accordance with the national standards used by the economic entity, the system of transfer of financial statements to international standards.

In the conditions of modernization of the economy, a number of measures are being carried out in order to create consolidated financial statements and improve the methodology of its audit in order to integrate enterprises into each other in the Republic Uzbekistan. But the problems that have not yet been solved in this regard are also not

uncommon. Organizations, bodies, professionals interested in conducting consolidated financial reporting audits are still not firmly provided with a method based on both scientific and practical point of view. This situation, of course, is of great importance to the effective management of enterprises and organizations in the period of modernization and privatization of the economy.

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