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## IMPROVING THE REPORTING OF FINANCIAL RESULTS IN ACCORDANCE WITH INTERNATIONAL STANDARDS

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**Abstract:** It is regulated by parallel accounting and transformation of financial statements which are based on national standards and they are in accordance with international standards in our Republic. Therefore, it is advisable to make proposals for the preparation of financial statements in accordance with international standards and increase investor confidence, while reducing costs and increasing the transparency of financial statements.

**Keywords:** National Accounting Standards, International Accounting Standards, International Financial Reporting Standards, USGAAP, Transformation, Parallel Accounting, Financial Reporting.



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### Introduction

The reforms implemented in our country to create a stable and efficient economy are showing their results today. The influence and position of Uzbekistan in the international economic arena is growing significantly and regularly. Today, on the basis of the implementation of market elements and international experiences in our economy, on the basis of the modernization of all economic sectors, there is a need to improve the conceptual basis of the preparation and presentation of financial accounts and reports, which are the basis of their information supply.

For this reason February 24, 2020 in our republic "Financial of the report international standards transition according to addition to Resolution No. 4611 [1] on measures basically big tax the payer in organizations financial reports international standards based on parallel conduct obligation defined.

The transition from national standards to international standards serves as an important tool in developing cooperation between countries, including economic relations, and improving the investment environment in countries.

Organization of financial accounting in business entities, methodical updating of the conceptual bases of financial reporting and their presentation, transition from national standards to international standards and presentation of financial reporting based on international standards, further improvement of the existing financial accounting and reporting system and research of its theoretical and practical aspects is one of the urgent issues.

### EXISTING PROBLEMS IN THE SUBJECT OF RESEARCH

The purpose of financial reporting is to provide information about financial position, results of operations and changes in financial position. The statement of financial results reflects

information about the results of operations and changes in the financial position accordingly, and this information is necessary for a wide range of users to make decisions.

For these purposes satisfy most users' general requirements for information on the results of operations, financial statements have the ability to provide users with all the information they need to make economic decisions. not because it reflects only the financial results of past events and also includes non-financial information in its comments.

### **PROBLEM SOLVING METHODS**

The most important aspect of the report on financial results is the possibility to predict the future activity of the economic entity based on the information of this report.

The statement of profit or loss and other comprehensive income is similar to the statement of "Financial results" drawn up under BHMS, and shows the company's income, expenses and total profit for a given period or gives information about the damages.

In this report, the other comprehensive income section is separated from the report prepared according to the national standard. The other comprehensive income section consists of line items that are reclassified and non-reclassified to profit or loss.

Items that will be reclassified into profit or loss in the future include:

- profit or loss on available-for-sale investments;
- profit or loss from the change in fair value;
- profit or loss from sale;
- profit tax on items subject to future reclassification of profits and losses.

Items that will not be reclassified to profit or loss in the future include:

- profit or loss from revaluation of fixed assets;
- profit or loss other than revaluation of fixed assets;
- share of subsidiaries in other comprehensive income;
- profit tax on items that will not be reclassified in future profits and losses

Indicators related to the description of the results of activity, that is, the elements of the financial results report are income, expenses, profit and loss.

Reflecting these elements in the statement of financial results makes it possible to present information in a useful way to users for making economic decisions.

*Profit* is an increase in capital as a result of the main and non-main activities, events and conditions that affect the economic entity, excluding capital paid to private capital.

*Losses* are reductions in private capital as a result of the main activity and all economic transactions, events, conditions, excluding reductions as a result of expenses or distribution of private capital.

Profit is used to measure operating results or as a basis for other indicators, such as return on investment, earnings per share.

The elements directly related to profit measurement are revenues and costs.

*Income* is an increase in economic benefits that occurs in the form of the arrival or increase of assets or the decrease of liabilities, which ultimately increases private capital, but excludes the contributions paid by the founders to the shareholder kagggal.

*Expenses* are reductions in economic benefits that occur in the form of the consumption or depletion of assets or the increase of liabilities, which ultimately reduce private equity, except for the distribution of equity capital among founders.

Let's dwell on the international experience of preparing a report on financial results. The diversity of the structure and content of the annual financial report is explained by the differences in

national accounting standards. In many countries, accounting standards determine the indicators reflected in the lines of financial statements. In addition, in most cases, the analysis of financial statements is carried out on the basis of appropriateness.

But in most cases, companies provide more information than recommended in the standards. Today, there is fierce competition in the world to attract additional sources of financing, and for this, companies are forced to prepare analytical reports with detailed indicators.

The table below shows the requirements for the preparation of the report on financial results in foreign countries.

**Table 1**

**Requirements for the preparation of the report on financial results in international practice<sup>1</sup>**

Different aspects of the report	Countries			
	Italy	France	Germany	Russian Federation
Yearly financial report to the composition the addition of obligation	Mandatory	Mandatory	Mandatory	Mandatory
Presentation reach periodicity	Annual . Half annual (shares in the stock exchanges quotation done companies for )	Yearly	Yearly	Yearly
Company to the size looking present reach options	1) Normal 2) Small enterprises for shortened	1) Main 2) Detailed 3) Abbreviated	1) Normal 2) Small enterprises for shortened	1) Normal 2) Small enterprises for shortened
Structure shape	Vertical (Germany style)	Vertical and horizontal	Vertical form the following in appearance: functional or costly	Vertical
To users intended	Tax authorities and other users		Italian and to France similar, but smaller level	of the report external and internal users

The table shows that in the countries under analysis, it is mandatory to prepare a statement of financial results. But there are differences in its structure and user orientation. Germany has made many achievements in accounting theory and practice. In this country, the accuracy, promptness and reliability of accounting information are important.

In our opinion, the use of positive experiences of the above-mentioned countries in the formation of financial performance reporting indicators will serve to increase the quality and transparency of accounting information.

The integration of the economy of our republic into the world economy requires the transition

<sup>1</sup> Shvetsova O.V. Comparative characteristics of Rossiyskikh i zarubezhnykh podkhodov k formirovaniyu informatsii o finansovykh rezultatax v chetnosti. //Audit and financial analysis, 4/2013.

to international standards of financial reporting. In recent years, a number of legal documents have been adopted in our country regarding the application of international standards of financial reporting. Wide application of the requirements of this standard will increase the opportunity for foreign investors to correctly interpret the information on the financial results report and obtain accurate information about profits and losses.

In conclusion, it can be said that financial reports are the source of comparative indicators that are the first and main assessment of the enterprise. If the financial report is prepared in a way that fully meets the international standards, the necessary information environment for the investors will be provided, as a result, the investment attractiveness and investment flow will increase.

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