



Issues of implementing consolidated financial statements in accordance with international standards

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Abstract. The article identifies the existing problems of introducing consolidated financial reports based on international standards and develops measures to eliminate them, develops financial accounting within the framework of international requirements and thus improves it, finds ways to perfectly organize the financial accounting system in enterprises, suggestions and recommendations are given for learning to implement and evaluate its effectiveness.

Key words. Consolidated financial reporting, organization of consolidated financial reporting based on international standards, measures, financial accounting, financial accounting system in enterprises.

INTRODUCTION

In the economy of our country, there is an increase in the number of enterprises engaged in export-import operations, engaged in large-scale production, having their own branches and subsidiaries, the widespread introduction of corporate governance and operations based on this, taking into account the use of advanced foreign methods of accounting and analysis, summarizing accounting information, as well as ongoing work to ensure the clarity and comprehensibility of reporting forms for republican and foreign users, the preparation and presentation of the form report in the form of a consolidated report. Shows how relevant it is to organize questions correctly.

Consolidated financial report - (consolidation in English - consolidate - consolidate, strengthen) is a system of generalized indicators reflecting the financial position at the reporting date and the financial results of a group of business entities for the reporting period. The consolidated financial report is compiled on the basis of summing up individual financial statements, that is, the reports of each member of the group of business entities that need to be summarized.

Relevant reforms have been carried out in our country to adapt financial reporting to international standards; in this regard, relevant laws, state programs, decrees and resolutions of the President have been adopted. Thus, national accounting standards were developed and implemented in accordance with international standards. At the same time, financial statements are prepared on the basis of international standards in joint-stock companies on the basis of corporate governance. This can be achieved directly by preparing financial statements based on international standards or by converting financial statements based on national standards into international standards.

LITERATURE ANALYSIS ON THE TOPIC

The current International Financial Reporting Standards cover the issues of consolidation of financial statements, therefore this issue is directly regulated by two standards, which are as follows:

- MXC No. 1 - "Presentation of financial statements";
- MCSS No. 10 (IFRS) "Consolidated Financial Statements".

Based on the analysis of the above points, the work "Consolidation" is widely used in

Table with 2 columns: Page number (129) and Publication information (ISSN 2319-2836, ASIA PACIFIC JOURNAL OF MARKETING & MANAGEMENT REVIEW, under Volume: 11 Issue: 12 in December-2022, https://www.gejournal.net/index.php/APJMMR) and Copyright notice (Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/)



streamlining existing financial statements, improving their efficiency and application in practice.

Along with the development of social and economic spheres in our country, special attention is paid to modern international financial reporting standards. The National Accounting Standards of the Republic of Uzbekistan No. 8 (NAS) "Accounting for investments in subsidiaries and the practice of accounting in agricultural zones with consolidated financial statements is regulated.

10 IFRS "Consolidated Financial Statements" defines the principles for the preparation of consolidated financial statements. IFRS No. 10 was published in May 2011. IFRS No. 10 IFRS No. 27 replaces the consolidated portion of the Standard Consolidated and Separate Financial Statements. This standard is a standard included in the following "5 Standards Packages" and the application of one of them requires the application of the other.

The objective of IFRS 10 is to develop principles for the presentation and preparation of consolidated financial statements when managing one or more other entities and requires a parent entity (an entity that operates one or more other entities) to present consolidated financial statements, determine the management principle and establish control as a basis for consolidation, it determines how to apply the principle of control to determine whether it controls an investor. The investee, and therefore must be consolidated, the investee determines the accounting requirements for the preparation of consolidated financial statements, identifies the investment entity, and determines the exemption for the consolidation of certain subsidiaries of the investment entity.

When preparing consolidated financial statements in accordance with IFRS No. 10, the company consolidates the financial statements of the parent and subsidiary organizations for each line by adding similar items of assets, liabilities, equity, income and expenses.

To prove and confirm the correctness of the structure of the summary report, a number of techniques and methods are used. Usually, in order for the auditor to evaluate the collected data, it is considered a necessary condition to be able to check their reliability and compatibility, for which it is necessary to clarify the stages and elements of this process when compiling financial reporting information under IFRS in agricultural zones.

The preparation of financial statements in agriculture based on international standards, in turn, requires the improvement of the relevant documents, and the formation of the authorized capital does not correspond to the balance sheet items compiled and published at the present time.

Currently, the practice of accounting in the agricultural sector is regulated by the National Accounting Standard No. 8 of the Republic of Uzbekistan "Accounting for investments in subsidiaries and consolidated financial statements". The purpose of this NAS is to determine the procedure for preparing and presenting the consolidated financial statements of a group of business entities controlled by a parent business entity.

RESEARCH METHODOLOGY

Since there are shortcomings in all areas, there are also shortcomings in these standards. These standards also have certain disadvantages, which include the following:

- 1. In connection with the 20th anniversary of the adoption of this standard and the fact that the official version in the state language has not been approved, it reflects the requirements of a modern intensive market economy. It does not include information about the affiliated persons of the joint-stock company.
2. Information on the financial position and financial stability of the issuer, dividend policy is

not indicated.

3. The theory of shares, the method of majority and minority, the methods of consolidating investments, provided for by internationally recognized standards of consolidation, are not specified.

4. The standard does not include participation in the preparation of proposals and the provision of similar audit services on issues related to the conclusion of major transactions and transactions with affiliates for consideration by the general meeting of shareholders or the Supervisory Board of the company.

As a result of the implementation of this standard draft Regulation, the introduction of the national accounting standard of the Republic of Uzbekistan No. 8 on accounting for investments and consolidated financial statements of the Republic of Uzbekistan will help eliminate the shortcomings of the standards.

### **ANALYSIS AND RESULTS**

In order for the consolidated financial statements to present financial information about the group as a single economic entity, the following steps are taken.

The carrying amount of the parent's investment in each subsidiary and the parent's share of equity in each subsidiary are mutually exclusive and the merger may result in goodwill that is included in the consolidated income statement. The position reflected in the line is determined by the share of non-controlling participation in the profits and losses of the consolidated subsidiaries for the reporting period;

- the contribution of non-controlling participation in the net assets of the consolidated subsidiaries is determined.
- non-controlling interest in the net assets of the consolidated subsidiaries is shown separately from the share capital of the parent company.

International and national standards of consolidated activity appear as a system of rules, and such standards are restrictive. The generalization of information on the material, labor and financial resources of agricultural zones in the preparation of financial reports based on summary reports leads to the expansion of their networks.

With the full implementation of international financial reporting standards, it is necessary to deeply study the content and essence of these standards, be able to apply their methodological aspects, harmonize our national standards with international standards as much as possible, take into account the best foreign experience in accounting regulation, further improvement of the regulatory framework, adoption of international terms in the field of accounting and auditing, translation of specialized literature and necessary materials from foreign languages into Uzbek, exchange of experience between practicing employees and scientific researchers in foreign countries, and, if necessary, certification of practicing accountants.

Thus, the application of international standards in the preparation and presentation of financial statements based on consolidated statements leads to a further improvement in their quality.

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