

**РАЗДЕЛ. ОБЩЕСТВЕННЫЕ НАУКИ**

<https://doi.org/10.5281/zenodo.5732724>

UDC 657.11

**REFLECTION OF INFORMATION ON BIOLOGICAL ASSETS AND AGRICULTURAL PRODUCTS IN THE FINANCIAL STATEMENTS**

**A.K. Beisenbaeva,**

Candidate of Economic Sciences, Assistant, Professor of the Department of Accounting, Audit and Finance

**A.U. Abdimoldaeva,**

Senior Lecturer, Department of Accounting, Audit and Finance,  
KazNAIU,  
Almaty city

**Annotation:** This article discusses the practical application of the basic requirements and recommendations for the disclosure of information about biological assets in the financial statements of agricultural enterprises. Agricultural organizations, when switching to international standards, and in particular to IFRS 41 "Agriculture", face a number of problems. The proposed classification of IFRS 41 "Agriculture" is not suitable for the national accounting system in the Republic of Kazakhstan. This classification is general in nature, which contradicts the detailed reflection of information about biological assets in the accounting (financial) statements. In addition, this classification is focused more on the physiological state of biological assets (the ability of an asset to bring products or additional biological assets). Since there is no economic component in this classification. Recommended for accounting of biological assets and agricultural products at the current stage of implementation of international standards, to use the cost estimate, reflecting this cost in the profit and loss statement.

**Keywords:** financial statements, biological assets, agricultural products, IAS 41, fair value

---

## ОТРАЖЕНИЕ ИНФОРМАЦИИ О БИОЛОГИЧЕСКИХ АКТИВАХ И СЕЛЬСКОХОЗЯЙСТВЕННОЙ ПРОДУКЦИИ В ФИНАНСОВОЙ ОТЧЕТНОСТИ

**А.К. Бейсенбаева,**  
к.э.н., асс., проф. кафедры "Учет, аудит и Финансы"

**А.У. Абдимолдаева,**  
ст. преп., кафедра "Учет, аудит и Финансы",  
КазНАИУ,  
г. Алматы

**Аннотация:** В данной статье рассмотрено практическое применение основных требований и рекомендаций к раскрытию информации о биологических активах в финансовой отчетности сельхозформированиях. Сельскохозяйственные организации при переходе на международные стандарты, а в частности на МСФО 41 «Сельское хозяйство», сталкиваются с рядом проблем. Предлагаемая классификация МСФО 41 «Сельское хозяйство» не подходит для национальной системы бухгалтерского учета в РК. Данная классификация носит общий характер, что противоречит детальному отражению в бухгалтерской (финансовой) отчетности информации о биологических активах. К тому же, данная классификация ориентирована в большей степени на физиологическое состояние биологических активов (способность актива приносить продукцию либо дополнительные биологические активы). Так как в данной классификации отсутствует экономическая составляющая. Рекомендованы для ведения учета биологических активов и сельскохозяйственной продукции на современном этапе внедрения международных стандартов, использовать оценку по себестоимости, отражая эту стоимость в отчете о прибылях и убытках.

**Ключевые слова:** финансовая отчетность, биологические активы, сельскохозяйственная продукция, МСФО (IAS) 41, справедливая стоимость

---

Within the framework of the concept of accounting development and its integration into the environment of international standards, accounting for biological assets of agriculture is of particular interest.

The agricultural production management system is based on relevant information, that ought to be sufficiently complete, objective and reliable. The above mentioned is directly related to the information support of the biotransformation management process of biological assets of agricultural organizations.

Currently, in terms of accounting for productive livestock, enterprises are guided by IFRS 41 "Agriculture", approved in early 2001 [1-4], separately establishes the accounting procedure, financial reporting and disclosure of information on agricultural activities and biological assets. All this causes the need for adjustments.

Financial statements compiled in accordance with the principles of international standards provide an opportunity for Kazakhstani companies to join the international capital markets. Such reporting is more informative and useful for users. IAS 41 "Agriculture" requires that all information on the carrying amount of biological assets be presented in a separate line of the balance sheet. Fulfilling the requirements of IFRS, we propose the following procedure for reflecting information in accounting statements. The following balance sheet demonstrates how a meat and dairy farming enterprise could disclose biological assets in its balance sheet (table 1) [4-6].

se the total amount of gains or losses arising in the current period when biological assets and agricultural products are registered, as well as changes in the fair value of biological assets less estimated selling costs. This requirement is achieved by introducing additional lines deciphering the total amounts of income and expenses into the standard financial reporting form 2 "Profit and Loss Statement" [7]. The income statement discloses the total amount of gains or losses arising in the current period from the initial recognition of biological assets and agricultural products at fair value, as well as from changes in the fair value of biological assets and agricultural products, less estimated selling costs.

It is recommended the disclosing information about changes in the fair value of biological assets due to their physical condition and due to price changes in the notes to the balance sheet and the profit and loss statement in text form.

It is recommended to make the calculation as follows. The change in the value of biological assets due to changes in their physical condition as the difference in the value of biological assets at the end of the reporting year, recalculated in prices at the beginning of the reporting year, and their value at the beginning of the year, minus the value of received biological assets and plus the value of retired assets at the same prices. Change due to prices as the difference in the value of biological assets at the end of the reporting year in prices at that date and their value at the beginning of the year, minus the value of received assets and plus the value of disposed assets in prices at the beginning of the year.

In the notes to the balance sheet and the profit and loss statement, we also recommend disclosing information separately on groups of biological assets – mature and immature, or on fruit-bearing and consumed. And it is also possible to disclose a list of biological assets belonging to a particular group by type of activity. The column "groups of biological assets" may change depending on the availability of certain biological assets in the organization. The explanations should

reflect the amount of depreciation of biological assets. Disclosure of this information will not only meet the requirements of IAS 41 "Agriculture", as well as to provide information about biological assets capable of producing agricultural products and intended for sale, which means obtaining economic benefits in the future.

Table 1 – Balance sheet of an agricultural organization in thousands of tenge

ASSETS	At the beginning of the reporting period	At the end of the reporting period	LIABILITIES	At the beginning of the reporting period	At the end of the reporting period
Short-term assets			Short-term liabilities		
Stocks			Accounts payable by suppliers	1271	1869
Accounts receivable	2100	2587	Total short-term liabilities	1271	1869
Cash	1549	884	Long-term liabilities		
Total short-term assets	547	1254	Bank loan	3587	3100
	4196	4725	Total long-term liabilities	3587	3100
Long-term assets			Capital		
Cattle- immature			Authorized capital		
Cattle – mature	1 542	1 321	Retained earnings	10541	10541
Total biological assets	3 784	3 945		2574	2890
Fixed assets	5 326	5 266	Total capital	13115	13431
Total long-term assets	8 451	8 409			
	13 777	13675			
BALANCE	17 973	18 400	BALANCE	17 973	18 400

According to IFRS (IAS) 41 "Agriculture", there is a requirement to disclose

In the notes to the balance sheet and the profit and loss statement, it can be specified in quantitative terms the composition of a group of biological assets; a group of biological assets participating in it; the degree of maturity of each group of biological assets; productivity for the reporting year.

The organization discloses information about the principles of differentiation of biological assets into groups. For each group of assets, it is proposed to specify:

- the principles of determining the value of biological assets as an information base for determining fair value, the main assumptions that were used to determine the fair value of each group of agricultural products at the time of its receipt (collection), and each group of biological assets;

- the organization discloses information about the fair value, net of selling costs, of agricultural products received in the reporting year (the fair value is determined at the time of receipt (collection) of products).

- if the discounted value is used as the fair value, the discount rate and the number of years during which future payment flows were estimated should be indicated;

- the existence and amounts of property restrictions relating to biological assets, as well as biological assets pledged as collateral for obligations;

- liabilities for the acquisition of biological assets;

- activities carried out by the organization in order to prevent natural risks, protect investments in biological assets and agricultural production.

Regarding biological assets whose fair value cannot be reliably measured, the following information should be disclosed:

- description of such biological assets;

- explanation of the reasons why fair value cannot be reliably measured;

- if possible, the range of estimates in which the fair value is likely to be located;

- the depreciation method used;

- useful life or applicable depreciation rates;

- the total book value and the amount of accumulated depreciation at the beginning and end of the period.

During the reporting period, it is possible to reliably estimate the fair value of a biological asset. Therefore, it is recommended to disclose the following information:

- description of biological assets, the value of which will be changed;

- explanation of the reasons why it became possible to reliably measure fair value;

- the impact of the transition to fair value.

Following the requirements of IAS 41, disclosure of the following information in the notes to the balance sheet and profit and loss statement:

- availability and book value of biological assets with respect to the use of which certain restrictions apply, as well as the book value of biological assets pledged as collateral for obligations;
- the amount of obligations assumed to improve or acquire biological assets;
- strategies for managing financial risk associated with agricultural activities.

The organization must provide a reconciliation of the changes in the carrying amount of biological assets that occurred between the beginning and the end of the current reporting period. Thus, to keep records of biological assets and agricultural products at the current stage of the introduction of international standards, use the cost estimate, reflecting this cost in the profit and loss statement.

In the balance sheet, the value of biological assets and agricultural products should be reflected at fair value. The calculation of the cost using calculation methods should be reflected in the notes to the balance sheet and profit and loss statement.

The report reflects income and expenses from the initial recognition of biological assets at fair value, income and expenses from changes in their fair value. It can be said that this option of accounting and reporting data on biological assets and agricultural products is the most acceptable, since:

1. Allows you to maintain the historical cost approach (necessary for the formation of information for management accounting purposes, the reflection of data in specialized reporting forms).

2. Comply with the requirements of IFRS 41 regarding the reflection of information on accounting statements on the fair value of biological assets and agricultural products.

3. The recommended approach assumes, when making changes to the circulation documents, to develop a minimum number of new documents for keeping records of biological assets and finished products.

4. Despite the fact that the historical cost is true from the point of view of reflecting the costs incurred, and does not reflect the data for the current period of time, in the absence of approved regulatory documents at fair value, the proposed approach to reflecting data on biological assets and agricultural products in the financial statements is the most acceptable. The proposed ways to improve accounting reporting will allow external users to obtain relevant information for financial analysis of agribusiness organizations.

## Bibliography

- [1] Ageeva O.A. International financial reporting standards: Textbook. / O.A. Ageeva. – M.: Publishing house "Accounting", 2007. 464 p.
- [2] Baibotaeva N.A. Improvement of accounting and reporting in agricultural enterprises of the Republic of Kazakhstan in accordance with the requirements of national and international financial reporting standards. / N.A. Baibotaeva. – Monograph: Novosibirsk, Publishing House of the CRNS, 2014.
- [3] Belov N.G. Actual problems of accounting in agriculture. / N.G. Belov. // Economics of agricultural and processing enterprises. – 2006. No. 6. 43-45 pp.
- [4] Yerzhanov M.S. Financial reporting of Kazakhstani enterprises. / M.S. Yerzhanov, A.A. Nurumov. – Almaty: Ekonomika, 2007. 180 p.
- [5] International Financial Reporting Standard (IAS) 41 "Agriculture". [Electronic resource]. – URL: [https://uchet.kz/standarts/msfo/index.php.ELEMENT\\_ID=205336](https://uchet.kz/standarts/msfo/index.php.ELEMENT_ID=205336). (date of access: 25. 10.2021).
- [6] Accounting for biological assets. [Electronic resource]. – URL: <https://assistentus.ru/buhuchet/biologicheskikh-aktivov/>. (date of access: 25. 10.2021).
- [7] How is the financial result determined in accounting. [Electronic resource]. – URL: <https://www.lcbit.kz/blog/kak-opredelyaetsya-finansovyy-rezultat-v-bukhgalterskom-uchete/>. (date of access: 25.10.2021).

© А.К. Бейсенбаева, А.У. Абдимолдаева, 2021

Поступила в редакцию 19.10.2021

Принята к публикации 05.11.2021

---

### Для цитирования:

Бейсенбаева А.К., Абдимолдаева А.У. Reflection of information on biological assets and agricultural products in the financial statements // Инновационные научные исследования. 2021. № 11-1(13). С. 186-192. URL: <https://ip-journal.ru/>