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MAIN CHARACTERISTICS OF CONSOLIDATED FINANCIAL STATEMENT ACCORDING WITH IFRS

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ABSTRACT

This article describes the essence of the preparation of consolidated financial statements and the prospects for its application. Opinions of foreign and local scientists on the topic were analyzed and proposals and recommendations were developed by the author.

INTRODUCTION. The main purpose of preparing financial statements is to increase the interest of investors, creditors and other users.As reported by decision of the president of the republic of Uzbekistan dated February 24 2020 number – 4611 Presidental decree. On additional this measures for the transition to 'International standarts of the financial reporting" that international reports should be based on international standarts [1]. In order to compile financial reports of large tax-paying organizations and annual financial reporting forms of subsidiaries, it is determined that the data of the parent company should be compiled in a consolidated form. As a result, the parent company collects the financial statements of the subsidiaries and prepares consolidated financial statements by collecting the quarterly and annual reports. In this research work, the authors focus on the practical aspects of compiling consolidated financial statements based on international standards, in which induction and deduction, monographic observation, factor analysis, synthesis and other methods are widely used.

Research methodology.

In the article, induction and deduction, monographic observation, factor analysis, synthesis and other methods are widely used

Analysis and result

Consolidated financial statements are formed on the basis of the group's uniform accounting policy. If the accounting policies of any company in the group are not in accordance with the accounting policies of the group, in such cases, adjustments should be made for the purposes of reporting consolidation.

When buying one company parent (head/mother) another (subsidiary), in legal terms, they remain independent and continue to create separate accounting reports. However, economically they are a single economic entity (group). And in order to understand what this consolidated business is from an economic point of view, a consolidated financial report of this group of companies is formed on the basis of certain rules.

For example, the management of the Department for the development of long-term activities of the supervisor, like many others, determines the quantitative assessment of egalad.

The financial condition report of the parent company includes only investments made in the subsidiary company, balances on operations between the parent company and the subsidiary company.

But for the shareholders of the parent company, this information alone is not enough, since the amount of investments in the subsidiary company does not reflect the real state of activity of this company.

In this case, there is a need to create a single (consolidated) report in which shareholders can see the results of the activities of the head and subsidiary companies as a single organization.

Therefore, in order to satisfy the interests of shareholders, each parent company must draw up a consolidated report in addition to its report.

In this case, a consolidated report is necessarily drawn up, regardless of the existing differences in the types of activities of these companies.

Consolidated reporting is a financial report of a group of companies in which the assets, liabilities, capital, income, expenses and movement of funds of the head and all subsidiary companies are presented as a single business entity.

Group of companies:

- parent company
- its subsidiary companies.

The rules for compiling such a consolidated report and the applied assessments are established by a number of standards, the main of which are:

- 3-IFRS (IFRS)"business merger".
- 10-IFRS (IFRS)"consolidated financial statements".

Let us dwell in detail on the main aspects of these standards. No. 3-IFRS establishes the requirements that the company is obliged to fulfill when it has control over another company (companies). The data will then be corrected according to the requirements established by 10- IFRS and other standards when calculating the consolidated report of the group to the reporting date.

To obtain reliable and accurate information on the results of business consolidation, the 3 IFRS (parent) Enterprise Reporting (parent) regulates approaches to recognizing and evaluating the share of assets, liabilities goodwill and uncontrolled participation acquired as a result of a business merger agreement [4].

"Business Association" (IFRS 3) requires that each business association be accounted for by the style of purchase (purchase), performing a specific sequence of actions.

Having control over the object of the investment is reflected as if the buyer (the parent company) bought all the assets and liabilities of the subsidiary in total. Hence, in terms of fair (market) value.

2-step	Determining the date of purchase
3-step	Purchased, which can be Indianized at the purchase object assets, accepted liabilities and any control control of a share that does not
4- step	Recognition and assessment of profit from Goodwill or profitable purchase

Figure 1. Stages of the purchase method

Method of purchase. Step 1.

In order to index the buyer who has control over another organization, a "consolidated financial statements" (IFRS 10) should be applied, which regulate the signs of the presence of control.

Basically, it is by the buyer in the transactions to consolidate the business, carried out either by issuing funds or other assets or by making commitments, and it is usually the company that assumes obligations to the individual who is giving money or other assets.

It is the company that is usually issuing them as the buying party in transactions to consolidate the business carried out mainly through the exchange of shares.

Buying style. Step 2.

The date of purchase is the date when the buyer has control over the investment object.

This date is an important concept, since the completion of the transaction indicates its legality that the receipt of economic benefits from a new business began in reality.

There may also be a situation in which the merger is carried out by step-by-step purchase of shares.

Buying style. Step 3.

Recognition and evaluation of the purchased assets and liabilities received and the share of participation that is not subject to any control in the purchase object is the most difficult stage in the application of the purchase method.

On the date of purchase, the buyer must recognize the acquired assets that have been identified at the object of purchase, the obligations assumed and the share of participation that is not subject to any control separately from Goodville.

The general principle in relation to valuation is that purchased indexed assets and accepted liabilities are assessed on a factual value.

Buying style. Step 4.

In the form of a rule, the amount paid for the net assets of the business does not coincide with the value of the net assets being purchased, as a result of which a difference arises (a discount from overpayment/Nacht – more paid, less received or vice versa).

The purpose of the account is to explain the occurrence of this difference. For this purpose, the amount paid by haridor, as well as the actual value of the net assets being purchased, are compared among themselves. That is, it will be necessary to calculate the business reputation or Goodville.

Goodville is an asset that represents the future economic Nafs that arise from other assets that are not individually identified and not recognized separately by purchasing and combining a business.

Goodwill-initial recognition and evaluation (purchase date)

It is initially recognized on the date of purchase and is reflected as an asset other than a separate turnover

Goodwill-burningi account (to report date)

Sometimes the buyer makes a profitable purchase, that is, the actual value of the purchased assets is more than the amount of reimbursement given.

Not amortized;

Goodville is assessed on cost at deduction of accumulated damage from incarceration after initial recognition;

If what is happening or changing conditions are pointing to the fact that it can be devalued, it is often checked for devaluation every year or year;

Losses from the depreciation of Goodville are reflected in the report on profits and losses.

The consolidated financial results (profit and loss) report includes all the income and expenses (100%) of the company, the head (parent enterprise) and the subsidiary (subsidiary) in a similar way to the balance sheet. An uncontrolled share in the profits of the subsidiary, and not in the net assets, is allocated.

In the consolidated profit and loss and other total income statement, the turnover on operations within the group is excluded. Within the group, the turnover is excluded.

For example, in relation to the interest paid by the parent company (parent enterprise) to the subsidiary company (subsidiary), it is necessary to exclude interest costs from the financial costs of the subsidiary and interest income from the investment (financial) income of the parent enterprise. During consolidation, it is necessary to exclude from investment income those dvidents obtained from subsidiary and organized companies and reflected in a separate report of the main enterprise as income from investments [2].

This situation also happens because in the consolidated total income report (KTIR)we reflect all the income of the subsidiary company and its share in the income of the organized/affected company, therefore, in order not to take into account the same amounts twice, dvidents must be excluded.

The consolidated report reflects only dvidents from other investments, that is, from companies that are neither affiliated nor organized/influenced, as income on dividends.

Part of the subsidiary company's dwidend, which is Taluq to unchecked shareholders, is taken into account when determining the share (SHZINC)that is not controlled in the reporting date in the financial situation report and in the report on changes in Group Capital [2].

In this regard, professor A.N. Turaev believes “Ensure the application of international financial reporting standards is an important component of reforms to modernize the national economy. Transition to international standards due to the necessity ensure a high level of competitiveness of the national economy in the international division of labor. The implementation of international standards in the first phase will cover a small percentage of enterprises, particularly those that attract capital - public joint stock companies, banks and insurers. To achieve this goal it is necessary to ensure joint and coordinated actions for the implementation

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of tasks and activities with respect to the application of international standards, the Ministry of Finance, the National Bank, professional organizations and other stakeholders"[3], That is

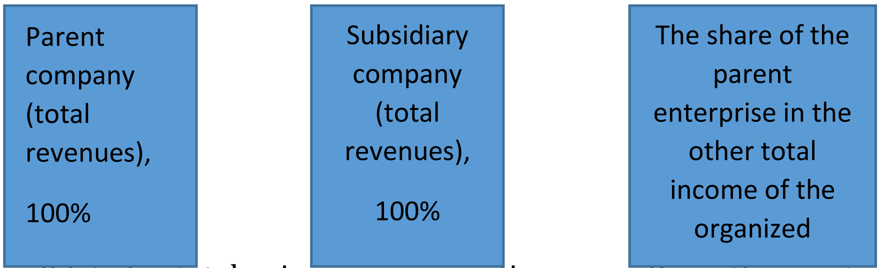
Ensuring the application of International Financial Reporting Standards is an important component of the reform on the modernization of the national economy. The transition from necessity to international standards ensures high competitiveness of the national economy in the international division of Labor. At the first stage, the introduction of international standards covers a small part of enterprises, in particular, capital – attracting enterprises-joint-stock companies, banks and insurance organizations. To achieve this goal, it is necessary to ensure joint and coordinated efforts of the Ministry of finance, commercial banks in Uzbekistan, professional organizations and other interested parties to carry out tasks and measures to apply international standards," the Ministry said.

Particular attention should be paid to the situation when the purchase of a subsidiary occurs in the middle of the year. If a different rule is not specified, the financial result of the subsidiary for consolidation purposes is distributed over the year in a time – proportional manner.

It is necessary to carry out the following in the consolidated total income report :

- put the cost and revenue of the parent enterprise and subsidiary;
- subtracting the amount of sales within the group from cost and earnings;
- exclusion of undeveloped/unrealized profit (loss) arising during sales;
- correction to amartisation ktrish (the amartisation of the fixed asset must be calculated based on its value established for the group)

Other Total Group Income **Structure**



Consolidated total income reporting scheme:

Group proceeds = parent enterprise receipts + affiliate Enterprise receipts – group in-Group operations receipts.

-Minus:

The cost of Group sales = the cost of the main enterprise + the cost of the subsidiary – the cost of operations within the group,

Undeveloped / unrealized benefits

The devaluation of Goodville

Operating costs = operating costs of the parent enterprise + operating costs of the subsidiary Enterprise

+ (pilus) Share and other income in the profits of an organized/influenced company

Financial costs of the group = financial costs of the parent enterprise + financial costs of the subsidiary

Until the total is taxed, Group profit minus

Group Tax = general enterprise tax + subsidiary Enterprise Tax.

The conclusion of a consolidated financial situation report is carried out in the following sequence.

Step 1.

The date and period of creation of the report are determined

Date of conclusion 01.04.2016 year

Report date 31.03.2019 year

Step 2.

Net assets of subsidiary company.

Indicators	Net asset value on the reporting date	Net asset value at purchase date	Pure Change (Difference)
Equity capital	5000	5000	-
Retained earnings	15280	8400	6880
Main tool (land)	3500	2000	1500
Equipment	4000	4000	-
Depreciation of equipment	-2400	-	-2400
Commodity material reserves	-75	-	-75
Total	25305	19400	5905

Step 3.

Share that is not controlled (25305 • 20%) 5061

Step 4.

Goodville.

Investment price (4000*4.5)	18000
Share that is not controlled (19400*20%)	3880
Net assets at purchase date	-19400
On the date of purchase (Goodville)	2480
Degraded (Goodville)	-1488
Report date (Goodville)	992

Step 5.

Retained earnings of the parent enterprise **52 640**

Net asset change of profit subsidiary (for the parent enterprise) 3524

Degraded (Goodville) 1488

Total Retained Earnings (Parent enterprise) 54676

Consolidated financial position report

	Parent	Subsidiary	Consolidated

	enterprise				financial position report
Assets:					
LONG-TERM ASSETS					**70 762**
Basic tools	42450		22220		69 770
Goodville					992
Investments in a subsidiary					
Оддий акциялар					
Preferred shares					
CURRENT ASSETS					31 685
Reserves	9850		6590		16 365
Accounts receivable	11420		3830		15 010
Funds in the bank					490
Total assets					**102 627**
CAPITAL AND LIABILITIES					
CAPITAL					**70 937**
Ordinary shares	10000				10 000
Capital reserve					1 200
Retained earnings					54 676
Share that is not controlled					5 061
COMMITMENT					**31 690**
100% Vesels	12000		4000		16 000
10% preferential extinguished action			2000		1 500
Creditor indebtedness	5600		3810		9 170
Overdraft Bank			570		570
Taxes	2470		1980		4 450
Total capital and liabilities					**102 627**

5. Conclusions and suggestions.

In conclusion, it is advisable to draw up a consolidated financial report, to ensure that when conducting its audit, it covers all the requirements for the related services of the audit and complies with the criteria established by its international standards.

The greater the right to vote for an investor than for other investors, the higher the likelihood that the investment object has existing rights that allow it to manage significant activities.

The more "scattered" the remaining voting rights, the higher the likelihood that the investor has existing rights that allow him to control the significant activities of the investment object.

In cases where a decision on significant activity is made by the majority of votes, and when the right to vote (or to a group with the right to vote) belongs to the investor significantly more than to someone else, and in a situation where the remaining shares belong to a large number of small shareholders, these factors may be sufficient to

If the presence of control in an investor who owns less than half of the voting rights and ownership rights is not clear, all available factors should be taken into account when determining control.

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