

## **OTHER GENERALIZED INCOME AND DIRECTIONS OF THEIR REFLECTION ON THE BASIS OF INTERNATIONAL STANDARDS OF FINANCIAL STATEMENTS**

**Eshpulatova Zaynab Baratovna**

Samarkand Institute of Economics and Service, Senior Lecturer, PhD of the Accounting Department

**Annotation:** The implementation of international financial reporting standards (IFRS) in our country is one of the important issues on the agenda. One of the most important tasks of the country today is the application of international practice in the accounting system for the recognition of income and expenses, which are the main indicators of financial accounting. This article describes and discloses the concept of accounting for The concept of other comprehensive income, its essence and composition, reflection in the financial statements in accordance with international standards, the importance in the accounting system. Studying and improving the methodological side of this process today also remains one of the most important issues. This article also discusses income that is included in the income statements, such as the definition, composition, recognition, measurement and composition of the financial statements of other comprehensive income by type.

**Keywords:** Income, income, other comprehensive income, expense, reserve, reclassification, adjustment, international financial reporting standards, royalties, dividends, rent, interest, profit from financial activities.

The organization of settlements in accordance with the requirements of this standard, the presentation of transparent information on income and profit in financial statements, to international investors by means understandable to them, that is, the most proven and effective methods and technologies, recognition and assessment criteria, the introduction of a methodology for providing reliable, consistent and Comparable financial information on the company's earnings, profits, distribution and profit share using international rules and principles is an urgent task for all countries, especially those that apply IFRS for the first time.

In our opinion, it is advisable to open accounts designed to reflect other total income in the current chart of accounts. This is due to the fact that, in accordance with the requirements of international standards, any result that is reflected in the increase in the assets of private equity holders, in addition to adding additional private capital, is income. Based on this view, other comprehensive income should first accumulate in accounts opened for other types of comprehensive income. At the end of the reporting period, these income accounts will need to be transferred to the corresponding private equity accounts. Since these are accounts after the final financial results, it is recommended to open account 10000 "Other income received":

**Table 1. Working accounts, which are proposed to be included in the chart of accounts of financial and economic activities of business entities<sup>1</sup>**

Account number	Account name
8010	Income from revaluation of property, plant and equipment and intangible assets (not a reclassified component)
8020	Gains and losses from the revaluation of financial assets
8021	Profit (loss) on financial assets (equity instruments) carried at fair value (reclassified component)
8022	Gains (losses) on investments in equity instruments carried at fair value (not a reclassified component)
8030	Actuarial gains (losses) for defined benefit plans (unclassified component)
8040	Contribution of the parent company to the increase in the value of the assets of the associates (non-reclassified component).
8050	Change in fair value of financial liabilities (non-reclassified component).
8060	Exchange differences arising on the translation of foreign subsidiaries (component that can be reclassified)
8070	Effective cash planning results (reclassified component)
8080	Income tax applicable to other comprehensive income
8081	Income tax applied to the reclassified components
8082	Income tax applicable to components that cannot be reclassified

Let us consider the application of these accounts and the methodological procedure for accounting for other generalized income on practical examples.

**Example 1.** The net profit of “Jambay Grain Products” JSC for the reporting year ended 2020 amounted to 238 785 141 thousand UZS, the cost of goods sold (goods, works, services) 200 606 212 thousand UZS, other (not related to ordinary activities) income 2 097 633 soums, operating (commercial) expenses 28 455 639 thousand soums, administrative expenses 844 746 thousand soums, non-operating expenses 12 450 thousand soums, interest income 14 037 thousand soums, profit (loss) from the disposal of financial assets at amortized cost 4 255 thousand soums, gain / loss from reclassification of financial assets from amortized cost through profit or loss to fair value for 2,400 thousand soums, impairment loss - 1,500,000 soums, impairment loss - 1,500 thousand soums, finance costs - 1,885,677,000 soums.

The authorized capital of the company is 248,420,000 soums, retained earnings - 150,448,500,000 soums. Reserve capital 58,425,123,000 soums.

In the reporting year, the following transactions took place on other gross profit: increase in the value from revaluation of fixed assets - 28,400 thousand, profit (loss) from financial assets measured at fair value at the company's option through other comprehensive income - 5,800,000 soums, fixed actuarial gain (losses) on pension plans with benefits (non-reclassified component) - 0, effective funds planning results - 0, contribution to the increase in the property value of associates - 0, exchange rate difference from translation of foreign subsidiaries - 0.

Based on the following information, it is required: 1. Preparation of a part of the income statement on total comprehensive income (profit and loss and other comprehensive income) for the reporting year ended December 31 of JSC. 2. To reflect other comprehensive income in accounting. 3. Prepare the

<sup>1</sup> Authoring based on research.

second part of the statement of total comprehensive income; 4. Prepare a statement of changes in equity; 5. Prepare a section on private equity in the statement of financial position.

1. Based on the above data, we form the Profit and Loss section of the statement of total gross income (Table 2):

**Table 2. Part of the profit and loss in the statement of "Jambay Grain" JSC on comprehensive gross income for the reporting year ended December 31, 2020<sup>2</sup>**

Indicators	Line code	Sum
<b>Profit and loss (thousand UZS):</b>		
Revenue	010	238 785 141
Cost of sales	020	200 606 212
<b>Gross profit (010-020)</b>	<b>030</b>	<b>38 178 929</b>
Other income	040	2 097 633
Other expenses	050	12 450
Operating (trading) expenses	060	28 455 639
Administrative expenses	070	844 746
<b>Operating profit (3+4-5-6-7) (030+040-050-060-070)</b>	<b>080</b>	<b>10 963 727</b>
Interest income	090	14 037
Gain (loss) on disposal of financial assets at amortized cost	100	4 255
Gains / losses arising from the reclassification of financial assets at fair value at cost rather than amortized cost through profit or loss	110	2 400
Impairment loss	120	1 500
Finance costs	130	1 885 677
<b>Profit and loss before tax (080+090+100+110-120-130)</b>	<b>140</b>	<b>9 092 987</b>
Income tax	150	1 459 600
<b>Profit from current activities (140-150)</b>	<b>160</b>	<b>7 633 387</b>
Loss from discontinued operations for the year	170	-
<b>Profit for the year (160-170)</b>	<b>180</b>	<b>7 633 387</b>

2. At the next stage of calculations, we reflect other comprehensive income in the accounting accounts. For this we use the accounts suggested above. The essence of the methodological procedure we propose is that other comprehensive income is initially accumulated in the accounts intended for each of these incomes. At the end of the year, the balances in these accounts are transferred to the corresponding private equity reserve accounts. In the statement of private capital flows, we consider the most appropriate practice to open a column of reserves and other reserves to increase the value of fixed assets and intangible assets. Based on these rules, we make accounting entries in the following table (Table 3):

<sup>2</sup> The study was developed by transforming the report according to the NAS.

**Table 3. The order of reflection in the financial statements of other aggregate profit of "Jambay" JSC for 2020 until December 31<sup>3</sup>**

s/ n	Contents of operation	Linking accounts		Sum
		Debit	Credit	
1	Increase in value from revaluation of fixed assets	0110-0130	8010	28 400 000
2	Gains (losses) on financial assets measured at fair value at the company's option through other comprehensive income	0610 or other accounts related to financial assets	8021	5 800 000
3	Actuarial gains (losses) for defined benefit plans (unclassified component)	6990 "Accounts accounting for actuarial obligations"	8030	-
4	Effective money planning results	5110-5700	8070	-
5	The contribution of like-minded people to the increase in the value of the property	0610-1690	8040	-
6	Exchange rate differences from translation of foreign subsidiaries	5210	8060	-
7	At the end of the year, when other comprehensive income is transferred to reserves:			
	Increase in the value of property, plant and equipment.	8010	8510	28 400 000
	Increase in the value of financial assets.	8021	8540	5 800 000
	Actuarial advantages and disadvantages.	8030	8540	-
	Money planning.	8070	8540	-
	Employee contributions to property value.	8040	8540	-
	Exchange rate difference from translation of foreign subsidiaries.	8060	8540	-

The methodological procedure suggested in this table has several advantages. **First**, changes in other comprehensive income during the year are first accumulated in the accounts in which this income is recorded, and then the final result is transferred to reserve capital. This, in turn, reduces the income from a previous increase in property, plant and equipment during the year as a result, for example, of a loss in the value of property, plant and equipment transferred to the corresponding other comprehensive income account.

**Second**, the data in the other comprehensive income accounts make it easier to aggregate the data when completing the Other comprehensive income section of the statement of total comprehensive income. It allows you to receive data for replenishment not from the reserve capital, but from the data in the accounts for these purposes. This methodological procedure also meets the requirements of international standards and is distinguished by its effectiveness.

<sup>3</sup> Authoring based on research.

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