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PROCEDURE FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS IN FOREIGN COUNTRIES AND THE PRACTICE OF ITS APPLICATION IN UZBEKISTAN

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ANNOTATION
In this article, the author reflects on the procedure for preparing and presenting financial reports in foreign countries and the practice of applying it in Uzbekistan, mainly the conclusions are given on the procedure for preparing and presenting financial reports in Turkey, Japan and China and the practice of applying it in Uzbekistan.
KEYWORDS: *Financial statement, balance sheet, assets, liabilities, equity capital, principles, reporting period, international standards*

The order of preparation and presentation of financial statements in the Asian region has its own significance and reflects the mentality of the countries. For example, the experience of Turkey can be cited for such countries. In Turkey, which is the largest member of the Organization of Turkic States (19% of the territory, 68% of the GDP, and 50% of the population), the accounting system is more developed than the OTC member states and has its own characteristics.

Turkey IFAD Included in GAAP Convergence Study National Professional Organization Website: Union of Chambers of Certified Public Accountants of Turkey;

Developer of accounting standards: Public Supervision, Accounting and Auditing Standards Institution (KGK);
Response to IFAC Members' Inquiry on Standard Setting and Regulation World Bank Accounting and Auditing ROSC Report.

As you know, it has been announced that starting from 2022, the accounting system in Turkey will be regulated by a number of local and international legal documents, namely:
First, according to the newly adopted Commercial Code in Turkey, it was established that the jurisdictional organizations must maintain accounting, calculations and individual or consolidated financial statements in accordance with Turkish Accounting Standards (TBHS) and Turkish Financial Reporting Standards (TAS / TFRS). Here, Turkish Financial Reporting Standards (TFRS) are a direct translation of International Financial Reporting Standards (IFRS);

The Second , Turkish Commercial Code;

Third , securities market laws.

Accounting standards in Turkey are set by Kamu Gözetimi, Muhasebe ve Denetim Standartlari Kurumu (KGK). As mentioned above, it is fully compliant with Turkish Financial Reporting Standards (TFRS). New and changed standards official in the newspaper publication to be done with constant respectively acceptance will be done .

International financial reporting standard (IFRS). Turk to the language translation in doing delays because of MHXS one of the following action to do can :

- Companies MHXS MHXS announced by the Foundation English ras m iy in the language uses the translation , this without auditing in the report and to the presentation based on in the comment Conformity to MHHSS about sure conclusion is given ;
- Companies MHXS complete action to do can Translation delay because of auditing conclusion and presentation of the explanation basis financial of the report " In Turkey apply for acceptance done compliance with MHXS". shows .

The composition of the financial report presented in Turkey based on national standards :

B Uxgalter Iya Balance;
Income Information;
Report on Cost of Goods Sold;
Cash Flow Statement;
Statement of Retained Earnings;
Statement of Changes In Capital.

Forms of financial statements to be submitted in Turkey according to the requirements of the Ministry of Internal Affairs and Communications:

Financial Statement;
Statement of Income And Expenses And Gross Income;
Cash Flow Statement;
Statement of Changes In Capital;
Notes To The Financial Statements.

The accounting and reporting system in Turkey is fully formed according to the international standards of financial reporting, which is of great importance in expanding comprehensive relations between the countries. As a result of the conducted research, we consider the financial condition (accounting balance) of Koc Holding AS, one of the largest companies in Turkey, which is a member of TDT.

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Table 1
"Koc Holding AS" balance sheet[1]
(KCHOL Balance Sheet)

Balance Indicators	30, 2024 for March	30, 2023 for December	The difference is in percent
Total current assets	**1957748**	**1712378**	**114.4**
Cash and short-term investments:	339912	328430	103.0
Cash	-	-	-
Cash and cash equivalents	272639	289405	96.4
Short-term investments	62891	35662	177.4
Total debtors, net	1285218	1020773	125.4
Accounts receivable, net	989747	844155	116.7
Reserves, total	147781	118023	124.5
Next period expenses	89668	71419	125.3
Total other current assets	95169	173733	55.0
Total assets	**3245405**	**2858965**	**113.6**
Property, plant and equipment, total	313863	275854	114.8
Fixed assets, buildings and equipment, gross	558143	484524	114.5
Accumulated depreciation, total	-244280	-208670	120.0
Goodwill	55365	48499	114.2
Intangible assets	55258	48103	114.4
Long-term investments	507128	457195	111.1
Bills receivable-long term	295471	176618	167.7
Other long-term assets	39815	32491	121.8
Other assets, total	-658767	-405547	162.5
Current liabilities, total	**2134647**	**1865813**	**114.5**
Accounts Payable	194440	186649	104.3
Payable/billed	-	-	-
Estimated costs	49065	49075	100.0
Debts payable, short-term	247512	192453	126.3
Current Port . LT debt and capital lease	172813	168977	102.3
Other liabilities, total	1470817	1268659	116.7
Liabilities, total	**2490453**	**2184693**	**114.2**
Long-term liabilities, total	275263	247393	112.5
Long-term liabilities	267618	240926	111.2
Capital leases and bonds	7645	6467	118.7
Tax differences	19972	15179	126.7
The interest of the minority	294684	269543	111.5
Other obligations	-799303	-722081	109.7
Equity, total	**754952**	**674272**	**111.9**
Preference shares, non-redeemable, net	-	-	-
Common shares, total	2536	2536	100.0
Additional capital (paid up)	263	229	117.9
Retained earnings (loss)	405514	351290	114.2
Treasury stock-ordinary	-71	-62	114.5
ESOP is a secured debt	-	-	-
Unearned income (loss)	-	-	-
Other capital	346710	320279	106.2
Total liabilities and stockholder's equity	**3245405**	**2858965**	**113.6**
Total common shares outstanding	2535.01	-	-
Total Preference Shares Outstanding	-	-	-

" Koc Holding AS " company, the items reflected in the balance sheet were developed in accordance with the board that develops accounting standards in Turkey (Kamu Gözetimi, Muhasebe ve Denetim Standartlari Kurumu (KGK)) and Turkish financial reporting standards (TAS / TFRS). if attention is paid to the items, intangible assets and goodwill occupy a

[1] *Author's Development Based On His Data.*

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significant place in the structure of long-term assets. in the private equity section, we can see a special approach to items such as "Unearned Income (Loss)" and "ESOP Secured Debt".

In Japan, the most developed economy in Asia , filing of financial statements is regulated by the Commercial Code, the Companies Act and other regulatory documents.

In Japan, several accounting standards are used at the same time, including International Financial Reporting Standards (IFRS), national standards, and others. It should be noted that all the financial reporting data in Japan alone in the world is not open, that is, it is not publicly announced.

In Japan, companies whose shares are listed on the stock exchange are required to submit an annual securities report . In this case, the annual securities report includes:

Report on Company Activity (Key Indicators, History, Business Report, Etc.)
Statement of Operations And Financial Position
Service And Capital Expenditure Report
Securities Performance Report
Financial Statement
Applications
Financial Reporting For Japanese Companies Includes:
Balance Sheet
Income Statement
Statement of Changes In Assets
Cash Flow Statement
Applications

Also, state corporations are required to submit financial statements to Japan's Ministry of Finance within 3 months of the end of the fiscal year. They can be published on the company's website or in a special publication. Also, financial statements are submitted to the National Tax Agency.

In Japan, the annual reports of listed companies are submitted to the Financial Services Agency. Access to the database of financial reports is carried out through a special online service. This requires the exact company name and company registration number in Japanese or English to search. The search for financial statements of companies that are not public corporations and whose shares are not listed on the stock exchange is carried out on an individual basis.

Financial services shall report to the Agency within six months after the end of the financial year. In Japanese, financial statements provide detailed information about a company's financial health and creditworthiness, as well as its operations. Financial statements of Japanese companies can be used to obtain information about customers when carrying out foreign economic transactions, purchasing goods and services or participating in the capital of Japanese companies, as well as applying to court for the recovery of debts. Registered business companies are required to submit annual financial statements according to local laws.

Below is one of Japan's largest corporations, Mitsubishi Heavy Industries, Ltd. The company's profit and loss statement and its structure are presented.

Table 2
«Mitsubishi Heavy Industries, Ltd.» company's profit and loss statement[2]
(7011 Income Statement)

(Million Dollars)

Indicators	30, 2023 for December	30, 2024 for March	The difference is in percent
Total revenue	**1396480**	**1191394**	**85.6**
Income	1396480	1191394	85.6
Other income	-	-	-
Cost of sale	1111603	940216	84.6
Gross profit	**284877**	**251178**	**89.2**
Operating expenses, total	**1307379**	**1099734**	**83.8**
Selling, administrative and other expenses	217408	166058	76.4
Scientific research and development	120888	-	-
Depreciation	50542	37241	74.0
Interest expenses (income) - net (operating)	-5170	-19578	-
Abnormal expenses (income)	-	-	-
Other operating expenses	-12527	-24203	-
Operating income	**89101**	**91660**	**102.2**
Interest income (expense) - non-operating	-	-	-
Gain (loss) on sale of assets	-	-	-
Others	(18489)	17777	-
Income before tax	**107590**	**73883**	**68.2**
Income tax provision	20168	22299	110.0
Net profit after tax	**87422**	**51584**	**58.6**
The interest of the minority	116034	110272	94.8

[2] *https :// www . investment com / equities / mitsubishi - heavy - industries ,- ltd . author's development based on his data. .*

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Capital in departments and branches	-	-	-
Adjustments to US GAAP	-	-	-
Income (Loss) Before Contingencies	83973	46106	55.4
Net profit	**83973**	**46106**	**55.4**
Adjustments to net profit	-	-	-
General disposable income, excluding emergencies	83973	46106	55.4
Diluted corrections	-7.45	-2.18	-
Diluted net income	83980.45	46108.18	55.4
Average softened stocks	3361.92	3361.88	100.0
EPS except for contingencies	24.98	13.72	54.1
DPS - Initial Issued Common Stock	12	-	-
Equity normalized diluted earnings	15.7	12.11	80.0

According to the information, "Mitsubishi Heavy Industries, Ltd." Although the company's profit and loss statement is positive, it is not satisfactory compared to the previous year for the 1st quarter of 2024. This report provides investors and other interested parties with valuable information on Total Available Income, Diluted , Earnings, Adjustments and Diluted Average Shares after determining Net Profit. As a result of the conducted research, «Mitsubishi Heavy Industries, Ltd.» The composition and structure of the company's cash flow statement are given below.

Table 3
«Mitsubishi Heavy Industries, Ltd.» company's cash flow statement[3]

(Million Dollars)

Indicators	**30, 2023 for December**	**30, 2024 for March**	**The difference is in percent**
Net income (Net Income/Starting Line)	**107588**	**73885**	**68.2**
Cash From Operating Activities	**633373**	**-120955**	**-**
Depreciation	50542	37241	74.0
Amortization (Amortization)	-	-	-
Deferred Taxes	-	-	-
Non- Cash Items	-28886	-13854	-
Cash Receipts	-	-	-
Cash Payments	-	-	-
Cash Taxes Paid	5284	21838	420.0
Cash Interest Paid	4156	3029	73.3
Changes in Working Capital	504129	-218227	-
Cash From Investing Activities	**-19889**	**-111114**	**-**
Capital Expenditures (Capital Expenditures)	-47390	-40780	-
Other Investing Cash Flow Items	27501	-70334	-
Cash From Financing Activities	**-505931**	**251003**	**-**
Financing Cash Flow Items	-49441	-6472	-
Cash Dividends Paid	-1077	-25752	-
Issuance (Retirement) of Stock	-	-	-
Issuance (Retirement) of Debt	-455413	283227	-
Foreign Exchange Effects	39024	-	
Change in Cash	**119145**	**12529**	**10.5**
Beginning Cash Balance	*312142*	*299612*	*93.5*
Ending Cash Balance	*431287*	*312141*	*72.0*
Free Cash Flow	609614.88	-186326.75	-
Free Cash Flow Growth	427.18	-481.35	-
Free Cash Flow Yield	12.04	-5.84	-

In the table "Mitsubishi Heavy Industries, Ltd." when analyzing the company's cash flow report, it was observed that the company's indicators decreased on March 30, 2024, i.e., in the 1st quarter, compared to December 30, 2023. We want to focus not on the numbers in this report, but on the components (mandatory items) of the report. Because the financial statements of the company are formed based on the requirements of international standards.

[3]*Author's development based on his data. .*

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One of the important features of this report is the " Changes in Working Capital " article, in which information on the company's current assets-reserves, receivables, short-term investments, and cash and equivalents are also calculated in determining net profit. Also, the report discloses information on free cash flow (Free Cash Flow), growth of free cash flow (Free Cash Flow Growth) and profitability of free cash flow (Free Cash Flow Yield), evaluation of future cash flows and important for the investor makes it possible to get the information.

In China, which is the second largest economy after the United States, financial statements are submitted on the basis of the following regulatory documents: *the Law on Accounting of the People's Republic of China;*

Audit Law of the People's Republic of China;
regulated by other normative documents.

The existing accounting system in China is fully dependent on International Financial Reporting Standards (IFRS) and on its own national standards. It can be seen that many differences have occurred.

All companies in China submit annual financial statements (which are part of accounting) to local fiscal authorities. In addition, companies whose securities are listed on the stock exchange must submit reports to the Securities Regulatory Commission. Also, commercial companies are required to publish their annual reports on special resources determined by the authorities. Annual reports are submitted in China by April 30 of the year following the reporting year. In this case, the full annual report includes:

Basic Information About The Company
A Brief Description of The Company's Products
Brief Description of The Industry
Property Objects
Number of Shareholders
Financial Statement

The financial report includes:

Balance
Income Statement
Cash Flow Statement
Applications
Information on the Financial Status of the Organization

The following conclusions were made as a result of the research conducted on the forms of financial statements, the requirements and rules for their structure, and the principles of presentation in foreign countries with developed economies:

1. We believe that it is appropriate to put into practice the form of accounting balance (based on BHMS) or the financial statement based on the requirements of international standards (MHXS), exactly the balance sheet structure of US companies. Because the formation of the assets of the balance sheet according to the liquidity and the reflection of the liabilities according to the terms of extinguishment means that the methodology put on the balance sheet is being used correctly.

2. In our republic, the determination of net profit in the report on financial results includes five stages, while in the US, net profit is not the last stage, but after it, indicators such as adjustment to net profit, smoothed income are calculated. In general, it is advisable to introduce the methodology of reporting in one-step forms according to the requirements of the US or MHHS, instead of multi-step, when compiling the financial results formed on the basis of BHMS.

3. Based on foreign experiences, the following conclusions were drawn on the profit and loss statement:

First, the profit and loss statement is a financial report showing the income and expenses of enterprises for a certain period;

Secondly, the report has a unique character, the recorded events begin with income (revenue) and end with net profit;

Third, the profit and loss statement is one of the main three financial statements, which together with the balance sheet and the cash flow statement represent the financial indicators of the enterprise for a certain reporting period;

Fourth, the profit and loss report provides valuable information about the activities of enterprises, management efficiency indicators;

Fifth, It will be possible to present the statement of profit and loss in a single-step or multi-step form.

4. Although Chinese accounting standards are distinguished by the fact that they appeared in the socialist era, when the government was the sole owner of the industry, unlike European and US accounting standards, they are not a means of determining profits and losses, but the inventory of assets available in the company is important. It also has different balance sheet aspects,

Chinese accounting standards do not include accounting for debts owed to the corporation, and more emphasis is placed on management control than accounting for tax purposes. Therefore, it creates an opportunity to introduce the methodology of preparing financial reports in foreign countries into the practice of our republic, to enter the international markets and attract investors widely.

5. In our opinion, if there is a delay in the official translation of the MHSS into the Uzbek language in our republic, we consider it appropriate to implement the following experience of Turkey:

First, the application of the official English translation of the MFRS published by the MFRS Foundation by enterprises, in which case the auditor's report and the explanatory note based on the presentation provide clear conclusions about compliance with the MFRS:

Secondly, enterprises may apply IFRS in full, in which case, due to the delay in translation, the basis of the auditor's report and the explanatory note to the presentation indicates the compliance of the financial statements with the "IFRS adopted for use in Uzbekistan".

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