



## **IMPROVEMENT OF FORMING CASH FLOW STATEMENT BASED ON INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Rakhmonov Sherzod Sherkulovich  
Researcher of the Department of "Accounting" of the Tashkent Institute of Finance  
Phone: (+99897)-735-17-57,  
email: sher19840726@gmail.com

Tolipov Islomjon Gofirjon ugli  
Student of Fiscal Institute under State Tax Committee  
Phone: (+99897)-594-42-42,  
email: islomjontolipov120@gmail.com

<b>A B S T R A C T</b>	<b>KEY WORDS</b>
<p>This article describes how to prepare a cash flow statement using the direct method based on International Financial Reporting Standards. In our country, only the direct method is used in the preparation of cash flow statements, so the introduction of the direct method by us will help to increase investor confidence in financial statements.</p>	<p>cash, cash equivalents, cash flow statement, direct method, operating activity, investment activity, financial activity, financial statement, receipts from customers, payments to suppliers for goods and services, payments to employees, profit tax payments.</p>

### **Introduction**

Economy host to subjects financial reports in making main attempt financial condition about report occupies Entrepreneurship subject under its IFRS financial condition about initial in the report and under its IFRS the first financial reports cover received everyone in periods one different account policies use need \_ Entrepreneurship subject of IFRS earlier in practice has been another edits does not apply need \_ Entrepreneurship subject application yet a must didn't happen new IFRS this IFRS from the deadline before apply permission when done use can

Other defined of cases except cases, entrepreneurship subject under its IFRS financial condition about initial in the report:

- (a) IFRSs required to be recognized all assets and recognition of obligations need
- (b) Recognition of IFRSs the way does not put assets and non - recognition of obligations need
- (c) previous to NAS according to asset , liability or of capital one type recognized as , but to IFRSs according to asset , liability or of capital another type recognized as \_ substances again non-classification need \_ and

(d) all acknowledged assets and obligations in assessment IFRS use need \_ [1]

Entrepreneurship subject under its IFRS financial condition about initial in the report who uses account policies it on previous NAS the same that's it to the date used account from policies difference to do can \_ Of this as a result surface coming corrections to IFRSs transition from date before happened giving operation and events as a result appear will be Therefore , entrepreneurship \_ subject this corrections to IFRSs transition on the date straight away not distributed in favor ( or , appropriate if , of the capital another in the category ) recognition need

Accordingly, financial condition about and benefit and harm about reports make up from being after money currents about the report make up opportunity gives \_

Financial reports financial of the report international standards according to make up necessity Uzbekistan Republic President 's order of February 24, 2020 No. PQ-4611 " Financial of the report international standards transition according to addition measures about " gi to the decision basically defined . [2]

From this come came out without , Money currents about the report international standards based on make up necessity is determined .

International in practice invest main attention financial of the report from the forms one has been money currents about to the report points . The reason is to the subject how much money entrance and output a lot that it was their interest the ground wakes up .

## Literature Analysis

VVKovalyov, a Russian scientist, stated that "Money is the sum of funds of the enterprise in which money (cash or non-cash) is in circulation" [3] .

According to Y. Brigham, the concept of "cash flow" is the net funds received by the enterprise during a certain period[4].

Economist IABlank considers cash flow only from the point of view of investment activity: " **cash-flow** studied as the main indicator describing the impact of investments in the form of money returned to the investor. The basis of cash flow on investment is material and amount of depreciation of intangible assets and profit" [5] .

According to foreign economists B. Needles, H. Anderson and D. Caldwell, "Money is the main measurement unit of commercial activity accounting in current financial sources."

B. Needles stated that "Money means money in the cash register of the enterprise and in the account number in the bank, as well as money equivalents" [6].

AAKarimov, FRIsломov and AZAvlokhlovov "Since money is the intermediary in all calculations, naturally, in order to ensure the uniform circular circulation of funds in the national economy of the republic, all the mutual Payments and mutual settlements must be made correctly and on time. In turn, it has a serious impact on the timely and effective implementation of payments, settlement and credit transactions " [7].

The national accounting standard of the Republic of Uzbekistan No. 9 BHMS is called "Cash flow statement" [8]. Based on clause 5 of this standard, **Cash** is defined as cash on hand and demand deposits, as well as funds in the bank's settlement, currency and other accounts. **Cash equivalents** are defined as short-term, highly liquid investments (financial investments) that can be quickly and easily exchanged for a certain amount of money and are more numerous due to changes in their value.

According to the international standards of financial reporting, cash is defined as follows in paragraph 6 of IAS No. 7: "Cash includes cash and demand deposits". The cash equivalent is "short defined as long-term, highly liquid investments that can be easily converted into fixed amount of money and have an insignificant level of risk in terms of changes in value [9].

## Research methodology

In order to reveal the procedure for compiling the cash flow report using the direct method in the research process, this article includes the analysis of selected literature, grouping, analysis, synthesis, induction, deduction, comparative comparison, data collection and economic research. as widely used as mathematics.

## Analysis and Results Discussion ( Main Part )

Money currents about report , other financial reports with together when used , to users household of the subject pure in assets changes , their financial structure ( liquidity and payment ability ) . and is changing opportunities and to the circumstances adaptation in order to his own money currents amount and to the deadlines influence show get ability evaluation for information with provides . Money currents about data household of the subject money funds and their equivalents cause release opportunities in assessment is useful , and different to users household subjects belongs to upcoming money of streams the current ( quoted ) value evaluation and to compare models work exit enable gives \_ [ 10 ]

Money currents about report from him to users household host of the subject financial in the situation changes to evaluate possibility gives them \_ report during how much money fell and how much money came out about information with provides . Money currents about report money receipts and payments three main to the category divides : operational , investment and financial activity \_

Operation activity as a result come coming out money of streams amount - economy subject of financing external sources appeal without doing , own operational from the activity surface came debts pay , own operational activities walking ability save , dividends to pay and new investments to do for enough has been money flows where level harvest that he did reflection bringer main is an indicator . Operation from the activity previous in periods come came out money of streams separately structural parts about information , other data with together , operational activity according to harvest to be upcoming money flows forecast in doing is useful .

Operation activity according to money flows reflection continue [ 11 ] ( in BHMS the following open not given ):

Entrepreneurship subjects operational activity according to money flows directly method apply through in the report show is approved . Directly method apply As a result upcoming money flows evaluation for useful to be possible was and indirectly method in application reflection undeliverable data is provided . Directly method when used , gross money receipts and gross money of payments main categories about information the following roads with get can :

- entrepreneurship of the subject accounting account from the information ; or
- generalized income about in the report reflection to be performed from selling income , sale cost ( financial institutions for percentages and so on revenues and percentage expenses and so on costs ) and another substances to the following correction via :
- period during commodity in reserves and operational receivables and creditor in debts changes ;

- another money funds non-moving substances ; and
- investment or financial activity according to money flows cause emits another substances .

Economy host subject operation from the activity to the body came money funds movement of the following open using \_ gives :

Gross money receipts and gross money ransom demands main types open to be given directly method; Indirectly method . To this method according to pure income or to the detriment current assets and of obligations Not sure about the change operations as well operation investment or finance activity as a result received revenues and seen to damages looking change is entered . [ 12 ]

BHXS: to IAS 7 according to , entrepreneurship of the subject money currents about information , financial from the report users for , entrepreneurship of the subject money funds and their equivalents harvest to do ability and this money from streams use in assessing their needs basis as is useful . Money currents about report period during money flows operational , investment and financial activities according to classified without show need \_

Consistent categorization :

- For money in did not find operations not included ;
- That's right or curve method applying IFRS 7 is correct method to apply recommendation is enough ;
- Finance organizations reports on a NET basis make up enable gives \_

Economy host to subjects money currents about the report make up , calculate principle action does not From this come came out without , money currents about the report directly method make up for operational of activity money funds flow determination for the following to indicators attention focus should :

1. From customers income \_
2. Goods and services for delivered to the givers payments ;
3. To the employees payments ;
4. Benefit tax according to payments .

Money currents about reports in making , first of all , international standards based on Created financial condition about report and benefit and damages correct from the report is used .

**1 - table .** ABC Company financial condition about from the report applications

	Year per head	Year to the end
Assets :		
From customers removable accounts	55,000	47,000
Reserves	110,000	144,000
Goods and services for given advances	5000	1000
Delivery to the givers payable accounts	43,000	50,000
To work right to pay according to obligations	9,000	10,000
Payable current benefit tax	5000	3000

**Source :** \* data the author by Created

**2 - table .** ABC Company benefit and damages about from the report applications

" Profit or damage ” section	
Income	698,000
Realization cost	457,000
period expenses	116,000

Source : \* data the author by Created

**3 - table .**Year for addition data

Main of means depreciation	37,000
Main tools from selling harm	3000
To work right to pay according to expenses	58,000
Current benefit tax	18,000

Source : \* data the author by Created

Above indicators determination for each \_ indicator formula [ 13 ] . cause let's go :

1. From customers receipts .

Income ± receivable of accounts decrease ( increase ) ∓ in advances received from buyers ( increase ) = from buyers receipts

From customers receipts = 698000 + 8000 = 706000

Above in the formula revenue benefit and harm about from the report , which can be obtained account and from buyers received advance while financial condition about report through is taken .

2. Goods and services for delivered to the givers payments .

Delivery of goods to the givers payments = sold product cost + period costs - wear and tear according to costs are the main ones tools from selling damage to labor right to pay according to expenses ∓ decrease (increase) in reserves of ∓ accounts payable decrease ( increase )

Delivery of goods to the givers payments = 457000 + 116000 - 37000 - 3000 - 58000 + 34000 - 4000 - 7000 = 498000

3. To the employees payments .

To the employees payments = to labor right to pay according to costs ± labor right according to of obligation decrease ( increase )

To the employees payments = 58000 - 3000 = 55000

4. Benefit tax according to payments .

Benefit tax according to payments = current benefit tax according to cost ± payable current of tax decrease ( increase )

Benefit tax according to payments = 18000 + 2000 = 20000

Above formulas through money currents about of the report operational from activity pure money currents is determined . Money flows pure basically reflection continue :

The following operational , investment or financial activities according to come coming out money currents in the report pure basically to be shown can :

a) customers on behalf of received money receipts and done increased payments , if money currents entrepreneurship of the subject not but \_ of the client activities reflection if \_ and

b) fast rotating , large in quantities and turn off term short was substances according to money receipts and payments .

In clause (b). telling passed money receipts and to payments the following according to done spots and payments example be takes :

- (a) Credit cards to the owners belongs to main amounts ;
- (b) investments buy get and sell \_ and
- (c) other short term debts , for example , extinguish term three months and even less \_ was debts . [ 14 ]

Investment activity as a result of money flows separately disclosed reach is important because such money currents future income and money flows get for intended resources for how much expenses spent reflection makes \_ Financial condition about in the report to asset recognition take coming expenses only investment activity as classification can \_ Investment of activity money funds flow determination for :

- Main tool and another long term assets buy get and sell \_
- Financial investments buy get and to sell attention is directed .

Financial from activity come coming out money flows separately show is important because this economy the subject financing parties upcoming money to the streams has been requirements in advance to know for is useful . Financial activity as a result harvest to be money to the streams the following includes :

- Actions or another share tools from release coming money receipts ;
- of the enterprise shares buy get or from handling release for property to the owners payments ;
- Debt obligations to pay
- Interests according to payments ;
- Dividends according to payments .

Economy subject investment and financial from activities come coming out gross money receipts and gross money of payments main categories in the report separately to show need \_ The following operational , investment or financial activities according to come coming out money currents in the report pure basically display can :

- (a) Customers on behalf of received money receipts and done increased payments if money currents economy of the subject not but \_ of the client activities reflection if \_ and
- (b) fast rotating , large in quantities and turn off term short has been substances according to money receipts and payments .

Financial of the institute the following from activities come coming out money currents in the report pure basically display possible [ 15 ]:

- (a) Extinction the date strictly defined deposits acceptance to do and back to give according to money receipts and payments ;
- (b) other financial in institutions deposits placing and back get \_ and
- (v) to customers separated lumps and loans and lumps and of loans to be returned .

Money currents about of the report operational , investment and financial of their activities sum money funds and of equivalents pure increase or decrease harvest does \_ Shareable investments money to equivalents does not enter , from that they are , actually money \_ \_ funds equivalents was cases

exception , e.g to extinguish short lifetime while remaining buy received and extinction term sure defined preferential shares in the example like \_ (Not cited in 9th BHMS ) [ 16 ]

period per head and period to the end money funds and of equivalents difference money currents currency courses of change effect determination enable gives \_ Foreign in currency reflection delivered money flows BHXS 21 " Currency courses of changes effects". according to way present will be done . In this in reality to the course approx equal to was \_ exchange course to apply permission will be done . For example , foreign in currency operations reflection carry on or foreign doubt entrepreneurship of the subject money flows one from currency another to currency transfer for known period for average drawn exchange course application can \_ However , according to BHXS 21 foreign doubt entrepreneurship of the subject money flows functional to currency in transfer report of the era at the end exchange course to apply permission not done .

From the above come came out without , Money currents about of the report directly method according to Created shape cause let's go :

**4 - table . Money currents about report - directly method**

<b>Money funds movement about report</b>	
<b>20__ from 1____ to 1____ has been period for</b>	
<b>Operation from activity money of funds movement</b>	
From sale revenue	+ 706,000
Delivery of goods to the givers payments	- (498,000)
To the employees payments	- (55,000)
Benefit tax according to payments	- (20,000)
<b>Operation from activity money of funds status</b>	<b>+ 133,000</b>
<b>Investment from the activity money of funds movement</b>	
Main of means taken	- (220,000)
Main of means to be sold	+ 5000
Precious of papers buy taken	- (72,000)
Precious of papers to be sold	+ 103,000
<b>Investment from the activity money of funds status</b>	<b>- (184,000)</b>
<b>Financial from activity money of funds movement</b>	
Simple from printing shares revenue	+ 150,000
Bank loans revenue	+ 100,000
Bank loans extinguish	- (50,000)
Interests according to payments	- (23,000)
Dividend according to payments	- (94,000)
<b>Financial from activity money of funds status</b>	<b>+ 83,000</b>
<b>Money of funds in the situation pure changes</b>	<b>+ 32,000</b>
Year per head money funds	15,000
Year to the end money funds	47,000

**Source :** \* data the author by Created

**Summary and offers .** More than IFRS 166 in the country is used . in Uzbekistan the following organizations based on IFRS account conduct and report submissions required :

than 2000 shareholding societies , commerce banks , insurance companies and big tax payers ;

- step by step - the state per share have was enterprises and state enterprises .

This organizations accounting service according to IFRS in the state certified at least three to a specialist have to be need \_ [ 1 7 ]

Financial reports in making count principle through done increase process to the road put , but money currents about report for while count principle a must not \_ Accordingly \_ money currents about the report in making international from experiences wide used without directly method through make up to the goal according to Of this as a result of investors financial to reports more trust and of interest to increase is achieved .

Money currents about of the report operational , investment and financial activity according to indicators in determining their composition of the following consists of to be to the goal according to:

1. Operation activity :

- Product , commodity and the service sell \_

- Goods and services delivery of goods to to the givers payments ;

- From royalties (patent, copyright from the right usage for payments and etc. ), various in the description awards , interest from income , commission from fees and another incomes ;

- Enterprise to employees paid payments , operational expenses ;

- Goods are material of reserves reduction ;

- Goods are material of reserves increase ;

- Trade and mediation purposes to be built transactions according to of money come fall \_

- Paid interest ;

- Current obligations increase , including investment and financial to the activity not included income tax ;

- Current obligations reduction , including investment and financial to the activity not included to income tax \_

- Without money costs :

a) main of means and intangible of assets depreciation , natural of resources decrease

b) to debts about valuable papers according to of discounts depreciation ;

- Without money transactions :

a) to debts about valuable papers according to don't overdo it depreciation

2. Investment activities :

- Land , buildings , equipment , intangible and another long term assets from selling receipts ;

- Land , buildings , equipment , intangible ( for example , patents ) and another long term assets buy get payments , capitalization with depends experimental design to work payments , and contractors attraction without doing enterprise by to be created land , building, equipment payments ;

- Other of organizations shares or another debt obligations out from departure / sale inputs ( money funds considered as equivalents or sale for stored obligations for will be from payments except ) ;

- Other of enterprises to shares or debt obligations investments . In capital participation reach per share contributions ( money funds equivalents calculated or sell for stored payment documents according to from payments except ) ;

- Other to enterprises given of spots return and of debts from payment inputs ( operational activity was percentage from income except ) ;

- Other to businesses given spot payments and debts .

### 3. Financial activity :

- Actions from release came money funds ;
- Private buy received shares for payments ;
- Debt from funds came income ( issued promissory notes , bonds , pledge letters and another short and long term credit and debts );
- Credit and of debts payable ( operational of activity debts according to from interest except );
- To shareholders dividends to be paid and of capital another kind of distribution . of shares from release came money financial rent with depends was obligations according to payments . [1 8 ]

Economist of scientists opinions generalized without " money to the concepts of " funds " . new definition given : " Money funds - liabilities immediately with recovery for use possible was kind of funds . Money funds financial in institutions current in the charts balances , cash bills , coins , currencies , in the cash register cash money and financial institutions by term deposits and from handling release for acceptance done money documents " .

Today's in the day money currents the report in making and his in practice some to mistakes the way is being placed . And this report shape perfect level from not being formed proof gives \_ That 's why « Money flow "about". report to the shape some changes input to the goal according to will be was \_ That is , first of all , the present in practice being used report in the form of of the enterprise money funds whether and output one report period in the form of reflection reached \_ However , enterprises different activities one how many yearly periods according to study , analysis to do and evaluation \_ to the goal is appropriate . « Money currents "about". report in the form of " Accounting " . balance " (form 1) and " Financial results "about". report (form 2) forms like two report period reflection carry on gave good results would be Second , the present in the day in practice was this report in the form of money funds every action \_ activity types according to separately in divisions classified .

Summary by doing that's it we say maybe money \_ currents about the report directly from the method used without make up and him present reach as a result of companies financial reports international standards based on formation opportunity more increases and in practice this form in making surface coming problematic ones eliminate to do and investors for money currents situation this from the form in determining to amenities take to come service does \_

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