

FEATURES OF ACCOUNTING AND ANALYSIS OF THE FINANCIAL CONDITION OF ENTERPRISES

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Abstract. The article scientifically and theoretically examines the features of accounting and analysis of the financial condition of enterprises. The priorities and need for analysis are considered both at strategically important industrial enterprises and at smaller business entities in order to prevent negative consequences as a result of financial shortcomings or omissions in the enterprise. Also, by citing examples from several enterprises, several opinions have been formed on approaches to ensuring socio-economic stability by observing the rules of financial stability analysis.

Keywords: *financial stability, fixed and working capital assets, types of financial stability, solvency of the enterprise, international financial reporting standards, working accounts, economic recession, identified activities.*

Introduction

In the development strategy of the new Uzbekistan for 2022-2026, approved by UP-60 on January 28, 2022, one of the main goals of which was to approve the Strategy developed as a result of wide public discussion based on the principle “From Action Strategy to Development Strategy” development of New Uzbekistan for 2022 - 2026 (hereinafter referred to as the Development Strategy) and the State program for its implementation in the “Year of ensuring human interests and development of mahallas” (hereinafter referred to as the State program) in accordance with Annexes No. 1 and 2 *, including the following seven priority areas:

- building a humane state by raising the honor and dignity of man and further developing a free civil society;
- transformation of the principles of justice and the rule of law into a fundamental and necessary condition for the development of the country;
- accelerated development of the national economy and ensuring high growth rates;
- carrying out a fair social policy, development of human capital;
- ensuring spiritual development and raising this area to a new level;
- approach to global problems based on national interests;
- strengthening the country’s security and defense potential, maintaining an open, pragmatic and active foreign policy¹.

Based on the above, it will be possible to draw a parallel between these goals and work. The article will have a chain showing the connection and reciprocity of data with examples. For stable development and further prosperity, any developing state must put the honor and dignity of its citizens at the forefront; we cannot think about any investments until we fully possess all the necessary tools for building a humane society. In his notes about the cat city, the author Lao She said: “The progress of humanity is very slow, and regression is instantaneous: once you lose your humanity, you are a savage

¹ Decree of the President of the Republic of Uzbekistan, dated January 28, 2022 No. UP-60

again". From this it is not difficult to understand that building a humane state serves its development, which in turn will serve the development of society, infrastructure and the economy as a whole. As for the transformation of the principles of justice and the rule of law into a fundamental and necessary condition for the development of the country, in the present realities we are faced with the fact that the extent to which the laws are structured correctly and are observed by everyone on an equal basis is the key to attracting even greater investments, an example of this can be the use of traditionally by everyone investor of PEST analysis and thereby forming an idea of how laws work in the country under study, what are the guarantees of their legal protection in this country. Smoothly moving from the macro level to the micro level, it is necessary to highlight the significance in the modern economy of changes concerning regulatory legal acts related to the activities of business entities. Thus, from the beginning of 2021, it has become mandatory for all enterprises that are large taxpayers to prepare and submit all their financial statements in accordance with IFRS (international financial reporting standards), which in turn is reflected and will continue to be reflected only positively in relation to incoming investments. But, at the same time, the need to use NAS (national accounting standards) also remains quite important and does not lose its significance. Thus, even in those countries where IFRS was introduced and began to be used several decades ago, the relevance of national standards has remained, at least at the level of small enterprises or enterprises with identified activities. At enterprises associated with energy production or all enterprises that are adjacent to them, but are already engaged in production activities, use of both IFRS and NAS.

Features of accounting in the energy sector according to the State Accounting Standards of the Republic of Uzbekistan are manifested not only in the specifics of reporting, but also in the organization of the work of the accounting service. The tasks and functions of accounting personnel are determined by the conditions of self-financing of energy enterprises, i.e. formation of the authorized capital, the main financial result of the activity, i.e. arrived. In financial and economic management, especially in the energy sector, specialists keep records of all material costs, such as inventories, production and sales of energy and other types of products, fixed assets, intangible assets, funds received from consumers and other mutual counterparties, wages, settlements with suppliers and contractors. The main purpose of accounting for the sale of electrical energy from substations of thermal and electric stations is to obtain reliable information on the transmission, distribution and consumption of electrical energy for the implementation of full and timely mutual settlements for the supplied electrical energy.

With the transition to International Financial Reporting Standards (IFRS), the accounting system in the Republic of Uzbekistan is not strictly regulated by regulations. Enterprises are given the freedom to choose alternative accounting options, taking into account the specifics of their activities, within the framework of International Accounting Standards.

Currently, there are instructions, orders, rules and laws on accounting that contain a number of assumptions regulating the right of an organization to choose one, two or more accounting options, excluding each of them.

An organization's accounting policy is an important tool for its business activities. An entity has reasonable and legal freedom to choose alternative accounting policies. The choice of alternatives that determine the accounting system is ensured by the formation of each company's own accounting policy.

Practice shows that in many organizations the importance of accounting policies is clearly underestimated. Its development is carried out formally, without taking into account the possible consequences of the use of its individual elements.

Meanwhile, the role of accounting policy in shaping the financial performance of an organization is obvious: it has a great impact on income and expenses, financial results, taxes, and financial condition.

Before talking about methodological support for the accounting process in energy sales organizations, it is necessary to define the concept of electrical energy as an integral part of the company's core activities.

In order to clearly define the electrical energy in the system under consideration, we turn to the current

legislation governing accounting, civil transactions and regulations on the functioning of the energy industry.

First of all, it should be noted that from the point of view of current legislation, goods are traditionally recognized not only as ordinary things and material means of production, but also as various types of energy.

According to paragraph 6 of Art. 386 of the Civil Code of the Republic of Uzbekistan, energy supply is classified as a separate type of purchase and sale agreement.

Paragraph 1 of the above-mentioned article contains the following: “under a sales contract, one party (seller) undertakes to transfer the thing (goods) into the ownership of the other party (buyer), and the buyer undertakes to accept this product and pay a certain amount of money (price) for it.” This indirectly indicates that the legislator perceives electricity as a commodity.

In addition to the Civil Code of the Republic of Uzbekistan, the economic content of the concept of “electric energy” is also disclosed in the Law of the Republic of Uzbekistan “On Electric Power Industry”. In this document, electrical energy is clearly referred to as a “special good”.

Thus, we can conclude that electricity is a specific accounting object for companies in the energy sector, which does not have a material basis, but meets all the criteria of a product. In particular, for energy sales companies, the nature of electricity as a commodity is confirmed by the fact that any energy sales company, in the course of its normal activities, purchases electricity on the wholesale and retail electricity markets for subsequent resale.

In this regard, the sale of electricity is no different from the sale of goods with a material structure, not only for accounting purposes, but also for taxation purposes. For accounting purposes, electricity is reflected according to the same rules as other goods, using the rules for accounting for goods, in particular NAS 4 “Accounting for inventories”. Sales of electricity are subject to VAT in the generally established manner, and income from the sale of electricity is included in the tax base when calculating income tax on a general basis.

The sale of electricity in an energy sales organization begins with the mandatory conclusion of an appropriate agreement with buyers, most often an energy supply agreement. According to Art. 468 of the Civil Code of the Republic of Uzbekistan, “under an energy supply agreement, the energy supplying organization undertakes to supply energy to the subscriber (consumer) through the connected network, and the subscriber undertakes to pay for the received energy, as well as to comply with the regime of its consumption stipulated in the agreement, to ensure the safe operation of the energy networks under its control and the serviceability of the energy networks used by its devices and equipment related to energy consumption”.

This agreement is a type of purchase and sale agreement, with the difference that it provides, among other things, for the transfer of electrical energy to the consumer.

As practice shows, the procedure for accounting for income and expenses, organizing and maintaining tax records largely depends on how accurately and in detail contracts with consumers are drawn up. As a general rule, in order to recognize revenue from the sale of goods (in particular, electricity) for accounting purposes and reflect its amount in the financial statements, it is necessary to simultaneously fulfill the conditions provided for in paragraph 12 of NAS 2 “Income from core business activities”:

1. The economic entity has transferred to the buyer a significant part of the risks and benefits of owning the goods;
2. The economic entity retains neither continuity of management to the extent usually associated with ownership nor effective control over the goods sold;
3. The amount of income can be estimated with a greater degree of reliability;
4. There is a likelihood that the business entity will receive economic benefits associated with the transaction;
5. The assumed or expected costs associated with a transaction can be accurately measured with greater

confidence.

Accounting for income from the sale of electricity and the provision of services must be kept by type of activity. At the same time, the company includes income from the following types of activities in income from core activities:

- sale of electricity on the wholesale market;
- sale of electricity on the wholesale market;
- sale of electricity to consumers, including the population and equivalent categories of the population, in the retail market;
- sale of electricity to grid organizations to compensate for technical losses of electricity in networks owned by grid organizations.

Accounting for the sale of electricity is usually kept using account 9020 "Revenue from the sale of goods," which can be used by energy sales companies in the following way.

Energy sales companies can open sub-accounts similar to those recommended by the Ministry of Finance of the Republic of Uzbekistan in the Chart of Accounts.

In order to separately reflect in the accounting accounts sales transactions in the context of the main types of activities (namely, the sale of energy in the wholesale and retail electricity markets), it is advisable to provide appropriate analytical accounts in the context of consumers - legal entities and personal accounts of individuals, including preferential categories of consumers, according to their location.

When offsetting the amount of previously received advance payments in the final settlement for electricity sold during the reporting period:

debit of account 6310 "Advances received from buyers and customers";

credit to account 4010 "Accounts receivable from buyers and customers".

Accounting for the sale of electrical energy to consumers - legal entities on the basis of calculation based on the contractual value, as well as subsequent recalculation for actually consumed electrical energy to consumers - legal entities is carried out as follows:

a) when accruing revenue from the sale of electrical energy to consumers - legal entities according to the contractual estimated value of electrical energy consumption in the manner established by law:

debit of account 4010 "Accounts receivable from buyers and customers";

credit to account 9020 "Revenue from the sale of goods" - for the amount of revenue from the sale of electrical energy to legal entities according to the contractual calculated amount, which is accrued on the basis of an electricity supply agreement between the thermal power station substation and the consumer - a legal entity, developed by State joint stock company "Uzbekenergo" in accordance with the law and approved by the State Inspectorate "Uzgosenergonadzor";

credit to account 6410 "Debt of payments to the budget (by type)" - for the amount of VAT accrued on the volume of electrical energy sold to consumers - legal entities, according to the calculation of the contractual amount of electrical energy;

b) reflection of the cost of electricity sold to consumers - legal entities:

debit account 9120 "Cost of goods sold";

credit to account 2990 "Other goods" - with the allocation of the account "Electric energy" - for the amount of cost (purchase value) of sold electrical energy to consumers - legal entities, calculated on the basis of the sold volume (quantity) according to the contractual estimated value of electrical energy consumption in the manner established legislation, and the cost of purchasing electrical energy;

c) when offsetting the amount of previously received advance payments when recognizing revenue from sales according to the contractual estimated value of electricity consumption during the reporting period for each consumer - legal entity:

debit of account 6310 "Advances received from buyers and customers";

credit to account 4010 "Accounts receivable from buyers and customers";

d) upon subsequent recalculation for actually consumed electrical energy by consumers - legal entities:

by the amount of excess of the cost of actual consumption by consumers - legal entities of electrical energy, according to the readings of calculated metering devices, over the amount of recognized sales revenue according to the contractual estimated value (positive difference):

debit of account 4010 "Accounts receivable from buyers and customers";

credit to account 9020 "Income from sales of goods";

credit to account 6410 "Debt of payments to the budget (by type)" - for the amount of VAT accrued from the amount of the positive difference;

reflection of the cost price of the volume of the positive difference:

debit account 9120 "Cost of goods sold";

credit to account 2990 "Other goods" - with the allocation of the account "Electric energy" - for the amount of the cost of the volume of the positive difference, calculated based on the volume (quantity) of the positive difference and the cost of purchasing electrical energy during the recalculation period;

when offsetting the remaining amount of previously received advance payments by the amount of the positive difference in electrical energy consumption:

debit of account 6310 "Advances received from buyers and customers";

credit to account 4010 "Accounts receivable from buyers and customers";

by the amount of excess of recognized sales revenue at the contractual estimated value over the cost of actual consumption by a consumer - a legal entity of electrical energy, according to the readings of calculated metering devices (negative difference):

debit account 9020 "Income from sales of goods";

debit account 6410 "Payments to the budget (by type)" - for the amount of VAT accrued from the volume of the negative difference;

credit to account 4010 "Accounts receivable from buyers and customers";

reflection of the adjustment to the cost of the volume of the negative difference:

debit account 2990 "Other goods" - highlighting the account "Electric energy" - for the amount of the cost of the volume of the negative difference, calculated based on the volume (quantity) of the negative difference and the cost of purchasing electrical energy during the recalculation period;

credit to account 9120 "Cost of goods sold";

If there is no debt of the consumer - legal entity for consumed electrical energy, based on the contractual estimated value, or if there is a debt of the PTES to the legal entity for advance payments received previously, the following accounting entry is made for the amount of the negative difference:

debit of account 4010 "Accounts receivable from buyers and customers";

credit to account 6310 "Advances received from buyers and customers".

Due to the fact that the main activity of the organization is the sale (sale) of electrical energy on the wholesale and retail markets of electrical energy (power) to consumers (including citizens), a significant share of the company's assets is accounts receivable, and accordingly, the greatest labor intensity in the accounting process represent transactions for accounting of settlements with the organization's debtors.

Accounts receivable from customers in an energy sales organization are taken into account in the amount of invoices submitted for payment at reasonable prices and tariffs. The debt of buyers and customers is determined based on prices determined in accordance with the norms of the current legislation in the field of pricing in the electric power industry. Settlements with other debtors and claims are reflected in accounting and reporting based on the prices stipulated in the contracts.

Currently, there is a tendency towards an increase in the amount of receivables in the retail electricity market, while the debt of energy sales companies to the wholesale market remains practically unchanged.

Accounts receivable are present on the balance sheet of the vast majority of business entities. This fact is not negative in the financial activities of organizations, but only indicates the provision of deferred

payment to customers and expanded opportunities for selling products or services. A more detailed study of the dynamics of accounts receivable and its share in assets, as well as a comparison of its growth rate with the growth rate of revenue provides a more accurate analysis of the main trends in changes in this element of current assets. All these issues are resolved as part of the implementation of the accounts receivable management policy.

Accounts receivable management is a system of processes and activities aimed at determining the optimal amount and ensuring the return of customer debt for goods, work and services within the time limits established in contracts.

A large share of receivables can significantly reduce the liquidity and financial stability of an enterprise, as well as seriously reduce the efficiency of its financial and economic activities.

Considering the specifics of the company's work, for its sustainable development it is necessary to pursue an active policy to reduce accounts receivable.

Among the main measures to eliminate accounts receivable are:

- A strict policy of debt collection from consumers, up to and including preventing delivery if there is a fact of unpaid electricity.
- Continuous inventory of the status of settlements with debtors.
- Carrying out promotions and events for bona fide clients.
- Improving automated systems for obtaining information about debt, both for consumers and for the organization itself.
- Constant work with defaulters, individual approach.
- Cooperation with authorities regarding clients using social benefits.

It is worth noting that for competent management of receivables, all employees of the company must be interested, therefore, when developing mechanisms for reducing receivables, it is necessary to involve the entire organization, and not specific departments.

Table—Measures to improve accounting at JSC "Maxsusenergogaz"

Lack of accounting	Improvement activities	Result
The accounting policy provides for the formation of a reserve for doubtful debts, while accounts receivable are growing at a high rate, while at the same time the accounting department does not actually create a reserve	Provide in the accounting policy order for the formation of a reserve for doubtful debts	Ensures the reliability of financial statements and reduces commercial risk

<p>An inventory of all accounting objects is carried out once a year. The accounting policy order does not indicate the timing of the inventory</p>	<p>Develop and approve an inventory program, formalize it as an annex to the organization's accounting policies. Provide for the timing of inventory of cash in the cash register on a monthly basis, settlements - once a quarter once a quarter</p>	<p>Compliance with NAS 1 requirements</p>
<p>Accounting does not use the "Goods shipped" account</p>	<p>Enter account 2921 "Shipped Goods" into the working chart of accounts, intended to summarize information on the availability and movement of shipped products, the proceeds from the sale of which cannot be recognized in accounting for a certain time</p>	<p>Improving the quality and reliability of accounting</p>

The current IFRS system allows companies to prepare financial statements for their own needs in a variety of ways, most suitable for internal management purposes. When financial statements are prepared for external users, they must comply with all requirements of IFRS and the interpretations of the Standing Interpretations Committee. In the absence of specific requirements, management develops accounting policies that it believes provide the most useful information to users of the financial statements.

The accounting policy of an organization, developed by each organization independently and approved by management, is a document containing a set of specific principles, basic conditions and rules adopted by the organization for the preparation and presentation of financial statements. The main goal of developing these rules and principles is to ensure the reliability of information about the results of operations and financial position of the organization, characterized by the completeness of the reporting of all significant indicators, events and transactions, the presentation of significant information to the user, and compliance with the principle of neutrality and prudence when drawing up individual reporting forms.