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PROBLEMS OF PREPARATION FINANCIAL STATEMENTS BASED ON INTERNATIONAL FINANCIAL REPORTING STANDARDS IN COMMERCIAL BANKS

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Abstract: This article expresses opinions on the importance of the balance sheet, which is the main content of the financial report, in obtaining information about the bank. Opportunities for preparation of financial reports on the basis of international standards in commercial banks of the Republic are disclosed

Key words: Commercial banks, balance sheet, financial report, international financial reporting standards.

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Introduction. Currently, in the form of a real assessment of a commercial bank and providing depositors, creditors and investors with reliable information about the bank's activities, the importance of financial reporting is increasing.

The financial statements of a commercial bank provide more detailed information from the establishment to the management of the bank to ensure economic and financial stability.

In particular, identifying factors that affect negative development, expanding the use of reserve resources, increasing competitiveness.

In the application of international financial reporting standards, the shortcomings of national accounting and reporting are eliminated, which contributes to the clarity of internal management reporting for a large number of users.

The interaction of accounting regulations and rules in international standards will create an effective accounting and reporting system. In this spectrum, banks can become competitive.

The transition to international financial reporting standards is a major factor in the development of the banking system. In this direction, the approach to the preparation of financial statements, as well as quality control and audit principles is changing.

Literature review. In commercial banks, the balance sheet is the main form, it makes it possible to provide information about the financial position of the Bank. Until today, despite the fact that many changes have been introduced, in all countries of the world accounting is double-entry. According to Ibragimov, Maripatov, Rizayev (2010) reports associated with the balance equation is called the balance sheet. The balance sheet reflects the financial position of the Bank at a certain date. The balance sheet provides information on resources (assets), claims to resources (liabilities) and ownership interest (capital).

Many scholars have expressed a number of views on the importance of the balance sheet. The statement of financial position has long been referred to as the “balance sheet” or “Financial statements”. The importance of the balance sheet consists of the fact that it is the basis for the calculation of financial indicators (liquidity, financial adaptation, profitability, etc.) and asset valuation. For banks , the balance sheet is used to calculate future cash flows and bank risks (Ibragimov and others, 2016). The authors in their works the result of the debate the views of Fisher and Scott. According to Fisher, for accounting balance formed on account balances is not significant, and the profit and loss statement showing the movement of funds – the main. Scott, ignoring the opinion of Fisher, proved that the balance sheet reflects the entire capital, and this is a source of information for the profit and loss statement.

D. Endovitsky (2015) divides the financial statements into two types: individual and consolidated financial statements. According to the scientist, individual financial statements have two functions: information and control. On the one hand, reporting characterizes the financial position and results of an economic entity, and on the other hand provides systematic control of accounting information.

Balance sheet-a table grouped by composition and functional value of the property, as well as sources of formation (liabilities) and objectives. (Kondrakov, 2007).

Financial reporting is a business entity model (Nidlz and others, 1997). Reporting does not show all the processes but is a good source for the accountant. Balance sheet-reflects the financial condition of the business entity on a certain date.

In European countries, there are peculiar characteristics of the provision of balance sheets. The financial statements and the report on profits and losses is available in horizontal and vertical form (Black, Amat, 1997).

Everyone knows that the balance sheet consists of two parts: assets and liabilities. In this case, the opinion of the West Anthony and John.Rice (1996) are very interesting. Scientists propose to consider the balance from two points of view:

1. Resources and liabilities
2. Sources of savings and directions of their use.

Both approaches to the interpretation of the balance sheet correctly and complement each other.

The role and importance of the balance sheet is so great that it is separated as an independent report, and other reports are annexes to it. Attached to the balance sheet reports can provide additional information to the items reflected in the balance sheet. The balance sheet is the main pillar around which all other reports are grouped and eventually financial statements are generated (Kovalev, Patrov,1999).

For the purpose of drawing up the balance sheet is of several types. By the terms of preparation of the introductory, current, liquidation, separate and consolidated. The opening balance sheet is prepared by the new open Bank and reflects all assets and liabilities of the Bank. The current balance is drawn up periodically throughout the life of the Bank. The liquidation balance sheet is prepared upon liquidation of the Bank. A separate balance sheet reflects the assets and liabilities of the Bank's subsidiary while the consolidated balance sheet shows the items of the whole group.

The "balance sheet" was renamed to "Statement of financial position" by the IASB (Marpatov, 2016).

According to International accounting standards (IAS 1), financial statements should consist of the following:

1. Statement of financial position
2. Statement of comprehensive income
3. A report on the movement of capital
4. Statement of cash flows
5. Notes

The statement of financial position should at least include items representing the following amounts:

- fixed assets;
- investment property;
- intangible asset;
- financial asset
- investments accounted for using the equity method;

- biological asset;
- reserves;
- trade and other receivables;
- cash and cash equivalents;
- the total amount of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with IFRS (IFRS) 5 "non-current assets held for sale and discontinued operations»;
- trade and other payables;
- reserves; financial liability
- current tax liabilities and assets as defined in IAS 12 income Taxes»;
- deferred tax liabilities and deferred tax assets, as defined in IFRS (IAS) 12;
- liabilities included in disposal groups classified
- as held for sale in accordance with IFRS 5;
- non-controlling interests, presented within equity; and
- issued capital and reserves attributable to owners of the parent.

Discussion. Banks are required to present short-term and long-term assets, and short-term and long-term liabilities, under a separate classification in the statement of financial position, unless the presentation of liquidity-based information provides reliable and more relevant information.

If this exception applies, the enterprise must present all assets and liabilities in order of their liquidity.

An enterprise should classify an asset as a short-term asset if it meets any of the following criteria:

- it is intended to be sold or intended for sale or consumption within the normal operating cycle of the enterprise;
- it is intended mainly for trading purposes;
- it is expected to be implemented within twelve months after the end of the reporting period ; or
- an asset is cash or cash equivalents (as defined in IAS 7), unless there is a restriction on its exchange or use to settle liabilities for a minimum of twelve months
- after the end of the reporting period.

All other assets are defined as long-term assets.

An enterprise should classify a liability as short-term in cases where:

- it is assumed that the enterprise will repay its obligations under normal operating cycle of the enterprise;
- it keeps the commitment primarily for the purpose of trade;
- the obligation is due within twelve months after the end of the reporting period; or
- he has no unconditional right to postpone the repayment of the obligation for at least twelve months after the end of the reporting period.

In the framework of globalization is the international integration of markets for goods, services and capital. If before companies relied on financing in the domestic markets, now it can attract debt and equity capital both within the country in which they operate and abroad. One of the main advantages of IFRS is that they will allow international capital markets to measure and compare the performance of different companies in different countries in a more efficient way than is possible without IFRS. This will contribute to the effective attraction of capital by banks and will reduce the cost of its attraction.

When preparing a report on the basis of national standards, it is necessary to comply with regulations and requirements, when international rules support the freedom of thought of the accountant. IFRS is based on three principles: fair value, priority of economic content over legal form, transparency.

International financial reporting standards are an important factor in assessing the quality of financial statements, but do not guarantee the quality itself. Reporting formed on the basis of legal efficiency and institutionally regulated is a qualitative reporting (Indiael Daniel KAAYA, 2015).

In the years of independence, the process of integration into the international community was accelerated in the country, in particular, in 1998-2004, the International financial reporting standards were translated into Uzbek language, a lot of work was done to improve accounting to international standards.

2013 adopted a Strategy and action plan for the next 5 years to improve financial reporting. According to the Decree of the President of the Republic of Uzbekistan PP-1438 dated November 26, 2010 "On priority directions of further reform and improvement of stability of the financial and banking system of the Republic in 2011-2015 and achievement of high international rating indicators", commercial banks are entrusted with a phased transition to financial reporting on the basis of international standards.

According to the Decree of the President of the Republic of Uzbekistan UP-4720 dated April 24, 2015 "On measures to introduce modern methods of corporate governance in joint-stock companies" all joint-stock companies have moved to the publication of annual financial statements and its external audit in accordance with International standards of audit and International financial reporting standards.

According to the Decree of the President of the Republic of Uzbekistan UP-3270 dated September 12, 2017 "On measures for further development and improvement of the stability of the banking system of the Republic", measures were taken to introduce into the activities of commercial banks generally recognized modern norms, standards and performance indicators, further improvement of independent evaluation of the banking and financial system based on the evaluation of international rating organizations, and in accordance with the national rating system, improving the competitiveness of banks and turning banks into a system that operates on the basis of best banking practices.

Conclusion. The role of the state as the initiator of the transition to IFRS is an important factor in attracting the flow of investment. The use of clear standards for foreign investors affects the degree of business transparency. The control of this process at the state level forces all economic entities to prepare financial reports according to international standards, which contributes to an increase in cash flows and investments in the Republic.