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CASH FLOW STATEMENT AS ONE OF THE BASIC FORMS OF FINANCIAL ACCOUNTING STATEMENTS

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Abstract:

The article considers the evolution of the formation of the "Cash Flow Statement" form, as well as its role and purpose according to Uzbek and international standards for various users of accounting (financial) statements. The analysis of reporting methods showed that the direct method is more acceptable for internal reporting users.

Keywords: cash, reporting, users, international standards, current activities, investment activities, financial activities, cash equivalents.

The deepening of reforms in the national economy and the liberalization of the economy require the efficient use of financial resources, in particular, the improvement of cash flow management methods based on national and international accounting standards. In order to reflect information on the movement of financial resources by type of activity (operating, investment, financial), the composition of the financial statements has been developed as a "cash flow statement" (form No. 4). This reporting form is relatively new for our practice, and at the moment it is filled out in most cases only on account 5110. In most economic entities, attention was paid to the essence, purpose, information capabilities and methods of replenishing the "cash flow statement". Therefore, this section of the recommendation will explain the national and national specifics of producing this report and its importance in providing information to management.

The cash flow statement (Form No. 4) is one of the main forms of accounting, which is used to summarize information about the income and expenditure of the company's funds. It significantly supplements and enriches the information that makes up the core of accounting - the "Balance Sheet" (form No. 1) and the "Report on Financial Results" (form No. 2). It is known that the "Balance Sheet" (Form No. 1) reflects the financial condition of the enterprise on a certain date (at the end of the reporting period). The cash flow statement (form No. 4) is one of the components of the financial statements and describes the changes in cash flows from the beginning to the end of the reporting period.

The statement of financial results (form No. 2) reflects the results of the financial and economic activities of the enterprise for the reporting period. This activity is an important factor influencing the state of cash, as described in the cash flow statement (form No. 4). Cash flow information is important because it enables users of financial statements to evaluate an entity's ability to raise and use cash and cash equivalents. Here we will dwell on the concept of cash and cash equivalents in more detail. Under International Financial Reporting Standards (IFRS) and US General Accounting Principles (US GAAP), cash consists of cash withdrawn by an entity and on-demand investments.

In accordance with NSB No. 9 "Cash Flow Statement", cash equivalents are short-term highly liquid investments (financial investments) that are easily and quickly exchanged for certain amounts of money, and also carry a certain risk due to fluctuations in value.

This means that cash equivalents are highly liquid short-term financial investments, easily convertible into a certain amount and practically not exposed to the risk of changes in value. They may include treasury bonds, term deposits, certificates of deposit, and the like.

When compiling the Cash Flow Statement (Form 4), cash and cash equivalents are accumulated and accounted for in the amount. The purchase and sale of financial investments in the form of cash equivalents is part of the enterprise management process, and not a source or method of using funds. The transfer and return of funds from the enterprise to the investor is not reflected in the cash flow statement (Form 4).

Classification of cash flows in the statement of cash flows. In the cash flow statement, cash inflows and outflows are mainly classified into three categories: operating activities, investing activities and financing activities. The grouping of cash flows into these categories allows you to reflect the impact of each of the three main activities of the enterprise on cash. The combined effect of the three categories on cash represents the net change over the period over which opening and closing cash balances are analyzed.

In accordance with NAS No. 9 "Cash Flow Statement" (form 4), the operating activities for which are the main income-generating activities of an economic entity, as well as other economic activities not related to investment and financial activities.

As a rule, the operating (main) activity of the enterprise is focused on the sale of products, works and services. Cash flows from operating activities include all transactions that are not part of the entity's investing and financing activities.

Table 1

Cash receipts and payments related to operating activities

Cash receipts	Cash payments
Receipts from buyers for sold goods (works, services)	Payments to suppliers
Other revenues from operating activities	Cash paid to employees
	Other revenues related to operating activities

Investment activity is an activity consisting in the sale and purchase of long-term assets and other investment objects that are not included in cash equivalents.

Thus, the purchase and sale of fixed assets, intangible assets and other long-term assets are the main components of investment activity. Relevant cash inflows and outflows are reflected in the Investment Activities section of the Statement of Cash Flows (Form 4). The cash flow data associated with investing activities is important as it is designed to focus on pecypcax that are expected to generate future cash flows and generate cash flows.

In accordance with NAS No. 9 "Cash Flow Statement" (form 4), financial activity is an activity that can change the amount and composition of capital and debt as a result of the activities of the enterprise.

Table 2

Flow of funds related to investment activities

Cash receipts	Cash payments
revenue from the loss of fixed assets	purchase of fixed assets
revenue from the sale of intangible assets	purchase of intangible assets
revenue from the sale of long-term and short-term investments	purchase of long-term and short-term investments
revenue from the sale of other investment activity	other cash payments from investment activity

This means that as a result of financial activities, the volume and composition of the company's equity and liabilities will change. The cash flows resulting from such activities are reflected in the Financial Activities section of the Statement of Cash Flows (Form 4). Therefore, information about the cash flows associated with financing activities is necessary because it allows us to predict future cash flows

Table 3

Cash flows from financing activities

Cash receipts	Cash payments
interest received	interest paid
dividends received	dividends paid
revenue from the issued stock	cash payments to the issued stock
revenue from the long-term credits	cash payments to the long-term credits
revenue from the long-term leases	cash payments to the long-term leases
Other cash receipts	Other cash payments

Thus, the main difference between International Financial Reporting Standards (IFRS) and national standards is that financial activities under IFRS also include long-term investments, such as short-term investments.

Currently, national standards provide for only short-term investments in financial activities. When preparing a statement of cash flows based on IFRS in connection with the disclosed, it is advisable to use the appropriate definition of financial activities

Non-cash transactions. Many types of activities affect cash flows, and as a result, the report includes a section on their types. At the same time, some transactions related to operating, investing and financing activities do not affect cash flows. The issuance of shares and bonds for the conversion of tangible and intangible assets, or the conversion of long-term assets into other long-term assets, can be examples of non-cash investment and financial transactions. Non-cash transactions may be manifested in barter transactions related to the main activity. In some enterprises, this type of non-cash transaction can make up the bulk of sales transactions. Therefore, in our view, the correct disclosure of transactions (especially barter transactions) without cash participation is important in the preparation and analysis of a cash flow statement.

Investment and financial transactions that do not involve money in general affect future cash flows. We suggest that information on non-cash transactions be provided as an appendix to the cash flow statement.

At present, national accounting standards do not require the provision of information on non-cash investment and financial transactions and core activities.

When accounting is done on a cash basis, income is accounted for when cash is received and expenses are accounted for when they are paid. This procedure is especially useful when it is necessary to focus on the cash flows from operating the enterprise. In fact, the net result of the cash flows from operating the enterprise is equal to its profit calculated by the cash method. In order to calculate the net flow of cash flows from operating activities, it is necessary to change the method of calculating the base base to the cash method.

The correct method of calculating operating activities takes into account the main categories of cash receipts and payments and is, in essence, similar to the income statement prepared on a cash basis. By applying the correct accounting method, recalculate the amounts of cash in different categories, either by analyzing and categorizing the cash of the enterprise, or income and expenses calculated on an accrual basis, calculated on a cash basis, into the appropriate amounts can be determined by converting

Many enterprises have very large amounts of cash flows, which makes it very difficult to analyze and classify cash flows from operating activities. According to the principle of deduction, the most effective method is to take as a basis the amounts reflected in the accounting.

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