

Development of Financial Statements in Travel Companies on International Standards (IFRS)

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Abstract

The article considers issues on improving financial reporting in tourist companies on the basis of international standards, as well as a result of conducted exploratory and deductive analysis to simplify the procedure for the correct calculation of the financial result in tourism companies, offers are made, conclusions are drawn on the studies.

Keywords: International standards; Financial reporting; Balance sheet; Improvement; Travel companies; method

Introduction

The new Ministry of Innovative Development of Uzbekistan, established on the initiative of the President of the Republic of Uzbekistan Sh. Mirziyoev, has also set the task of boosting the competitiveness of tourism through the development and introduction of innovative approaches and technologies [1]. At present, although there are normative-legal documents in the accounting system of our republic, but based on the characteristics of the tourism industry, we cannot say that the order of the organization and conduct of financial statements and procedures is fully formed [2]. There are some of the theoretical, methodological, and practical problems related to the organization of financial reporting and tourism in the tourism sector, including the need to improve the legal and regulatory framework of financial reporting and reporting in tourism enterprises, accounting policy in tourism enterprises, perfectly structured, products) are not fully accounted in accounting, which results in misdiagnosis of financial results, forms financial statements Taking into account the specific characteristics of the sector contain the settings required changes and additions. Developing conclusions, suggestions and recommendations aimed at finding a scientifically sound solution to these problems can serve as a basis for the development of the tourism market in Uzbekistan at a high level of development. For effective management of tourism enterprises, almost 80-90% of the main source of information corresponds to financial accounts and correctly compiled reports. So now, it is crucial to improve the financial reporting and accountability of more than 430 tourism companies operating in our country to increase the amount of tourist goods and increase their revenue. Data related to financial accounting and reporting of the companies are not risky, as the financial and economic activity of tourist companies cannot provide reliable sources. Based on these features, it is scientifically up-to-date to improve the financial reporting and reporting of travel companies operating in Uzbekistan.

Literature Review

The term 'profit' has a different meaning in economic literature. Economist T.S. Malikov's definition of profit is "the growth of capital as a result of the enterprise's economic activities" [3]. However, this definition can also be interpreted by many, including economists, entrepreneurs, and lawyers. Accountants prefer to utilize net profit, as net profits are calculated as the difference between earnings and expenses. Increase of profit will allow the enterprise to create a legal source of self-financing, increase production capacity and meet the

interests of the employees in the business activities.

In the first half of the 20th century, some American scientists concluded that the report on financial results (profit / loss) was more profitable and meaningful than the financial statement (balance sheet). In particular, Irving Fisher described the company as an agrarian mechanism, and accounting as a component of its accounting, and considered it to be an oversight and control of economic processes [4]. In his opinion, the main goal of the report is to calculate the profits correctly, and to identify clearly related objects, and make a clear diagnosis of the financial situation. Because the economic activity is constantly changing and changing under the influence of objective laws. Hence, the development of economic activity is not the sum of the fixed capital balance, but rather the influx of capital flows. Therefore, the accounting for accounting is not the balance sheet balance sheet, but rather the report on profit and loss representing the movement of funds. Balance is the initial investment of the owner and the profit from its turnover. If it does not become capital, it is nothing but dead property.

As Fisher puts the report on profits and losses into a central place, he proposes another important proposal. He thinks that the tax should be based on profit rather than on wealth.

The economist, Dr. Scott, argued that Fisher should be viewed as a living organism with the businessman as opposed to Fisher's business as a mechanism. In his opinion, the market economy is not governed by objective law, so the economic organism should be governed by intelligent people. The famous words of Skott "The life of the company is cunning, but the team is nothing more than a prank." [5,6].

Methods and Analyze

The accounting system of every country in the world has its own financial reporting guidelines. These rules serve as the basis for the formulation and presentation of financial reporting information.

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In particular, in the Republic of Uzbekistan, the basic accounting principles are defined in the Article 6 of the Law of the Republic of Uzbekistan "On Accounting" and in the National Accounting Standard # 1 "Accounting Policies and Financial Reporting".

The purpose of financial reporting is to provide the financial information required for user decision making. As in other areas, the main focus of financial reporting in tourism is to provide reliable, complete and operative information on tourism activities to internal and external users. Financial reporting of companies involved in tourism should allow investors and creditors to provide accurate information about their operations, how much money they have, and their expected revenues. One of the main requirements of today's agenda is that financial reporting should primarily provide information for management and timely delivery. This applies directly to the planning of future tourism companies. In addition, the information reflected in the reports is also used to evaluate the activities of companies in the business, ie the financial coefficients are generated by comparing accounting balance items. That's why the accuracy of the report ensures that the management decisions are made accurately.

As you know, financial reports are generated by the company and provided to the user. At the same time, the information provided to the user should not be negatively affected by the company's operations, and may be used to manage the company's business. Therefore, the interests of the company and the user should be combined with the type and quality of the financial information provided. Quality features provide a prime balance between different interests representing the purpose of financial reporting, or serve as a bridge between business and user. The Board of International Financial Reporting Standards sets out the requirements for the content and type of financial information provided by the financial statements.

Under international standards of financial reporting, these requirements are called quality characteristics of financial information. In our legislation, these are consistent with the financial reporting guidelines.

The general requirements for financial reporting, that is quality attributes, are divided into two basic, fundamental and auxiliary types, depending on the purpose of financial information. Naturally, for financial information to be useful, it must be first and foremost reasonably available.

Hence, the requirement for financial information to be reasonable and reliable is "fundamental (quality) quality". It also ensures that financial information is more comparable, verifiable, timely and understandable when it comes to profitability. On the other hand, they are "auxiliary quality characteristics".

It should be noted that the financial reporting is based, not on specific characteristics, but in most cases based on approximate estimates, judgments and models. International standards define rules that form the basis for these benchmarks, assessments, and models.

Also, the financial statements and information contained therein should also represent the interests of tourism companies, not just for the benefit of the user. Or the reliable information contained in the financial statements that the user has to offer does not hurt the interests of the company. Otherwise, the company will lose interest in preparing a reliable financial statement (Table 1).

The calculation of profitability indicators of this tourism company shows that profitability is at a moderate level for all indicators, but compared to the end of the reporting period, services (1.7 per cent to gross income), circulating assets (166.4 per net profit) and debt profitability (-65.0). The key assets (+133.1), the cost of services (+0.3), equity (+33.3) and return on assets (+175.9) can be considered as positive.

Conclusions and Recommendations

As a result of the research, the following conclusions were made: Firstly, the information that is generated by the companies and firms engaged in tourism, which is the object of the research, provides information about the financial status and liquidity of the company for the users. The importance of balance reflects the best financial information system that evaluates the firm's financial position. Its usefulness is that the balance is an important source for most financial ratios, including liquidity, financial flexibility, profitability, and valuation of its assets;

Second, the name of the bookkeeping balance in International Standards (IFRS 1) today is called a "Financial Statement" with a broader definition. In our opinion, it is desirable to rename the accounting balance sheet in the tourism companies with the term above. This creates a basis for attracting foreign investments for tourism

Indicators	Last Year	Report Year	The difference (+,-)
Net sales of products	1586693	3585747	+1999054
The cost of products sold	1448883	3327599	+1878716
Gross profit	137810	258148	+120338
Net profit	15560	45593	+34033
Average annualized value of basic assets	24973	23161	-1812
The average annual amount of information resources	7419	94491	+87082
Total company property	32392	202914	+195495
Source of equity	30764	54002	+23610
Borrowings	1628	148912	+147284
Service profitability	8,6	6,9	-1,7
Profitability of fixed assets	62,5	195,6	+ 133,1
Profitability of information resources	214,2	47,8	-166,4
Service cost efficiency	1,0	1,3	+0,3
Profitability of own funds	50,0	83,3	+33,3
Property Profitability	46,8	222,7	+175,9
Profitability of loan proceeds	95,6	30,6	-65,0

Source: Development of the author based on the financial data of "GRAND COMFORT TRAVEL" Ltd. (2016) Creator development.

Table 1: Profitability indicators of LLC "GRAND COMFORT TRAVEL".

companies, enhancing trust in companies and building closer ties with ITBs. In accordance with the “Financial reporting” (the “Accounting Balance”), the following requirements shall be met:

- Condition of net assets of tourism companies;
- The size of the profit of the tourism company in comparison with the corresponding period;
- Tax liability paid by tourism companies;

Business status and future of tourism companies.

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