



IMPROVEMENT OF THEORETICAL AND PRACTICAL ASPECTS OF PREPARING THE BALANCE SHEET

Kholmatova Nodirahon Kuddusovna

Tashkent State University of Economics

Senior Lecturer, Andijan Faculty

E-mail: nodirahonholmatova74@gmail.com

ORCID: 0009-0008-2356-7073

Abstract

This article presents theoretical approaches to preparing a balance sheet, an important form of financial reporting, proposed by economists and specialists, as well as the procedure for its preparation. Based on the requirements of international financial reporting standards, the article examines the balance sheet preparation procedure, its principles and rules, as well as proposals and recommendations for improving it in accordance with international requirements.

Keywords: Balance sheet, financial statements, assets, equity, liabilities, principles, rules, international standards.

Introduction

As a result of the economic reforms currently being implemented in our country, foreign investment is being attracted directly into the economy, and the establishment of economic cooperation with various countries necessitates the alignment of the current accounting system with international standards. For this reason, the Decree of the President of the Republic of Uzbekistan No. 4611 dated February 24, 2020, “On Additional Measures for the Transition of Financial Reporting to International Standards” and No. 282 of September 15, 2025, “On measures to improve the financial accounting system in accordance with international requirements and standards,” it has become imperative to implement the tasks outlined therein. As a result, four BHMS standards were aligned with international standards (MHXS), inconsistencies in practice arising from existing legislative documents were eliminated, all relevant regulatory and legal documents were fully revised in



accordance with the state language requirements, and all accounting documents were prepared in a new format and registered with the state registry.

The reform of the accounting and reporting system in our country is being implemented in several stages; specifically, the National Accounting Standards (BHMS) were first developed, and alignment between the tax system and accounting was ensured. the transition to IFRS (International Financial Reporting Standards) has begun, and efforts are underway to create a financial reporting system, Measures were identified to improve the transition to IFRS, enhance the quality of financial reporting, and strengthen its foundation.

Companies and organizations rely on international standards when preparing financial information designed to meet the needs of external users. In global practice, there are two benchmarks for international accounting standards, namely: 1. International Financial Reporting Standards (IFRS) and 2. the Generally Accepted Accounting Principles (GAAP) of the United States, are recognized, and various jurisdictions, organizations, and companies use these standards when preparing their financial statements.

Review of Relevant Literature

Based on the results of previous studies, this paper examines the views of leading economists in our republic and abroad regarding the balance sheet, as well as the various definitions and interpretations provided in regulatory and legal documents.

For example, according to the views of economists , and S. Amanov: “The balance sheet is the primary financial statement reflecting a company’s financial position, in which assets and their sources (capital and liabilities) are systematically presented; in practice, it is prepared in accordance with national standards” [1].

B. Xashimov expressed the following view: “The balance sheet is presented as a system of financial indicators compiled as of a specific date within the reporting period, and it summarizes the company’s funds and their sources of origin ” [2].

According to I. Kayumov and M. Yusupov, “the concept of the balance sheet is linked to the idea of accurately reflecting the company’s assets, liabilities, and the status of its accounts based on supporting documents, the process of preparing the balance sheet is described as one of the final stages of financial accounting” [3].

“In their scholarly works, Karimov A.A. and others provide a comprehensive explanation, in an accessible style, of the content and structure of the balance sheet,



as well as the changes that occur in the balance sheet (composition of assets and liabilities) under the influence of economic transactions” [4]. Another economist, M. Raximov, approaches the balance sheet from an economic analysis perspective in his scholarly works: “It is demonstrated that the balance sheet (composition of assets and liabilities) serves as a methodological basis for assessing a company’s short- and long-term financial stability through issues of liquidity and solvency” [5].

We can see that the term “balance sheet” in financial reporting generally aligns with international standards. In international standards, the term “balance sheet” is broadly defined as a statement of financial position and is specifically identified as part of the overall set of financial statements. According to the standard: “General-purpose financial statements (“financial statements”) is a financial statement intended to meet the needs of users who do not have the ability to require an entity to prepare a statement that meets their specific information needs” [6].

“The balance sheet (from the French ‘balance’ and the Latin ‘bilans,’ meaning ‘a scale with two pans’) is one of the key components of financial reporting, and in accordance with international financial reporting standards, the balance sheet contains information regarding assets, liabilities, and equity” [7].

“The balance sheet is a concise summary of information regarding the value of a company’s assets and liabilities. It reflects the status of all accounts as of a specific date” [8].

According to international accounting standards: “The balance sheet (statement of financial position) presents the company’s assets, liabilities, and equity, and provides information about resources and liabilities, as well as assists in assessing the company’s future cash flows” [9]. According to data from the International Monetary Fund: “It is emphasized that the elements directly related to measuring the financial position on the balance sheet are assets, liabilities, and equity (based on international statistical and analytical approaches) [10]. According to another international source: “the key elements of the ‘statement of financial position’ (assets, liabilities, equity) and their definitions and criteria are explained, highlighting their crucial importance in understanding financial statements [11].

“The purpose of the balance sheet is to identify the nature of assets, equity, and liabilities, as well as to present them on the balance sheet. The balance sheet is a component of the financial statements and provides information about the entity’s financial position and financial condition. The figures on the balance sheet must be



presented at the beginning and end of the reporting period for the purpose of comparing data. A separate rule also stipulates that assets and liabilities cannot be “offset” (i.e.,)—that is, it is prohibited to “cancel out” one against the other by presenting them as a net amount [12].

R. Dusmurodov defines the balance sheet in the classical sense as a “method”; in his view: a method of summarizing and presenting, in monetary terms as of a specific date, the composition, location, movement, and sources of origin of balance sheet assets, as well as changes in their designated purposes. It is emphasized that assets and liabilities must always be equal on the balance sheet, with assets classified by the location and use of funds, and liabilities grouped by their sources of formation [13].

K. O’razov notes: “The term ‘balance’ does not merely mean ‘equality’; in practice, it is also interpreted as a crucial accounting document of national significance.” In our republic, it is noted that the accounting balance sheet is an integral part of the financial statements prepared by economic entities [14].

I. Ochilov explains the role and significance of the balance sheet within the financial reporting system. The law explicitly stipulates that it must be presented as “Balance Sheet—Form 1” in the annual financial statements. Furthermore, the principle that “the balance sheet is prepared as of a specific date, while other financial statements are prepared for a period” is also explained. It is emphasized that financial statements must provide users with information about resources (assets), liabilities, and changes therein (the balance sheet specifically provides this “snapshot” of the financial position) [15].

According to S. Tashnazarov: “The statement of financial position (balance sheet) is the main component of financial statements; it reflects the company’s financial position—that is, its assets, liabilities, and equity—and the changes in these components during the reporting period, and is a standardized system of information presented to external and internal users in a systematic manner to enable them to assess the company’s financial position and make decisions regarding it.” [16].

If we consider the approach taken in other foreign sources, they explain the balance sheet using the “construction logic”: that is, the “Statement of Financial Position” (balance sheet) and “financial performance” reports are linked through recognition, in which assets, liabilities, and equity elements are treated as the “foundation” of financial reporting. Furthermore, the equation “assets – liabilities = equity” is presented as a conceptual link at the beginning and end of the reporting period.



“Recognition” is also defined as permitting only items that meet the definition of an element, with a specific emphasis on the fact that it is not permissible to include in the balance sheet anything that “appears to be an asset” but is not an asset. Furthermore, in the international standard titled “Presentation of Financial Statements” (IAS 1) (IAS 1) also emphasizes that when preparing financial statements on an accrual basis, items—such as assets, liabilities, equity, revenue, and expenses—must be recognized; consequently, it is shown that the first three of these items specifically pertain to the balance sheet.

The U.S. conceptual framework is based on balance sheet elements: according to this framework, assets, liabilities, and equity—as well as other elements—are clearly defined as components of financial statements. Consequently, special emphasis is placed on the basis for the formation of a company’s balance sheet.

Under the international standards currently in use for small and medium-sized enterprises (IFRS for SMEs) also consider the balance sheet (“statement of financial position”) to be one of the primary financial statements, and the adoption of these balance sheet-related documents demonstrates the provision of a complete financial reporting system for small and medium-sized enterprises.

The analyses of the balance sheet discussed above indicate that, in the various approaches and definitions provided by economists, the balance sheet is more often explained as a “method” and an “equality of assets and liabilities,” as well as a record of funds and their sources. In standard legal documents related to the balance sheet (both international and national), the balance sheet is regulated by requirements such as “what it should disclose, how it should be presented, how balances should be verified, and how it is compared at the beginning and end of the reporting period.” Additionally, in international conceptual frameworks (IFRS and FASB), the balance sheet is based on the logical perspective of “elements and recognition.” That is, based on the elements of assets, liabilities, and equity, the formula “Assets = Equity + Liabilities or Assets – Liabilities = Equity” applies. Based on existing scientific research, the views of economists, and an analysis of international experience, the following definition of a balance sheet has been proposed: “The balance sheet is a method of presenting a summary of a company’s financial position as of a specific date, based on the economic classification of its assets, sources of funds, and liabilities.”

Research Methodology

In the course of writing this article, the theoretical approaches of economists regarding the preparation, compilation, and presentation of the balance sheet were thoroughly examined. Additionally, the methodology for compiling the balance sheet, recording entries, and methods of analysis such as grouping, comparison, induction, deduction, comparative analysis, dynamic and horizontal analysis of the balance sheet, as well as other methods of accounting and analysis, were utilized.

Results and Discussion

The national accounting standards, including the Conceptual Framework, state the following: “Financial statements are considered an integral part of financial reporting and are defined by the BHMS. Financial statements include notes, ledgers, and explanations based on or related to these statements. Such information must reflect financial information regarding the types of activities in various industries and geographical areas and explain the impact of price changes on financial results.” As a result, it can be seen that the definitions provided in national standards are primarily intended for users of financial statements under international standards, whereas in national standards, the objective is to present the financial position of the entity. The Law of the Republic of Uzbekistan “On Accounting,” which is currently being drafted for adoption, defines a financial statement as follows: “Financial statements consist of structured information regarding the financial position of the accounting entity as of the reporting date, the financial results of its operations during the reporting period, and the movement of funds.”

Table 1 Structure of Financial Statements under International Standards¹

MHXS (IFRS)	US (US GAAP)	Germany	Kazakhstan	Uzbekistan
Financial Statement	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet;
Statement of Income and Other Comprehensive Income	Statement of Income	Statement of Income;	Statement of Income	Statement of Financial Results;
Statement of Changes in Equity	Cash Flow Statement	Statement of Changes in Equity	Statement of Cash Flows	Statement of Cash Flows
Statement of Cash Flows	Statement of Changes in Equity	Statement of Cash Flows	Statement of Changes in Equity	Notes regarding equity;
Notes consisting of accounting policies and other explanatory information;	Notes	Management report	Cash flow statement;	Notes, financial statements, and disclosures
Comparative information	-	Notes	Explanatory notes and comments	-

¹ The author's work based on the results of the research.

As can be seen from this information, the structure of financial statements at the international level is largely similar, and there are interrelated aspects. In each case, the balance sheet serves as the primary financial statement. Based on the results of the research conducted, it was deemed appropriate to compare the formats of financial statements separately in accordance with IFRS. This is because our objective is to transition to international standards and harmonize the methodology for preparing financial statements. To this end, the financial statement formats of companies presenting financial statements under BHMS and MHXS have been compared with international standards as follows.

Table 2 Information on the comparison of financial statement formats with international standards²

“Regulations on the deadlines for submitting financial statements, as well as their structure and content” ³			MHXS (IFRS)
According to BHMS	According to MHXS	For Microenterprises	
Balance sheet;	Financial statement	Balance sheet;	Financial <i>status</i> report
Statement of financial results;	Statement of Profit or Loss and Other Comprehensive Income	Statement of Financial Results;	Statement of <i>profit or loss</i> and other <i>comprehensive income</i>
Statement of equity;	Report on Changes in Equity	-	Statement of Changes in <i>Equity</i>
Statement of Cash Flows;	Statement of Cash Flows	-	Statement of <i>Cash Flows</i>
Notes, accounts, and explanations (notes to the financial statements).	Notes consisting of accounting policies and other explanatory information (notes to the financial statements)	-	Notes consisting of accounting policies and other explanatory information

As indicated in the information provided, separate financial statement formats have been approved for companies required to submit reports under the BHMS and MHXS, in accordance with the relevant order of the Ministry of Economy and Finance. It is noteworthy that the financial reporting forms for companies submitting MHXS reports are fully aligned with international standards.

Using the balance sheet, one can obtain accurate information regarding the funds

² The author’s work based on the results of the research.

³ Order No. 181 of the Ministry of Economy and Finance of the Republic of Uzbekistan dated October 8, 2024, “On Approving the Regulations Regarding the Deadlines for Submitting Financial Reports, as Well as Their Structure and Content.” [Registered by the Ministry of Justice of the Republic of Uzbekistan on November 4, 2024, registration number 3567]. <https://lex.uz/docs/7194594>



belonging to enterprises and organizations, their borrowed funds, and funds received for temporary use; second, it provides the ability to monitor the status of funds; and third, it serves as the basis for analyzing types of funds.

The procedure for preparing the balance sheet and summarizing economic data therein is established and regulated by the Ministry of Finance of the Republic of Uzbekistan. In the balance sheet, the funds of enterprises and organizations are classified and organized according to their sources of origin.

In accounting, the movement of funds held by companies and organizations is analyzed from two perspectives: the allocation of funds and their sources of origin.

In recent years, based on a series of decrees issued by the President of the Republic of Uzbekistan, significant measures have been implemented to align the current accounting system with international standards. As a result, work is underway to align the current national standards (BHMS) with international standards (IFRS). In particular, BHMS No. 1, “Presentation of Financial Statements and Accounting Policies,” has been fully aligned with international standards, as well as Standard No. 15, “Balance Sheet,” which is currently undergoing alignment with international standards (), specifically include definitions and explanations regarding the balance sheet: “The organization’s balance sheet must reflect its financial condition at the reporting date to enable an understanding of its resources and financial structure. The balance sheet is considered one of the components of financial statements and reflects information regarding the organization’s property and financial condition.”

Article 22 of the Law of the Republic of Uzbekistan “On Accounting” specifically identifies the balance sheet as a key component of financial statements: “Financial statements consist of structured information regarding the financial position of the accounting entity as of the reporting date, the financial results of its operations during the reporting period, and the movement of funds. The annual financial statements include the following: the balance sheet, the statement of financial results, the statement of cash flows, the statement of equity, notes, ledgers, and explanations.”

As is known, Pursuant to Order No. 181 of the Ministry of Economy and Finance of the Republic of Uzbekistan dated October 8, 2024, the Regulation “On the Deadlines for Submitting Financial Statements, as well as Their Structure and Content” was



approved⁴. Pursuant to this regulation, the content and structure of financial statements have been specified in the forms of financial statements prepared in accordance with BHMS and MHXS. Consequently, starting January 1, 2025, the annual financial statement forms prepared in accordance with BHMS at enterprises will include the following:

balance sheet;

statement of financial results;

statement of equity;

Report on the results of the survey;

Notes, schedules, and explanations (notes to the financial statements). In addition, the report forms have been provided for companies that submit financial statements in accordance with MHXS. Specifically, the “Balance Sheet” form we are examining is referred to internationally as the “Statement of Financial Position.” This report format provides significantly more detailed information than a balance sheet and offers the opportunity to align more closely with international standards. However, another aspect of the issue is that in international practice, the balance sheet (Balance sheet) or the “Statement of Financial Position” are structured with the asset side consisting of current assets (current assets). In our practice, the names of these sections begin with “Long-term assets” (). If the formats of financial statements, including the balance sheet, need to be further aligned with international standards, we believe it is appropriate to present the balance sheet using current (short-term) assets rather than long-term assets. This creates an opportunity to further strengthen the process of integration and globalization with the global community and various companies. Consequently, based on the results of our research, proposals were made regarding the structural composition of the balance sheet based on the following comparative table.

⁴ Order No. 181 of the Ministry of Economy and Finance of the Republic of Uzbekistan dated October 8, 2024, “On the Approval of the Regulations Regarding the Deadlines for Submitting Financial Reports, as Well as Their Structure and Content.” [Uzbekistan Official Gazette, November 4, 2024, Issue No. 3567]. <https://lex.uz/docs/7194594>

Table 3 Changes to the balance sheet based on international standards

Current structure of the accounting balance sheet		Structure proposing a balance sheet format in accordance with international requirements	
<i>Asset side of the balance sheet:</i>			
Section 1	Long-term assets	Section 1.	Current assets
Section 2	Current assets	Section 2.	Long-term assets
<i>On the liability side of the balance sheet:</i>			
Section 1	Sources of equity	Section 1.	Liabilities
Section 2	Obligations	Section 2.	Equity
Total assets:		Balance sheet total:	

According to this proposed format, it is appropriate for the asset side of the balance sheet to begin with current assets, as all funds are first allocated to ensure their liquidity. When analyzing and evaluating a company's balance sheet, its liquidity and solvency are assessed. True, while this practice is not new to us, it holds significant importance for companies. Furthermore, such a structure is currently in line with international standards (IFRS 1, "Presentation of Financial Statements," scheduled to take effect on January 1, 2027). For this reason, the structure of the balance sheet we are proposing can be practically aligned with international standards.

Based on the results of the studies listed below, information is provided regarding the current balance sheets of certain joint-stock companies.

Table 4 Structure and format of the balance sheet at the "O'zavtosanoat" JSC (Long-term assets)⁵

BALANCE SHEET			
As of December 31, 2025			
(in thousands of som)			
ASSETS	Account code	At the beginning of the reporting period	End of reporting period
I. Long-term assets			
Fixed assets:			
Opening (replacement) value (0100, 0300)	010	187871344	188109328
Depreciation amount (0200)	011	75786132	83801261
Remaining (balance) amount (lines 010 - 011)	012	112085211	104308067
Fixed assets:			
Initial value (0400)	020	71458	71,458
Depreciation amount (0500)	021	30309	40,951
Carryover (balance) value (lines 020–021)	022	41149	30507
Long-term investments, total (lines 040+050+060+070+080), including:	030	317,892,139	3248182646
Securities (0610)	040	5756291	6245873
Investments in agricultural enterprises (0620)	050	2564514686	2614514686
Investments in private enterprises (0630)	060	1771526	1771526
Investments in enterprises with foreign capital (0640)	070	3906616	5385
Other long-term investments (0690)	080	602972277	625645175

⁵ Financial report data of "O'zavtosanoat" JSC. <https://openinfo.uz/ru/reports/jsc>.



Equipment to be installed (0700)	090	-	-
Capital expenditures (0800)	100	-	52,500
Long-term accounts receivable (0910, 0920, 0930, 0940)	110	976226399	808288579
Long-term deferred expenses (0950, 0960, 0990)	120	-	-
Total for Section I (Lines 012+022+030+090+100+110+120)	130	4087274155	4160862300

As can be seen from these balance sheet figures, the total amount of long-term assets at “O‘zavtosanoat” JSC has increased by 101.9% compared to the previous reporting period. Long-term investments and long-term accounts receivable constitute the main components of long-term assets. In our opinion, this “O‘zavtosanoat” JSC is included in the category of “Publicly Significant Companies” in accordance with the President’s Decree No. 282 dated September 15, 2025. For this reason, such enterprises must prepare and present their financial statements in accordance with international standards. Consequently, replacing the “Current Assets” section with “Long-Term Assets” in accordance with the balance sheet format proposed by our side is in line with the objective.

Table 5 “O‘zavtosanoat” JSC: Structure and Format of the Balance Sheet (by Current Assets)⁶

BALANCE SHEET			
As of December 31, 2025			
			(in thousands of som)
ASSETS	Account code	At the beginning of the reporting period	End of reporting period
II. Current Assets			
Inventory , total (lines 150+160+170+180), including:	140	163,582	458,403
Production inventory (1000, 1100, 1500, 1600)	150	163582	458403
Unfinished production (2000, 2100, 2300, 2700)	160	-	-
Finished product (2800)	170	-	-
Goods (difference between 2900 and 2980)	180	-	-
Future period expenses (3100)	190	33,758	584,456
Deferred expenses (3200)	200	-	-
Accounts receivable , total (220+.....+310)	210	2371196645	1581618094
of which: past due*	211	-	-
Debts of customers and buyers (difference between 4,000 and 4,900)	220	-182940604	-1,720,139.23
Debt of allocated divisions (4,110)	230	-	-
Debt of state and municipal enterprises (4120)	240	57593	57,593
Bonuses paid to employees (4200)	250	257,013	1,389,522
Bonuses paid to salespeople and distributors (4300)	260	19832929	20545800
Payments of taxes and other mandatory payments to the budget (4400)	270	1884777	4611153
Advance payments for targeted state funds and insurance (4500)	280	845	-
Debt related to shares in the authorized capital of Ta‘sischilar (4,600)	290	1974768084	1274931515

⁶ Financial report data of “O‘zavtosanoat” JSC. <https://openinfo.uz/ru/reports/jsc>.

Employees' liabilities from other operations (4700)	300	562,725	274,078
Other accounts receivable (4800)	310	502773283	451822356
Cash and cash equivalents, total (lines 330+340+350+360), including:	320	12,036,378	29,308,211
Cash on hand (5000)	330	-	-
Cash on hand (5100)	340	14019951	870392
Funds in foreign currencies (5200)	350	41,133	14,825
Other cash and cash equivalents (5500, 5600, 5700)	360	106302700	28,422,994
Short-term investments (5800)	370	544062241	562406773
Other current assets (5900)	380	-	-
Total for Section II (lines 140+190+200+210+320+370+380)	390	2981820010	2174375937
Total assets (line 130 + 390)	400	7069094165	6335238236

If we examine the composition of O‘zavtosanoat JSC’s current assets, we can see that accounts receivable—specifically, short-term accounts receivable—account for a significant portion (79.3 percent). In turn, the debt of the founders is also high, which indicates that the founders have not fully contributed their shares to the company’s authorized capital. The company must take appropriate measures to resolve these issues. Despite this, the company’s current assets decreased by 72.8 percent, or 807,444,073 som, compared to the previous reporting period. This decrease is primarily attributable to assets such as accounts receivable (66.7 percent) and short-term investments (26.4 percent).

The company’s equity capital is constituted as a source of funds and consists primarily of authorized capital, contributed capital, reserve capital, retained earnings (uncovered losses), and special-purpose funds. The following table presents information on the liabilities side of the balance sheet of “O‘zavtosanoat” JSC.

Table 6 Structure and format of the balance sheet of “O‘zavtosanoat” JSC (by source of funds)⁷

BALANCE SHEET			
As of December 31, 2025			
			(in thousands of som)
LIABILITIES	Account code	At the beginning of the reporting period	End of reporting period
I. Sources of Own Funds			
Authorized capital (8,300)	410	1822920959	1822920959
Contributed capital (8400)	420	-	-
Reserve capital (8500)	430	490312369	372107978
Purchased treasury shares (8600)	440	-	-
Undistributed profit (uncovered loss) (8700)	450	2303658361	17,057,258,95
Targeted expenses (8800)	460	2249319240	2242061533
Reserves for future expenses and payments (8900)	470	-	-

⁷ Financial report data of “O‘zavtosanoat” JSC. <https://openinfo.uz/ru/reports/jsc>.

Total for Section I (Lines 410–470)	480	6866210929	6142816364
--	-----	------------	------------

At O‘zavtosanoat JSC, the company’s equity showed a downward trend compared to the beginning of the reporting period (amounting to a decrease of 7,233,945,650 som, or 89.6 percent). The company’s authorized capital remained unchanged. However, reserve capital (75.5%), retained earnings (73.9%), and special-purpose funds (99.6%) decreased. In our opinion, the company has the potential to further increase its equity capital in the future by focusing on increasing net profit.

Table 7 “O‘zavtosanoat” JSC: Structure and Format of the Balance Sheet (By Source of Funds)⁸

BALANCE SHEET			
As of December 31, 2025			
			(in thousands of som)
LIABILITIES	Account code	At the beginning of the reporting period	End of reporting period
II. Liabilities			
Long-term liabilities, total (500+...+590)	490	57523611	49609070
of which: long-term accounts payable (lines 500+520+540+560+590)	491	-	-
Deferred income (7210, 7220, 7230)	530	31913317	23998776
Long-term bank loans (7810)	570	25610294	23998776
Current liabilities, total (line 610 + ... + 760)	600	14,535,962	142812802
including current accounts receivable (Lines 610+...+760)	601	127964120	13,053,935
of which: past-due current accounts receivable*	602	-	-
Accounts payable to suppliers and contractors (6000)	610	640537	1,372,391
Debt to allocated divisions (6110)	620	-	-
Loans to cooperatives and agricultural enterprises (6120)	630	58066509	58066509
Deferred income (6210, 6220, 6230)	640	10566092	10566092
Accrued expenses (6300)	670	1430010	1012025
Budget-related debt (6400)	680	1118564	3505206
Debt on payments to the Special State Fund (6520)	700	4983	4044
Wage arrears (6700)	720	63	119,120
Current portion of long-term liabilities (6950)	750	6,829,412	1,707,353
Other accounts payable (6900 excluding 6950)	760	66703454	66460061
Total for Section II (Lines 490 + 600)	770	20,288,323	192,421,872
Total liabilities (line 480 + 770)	780	706,909,4165	633,523,823,600

As can be seen from the data in the table, the volume of long-term assets at the company shows a downward trend compared to the previous year (amounting to 95.5% or -10,461,364,000 som). Of course, this can be viewed as a positive development, as any company benefits from reducing its liabilities as much as possible, including accounts payable and other creditor debts.

⁸ Financial report data of “O‘zavtosanoat” JSC. <https://openinfo.uz/ru/reports/jsc>.

According to the proposed structure of the balance sheet, if the balance sheet of “O‘zavtosanoat” JSC is adjusted accordingly, the overall picture would generally look as follows.

Table 8 “O‘zavtosanoat” JSC’s Balance Sheet in Accordance with International Standards⁹

FINANCIAL STATEMENTS					
As of December 31, 2025					
					(in thousands of som)
Assets	Line number	Amount	Liabilities	Line number	Total
I. Current assets	010-190	2174931515	I. Liabilities	310-450	192421872
Physical Goods	020-080	458403	Current liabilities	320-400	142812802
Accounts receivable	090-130	1581618094	Accounts Payable	330-340	1372391
Cash	140-190	29308211	Other accounts payable	350-400	141440411
II. Long-term assets	200-300	4160862300	Long-term liabilities	410-450	49609070
Key resources	210-220	104308067	Long-term deferred income	420-430	23998776
Intangible assets	230-240	30,507	Other long-term liabilities	440-450	25610294
Long-term investment	250-260	3178921297	II. Sources of Own Funds	460-490	6142816364
Capital contributions	270-280	-	Authorized capital	470	1822920959
Long-term receivables	290	796,226,399	Other components of equity	480-490	4319895405
Total assets	300	633,523,823,600	Total Liabilities	500	6335238236

As can be seen from the information in this table, the balance sheet items are classified by liquidity, which allows for their evaluation based on analysis.

Conclusion

After thoroughly analyzing international and national experiences in preparing and structuring the balance sheet, the following conclusions were reached:

First, the fact that the asset side of the balance sheet begins with current assets rather than long-term assets allows the company to structure its assets according to their collectability—that is, according to their liquidity level;

Second, presenting the liability side of the balance sheet as liabilities rather than equity allows the company to identify and accurately reflect its liabilities and other creditor debts. This ensures that current assets and current liabilities are mutually linked at the same time as the assets;

Thirdly, this presentation of the balance sheet ensures compliance with international financial reporting standards and provides investors with information not only about

⁹ Author’s work based on research.



the company's assets but also about the status of its current assets and its ability to cover its liabilities;

Fourth, it allows for consistency between the company's long-term assets and its equity, as well as between the time frames for their use. This is because a company cannot always rely on long-term assets or equity; in day-to-day economic operations, attention is primarily focused on current assets and liabilities;

Fifth, this balance sheet format reflects the current assets of the reporting entity, its claims against such assets, and the effects of transactions and other events and circumstances that result in changes to such assets and claims.

References

1. Decree No. 4611 of the President of the Republic of Uzbekistan "On Additional Measures Regarding the Transition to International Financial Reporting Standards." February 24, 2020. <https://lex.uz/docs/4746047>
2. Amanova, S. (2022). Contemporary Trends in the Development of Innovative in Science and Education in the Global World. December 15, 2022. https://inlibrary.uz/index.php/development-science-education/article/download/17436/18128?utm_source=chatgpt.com
3. B. Khoshimov. Theory of Accounting. Textbook. https://portal.guldu.uz/download-edfiles-18757.pdf?utm_source=chatgpt.com
4. I. Kayumov et al. Accounting. Textbook. 2005. https://api.ziyonet.uz/uploads/books/652/5b0ba681b7357.pdf?utm_source=chatgpt.com
5. Karimov A.A. et al. Accounting. Textbook 2005. https://turan-edu.uz/media/books/2024/05/22/1716202526_1.pdf?utm_source=chatgpt.com.
6. Raximov M.Yu. Problematic Aspects of Financial Analysis. Scientific Journal of "International Finance & Accounting" Issue 6, December 2025. ISSN: 2181-1016. Raximov M.Yu., Qalandarova N.N. Financial Analysis. Tashkent: Iqtisod-moliya. 2019, 750 pp.
7. International Financial Reporting Standard 1 (IFRS 1): "Presentation of Financial Statements." Official Translation—2022.
8. Kieso, Weygandt, Warfield – "Intermediate Accounting (IFRS)". https://ro.scribd.com/presentation/331106460/ch05?utm_source=chatgpt.com



9. IMF (International Monetary Fund) – Financial Soundness Indicators Guide, Chapter 4.
https://www.imf.org/external/pubs/ft/fsi/guide/2006/pdf/chp4.pdf?utm_source=chatgpt.com
10. ACCA (Commentary on the IASB Conceptual Framework).
https://www.accaglobal.com/content/dam/acca/global/PDF-mar11_f7p2.pdf?utm_source=chatgpt.com
11. National Accounting Standard. “Balance Sheet.” BHMS No. 15.
<https://www.lex.uz/docs/318302?twolang=1>
12. R.D. Dusmuratov. Theory of Accounting. –T.: 2020, 495 pp. <https://turan-edu.uz/media/books/2024/05/22/1716363281.pdf>
13. K. O‘razov. Accounting and Auditing. Textbook. Samarkand. 2014.
https://kitob.sies.uz/frontend/web/kitob/kitob_005f76da4adc73a.pdf