



Accounting for the Formation of Financial Results and Profit Distribution

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Abstract: The article reveals the formation of the financial results of enterprises and indicators characterized by the associated receipt of profit and income and the distribution of expenses and the calculation of the payment of income taxes.

Keywords financial result, gross profit, profit from operating activities, profit from general business activities, profit before tax and net profit..

INTRODUCTION

The activities of any organization are related to attracting the necessary resources, using them in the production process, selling produced goods (works, services) and obtaining financial results. In this regard, the analysis of the process of generating financial results becomes especially important [1, p. 138]. In a market economy, profit is the most important evaluation indicator of an enterprise's activities in the field of entrepreneurship and business. Several approaches to determining profit are described in the literature.

According to A.G. Khairulina, "profit is, on the one hand, the main source of financing the organization's activities, and on the other, a source of budget revenue at various levels" [2, p.35].

The object of taxation for income tax is the profit received by the taxpayer.

- for a legal entity - the difference between total income and expenses,
- for a non-resident operating through a permanent establishment - the difference between the total income associated with the activities of a permanent establishment (including income received from sources outside the Republic of Uzbekistan associated with the activities of such a permanent establishment) and expenses, taking into account the specifics;
- for an individual entrepreneur - the difference between total income and expenses, taking into account the specifics;
- To correctly determine the taxable base of business entities, you must fill out the "Report on Financial Results" form No. 2.
- The financial results of the activities of an economic entity are characterized by the following profit indicators:
 - gross profit from product sales, which is defined as the difference between net sales proceeds and the production cost of products sold [4, p. 2]:

$$GP = NSR - PCGS,$$

where:

GP - gross profit

NSR - net sales revenue

PCGS - production cost of goods sold;

➤ profit from operating activities, which is defined as the difference between gross profit from sales of products and expenses of the period, plus other income or minus other losses from operating activities:

$$\mathbf{PCA = GP - PE + OI - OL,}$$

where:

PCA - profit from core activities;

PE - period expenses;

OI - other income from core activities;

OL - other losses from operating activities;

➤ profit (or loss) from general business activities, which is calculated as: the amount of profit from core activities plus income and minus expenses from financial activities:

$$\mathbf{PGEA = PCA + IFA - FAE,}$$

where:

PGEA - profit from general economic activities;

IFA - income from financial activities;

FAE - financial activity expenses;

➤ pre-tax profit, which is defined as profit from general business activities plus extraordinary profits and minus extraordinary losses:

$$\mathbf{PBT = PGEA + EP - EL,}$$

where:

PBT - profit before tax;

EP - extraordinary profit;

EL - extraordinary losses;

➤ the net profit of the year, which remains at the disposal of a business entity after paying tax, is profit before taxes minus income tax and minus other taxes and payments provided for by law:

$$\mathbf{NP = PBT - IT - OT,}$$

where:

NP - net profit;

IT - income tax;

OT - other taxes and payments.

Let us consider the above indicator of process data using the example of the production enterprise “Inter House” for the IV quarter, which performed the following financial and economic operations.

Financial and economic operations of the production enterprise “Inter House” for the fourth quarter of 2023 [5]

Table 1

№	Contents of operation	Amount, thousand	Corresponding account	
			Debit	Credit
1	Profit from the sale of finished products (excluding VAT and excise taxes)	24 848,0	4010	9010
2	Cost of finished products	16488,0	9110	2810
3	Profit from the sale of fixed assets (press machine)	5600,0	9210	9310
4	Gain on disposal of other assets	596,0	9220	9320
5	Transportation costs for delivery of goods have been incurred	420,0	9410	6010
6	Trade advertising costs included	620,0	9410	6010
7	Costs associated with administrative staff salaries	2886,0	9420	6710
8	Accrued depreciation of fixed assets for the administrative building	352,0	9420	0220
9	Purchased spare parts for official vehicles	160,0	9430	1040
10	Travel expenses of management personnel are taken into account (above the norm)	300,0	9430	6970
11	Electricity costs of the administrative building are taken into account	280,0	9420	6010
12	Entertainment expenses	140,0	9430	6010
13	Costs for information services “Norma” are taken into account	120,0	9430	6010
14	Fine taken into account by decision of tax authorities	180,0	9430	6960
15	Paid banking services	150,0	9430	5110
16	A sponsorship fee has been awarded for the development of children's sports	140,0	9430	6990
17	Sponsorship awarded to the fund	120,0	9430	6990
18	Legal costs included	80,0	9430	6960
19	Loss from shortage in the absence of culprits	84,0	9430	5910
20	Tax charged for the use of water resources	144,0	9430	6410
21	Property tax assessed	345,0	9430	6410
22	Land tax charged	254,0	9430	6410
23	Income from equity participation in other enterprises	160,0	4840	9520
24	Income received in the form of interest for violation of the terms of the contract	240,0	4860	9530
25	Long-term rental income	468,0	4830	9550
26	The amount of the fine imposed by another enterprise for non-compliance with contractual obligations	86,0	4860	9330
27	Losses due to foreign exchange differences	22,0	9620	5210
28	Profit tax (income) accrued	1307,0	9810	6410

29	The amount of income tax has been transferred	1307,0	6410	5110
30	The amount of profit tax (income) is written off	1307,0	9910	9810
31	The net profit of the enterprise is determined	7406,0	9910	8710

At the end of the reporting year, the formation of the financial result is carried out cumulatively throughout the year on account 9910 - "Final financial result"

At the end of each reporting period, the debit and credit turnovers of account 9910 "Final financial result" are summed up and the total balance of this account is calculated, characterizing the final financial result of the reporting period.

At the end of the reporting year, when drawing up the annual financial report, account 9910 "Final financial result" is closed in correspondence with account 8710 "Retained profit (loss) of the reporting year."

Correspondence for the final financial result account (9900)

Table 2.

№	Contents of a business transaction	Account correspondence	
		debit	credit
1	Closing accounts for income from core (operating) activities	9010, 9020, 9030	9910
2	Closing accounts for cost of goods sold (goods, works, services)	9910	9110-9150
3	Closing accounts for other income from core activities	9310-9390	9910
4	Closing period expense accounts	9910	9410-9440
5	Closing accounts for income from financial activities	9510-9590	9910
6	Closing expense accounts for financial activities	9910	9610-9690
7	Closing account 9710 "Extraordinary profits"	9710	9910
8	Closing account 9720 "Extraordinary losses"	9910	9720
9	Closing accounts for using profits to pay taxes and other obligatory payments	9910	9810,982
10	Net profit for the reporting year	9910	8710
11	Net loss for the reporting year	8710	9910

Indicators for the formation of financial results are determined according to the following table:

Table 3.

Indicators of formation of financial results

Indicators of formation of financial results	The amount of financial results has been determined
GP (Gross profit) = NR (net revenue) – CP (cost of production)	030 line = 010 line - 020 line 24848 - 16488 = 8360
PCA (Profit (loss) from core activities) = GP - PE (Period expenses) + OI (Other income) - OL (other losses)	Line 100 (line 030 – 040 + 090) 8360-6775+6282-0=7867
POHD=PCA+ IFA (Income from financial activities, total) - EFA (Expenses from financial activities)	Line 220 = (line 100 + 110 – 170) 7867+868-22=8713
PL (Profit (loss) before tax) = POHD + EP-EL	Line 240= (line 220 +/- 230)

(Extraordinary) profits and losses	8713+0-0=8713
NP Net profit (loss) = PL - IT (income tax) - OT	Line 270 = line 240 – 250 – 260
(Other taxes and other obligatory payments)	8713-1307=7406

When determining taxable profit, the following expenses are deducted from gross income: material expenses, labor costs, depreciation expenses, and others. Expenses are determined based on data from the accounts:

9100 – accounting for the cost of products sold (goods, works, services)

9400 – accounting for period expenses

9410 – sales expenses

9420 – administrative expenses

9430 – other operating expenses

9600 – accounting for expenses related to financial activities

The tax base is determined by the following formula:

The calculation of the income tax of legal entities is submitted to the state tax service authorities on an accrual basis quarterly, no later than the 25th day of the month following the reporting quarter, and at the end of the year - on the deadline for submitting annual financial statements.

To determine the amount of current payments for corporate income tax, taxpayers, before the 10th day of the first month of the current reporting period, submit to the state tax service a certificate of the amount of corporate income tax for the current reporting period, calculated based on the estimated taxable profit and the established corporate income tax rates.

The calculation of the income tax of legal entities at the source of payments is submitted to the state tax service authorities no later than twenty-five days after the end of the reporting period in which the payment was made.

Current payments for corporate income tax are paid no later than the 10th day of each month, in the amount of one third of the quarterly amount of corporate income tax.

Taxpayers whose estimated taxable profit for the reporting period is less than two hundred times the minimum wage do not pay current payments.

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