https://gospodarkainnowacje.pl GOSPODARKA I INNOWACJE
LABORATORIUM WIEDZY Artur Borcuch
Volume: 31 | 2023
Economy and Innovation
ISSN: 2545-0573
For more information contact: editor@gospodarkainnowacje.pl

THE CONCEPT OF OTHER COMPREHENSIVE INCOME AND ITS REFLECTION IN THE FINANCIAL STATEMENTS

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A R T I C L E I N F O.

Keywords: Income, income, other comprehensive income, expense, reserve, reclassification, adjustment, international financial reporting standards, royalties, dividends, rent, interest, profit from financial activities.

Annotation

The implementation of international financial reporting standards (IFRS) in our country is one of the important issues on the agenda. One of the most important tasks of the country today is the application of international practice in the accounting system for the recognition of income and expenses, which are the main indicators of financial accounting. This article describes and discloses the concept of accounting for The concept of other comprehensive income, its essence and composition, reflection in the financial statements in accordance with international standards, the importance in the accounting system. Studying and improving the methodological side of this process today also remains one of the most important issues. This article also discusses income that is included in the income statements, such as the definition, composition, recognition, measurement and composition of the financial statements of other comprehensive income by type.

The transition to international standards requires the division of income into two categories: 1. Income reflected in the income statement; 2. Other income received that is not reflected in the income statement.

In the paragraphs above, we have discussed the issues of recognition, measurement and accounting of income, which are mainly reflected in the income statement. In this section, we explore the definition, composition, recognition, measurement and presentation of other comprehensive income that is not recognized in the income statement.

Irina Zavalishina notes that other comprehensive income is reflected in the statement of changes in equity: “Other comprehensive income (OCI) are items of income and expense that were not previously recognized in the income statement, but are impartially reflected in the statement of changes in equity"[1].

Elena Vakaryuk, professor at ASSA, said: “Changes related to other non-core activities of the company, which arise as a result of different revaluation of certain items in accordance with the requirements of various IFRSs, are reflected in other general income”[2].

[1] Irina Zavalishina. OTHER COMPREHENSIVE INCOME. PART 1 https://finotchet.ru/articles/459/

[2] Elena Vakaryuk. How to distinguish other comprehensive income from profit / loss and changes in equity? https://www.hocktraining.com/blog/109

Emphasizes the importance of the approach to recognizing other generalized income in sources. The main criterion: “There are several points of view, the most common of which is that all other unrealized income includes all unrealized income and expenses, that is, income that is not ready to cash flow at any time during the company's activities. For example, a revaluation of a manufacturing building (that is, an item of property, plant and equipment) is unlikely to occur in the next period that is expected in the course of the company's operations. The revaluation of such instruments represents unrealized gains that are recognized in other comprehensive income. On the other hand, the change in the fair value of a leased building (classified as investment property) represents realized income which is recognized in the income statement. Why?, Because, this is due to the fact that investment property can be sold at any time, depending on its accuracy, when the company decides that the investment objectives have been achieved and the building can be sold. investment property is likely to become cash flow for the foreseeable future"[3].

Now let's talk about the components of other comprehensive income. All of the above sources list the components listed in IFRS. Their constituent parts, the name of IFRS and their content are shown in Table 1 below.

Table 1. Components of other comprehensive income in accordance with IFRS

s/n	Other types of comprehensive income	IFRS	Content
1	Change in value growth from revaluation	IAS №16 “Fixed Assets” and IAS №38 “Intangible Assets”	The increase in the value from the revaluation of "Fixed assets" and "Intangible assets" is carried out under the item "Revaluation reserve" of private equity.
2	Actuarial gains and losses on retirement benefit plans recognized in accordance with IAS №19 “Employee Incentives”;	IAS №19 “Employee Incentives”	Actuarial gains and losses are changes in the present value of fixed liabilities that result from: (a) adjustments based on experience (the results of differences between initial actuarial estimates for future events and actual events); (b) changes in actuarial tolerances
3	Profits and losses from the financial statements of the foreign division;	IAS №21 "The Effects of Currency Exchange Rate Fluctuations"	If exchange differences arise in the consolidated financial statements of the reporting entity in accordance with paragraph 31 of the standard, they are recognized in other consolidated income and accumulated as a separate component of equity until the foreign operation leaves.
4	Gains and losses on the revaluation of financial assets available for sale	IAS №39 “Financial Instruments: Recognition and Measurement”	Gains and losses on financial assets (equity instruments) at fair value through other comprehensive income. If an entity invests in securities to generate long-term dividend income and does not sell them when the market price rises, gains from changes in the fair value of financial assets are

[3] Other comprehensive income [OCI] https://inflexio.ru/glossary/prochij-sovokupnyj-doxod/

			recognized in other comprehensive income.
5	Effective money planning results	IAS №39 "Financial Instruments: Recognition and Measurement"	Planning efficiency is the extent to which a change in the fair value or cash flows of a planning item associated with the planning risk is offset by a change in the fair value or cash flows of the planning instrument.

Other aggregates fall into two categories in the income classification. The first category is items that cannot be reclassified in the income statement. Other comprehensive income in this category will be reclassified to profit or loss when certain comprehensive income arises under certain conditions. The second category is items that can be reclassified in the income statement. Other items of income earned in this category are not reclassified to profit or loss under any circumstances.

These reported data should be consistent with the reported data on the movement of direct investment. The information in the report describes the financial condition of the company.

Based on the above research, the recognition, measurement and reporting of other comprehensive income can be divided into the following stages:

The first step is the recognition of other generalized income, their classification into items that can and cannot be reclassified into profit or loss;

The second step is to reflect other comprehensive income in the accounting records;

The third step is to develop a format for the part of the income statement in the general income statement and fill it out based on the accounting data;

The fourth step is to develop a format for the other part of the consolidated income in the statement of comprehensive income and fill it out based on the accounting data;

The fifth step is to prepare a statement of changes in equity based on the data in the statement of comprehensive income;

The sixth step is to compare the financial statement and the private equity statement data.

Based on the study of other comprehensive income, the following conclusions can be drawn:

1. **Other comprehensive income** was described based on a study of international standards and industry literature. These gains represent unrealized gains that are not recognized in the income statement, which are recognized in the statement of comprehensive income, and the final financial results are reflected in the statement of changes in equity. Accounting for other comprehensive income is provided for and permitted by separate IFRSs. The study identified five characteristics of other comprehensive income.
2. Based on practical examples, methodological rules have been developed for the application of the methodological procedure for drawing up the profitable and unprofitable part of the statement of other comprehensive gross income for the reporting year, as well as other parts of the total income at domestic enterprises. A six-step methodical procedure for reflecting other incomes in accounts and reports is proposed.
3. The methodological aspects of reflecting other total income of joint-stock companies in the statement of changes in private capital and financial statements have been improved.

This methodological procedure serves to generate useful information for users of information that accurately reflects other total income in the accounts and reports.

List of used literature.

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