



## Article

# Improving the Methodology of Reflecting Information on Capital Investments in Private Capital Reporting

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**Abstract:** In this article, the current state of reflection of capital investments made in enterprises in financial reporting forms, in particular, in the report on private capital, the analysis of scientific research conducted by scientists of our country, and the improvement of this form of financial reporting based on international standards of financial reporting, etc. This study aims to enhance the methodology for reporting capital investments within private equity statements, addressing limitations in the current reporting forms used in the context of the digital and green economy. Current reporting practices in our country often overlook comprehensive representation of capital investments in regulated reports, which affects both transparency and utility for stakeholders. The research methodology utilized includes scientific abstraction, economic analysis, monographic observation, and comparative methods to identify reporting gaps and propose improvements. Findings highlight the need for a more detailed framework that clearly discloses capital investment sources, facilitating informed decisions by investors. Recommendations are made to incorporate new reporting forms that integrate both domestic and international standards, ensuring capital investment information is accurately captured and useful for stakeholders.

**Keywords:** Digital Economy, Green Economy, Capital Investment, Capital Investment Accounting, Private Equity Reporting.

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## 1. Introduction

In our country, the 23rd edition of the "Formation of Financial Statements in the Implementation of Reorganization", revised on August 1, 2024, contains information on the reorganization of enterprises in the framework of National Accounting Standards, indicators of financial reporting in the reorganization of, recommendations on the reflection of results related to the valuation of assets and liabilities of the company. enterprise in the financial report, as well as, to the extent of the forms of annual financial statements that have previously been adopted by the organization, it is prepared for the period from the beginning of the reporting year until the date of entry in the register of the record From this we can see that, regardless of the form of enterprises, in the forms of financial reporting provided by these economic entities, it is necessary to disclose such elements of accounting as assets, liabilities, sources of equity of the enterprise, and these tasks are important in the context of the formation of the digital and green economy [1].

When reflecting capital investments of enterprises in reporting forms, their property as an asset is presented only taking into account. This is the reason for reducing the level of complexity of information displayed today in our country in the forms of regulated reporting. Such shortcomings, which are present in the accounting and financial reporting of enterprises, make the task of improving the forms of financial reporting on capital

investments relevant, taking into account the peculiarities of economic processes in the conditions of modern digital and green economy.

In financial, tax and statistical reports provided by enterprises in the digital and green economy, there is no established methodology for reflecting capital investments allocated in accordance with their goals and objectives when implemented in enterprises. Hossatan, when reflecting capital investments in enterprises in reporting forms, considers only their qualitative nature. This is the reason for reducing the level of complexity of information displayed in our country today in the regulated reporting forms. Such shortcomings, which are present in the accounting and financial reporting of enterprises, make the task of improving the forms of financial reporting on capital investments relevant, taking into account the peculiarities of economic processes in the conditions of modern digital and green economy. Therefore, in the course of our research work, we found it necessary to develop scientific and practical recommendations on the forms of financial reporting covering information on capital investments.

In the regulatory legal acts in force in our country, the main purpose of compiling and presenting financial statements at enterprises is “to make decisions on issuing investments and creditors; to assess the future cash flow of the organization; to assess its resources and liabilities in connection with the resources entrusted to the organization; to assess the work of management bodies [2]”, which demonstrates that in the conditions of modern digital and green economy, such issues as information on cash flow, vivid coverage of the necessary information in the financial report, the necessary information in the financial report, and the necessary information in the financial statements.

#### **Literature Review.**

Financial investments are regulated in our country based on the National Accounting Standard No. 12 “Accounting for Financial Investments”, which defines them as “an increase in the value of invested capital intended to generate income that is owned by the economic entity (in the form of interest, royalties, dividends and rents) or assets used by the investment company to obtain other benefits”. This standard provides for the classification, measurement, revaluation of investments, their sale and transfer, as well as the reflection of investments in the forms of financial statements. However, the issues of classification of capital investments as an accounting object are not presented in our national standards [14].

However, in international financial reporting standards, investments were accounted for as a separate type of financial assets, and “Investment Accounting” BHXS No. 25, which was developed to regulate them, has been abolished today. On the other hand, financial assets are regulated based on MHXS No. 7 “Financial Instruments: disclosures”, MHXS No. 9 “Financial Instruments” and other Mhxs that are developed based on financial instruments. It can be seen from this that today, in the absence of national and international standards covering the issues of classification of capital investments as an object of their accounting, it is considered important both theoretically and scientifically to develop the basis for classification of capital investments in the context of digital and green economy [15].

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Russian scientist L.V. In the research work of Galyapina on the topic of organization of capital investment accounting, its models and methodological issues can be found the following definition: "Capital investment is one of the forms of investment in the real sector of the economy and is the main source of supply of enterprises with production capacity". The scientist, recognizing in this definition that the main type of investment is capital investments, considers them as a key factor in expanding the production activities of economic entities.

M.A. Gorodilov noted that "before the transition to market relations, investments were carried out on the basis of the balance planning method, according to which financial resources were allocated from the budget for capital construction, and later supported by material investments. All this constituted capital investments". This definition, given in his research paper on improvement of internal audit of capital investments, recognized the state budget as one of the sources of financing capital investments [17].

In our study, we have reviewed the research work on the above-mentioned issues. And from the scientists of our country. B. Akramov, who conducted his research work on financial reporting according to international standards, recommended the form of the report "consolidated report on changes in private capital", which "to bring private capital in line with international standards as an element of financial reporting.", opened 8300-"equity (paid-in) capital", 8400-"issue (income) capital" in connection with the need to introduce working accounts [4].

O.I. Ochilov, on the other hand, believes that "capital investments are targeted investments that will bring economic and social benefits in the future, aimed at increasing the quantity and quality of private assets". From this definition, which is presented in a brief form, it can be understood that the main goal from the introduction of capital investments by enterprises is focused on profit indicators [18].

A.N. Abdullaev, who conducted research work on the activities of non-state educational organizations research work is based on "the analysis of changes in the structure of private capital by presenting financial indicators of free educational services in non-state educational organizations in the form of a report 'on the activities of non-state educational organizations. capital' line 095 of the following content 'the impact of free educational services on targeted revenues, which are indicated by tax benefits [5]".

K.K. Berdiev noted that "it is seen that over the last five years, the shares of structural elements of private capital have been changing" [6]. In the research work, the scientists carried out their accounting and analysis in the structure of elements of private capital classified on the investment of the founders of the enterprise, funds found in the enterprise and funds to determine the true value.

Q.O. In the research work "Improvement of private capital accounting at oil and oil producing enterprises" Oyshev carried out a study of theoretical issues of private capital account at oil and oil refining enterprises, based on classification and their improvement [7].

Unlike international standards, our national accounting system has developed National Accounting Standards No. 14 "Statement of Private Equity", and this form of

financial statement is designed to reflect accounting information related to the sources of equity that have occurred in enterprises during the reporting period. In the instructions developed in our country, the main purpose of an enterprise in preparing this reporting form is "to highlight information about the state of private equity at the beginning and end of the reporting period and its changes during the reporting period [8]".

## 2. Materials and Methods

The direct investment report used research methods such as scientific abstraction, economic analysis, monographic observation, comparison, induction and deduction to improve the methodology of reporting information on capital investments.

## 3. Results and Discussion

The main reason for our research work on the "report on direct investment", which in this research paper is considered the 5th form of financial reporting, is that today in the form of this report, which is compiled and presented at enterprises, information about the internal sources of capital investment financing is presented as follows: embodied, and information about them is important for domestic investors. In this regard, as noted by a foreign scientist-economist, N.A.Djankina, "Under the sources of financing of capital investments are understood funds and cash flows that allow the process of capital investments at their expense. At the same time, sources of financing in the economic literature are often defined by methods of capital investment financing [9]". Such sources of financing are categorized into internal and external groups, and information on internal sources of financing is presented in Form 5 of the financial report "Direct Investment Report".

In the course of our study, we will familiarize ourselves with the information on capital expenditures in the direct investment report presented in the enterprises during the reporting period (Table 1):

**Table 1.** Capital expenditures are reported in the statement of direct investments in the entity

Specification name	Line code	Authorized capital	Capital added	Reserve Capital	Unallocated profit (unallocated loss)	Purchased private stock	Targeted receipts, etc.	total
Balance at the beginning of the year	010							
Issue of securities	020							
Revaluation of non-current assets	030							
Exchange differences arising from the formation of authorized capital	040							
Contributions to reserve capital	050							

Retained earnings (losses) of the current year	060							
Seizure of property	070							
Funds received for the intended purpose	080							
Accrued dividends	090							
Other sources of private capital	100							
Balance at the end of the year	110							
Increase or decrease in private capital (+) (-)	120							

The indicators presented in this table are intended to cover information on capital investments made by enterprises, reflecting the sources of internal financing in the report on private equity

The results of the above research necessitate the development of scientific proposals on the form of this report in order to further increase the level of sophistication of the private equity report presented by enterprises in today's digital and green economy. Keeping this in mind, our research work has developed the reporting forms "capital investment information in private equity report" (Table 2). We believe that the reports we recommended serve to more vividly reflect the information on capital investment in enterprises, to provide foreign and domestic investors with the necessary information on capital investment

**Table 2.** Information on Capital Investments in the Report on Private Equity

Specification name	Code line	Authorized capital	Capital added	Reserve capital		Unallocated profit (unallocated loss)	Purchased private shares	Targeted receipts				others	Total
				Total	Reserve capital for capital investments			Total	Capital investment-grants for the implementation of shares	Capital investment-subsidy-for the implementation of shares	Capital investment - other targeted receipts for the implementation of shares		
Balance at the beginning of the year	010												
Securities emission	020												
Long-term asset reassessment	030												
Exchange rate differences that arise in the formation of authorized capital	040												

Unallocated profits (losses) of the current year	060												
Property seized	070												
Funds received for targeted use	080												
Calculated dividends	090												
Other sources of private equity formation	100												
Year-end balance	110												
Increase or decrease in private capital ( + ) ( - )	120												

#### 4. Conclusion

Based on the results of the above-mentioned study, several conclusions have been drawn in the private equity report provided by enterprises. Hossatan, in the current procedure, it cannot be said that the lines developed in the private capital report transparently reflect the information on capital investment, and information on the sources of financing, especially capital investment made in enterprises. Because the information on "reserve capital", and "earmarked revenues", presented in the form of a report, clearly does not disclose exactly where they came from and how they came from. These indicators, on the other hand, contain information about the sources of internal financing of capital investments carried out at the enterprise and are important for users of financial information.

The results of the above study necessitate the development of scientific proposals on the form of this report to further increase the level of sophistication of the private capital report presented by enterprises in today's digital and green economy. Taking this into account, it is necessary to develop new reporting forms, and annexes to the reporting forms, which are designed to reflect capital investment information in the private equity report. About enterprises, we believe that these reporting forms and annexes serve to better reflect information on capital investment in enterprises, to provide foreign and domestic investors with an optional

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