

addition, proposed the organization chart of risk-based lending process. In terms of increasing banking risks, enhance inter-bank competition, more stringent requirements to the latter imposed by oversight bodies, it is difficult to overestimate the crucial role of risk - management in banks.

Keywords: risk in bank practice, bank risk, leasing, factoring, percent risk, currency risk, portfolio risk, risk of liquidity, market risk, discriminate risk, management of system of bank risks, risk management.

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**PROBLEM OF BIOLOGICAL ASSETS AND AGRICULTURAL PRODUCT IN
ACCORDANCE WITH IFRS (IAS) 41 "AGRICULTURE"**

Annotation

The article defines the basic accounting problems of biological assets and agricultural product in the Republic of Kazakhstan in modern conditions; the notion of a biological asset; recognition of asset as a biological refined and expanded; the main directions for improving accounting standards of biological assets and agricultural products.

Keywords: agriculture, biological assets, accounting, international financial reporting standards.

Accounting is a main information base of management of agricultural organizations. It should provide all the necessary information needs of internal management organizations and external users of financial statements for the adoption and implementation of objective economic decisions. This requires to do more active steps, to reform accounting in agriculture in accordance with generally accepted principles and requirements of International Financial Reporting Standards (IFRS). It should be based on the principle of continuity in order to preserve the achievements of methodology of national science and practice of accounting for its harmoniously progressive adaptation in accordance with IFRS.

Integration processes led to the emergence of a new accounting category - "biological assets", in connection with what impact the need to adjust Kazakh accounting practices in accordance with IFRS (IAS) 41 "Agriculture".

According to this standard, biological assets are created as a result of past facts of economic life (change, transformation) of plants and animals suitable for further (controlled and measured by the organization) biotransformation to obtain economic benefits [1, p.211].

IFRS (IAS) 41 is used for accounting biological assets, agricultural product at the point of harvest and government grants related to biological assets in agriculture.

Implementation of IFRS (IAS) 41 "Agriculture" requires the development of primary documents, clarifications regarding the reflection of biological assets in accounting (financial statements), improving working chart of accounts, account policy of Kazakh agricultural enterprises.

Certain work on the adaptation of IFRS (IAS) 41 "Agriculture" into Kazakhstan's accounting practice was done to date. The chapters of "Accounting for biological assets " were worked out in the National Standards of Financial Statements (NSFS -1, NSFS-2), guidelines on accounting for biological assets were developed. However, many of the organizational and methodological problems were not resolved. In particular, the issues of the conceptual apparatus use IFRS 41; evaluation of synthetic analytical accounting biological assets; issues of disclosure of data on agricultural activities in the financial statements were underdeveloped.

Under IFRS (IAS) 41 "Agriculture" by definition and recognition, an enterprise should recognize a biological asset or agricultural products, only when [1, p.212]:

- (a) it controls the asset as a result of past events;
- (b) it is probable that future economic benefits associated with the asset ;
- (c) the fair value or primary cost of the asset can be measured reliably.

Apart from the existing IFRS (IAS) 41, we consider it necessary to establish additional criteria for asset recognition as biological [2, p.119]:

- The asset is to be used in agricultural activities;
- The asset can be transferred to other organizations or accepted rent.

One of the key moments in the accounting of biological assets and agricultural product is their cost valuation .

Under IFRS (IAS) 41 "Agriculture" biological asset is measured at initial recognition and at each balance sheet date at its fair value less estimated costs to sell, except in cases where the fair value can not be reliably estimated. In the latter case, the enterprise will measure the biological assets at their initial valuation.

Agricultural products collected from the biological assets of the enterprise, should be measured at fair value less estimated costs to sell at harvest". The standard assumes that the company can always find this amount, and therefore does not allow for assessment of initial value due to lack of fair value. The resulting cost is used as the initial cost of the application of IFRS (IAS) 2 (if the agricultural products to be sold), IFRS (IAS) 16 (if the collected wood used for construction of buildings) or other applicable International Standard financial statements.

Fair value is the amount for which an asset could be exchanged, or in which the obligation can be enforced, in a transaction between knowledgeable, willing parties who wish to make such transaction [3, p.73].

Important reason why the agricultural product at the point of harvest should be measured at fair value, is the need to ensure that the basis for its assessment based on an assessment of biological assets and avoid incoherence and distortion performance of the current period at harvest.

Implementation costs" include brokers and dealers commissions, fees of regulatory bodies and commodity exchanges and taxes and fees associated with the transfer of regulatory authorities", but "does not include transport and other costs necessary to bring the assets to market." Thus, theoretically, the factual sale of agricultural products will lead to profit or loss only if the fair value at the time of harvest is different from the sale price agreed with the purchaser. It follows that, in accordance with the methodology of fair value accounting of IFRS (IAS) 41, the profit is recognized enough regardless of whether the contract of sale or transaction.

The standard provides the following rules for determining the fair value of a biological asset or agricultural product [1, p.213]:

(a) an active market - in the presence of an active market of biological asset or agricultural product, a price quotation in such a market is adequate basis for determining the fair value of the asset. If an enterprise has an access to different active markets, it should use price quotes for the most significant market (i.e. the market price, which he was going to use).

(b) the absence of an active market - if there is no active market, the enterprise will apply the following methods to determine the estimated fair value:

- Price or cost, determined on the basis of the market - the company must use one or more of the following sources of information, when available, in determining fair value ;
- The price of the most recent market transaction, in the absence of significant changes in economic conditions between the date of such transactions and report date;

- Market prices for similar assets with adjustment to reflect differences; comparative analysis of the sector, for example, the cost of fruit trees, expressed in the value of the export tray, bushel or hectare, and the value of cattle expressed per kilogram of meat.

One of the most important issues currently remains a developing of information for determining the fair value of biological assets and agricultural products.

In the transition to the requirements of IFRS (IAS) 41 "Agriculture" in the lack of information on the prices of agricultural products, underfunding industry, the difficult financial situation of many agribusiness organizations in the Republic of Kazakhstan, there is an acute problem of finding information, that will reliably determine the fair value of the biological assets and agricultural product. The main requirements for such an information system under the conditions of Kazakhstan reality are small expenses for its use or even lack thereof and access of information system for agricultural producers in our country.

We offer to take into account biological assets and agricultural products valued at fair value. As the fair value to measure biological assets may be used a market value, value of replacement, discounted, cost of the actual costs under the condition that from the moment of implementing the initial cost there was not significant biotransformation.

Biological assets of agricultural organizations is a separate category of assets that requires a separate presentation of the accounts.

In Kazakhstan Standard Plan of accounts for reflection data on the fair value of biological assets and agricultural product some separate synthetic accounts are provided. So, in Section 2 "Long-term assets" subsection 2500 "Biological Assets" is provided, which has the following synthetic accounts: 2510 "Plants", 2520 "Animals". Also, synthetic accounts are provided: 6270 "Income from changes in fair value of biological assets"; 7460 "Expenses from changes in fair value of biological assets"; 6210 "Income from the disposal of assets"; 7410 "Loss on disposal of assets"; 8110 "The main production", 8310 "Supporting production"; 1320 "Finished products"; 1420 "Value-added tax on acquired values"; 5610 "Total Revenue" [4, p.36- 85].

Nevertheless, there is a need to clarify the synthetic accounts available in the Standard Plan of Accounts. In order to improve the reliability of information on the biological assets and agricultural products, we propose to enter into the work plan of agricultural accounts subaccounts to clarify existing synthetic accounts:

a) To the account 6210 "Income from the disposal of assets" is recommended to open a sub-account 6210-3 "Income from disposal of biological assets." The proposed sub-account is intended to summarize information about the received (receivable) now amounts of income from the disposal of biological assets.

b) To account 7410 "Loss on disposal of assets" is recommended to open a sub-account 7410-3 "Loss on disposal of biological assets."

The proposed sub-account is intended to summarize information on the paid (due to be paid) now amounts flow from disposal of biological assets.

Allocation of new sub-accounts to accounts 6210 "Income from the disposal of assets" and 7410 "Loss on disposal of assets" is justified on the basis of access to biological assets as a separate asset class, in this connection, it is required a separate reflection from their fixed assets, intangible assets and other assets.

c) To the account 1420 "Value-added tax on acquired values" is recommended to open a sub-account 1420-3 "TF on biological assets". Proposed subaccount is intended to summarize information about paid (due to be paid) amount of tax of organization on the added cost.

It is offered to open subaccounts to the account 1320 "Finished products" for a separate accounting of agricultural products on the fair and historical cost:

1320-1 "Finished animal products"

1320-2 "Ready crop production"

Use of the proposed sub-accounts to 1320 "Finished products" will clearly define the accounting of agricultural products in the context of activities that, in turn, will comply with the requirements of IFRS (IAS) 41 "Agriculture" in the part of individual reflection of biological assets and agricultural production.

For the introduction of IFRS (IAS) 41 "Agriculture" it's necessary to develop new forms of documents and improve existing information to reflect the biological assets (plants, animals) at fair value. In this regard, it is proposed to use the developed document system (Figure 1).

Act of receive-transfer of biological assets (animals) should be in duplicate and approved by the head or persons authorized by the organization (individual entrepreneur) - deliverer and organizations (individual entrepreneurs) - recipient. Some biological assets admit to reflect if they have the same value, similar in its characteristics and accepted in one calendar month. The act, after its registration with the attached documentation relating to these biological assets are transferred to the accounting organization (individual entrepreneur) .

Act for the cancellation of biological assets (animals) are recommended to apply for writing off biological assets. The act is made in two copies, signed by members of the commission and approved by the head of the organization (individual

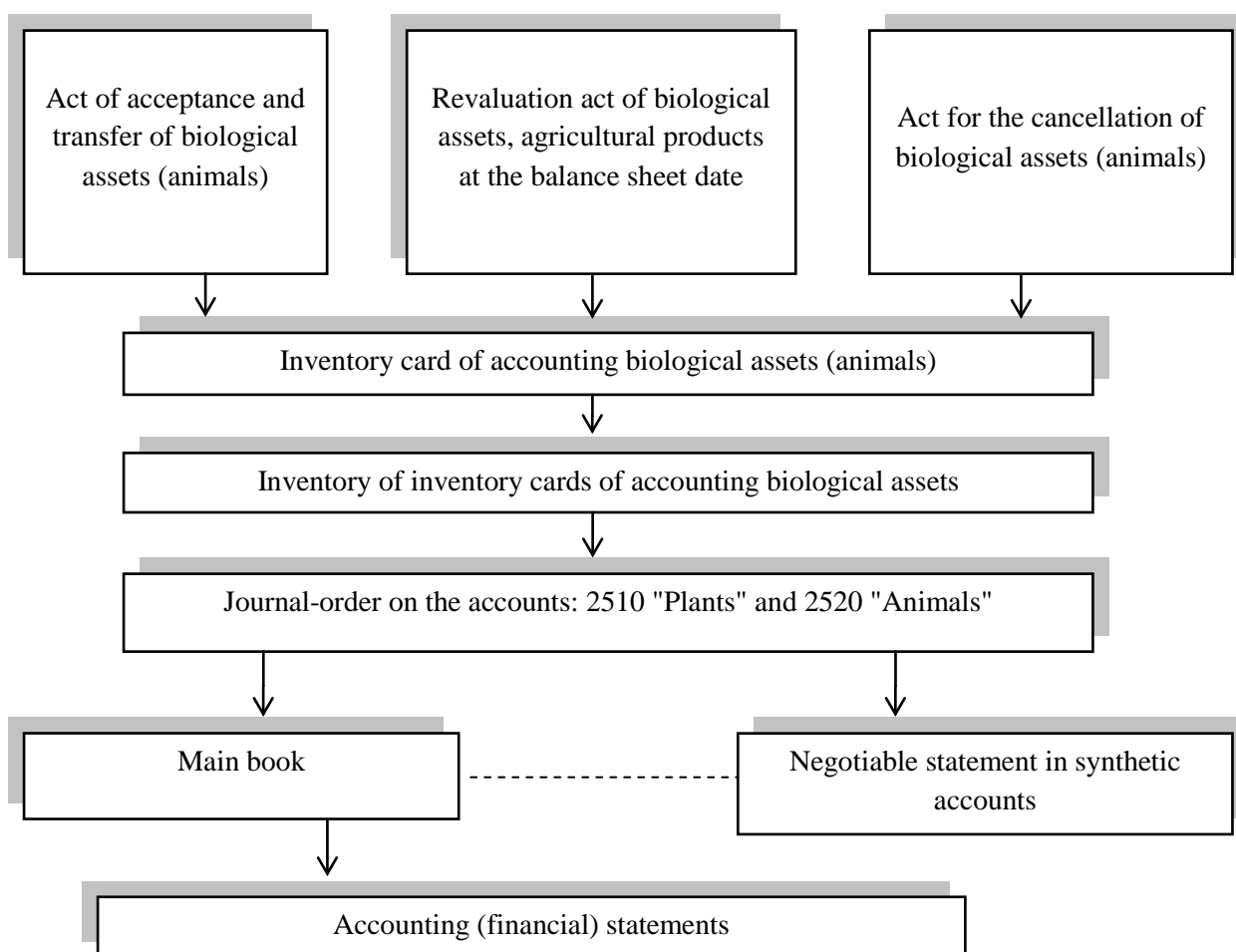


Figure 1 - Diagram of the documents for the accounting of biological assets (animals)

entrepreneur) or a person authorized by it. The first copy of the act is transmitted to the accounting department for removal of biological assets from accounting, the second remains in the person's hand who is responsible for the preservation of assets.

Inventory card of accounting biological assets (animals) are recommended to apply taking into account the biological assets (animals). Inventory card is being in the accounting department for each object. The form must be completed in a single copy on the basis of documents for delivery object, its movement and disposal (disposal).

Inventory of inventory accounting cards of biological assets are recommended to register the inventory cards of accounting biological assets. Inventory is made in one copy in the accounting department to monitor the safety of inventory cards. Inventory is maintained in the context of classification groups (species) of biological assets separately for animals and plants.

Prepared in accordance with the principles of international standards, financial statement provides an opportunity to join the local companies with international capital markets. Such statements differ from the most informative, useful to the user.

IFRS (IAS) 41 "Agriculture" requires that all information on the balance amount of biological assets was presented as a separate line of the balance sheet. The following balance shows how the balance of dairy farming company would disclose biological assets on its balance sheet (Table 1).

In thous. tenge					
ASSETS	At beginning of period	At the end of period	LIABILITIES	At beginning of period	At the end of period
<i>Short-term assets</i>			<i>Short-term liabilities</i>		
Stock			Accounts payable to suppliers		
Receivables	2100	2587		1271	1869
Cash	1549	884			
Total short-term assets	547	1254	Total short-term liabilities		
				1271	1869
	4196	4725	<i>Long-term liabilities</i>		
			Bank loan	3587	3100
			Total long-term liabilities		
				3587	3100
<i>Long-term assets</i>			<i>Capital</i>		
Dairy cattle - immature			Authorized capital	10541	10541
Dairy cattle – mature	1 542	1 321	Undistributed profit	2574	2890
Total biological assets	3 784	3 945	Total capital	13115	13431
Fixed assets	5 326	5 266			
Total long-term assets	8 451	8 409			
	13 777	13675			
BALANCE	17 973	18 400	BALANCE	17 973	18 400

Also, in accordance with IFRS (IAS) 41 "Agriculture", there is a requirement to disclose the total amount of profits or losses arising in the current period when the registration of biological assets and agricultural product, and from the change in fair value of biological assets less estimated selling expenses. This requirement is achieved by the introduction of a standard form of financial statements 2 "Profit and Loss " extra lines deciphering the total amounts of income and expenses (such as a separate line in the first section of the report - information about the sales of agricultural products in the structure of total sales) .

Suggested ways of improving financial reporting will allow external users to get relevant information for the financial analysis of agribusiness organizations.

Thus, the organization of accounting biological assets and agricultural product for agricultural organizations are of great practical importance and of theoretical interest with a view to further development of the methodology of accounting and financial reporting.

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БИОЛОГИЯЛЫҚ АКТИВТЕР МЕН АУЫЛШАРУАШЫЛЫҒЫ ӨНІМДЕРІНІҢ ЕСЕБІН ҚАРЖЫЛЫҚ ЕСЕПТІЛІКТІҢ 41 «АУЫЛ ШАРУАШЫЛЫҒЫ» ХАЛЫҚАРАЛЫҚ СТАНДАРТЫНЫҢ ТАЛАПТАРЫНА САЙ ЖҮРГІЗУ МӘСЕЛЕЛЕРІ

Мақалада Қазақстан Республикасында биологиялық активтер мен ауылшаруашылығы өнімдерінің бухгалтерлік есебін жүргізудің бүгінгі таңдағы көкейтесті мәселелері қарастырылды, «биологиялық актив» түсінігі нақтыланып, анықтама берілді, активті биологиялық актив ретінде тану критерийлері нақтыланды және толықтырылды, сонымен бірге биологиялық активтер мен ауылшаруашылығы өнімдерінің бухгалтерлік есебін жетілдірудің негізгі бағыттары айқындалды.

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ПРОБЛЕМЫ УЧЕТА БИОЛОГИЧЕСКИХ АКТИВОВ И СЕЛЬСКОХОЗЯЙСТВЕННОЙ ПРОДУКЦИИ В СООТВЕТСТВИИ С ТРЕБОВАНИЯМИ МСФО (IAS) 41 «СЕЛЬСКОЕ ХОЗЯЙСТВО»

В статье сформулированы основные проблемы бухгалтерского учета биологических активов и сельскохозяйственной продукции в Республике Казахстан в современных условиях; уточнено понятие биологического актива; уточнены и дополнены критерии признания актива в качестве биологического; определены основные направления совершенствования бухгалтерского учета биологических активов и сельскохозяйственной продукции.