
IMPROVING THE CALCULATION OF NEW PROJECTS

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Abstract: Through new projects and their implementation, it becomes possible to solve not only economic, but also social, political, ecological, technical and technological problems. It is very difficult to establish single criteria for the initial analysis of new projects, financing, commissioning, and evaluation of their effectiveness. Because the units affecting it are extremely complex and colorful. Therefore, many problems are encountered in the implementation of new projects. This article focuses on one of these issues, namely accounting, analysis and auditing, which is considered an important pillar of project management.

Key words: new project, project management, economic leverage, project capacity, project capacity utilization, project costs, environmental costs, environmental cost reserves, project efficiency.

Introduction

In the rapidly changing supply and demand for current products, the demand for modern and ecological products is increasing, and the demand for consumer goods that are morally obsolete and do not meet ecological requirements is sharply decreasing. This means the production of low-cost, cheap and high-quality, completely new, up-to-date, environmentally friendly products by launching new projects. It is very important to evaluate the effectiveness of the implemented project, taking into account the environmental impact and environmental costs. For this, cooperation between science, education and industry should be strengthened. In the Decree of the President of the Republic of Uzbekistan No. PF-165 of July 6, 2022, it was specially noted that the level of commercialization of scientific and innovative developments in the real sector of the economy, cooperation between science, education and industry remains relatively low. In this regard, as one of the important directions of strategic development, the task of providing a complex system of creating new types of products and innovative technologies from the idea to the final consumer has been set. Also, the issues of creating new scientific developments and technologies, developing new systems of project financing, introducing innovations in new projects, filling investment projects to be developed in the regions with technological solutions, and paying special attention to their environmental aspects remain outstanding.

In recent years, a number of regulatory documents have been adopted in order to encourage new projects and further increase the attractiveness of the investment environment, to support the development of entrepreneurship in the regions, and to improve the system of financing new initiatives and projects. In particular, Decree No. PF-215 of September 7, 2022 "On measures to improve the activities of the Direct Investment Fund of the Republic of Uzbekistan" is an example of this.

Also, in the Decree of the President of the Republic of Uzbekistan dated 30.10.2019 No. PF-5863 "On Approval of the Concept of Environmental Protection" of the Republic of Uzbekistan until 2030, measures to ensure that environmental aspects are taken into account in all sectors of

the economy, taking into account the possibilities and potential capacity of ecosystems to restore in this case, special attention was paid to the assessment of the impact of individual projects on the environment, the development and implementation of effective methods of calculating the damage caused to the environment as a result of economic activity.

Materials and Methods

Today, every investor who wants to make a profit aims to invest his resources in various projects. An investor has different goals when deciding on the implementation of this or that investment project. Savchuk V. P. In the book "Preparation and analysis of investment projects", three main goals for the implementation of the investment project are indicated: updating the material and technical base, creating new types of products and expanding the production capabilities of the enterprise [6]. New projects are implemented by creating new types of products, in which new production enterprises or production of new products are organized in existing enterprises. Bocharov V. V. According to the opinion, the object of an investment project is any project that requires large capital expenditures (both financial and labor) for the implementation of this project. Investment projects are often distinguished from other projects that require less planning and resources by their mass and relatively higher costs[7].

The Law of the Republic of Uzbekistan on Investments and Investment Activities (25.12.2019 No. O'RQ-598) defines an investment project as a set of interrelated activities aimed at realizing or attracting investments for economic, social and other benefits. Also, according to this law, investment activity is a set of actions of investment activity subjects related to the implementation of investments, while an investor is an investment activity subject that invests its own funds and (or) debt funds or other investment resources involved in investment activity objects for the purpose of profit.

In the research, the methods of economic analysis and statistical analysis used in classical and international practice, used in the assessment of investment in new projects and its important performance indicators, were used.

Results

The article shows the methods of determining their real efficiency indicators in the audit of new projects, taking into account the environmental costs, which allows to avoid giving positive conclusions to inefficient projects, taking into account the environmental costs.

Based on the requirements of national and international standards of accounting, the correct calculation of amortization costs of new projects, the correct organization of the accounting of environmental costs, the creation of reserves used to cover the costs incurred for the elimination of the consequences of environmental damage during the operation of the new project and the restoration of natural resources, and the correct calculation of them proposals are made for improving the organization and presentation in financial reports.

Proposals are also made for obtaining quick financial and management information and creating statistical reports in connection with the 1C program of cost accounting for the implementation of new projects.

Discussion

Through new projects and their implementation, it becomes possible to solve not only economic, but also social, political, ecological, technical and technological problems.

It is very difficult to establish single criteria for the initial analysis of new projects, financing, commissioning, and evaluation of their effectiveness. Because the units affecting it are extremely complex and colorful. Therefore, many problems are encountered in the implementation of new projects.

Below we will touch on some aspects of one such problem, accounting, analysis and auditing, which is considered an important pillar of project management:

1. The current method of accounting for depreciation (depreciation) costs, which do not depend on the level of full capacity utilization in the first and subsequent years of the new project, is the reason for the increase in production costs and the cost of the product unit.

In the first years of the new project, when the full capacity is not reached, in order to avoid excessive depreciation (depreciation) costs and product unit costs, the procedure for calculating the established annual depreciation (depreciation) norms based on the share of the current year's production volume at full capacity (recorded in the company's accounting policy) the order of implementation should be defined.

In a new project, the actual amount of relevant costs is found by multiplying the expected rate of production capacity (Q_n) by the rate of depreciable assets (A_n). As a result: the cost of the products produced under new projects is correctly formed and exceeding the market value is prevented.

2. Reserves (hereinafter referred to as "Reserves") for the costs of eliminating the consequences of emergency situations related to environmental pollution in new projects and (or) dismantling and removing the main asset at the end of the activity and restoring the natural resources at its location (hereinafter "Reserves") reflected in capital accounts.

Based on the international standard IAS-37 "Estimated liabilities, contingent liabilities and contingent assets", the account of "reserves" for new projects is not in the account sheet 8910 "Reserves for future expenses and payments", but in the new account sheet 7930 - "Liabilities for reserves for future expenses and payments" should be maintained, because these "reserves" are essentially obligations. Also, these "reserves" should be reflected in the financial statements not as part of private capital, but as part of liabilities.

As a result:

firstly, "reserves" for new projects are reflected as a liability and understatement of liabilities is avoided in the financial statements;

secondly, "reserves" for new projects are reflected as a liability, preventing overstatement of private capital in financial statements;

thirdly, reliable financial statements are provided to users.

3. The environmental costs incurred before the launch of the new project are not considered in the total cost of the project, but are reflected in the costs of the period. This, in turn, leads to a mismatch of income and expenditure.

It is necessary to move to the practice of regular allocation of expenses during the entire period of the project by reflecting the environmental costs incurred before the launch of the new project as capitalized costs in the value of fixed assets.

As a result:

firstly, during the implementation of new projects, the compatibility of income and expenditure is ensured;

secondly, the requirements of the principle of consistency of income and expenses during the reporting period are met;

thirdly, period cost overruns are avoided in the financial statements before the new project is launched.

It is necessary to establish "Environmental protection reserves" of the new project according to the category of high and medium risk of environmental impact.

Subjects of new projects in high and medium risk categories of environmental impact, disposal of production waste in the course of activity, elimination of the consequences of emergency situations, elimination of consequences such as release of harmful substances into the atmosphere or accidental spillage of pollutants (land or water) undertakes. Reserves should be formed based on the requirements of the international standard (IAS) 37 "Estimated liabilities, contingent liabilities and contingent assets" for these liabilities.

4. At the end of the enterprise's activity, the liability for the costs incurred for the dismantling and removal of the fixed asset and for the restoration of natural resources at its location should be included in the initial cost of the fixed asset at the beginning of the project according to the preliminary calculation of these costs (IAS-37) (IAS-16 Fixed assets").

- *As a result:*

- firstly, it is ensured that the expenses for the disposal of production waste of the enterprise during the production activity of new projects and the consequences of emergency situations (obligations according to the account price) are regularly transferred to expenses during the reserve creation period;

- secondly, the risk of lack of funds to eliminate the consequences of emergency situations related to environmental pollution and (or) to dismantle and remove the main asset at the end of its operation and to restore natural resources at its location is avoided, because reserves have been formed for these purposes will be;

- thirdly, the requirements of the Decree No. PF-5863 dated 10.30.2019 of the President of the Republic of Uzbekistan "On approval of the concept of environmental protection of the Republic of Uzbekistan until 2030" will be achieved.

Many methods of determining the economic efficiency of new projects are based on the calculation of net present value (NPV - Net Present Value). None of the analytical procedures in the audit of new projects take into account reserves for the costs of environmental protection measures that may arise during the implementation of the project.

- When making a conclusion on the effectiveness of a new project, it is necessary to evaluate the indicators used as a basis for calculating the coefficients, the factors and risks that affect them, and take into account the reserves for the costs of environmental protection measures in the analytical operations carried out to calculate the following indicators:

- "normal" payback period (PP - Payback Period);
- discounted payback period (DPP - Discounted Payback Period);
- investment profitability coefficient (ROI — Return on Investment);
- coefficient of profitability index of investments (PI — Profitability Index);
- internal rate of return (IRR — Internal Rate of Return)
- net present value (NPV - Net Present Value).

As a result:

- first, it becomes possible to determine the real performance indicators of the new project;

- secondly, the auditor is prevented from giving a positive conclusion to a project that is ineffective, taking into account reserves for the costs of environmental protection measures;

- thirdly, the selection of an ineffective project, taking into account reserves for the costs of environmental protection measures by the state, is avoided;

- fourthly, the investor is prevented from investing in a project that is ineffective, taking into account reserves for the costs of environmental protection measures.

5. Non-existence of a special plan and program for auditing costs related to the launch of new projects.

- Model forms of a special plan and program were developed for the audit of costs related to the launch of new projects, and the need to put them into practice was justified.

- As a result: the process of auditing expenses related to the launch of new projects by audit organizations is improved, and the time spent on audits is reduced, as well as the effectiveness of audit results is achieved.

6. It is not possible to obtain quick financial-management information and statistical reports on the costs of implementing new projects in accounting programs. A technical assignment was developed for the creation of quick financial-management information and statistical reports on the costs of new projects for the 3.0 configuration of the 1s program. In this technical assignment, additional requisites were added to the relevant "directory" and "documents" for the creation of quick financial-management information and statistical reports.

- As a result, it becomes possible to automatically obtain the following data of financial and management information and statistical reports on the costs of each new project:
 - the total amount of funds to be attracted for the new project (by sources);
 - the total amount of funds (by sources) raised for the new project, including from the beginning of the current year;
 - total amount of expenses on new projects, including from the beginning of the current year;
 - the amount of expenses for new projects, including from the beginning of this year:
 - machines and equipment;
 - to buildings and structures (construction and assembly works);
 - other capital costs (for example, software);
 - expenses for other areas of the project.

Conclusion

In the process of investment and selection of new projects, the following will be achieved as a result of proposals for determining their real efficiency indicators, keeping track of them, conducting an audit, and using the results of analysis:

1. In order not to increase the unit cost of the produced product in the initial years of the new project, when the full capacity is not reached, the calculation of depreciation based on the share of the production volume at full capacity, the transfer of depreciation costs to the cost of the manufactured product in proportion to the implementation of new projects will make it possible for the project to be effectively launched.

2. In order to ensure the periodic consistency of income and expenses, capitalize the environmental expenses incurred before the launch of the new project and regularly allocate them to expenses during the entire period of the project by calculating amortization based on the term of the permitting environmental documents, the income and expenses of the reporting period during the implementation of new projects serves to ensure compliance and correct formation of financial results.

3. Creation of reserves that will be used in order to eliminate the consequences of damages caused to the environment during the operation of the new project and to cover the costs incurred for the restoration of natural resources, elimination of production waste during the operation of the new project, elimination of the consequences of emergency situations related to environmental pollution, the project in the end, it will serve to form a source of financing for the costs of dismantling the capital facilities and restoring the natural resources in the place where they are located. It also creates an opportunity to encourage the selection of projects with low emissions and low environmental impact.

4. Accounting of the reserves formed for the costs related to the prevention of environmental pollution of new projects in the long-term liabilities in the working account entitled 7930 - "Liabilities for reserves of future costs and payments", for the costs related to the prevention of environmental pollution of the initiators of new projects The formed "reserves" provide an opportunity to reflect them as liabilities in account information and reporting information. Also, understatement of liabilities and overstatement of private capital are prevented in the financial report, reliable financial report is presented to the users.

5. The special plan and program developed for the audit of costs related to the launch of new projects during the process of accepting new projects to the free economic zone directorate will improve the audit of the costs related to their launch and reduce the time spent on conducting the audit, as well as increase the effectiveness of the audit results.

6. Performance indicators of new projects ("Normal" payback period (PP - Payback Period),

discounted payback period (DPP - Discounted Payback Period), return on investment (ROI), return on investment (PI — Profitability Index), internal rate of return (IRR — Internal Rate of Return), net present value (NPV — Net Present Value)) as a result of providing an audit opinion by analyzing the environmental costs, as well as the formation of reserves for them it becomes possible to determine efficiency indicators, and the auditor is prevented from giving a positive conclusion to an ineffective project, taking into account the costs of environmental protection measures, as well as the reserves for them, the management of the costs of environmental protection measures, as well as selection of an ineffective project taking into account the reserves is avoided, costs of environmental protection measures by the investor, as well as investments into an ineffective project taking into account the reserves on them are avoided.

7. As a result of obtaining quick financial and management information and forming statistical reports on them in connection with the accounting of costs for the implementation of new projects in the 1S program, the total amount of funds (by sources) required to be attracted for each new project in the 1S program, current from the beginning of the year and the total amount of funds raised (by sources), from the beginning of the current year and the total amount of expenditures, from the beginning of the current year and the project on machines and equipment, buildings and structures (construction and assembly works), other capital expenditures (including software it is possible to automatically receive financial and management information about the total amount of expenses directed to the maintenance), as well as to automatically generate statistical reports.

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