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Abstract. *This article examines the write-off and gratuitous transfer of fixed assets in agricultural enterprises. It examines the definition and approaches of economists and industry experts to the concept of fixed assets. Conclusions are drawn and recommendations are offered for the write-off and gratuitous transfer of fixed assets.*

Keywords: *agriculture, agricultural enterprises, fixed assets, write-off of fixed assets, gratuitous transfer of fixed assets.*

Introduction. In the context of market relations, the role of fixed assets in the implementation of financial and economic activities of agricultural enterprises is extremely large. Fixed assets play a very important role in the production process of an enterprise, since they constitute the production and technical base on which all enterprises rely and are the criterion for assessing the production capacity of the enterprise.

Fixed assets play an important role in the production activities of any enterprise. They are material resources that are directly involved in the production of products, the provision of services, or general operational processes. These assets are included in the category of assets that are used for a long time, transferring their value to the cost of products or services produced through gradual depreciation.

Review of literature on the topic. According to paragraph 3a of the National Accounting Standard No. 5 “Fixed Assets”, “fixed assets are tangible assets held by an enterprise for use in the long-term in the process of producing products, performing work or providing services in the conduct of economic activities, or for the implementation of administrative and socio-cultural functions” [1]. When accounting for fixed assets, the head of the enterprise has the right to set the minimum value of items for accounting as fixed assets in the reporting year in a lower amount than would be determined independently. Of course, the minimum value of fixed assets should be specified in the “Accounting Policy”.

According to International Accounting Standard No. 16, “Property, Plant and Equipment,” “Property, plant and equipment are tangible assets that meet the following criteria: (a) are held for the production or supply of goods or services or for rental to others or for administrative purposes; and (b) are expected to be used for more than one period” [2].

Economists O. Bobojonov and K. Jumaniyazov defined “Long-term assets are fixed assets and intangible assets that: a) have a useful life of more than one year; b) are used for production, administrative purposes or are leased; c) are tangible assets that are not intended for sale” [3].

Economists I. Ochilov and J. Kurbanboyev gave a concise definition of the term fixed assets: “Fixed assets are those means of labor that retain their natural appearance for a long time, gradually wear out, and gradually transfer their value to the value of the product being produced” [4].

Economists A.Ibragimov, I.Ochilov, I.Koziev and N.Rizayev emphasized that “fixed assets are those means of labor that retain their natural appearance for a long time, gradually wear out and gradually transfer their value to the value of the product being produced” [5].

Research methods. The study used methods such as economic observation, study of literature and other sources, and grouping.

Analysis and results. Fixed assets are tangible assets that are used for a long time in an enterprise and are directly involved in the production process or in the provision of services. However,

after a certain period of time, due to physical or moral obsolescence, their usefulness in economic activities decreases or disappears completely. In such cases, fixed assets are disposed of. In the cases shown in Figure 1, fixed assets are disposed of.

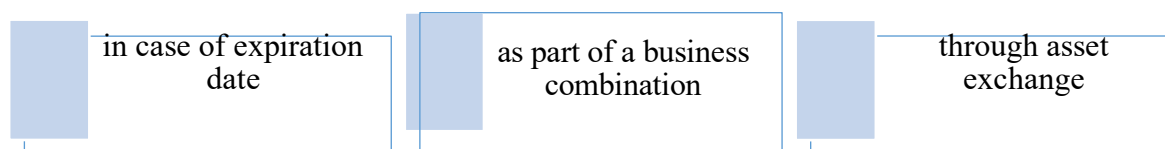


Figure 1. Cases of write-off of fixed assets

Write-off of fixed assets that have expired. Any fixed asset on the balance sheet of an enterprise is intended for use for a certain period of time. This period is called the useful life. After the expiration of the term, the fixed asset may become practically unusable or cease to bring economic benefits to the enterprise. In such cases, it is necessary to write off this asset from the accounting records.

The main reasons for writing off: - expiration of the useful life. After the fixed asset has been used for a previously established service life, it is considered obsolete and reaches the limit of its useful life; impossibility of practical use. If the use of the asset is technically or economically inexpedient, it is written off from the balance sheet, even if its physical existence is preserved; based on regulatory documents. In accordance with current accounting and financial reporting standards, assets that have expired are not recognized as assets.

The procedure for writing off: a special commission is formed. The management of the enterprise appoints a commission to monitor this process. The commission assesses the real condition of the fixed asset, its service life, the degree of physical and moral obsolescence; relevant documents are drawn up. An "Act on the write-off of fixed assets" (act) is drawn up. It indicates the name of the asset, its inventory number, the reason for its issue and its condition; the residual value is calculated. If a certain amount of the asset remains on the balance sheet, this amount is reflected in the relevant accounts and, if necessary, recognized as income or expense; it is entered in accounting records. Based on the final decision, the asset is removed from the list of assets and this is officially reflected in accounting records; serviceable parts are separated (if any). Sometimes spare parts or materials that can be used from obsolete assets are separated and accepted for storage for other needs.

Write-off of fixed assets on the basis of consolidation as part of a business combination. In the process of business combination (i.e. merger, acquisition or acquisition) between enterprises, significant changes occur in financial and accounting. During this process, the legal and financial status of assets, including fixed assets, is reviewed. Therefore, there is a need to write off some fixed assets.

Reasons for writing off fixed assets: termination of the status of a legal entity - if an enterprise is liquidated as a result of a merger, all its assets, including fixed assets, are written off; transfer of assets as a result of a merger - if the fixed assets of one enterprise are transferred to the balance sheet of another enterprise, these assets are written off from the accounts of the previous enterprise and credited to the accounts of the new enterprise; changed valuation (revaluation) - during the merger, some fixed assets may be revalued or recognized as obsolete. As a result, they are considered economically unprofitable and are written off; the presence of identical assets in two enterprises - sometimes the merging enterprises have the same type of, but duplicated, assets. After reorganization, some of them are recognized as redundant and are written off.

How is the process carried out? An appropriate commission is established - a commission is formed to legally and financially substantiate the merger process. It analyzes the condition of the assets. Evaluation and documentation - each fixed asset is evaluated: whether it will be used again, written off or transferred to the balance sheet of another enterprise - this is determined. An asset write-

off act is drawn up - official documents are prepared on the fixed assets being written off (name, value, reason for writing off and condition of the asset). Transfer to a new balance sheet (if necessary) - assets that continue to be used in practice are included in the balance sheet of the receiving enterprise. This is formalized by financial documents. Accounting records are updated - the written-off assets are removed from the balance sheet, and the corresponding records are made in the balance sheet of the new enterprise.

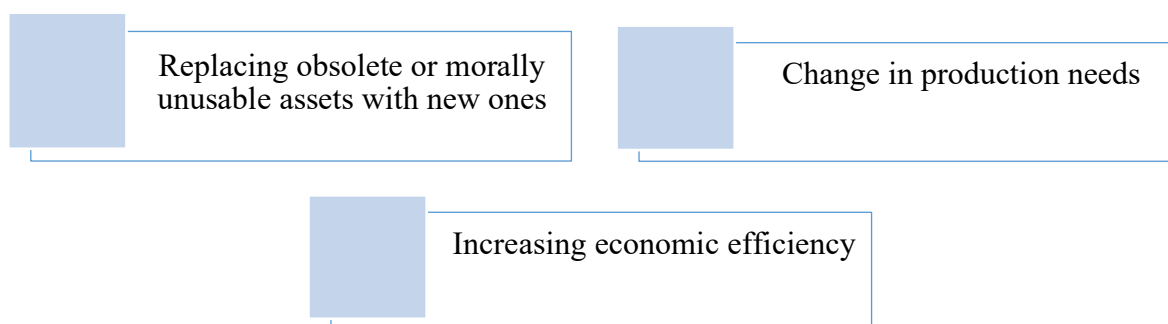
Write-off through asset exchange. In some cases, in the activities of the enterprise, instead of selling or liquidating existing assets, the practice of replacing them with other types of assets is used. This situation is called asset exchange. As a result of such a process, the exchanged assets are removed from the balance sheet of the enterprise, and the newly acquired assets are recorded.

Asset exchange is an economic transaction carried out by an enterprise through the exchange of an existing fixed asset, material or other tangible asset for another asset. This operation is carried out not on a cash basis, but on an "asset-for-asset" basis.

For example: replacing old technical equipment with new; exchanging a vehicle for another type of production vehicle; replacing construction equipment with office equipment.

Write-off through the exchange of fixed assets may be due to the following reasons.

Figure 2. The main reasons for write-off through the exchange of fixed assets



Replacing obsolete or morally unusable assets with new ones - the enterprise exchanges an existing asset for another asset in order to update it.

Change in production needs - due to a change in the direction of activity or technological process, some assets lose their value and it becomes necessary to replace them.

Increasing economic efficiency - the enterprise aims to use resources more efficiently by replacing an excess or unused asset with a useful and necessary asset.

The write-off procedure is carried out as follows: assets are valued - the book value, depreciation rate and market value of the asset expected to be exchanged are determined; an exchange agreement is concluded - documents are prepared about the asset to be received from the counterparty (contract, act, etc.). At this stage, equal assessment is important; an act is drawn up - a special act is drawn up on the asset being written off. It indicates "given on an exchange basis" as the reason for writing off; accounting entries are made: the asset transferred on an exchange basis is written off from the balance sheet; the asset received from the counterparty is re-assessed; financial results are reflected - if there is a difference in the value of the assets being exchanged (for example, one has a higher value than the other), this difference is reflected in the financial results as a profit or loss.

In the process of writing off through the exchange of assets, attention should be paid to the following: the exchange must be economically justified; fair (market) value is required between the exchanged assets; accounting documents must be kept completely and accurately.

Write-off through the sale of fixed assets. Fixed assets on the balance sheet of an enterprise sometimes lose their economic function, become obsolete or become technically obsolete, and are no

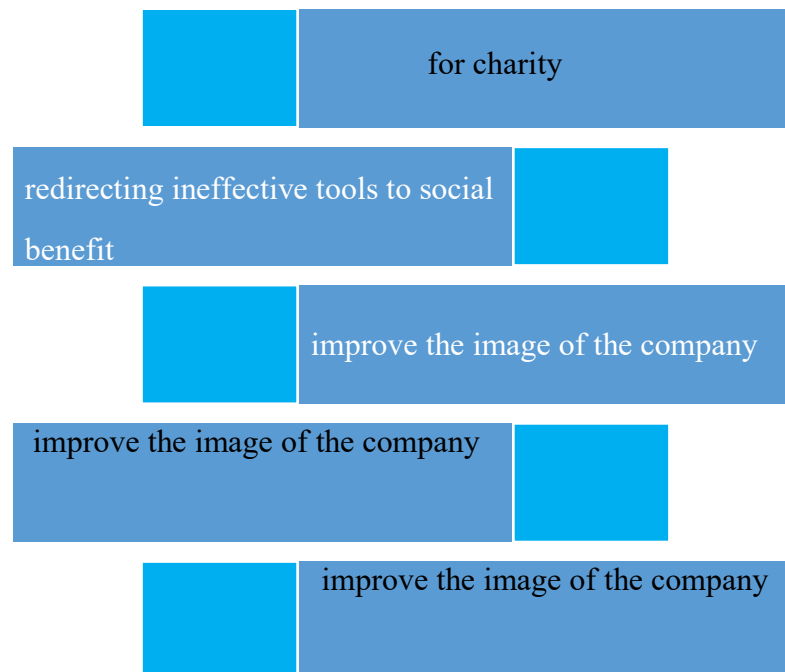
longer needed by the user. In this case, the enterprise removes these assets from its ownership by selling them to another enterprise or person. This process is called writing off fixed assets through the sale of fixed assets.

Technical or physical obsolescence - during the period of use, the efficiency of the asset decreases and it is replaced by a new one; change in the direction of the enterprise's activity - assets that are no longer used are put up for sale; accumulation of financial resources - funds are raised by selling unnecessary assets; the presence of excess or reserve assets - sometimes the enterprise has several assets of the same type, some of which are not used and are sold.

The write-off procedure is carried out as follows: the first stage is decision-making - the management of the enterprise makes a decision on the fixed asset that is planned to be sold, which, although it has not yet reached the end of its useful life, may not be profitable from an economic point of view; the second stage is assessment of the condition of the asset - a special commission determines the technical condition, residual value and market price of the asset, even if the asset is fully depreciated, it can still bring income; third stage of documentation - the following documents are prepared for the sold asset: a sales contract, an asset transfer and acceptance certificate, a sales act (depreciation document), fourth stage accounting records - the initial cost of the asset and accumulated depreciation are written off, the proceeds and expenses from the sale are reflected in the financial results, if the asset has a residual value, this value is recognized as an expense, and the proceeds from the sale are recognized as income.

Write-off by gratuitous transfer or donation. In some cases, some fixed assets on the balance sheet of an enterprise or enterprise may not be sold for money, but may be transferred gratuitously to another enterprise, institution or individual. Such a transfer is carried out in the form of charity or social assistance. As a result, these assets are removed from the balance sheet.

Gratuitous transfer (donation) is the transfer of a fixed asset owned by an enterprise to another party without any payment, that is, without monetary payment or financial compensation. This operation can be carried out within the framework of social goals, state missions or sponsorship. The main reasons for gratuitous transfer are as follows.



3- Fig. Main reasons for gratuitous transfer

For charitable purposes - to provide assistance to schools, hospitals, non-governmental enterprises or public institutions; to redirect obsolete assets to social benefit - to donate unused but serviceable assets to social needs; to improve the image of the enterprise - to carry out charitable activities to gain a positive reputation in the eyes of society; on the basis of a state order - in some cases, assets can be given away gratuitously, in accordance with a state resolution or relevant order.

The write-off procedure is carried out as follows: permits and foundation documents are prepared, a decision on gratuitous transfer is made on the basis of the order of the head of the enterprise, if this asset belongs to a state or budgetary enterprise, consent is obtained from the relevant enterprises. The condition of the asset is determined by the commission: a special commission assesses the physical condition of the asset, the degree of wear and tear and its carrying amount. Documents are drawn up: "Write-off act", "Act of gratuitous transfer-acceptance", Agreement with the recipient party (if necessary). Accounting entries are made: the initial (documentary) cost of the asset, accumulated depreciation and residual value are written off, the residual value of the asset is recognized as an expense, since no income is received as a result of this operation, only expenses are incurred.

Write-off by removing the share included in the charter. Fixed assets used in the activities of the enterprise may in some cases be written off from the balance sheet for certain reasons. One of the methods of their write-off is the write-off by reducing the share included in the authorized capital. In this case, while maintaining ownership rights, the enterprise reduces its share in the authorized capital and, as a result, removes some fixed assets from the balance sheet.

This operation is carried out in accordance with the legislation of the Republic of Uzbekistan, based on the decision of the general meeting of shareholders or participants. The write-off of a fixed asset from the balance sheet is reflected in the financial statements, and this process is carried out in accordance with the accounting standards of current accounting.

The following economic and technical aspects are taken into account during the write-off process: the initial (input) cost of the asset and the amount of depreciation; balance (residual) value; legal and accounting documents related to the reduction of the authorized capital; taxation issues and other financial consequences.

Also, after the write-off of fixed assets, they can be transferred to other enterprises, sold or destroyed. These cases are formalized in a separate procedure depending on each specific situation.

Write-off of fixed assets is an important process in accounting, which allows you to accurately reflect the state of the enterprise's material assets, ensure the accuracy of financial statements and control the effective use of production resources. The write-off process means removing fixed assets from the balance sheet of the enterprise as a result of their obsolescence, damage, sale or withdrawal from operation for other reasons. This process must be carried out in a clear and transparent manner, since incorrectly or untimely written-off fixed assets have a negative impact on financial indicators and can lead to an incorrect assessment of the financial condition of the enterprise. Also, during the write-off of fixed assets, all documents and calculations related to them must be kept in full and accurate form.

The main reasons for write-off are obsolescence and expiration of the useful life of fixed assets, technical malfunctions, sale or loss of objects. Also, write-off is carried out when there is a need to restore or replace assets.

The procedure for writing off fixed assets is established on the basis of the current accounting and tax legislation of the Republic of Uzbekistan, and this process is considered an important part of the financial control of the enterprise. Properly organized write-off operations increase the reliability of the enterprise's financial statements and ensure fairness in taxation.

Conclusion. Thus, the process of writing off fixed assets is not only an important condition for the correct maintenance of accounts and documents, but also for the effective management of the

enterprise's assets and maintaining financial stability. Therefore, the correct and high-quality implementation of this process in practice makes a significant contribution to the long-term development and economic stability of the enterprise.

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