

SECTION I. ÉCONOMIE

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A GENERAL ASSESSMENT OF THE RUSSIAN VENTURE COMPANY FINANCING SOURCES ACCORDING TO THE BALANCE SHEET: THE UKRAINIAN METHOD OF ANALYSIS

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In a digital economy, the issue of developing national innovation systems is of particular importance. Russia is a rather developed country, so it is quite interesting to study its innovative activity. However, there has been a decline in its innovative position in recent years due to the lack of financial resources in the innovation field. A possible way out of this situation is the creation and effective use of venture capital structures, hence the relevance of the chosen research subject.

The purpose of this paper is to evaluate the financing sources of the Russian venture company (RVC) according to the balance sheet on the basis of the latest achievements of the Ukrainian methods of financial analysis.

The staff of the company is 190 people. The sole shareholder of RVC JSC is the Russian Federation [1].

In line with the development strategy for 2017-2030, RVC works in three main areas: investment activity as a fund of funds, development of innovations and of the National Technology Initiative, and development of the venture market [2].

According to the RVC official website and the annual financial report, we will provide an overall assessment of the RVC funding sources for 2018 [1].

In conducting our analytical research we will use the latest achievements in the Ukrainian methodology of financial analysis, which have been tested in the Russian Federation, Belarus, Kazakhstan [3-9].

Evaluation of the financing sources of RVC JSC is shown in Table 1.

Table 1

Analysis of RVC funding sources for 2018

Funding sources	At the beginning of the year	At the end of the year	Difference (+,-)
Total capital, thousand rubles Including:	40 703 695	38 148 981	- 2 554 714
Equity and its equivalent capital:			-
- thousand rubles	36 244 776	35 938 988	305 788
- % of the entire capital	89	94	+ 5
Debt capital:			
- thousand rubles	4 458 919	2 209 993	- 2 248 926
- % of the entire capital	11	6	- 5
of which:			
Long-term liabilities, thousand rubles	1 433	2 402	+ 969
Current liabilities, thousand rubles	4 457 486	2 207 591	- 2 249 895

The total sources of RVC JSC financing decreased by 2 554 714 thousand rubles (6%). This was due to the reduction of the debt capital by 2 248 926 thousand rubles and the reduction of the equity and its equivalent capital by 305 788 thousand rubles. The decrease in the debt capital was due only to the repayment of the current liabilities by 2 249 895 thousand rubles, with the long-term liabilities increased by 969 thousand rubles. The decrease in the equity and its equivalent sources is explained, by the Balance Sheet data, by reducing the retained earnings only, with the reserve capital increased. The authorized capital made by the government is unchanged in the amount of 30 011 321 thousand rubles. In general, such dynamics of funding sources are negatively assessed with their overall reduction. The structure of the RVC JSC financing sources in dynamics for 2018 is shown in Figure 1.

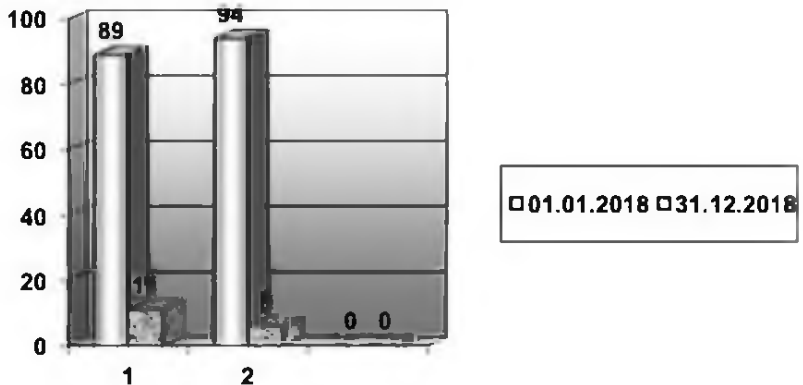


Fig. 1. The Structure of the RVC financing sources:
1 – proportion of the equity capital; 2 – proportion of the debt capital

However, the company is financially stable. The financial independence ratio (autonomy, equity concentration) at the beginning of the year was 89% and at the end – 96%, which is very high. Consider in more detail the equity and debt capital of RVC. An estimate of RVC's equity dynamics is shown in Table 2.

The company's equity decreased by 305 788 thousand rubles for 2018. This was due to the retained earnings decrease by 319 616 thousand rubles, despite the increase of the reserve capital by 13 828 thousand rubles. It is the registered (share) capital that holds the largest share in the equity as 83% both at the beginning and at the end of 2018. The RVC's equity structure for 2018 is shown in Fig. 2.

Table 2

Analysis of RVC's equity for 2018

№	Types of capital	At the beginning of the year		At the end of the year		Difference (+, -)	
		thousand rubles	proportion, %	thousand rubles	proportion, %	thousand rubles	proportion, %
A	B	1	2	3	4	5	6
1	Registered (share) capital	30 011 321	83	30 011 321	83	-	-
2	Reserve capital	681 925	2	695 753	2	+ 13 828	-
3	Retained earnings	5 551 531	15	5 231 915	15	- 319 616	-
4	Total equity	36 244 776	100	35 938 988	100	- 305 788	*

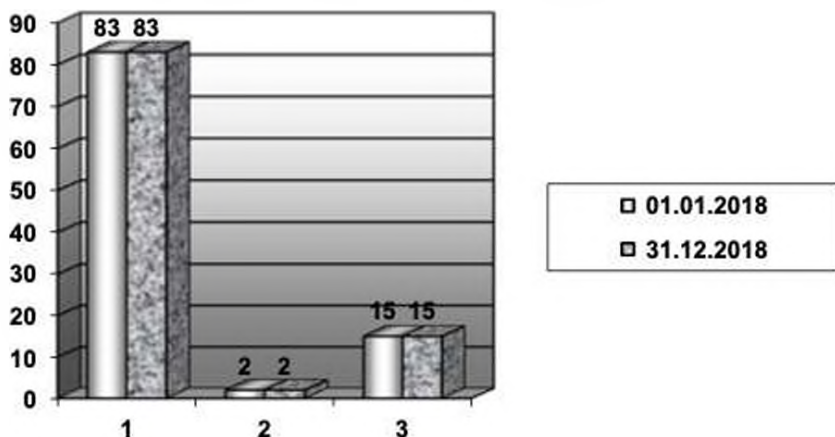


Fig. 2. RVC's equity structure:

1 – proportion of the authorized capital; 2 – proportion of the reserve capital;
3 – proportion of the retained earnings

The share of the retained earnings both at the beginning and at the end of the year amounted to 15%, and the share of the reserve capital in dynamics remained unchanged at 2%.

The analysis of the debt capital is shown in Table 3.

Table 3

Analysis of RVC's debt capital for 2018

№	Types of borrowed capital	At the beginning of the year		At the end of the year		Difference (+, -)	
		thousand rubles	proportion, %	thousand rubles	proportion, %	thousand rubles	proportion, %
A	B	1	2	3	4	5	6
1	Long-term liabilities	1 433	0,1	2 402	0,1	+ 969	-
2	Current liabilities of which:	4 457 486	99,9	2 207 591	99,9	- 2 249 895	-
2.1	Accounts payable	789 311	17,7	775 482	35,1	- 13 829	+ 17,4
2.2	Deferred income	3 501 984	78,5	1 219 917	55,2	- 2 282 067	- 23,3
2.3	Estimated liabilities	166 190	3,7	212 191	9,6	+ 46 001	+ 5,9
3	Total debt capital is	4 458 919	100,0	2 209 993	100,0	- 2 248 926	*

The debt capital reduced by 2 248 926 thousand rubles (50%) due only to the reduction of the current liabilities by 2 249 895 thousand rubles (50%), with the long-term liabilities increased by 969 thousand rubles (68%).

The current liabilities reduced by 2 249 895 thousand rubles due to a significant decrease in the deferred income by 2 282 067 thousand rubles and the repayment of the accounts payable by 13 829 thousand rubles with an increase in the estimated liabilities by 46 001 thousand rubles. The corresponding changes took place in the structure of the current liabilities in the total debt capital (Fig. 3).

Thus, the long-term and current liabilities structure of the debt capital did not change during the year: 1% was the long-term debt capital and 99% – the short-term debt capital. The proportion of the current liabilities in the debt capital structure changed.

The largest share is held by the deferred income: 78% at the beginning of the year and 55,2% at the end of the year. The accounts payable comes second: 17,7% at the beginning of the year and 35,1% at the end of the year. The third place is the estimated liabilities: 3,7% at the beginning of the year and 9,6% at the end of the year. So, RVC has potential revenue opportunities in future periods.

The next appropriate step is to assess the dynamics of the content and structure of the accounts payable (Table 4).

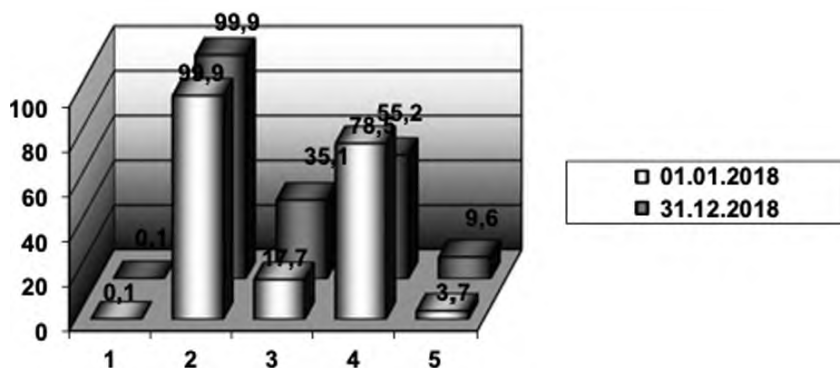


Fig. 3. The structure of RVC's debt capital for 2018:

1 – proportion of the long-term liabilities; 2 – proportion of the current liabilities; 3 – proportion of the accounts payable; 4 – proportion of the deferred income; 5 – proportion of the estimated liabilities

The total accounts payable decreased by 13 829 thousand rubles. This was due to the reduction of payments for taxes and fees by 76 299 thousand rubles and payments with suppliers and contractors by 14 852 thousand rubles, despite the increase in the payments with debtors and creditors by 93 776 thousand rubles and payments with buyers and customers by 11 204 thousand rubles. The total accounts payable decreased by 13 829 thousand rubles.

Table 4

Analysis of RVC's accounts payable for 2018

№	Types of accounts payable	At the beginning of the year		At the end of the year		Difference (+, -)	
		thousand rubles	proportion, %	thousand rubles	proportion, %	thousand rubles	proportion, %
A	B	1	2	3	4	5	6
1	Payments with suppliers and contractors	23 875	3,1	9 023	1,1	- 14 852	- 2,0
2	Payments with buyers and customers	3 976	0,5	15 180	1,9	+ 11 204	+ 1,4
3	Taxes and charges	117 210	15,1	40 911	5,2	- 76 299	- 9,9
4	Payments with debtors and creditors	630 421	81,3	724 197	91,8	+ 93 776	+ 10,5
5	Total accounts payable	775 482	100,0	789 311	100,0	- 13 829	*

This was due to the reduction of payments for taxes and fees by 76 299 thousand rubles and payments with suppliers and contractors by 14 852 thousand rubles, despite the increase in the payments with debtors and creditors by 93 776 thousand rubles and payments with buyers and customers by 11 204 thousand rubles. The largest share in the structure of the accounts payable is held both at the beginning and at the end of the year by the payments with debtors and creditors – 81,3% and 91,8% respectively (Fig. 4).

The taxes and fees are always in the second place in the dynamics – 15,1% and 5,2% respectively. The other components in the debt structure are not significant.

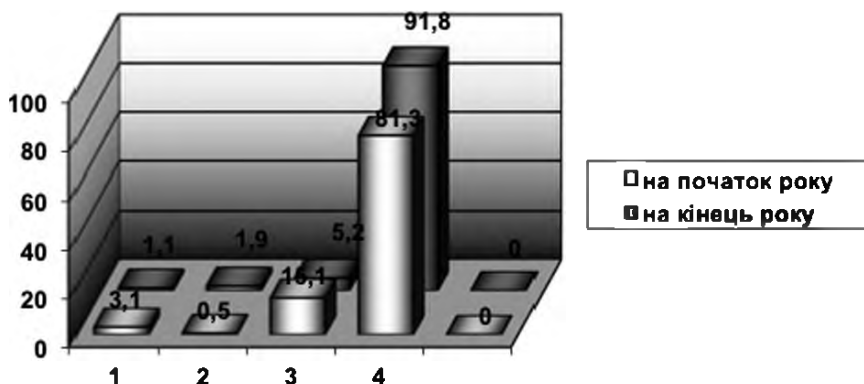


Fig. 4. The structure of RVC's accounts payable for 2018:

1 – proportion of the payments with suppliers and contractors;
2 – proportion of the payments with buyers and customers; 3 – proportion of the taxes and charges; 4 – proportion of the payments with debtors and creditors

Conclusions. Thus, the results of the study allow us to draw the following conclusions:

- the total sources of RVC JSC financing decreased by 2 554 714 thousand rubles (6%), which was due to the reduction in the company's equity and its equivalent capital. This can be explained by the sanctions imposed on Russia by the world community and the corresponding reduction of financial resources in the innovation sphere;

- the share of the company's equity and its equivalent capital (financial independence ratio) is rather large (89 % at the beginning of the year and 94% at the end of the year);

- the company's own funds decreased by 1% and the debt sources of financing decreased by 50%. At the same time, the long-term debt capital increased by 68% and the short-term debt capital decreased by 50%. Accordingly, RVC has a low financial dependency ratio: 11% at the beginning of the year and 6% at its end.

Thus, RVC is financially stable; moreover it increased in dynamics, which is quite positive. RVC will support Russian technology entrepreneurs in priority areas: biomedicine, energy, advanced manufacturing technologies, new materials,

component base development, quantum technologies, digital technologies in relevant areas, etc [10].

Future research will focus on assessing sets of financial sustainability indicators of venture capital companies based on their financial report, using the latest achievements of the Ukrainian methodology of financial analysis taking IFRS into account.

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