

ACCOUNTING AND AUDITING

UDC 658.14/.17

Lakhtionova Liudmyla

PhD (Economics), Associate Professor of the Department of Information and
Communicative Technologies of Business Education
National Aviation University, Kyiv, Ukraine

Muranova Nataliia

Doctor of Pedagogy, Professor
Director of the Educational and Research Institute of Innovative Educational Technologies
National Aviation University, Kyiv, Ukraine

Bugaiov Oleksandr

PhD (Engineering), Associate Professor of the Department of Information and
Communicative Technologies of Business Education
National Aviation University, Kyiv, Ukraine

AN OVERALL ASSESSMENT OF ACCOUNTS PAYABLE OF THE RUSSIAN VENTURE COMPANY ACCORDING TO ITS FINANCIAL STATEMENT: A UKRAINIAN METHOD OF ANALYSIS

***Abstract.** The article provides an overall assessment of the accounts payable of the Russian Venture Company for 2017 - 2018 according to its financial statements using the latest achievements of the Ukrainian methodology of financial analysis.*

***Keywords:** accounts payable, analysis, balance sheet.*

The Russia of today is a mega-state influencing the development of different national economies. However, in recent years, there has been a decline in its innovative position due to the lack of financial resources in the innovation sphere. A possible way out of this situation is the creation and effective use of venture capital structures in Russia. It is important to study the financial position of venture capital companies according to their financial statements. Analysis of the company's payables has a special place in the study of the resources of its financial resources. An important issue

is studying the accounts payable of Russian companies using modern Ukrainian financial analysis techniques, hence the relevance of the chosen subject of research.

The aim of the article is to study the payables of the Russian Venture Company (RVC) according to its financial statements on the basis of the latest achievements of the Ukrainian methodology of financial analysis.

According to the RVC official website and the annual financial report, we will make an analytical research of the company's accounts payable [1]. In our analysis we will use the latest achievements in the Ukrainian methodology of financial analysis, which have been tested in the Russian Federation, Belarus, Kazakhstan, Monaco, Japan, Italy, USA, Spain [2-9].

Central to external financial analysis in the study of current liabilities is the balance sheet as the main information base on the financial position of the company supplemented by the Notes to the Balance Sheet and the Financial Results Report [1].

The main methods of the analysis of accounts payable according to the financial statements are: general scientific methods (analysis, synthesis, logical and historical approaches, induction, deduction) and special financial-analytical methods (absolute and relative values, comparison, grouping, cost measurement, tabular, graphical, generalization).

It seems appropriate to compare the composition of accounts payable displayed in the Ukrainian and Russian balance sheets (Table 1).

We will note that accounts payable in the Ukrainian balance sheet are shown in Section III of Liabilities "Current liabilities and ensuring" whereas in the Russian form of the balance sheet they are shown in Section V of Liabilities "Short-term liabilities".

Thus, both the names and composition of these sections are different. It should also be noted that in the Ukrainian balance sheet, payables are reflected in more detail.

Table 1

Presentation of accounts payable in the Ukrainian and Russian balance sheets

Ukraine		Russia	
Liabilities	Line number	Liabilities	Line number
III. Current liabilities and ensuring		V. Short-term liabilities	
Current accounts payable: long-term liabilities	1610	Accounts payable including:	1520
goods, works, services	1615	Settlements with suppliers and contractors	
payments to/from the national budget including:	1620	Settlements with buyers and customers	
income tax	1621	Taxes and charges	
insurance	1625	Settlements with different debtors and creditors	
salaries of the staff	1630		

Thus, the information on accounts payable in the Ukrainian balance sheet (statement of financial position) is presented more analytically, which makes the latter more informative.

Analysis of accounts payable should begin with assessing its place in the structure of the company's current liabilities (Table 2).

The current liabilities for 2017 increased by 3 893 388 thousand rubles (690%, almost 8 times). This was due to a significant increase in the deferred income by 3 448 192 thousand rubles (6410%, 65 times), the increase in the accounts payable by 463 490 thousand rubles (142%), with the estimated liabilities slightly decreased by 18 294 thousand rubles (10%). The increase in current liabilities is generally assessed negatively, but it should be noted that RVC in 2017 was profitable [1].

In 2018 the situation with current liabilities radically changed: they decreased by 2 249 895 thousand rubles (50 %).

This was due to the reduction of the deferred income by 2 282 066 thousand rubles (65%), decrease in the accounts payable by 13 830 thousand rubles (2%), with the estimated liabilities slightly increased by 46 001 thousand rubles (28%).

Table 2

The place of accounts payable in the structure of RVC's current liabilities

Kinds of current liabilities	On 31.12.2016	On 31.12.2017	On 31.12.2018	Difference (+,-)	
				between 31.12.2017 and 31.12.2016	between 31.12.2018 and 31.12.2017
Total current liabilities, thousand rubles Including:	564 098	4 457 486	2 207 591	+ 3 893 388	- 2 249 895
Payables: - thousand rubles - % of the current liabilities	325 822 58	789 312 18	775 482 35	+ 463 490 - 40	- 13 830 + 17
Deferred income: - thousand rubles - % of the current liabilities	53 792 10	3 501 984 79	1 219 918 55	+ 3 448 192 + 69	- 2 282 066 - 24
Estimated liabilities: - thousand rubles - % of the current liabilities	184 484 32	166 190 3	212 191 10	- 18 294 - 29	+ 46 001 + 7

The decrease in current liabilities is generally assessed as positive. However, in 2018, RVC was unprofitable and the total funding was reduced [1; p.12-20]. And it was the decrease of current liabilities that played a major role in its reduction [1; 6, p. 6 - 12].

For clarity, it is advisable to show the dynamics of changes in current liabilities in pie charts (Fig. 1). As of December 31, 2016 (01/01/2017), the largest share of current liabilities was held by payables (58%), the second place was the share of estimated liabilities (32%), and the third place was the deferred income (10%). As of December 31, 2017 (01/01/2018), the first place in the structure of current liabilities was held by the deferred income (79%), the second – payables (18%), and the third – estimated liabilities (3%). As of December 31, 2018 (January 1, 2019) in the structure of the current liabilities, the first place was occupied again by the deferred income (55%), the second – again by the payables (35%) and the third – by the estimated liabilities (10%).

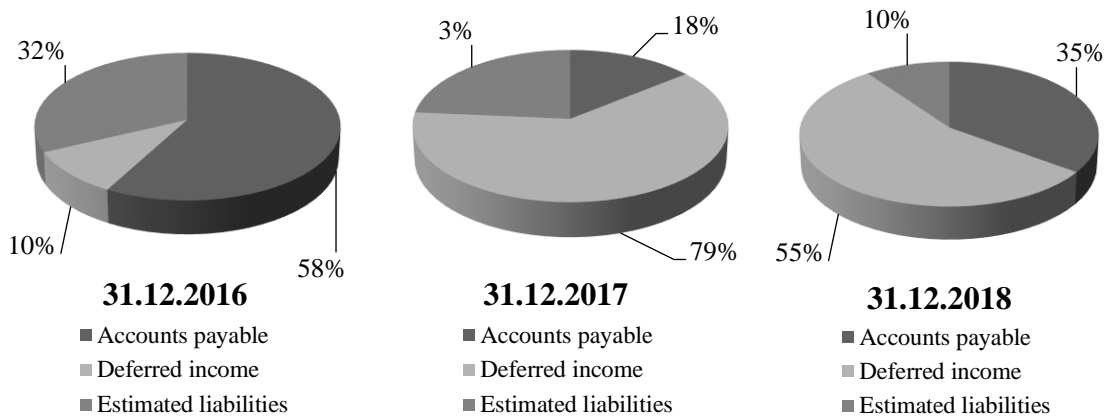


Fig. 1. Dynamics of RVC's current liabilities structure

Thus, accounts payable in the structure of current liabilities moved from the first place (58%) as of 01.01.2017 to a stable second place – 18% as of 01.01.2018 and 35% as of 01.01.2019 (Fig. 2).

Next we analyze the change of the composition and structure of accounts payable with time (Table 3).

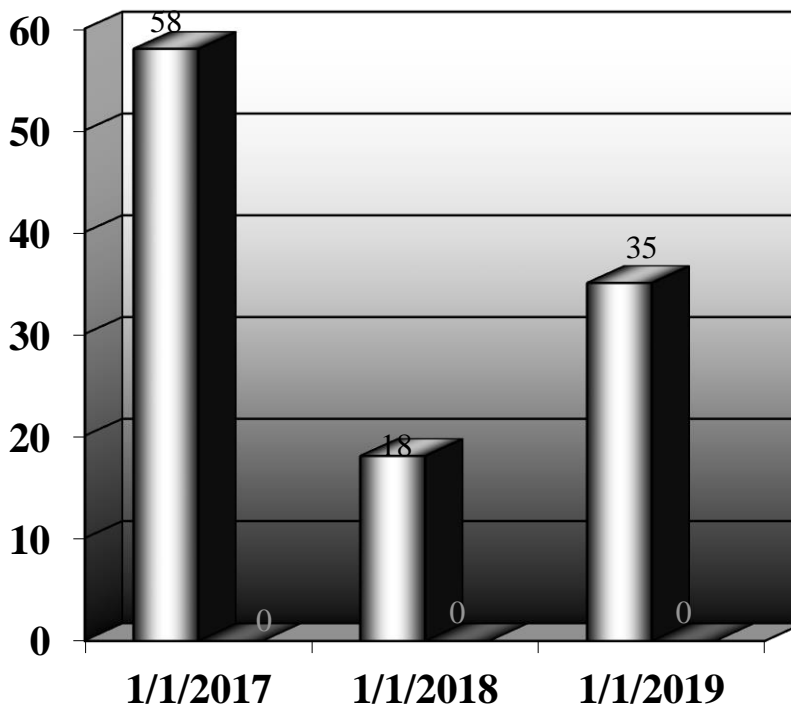


Fig. 2. Dynamics of the share of accounts payable in the structure of RVC's current liabilities

Dynamics of the composition and structure of the accounts payable of RVC

Composition of accounts payable	On 31.12.2016	On 31.12.2017	On 31.12.2018	Difference (+,-)	
				between 31.12.2017 and 31.12.2016	between 31.12.2018 and 31.12.2017
Total payables, thousand rubles	325 822	789 312	775 482	+ 463 490	- 13 830
Including:					
Settlements with suppliers and contractors:					
- thousand rubles	49 303	9 024	23 875	- 40 279	+ 14 851
- % of the total payables	15	1	3	- 14	+ 2
Settlements with buyers and customers:					
- thousand rubles	15 303	15 180	3 976	- 123	- 11 204
- % of the total payables	5	2	1	- 3	- 1
Taxes and charges:					
- thousand rubles	17 283	40 911	117 210	+ 23 628	+ 76 299
- % of the total payables	5	5	15	-	+10
Settlements with various debtors and creditors:					
- thousand rubles	243 933	724 197	630 421	+ 480 264	- 93 776
- % of the total payables	75	92	81	+ 17	- 11

In 2017, the accounts payable increased by 463490 thousand rubles (142%) whereas in 2018 they decreased by 13830 thousand rubles (2%).

In 2017, the accounts payable significantly increased due to the growth of settlements with various debtors and creditors by 480 264 thousand rubles and taxes and charges by 23 628 thousand rubles, with the settlements with suppliers and contractors reduced by 40 279 thousand rubles and settlements with buyers and customers – by 123 thousand rubles.

In 2018, the accounts payable decreased due to the reduction of settlements with various debtors and creditors by 93 776 thousand rubles and settlements with buyers and customers by 11 204 thousand rubles, with the taxes and charges grown by 76 299

thousand rubles and settlements with suppliers and contractors – by 14 851 thousand rubles.

The increased liabilities related to taxes and charges are evaluated negatively. If on 01.01.2017 they amounted to 17 283 thousand rubles, on 01.01.2019 they reached 117 210 thousand rubles, that is they increased by 99 927 thousand rubles (117 210 thousand rubles - 17 283 thousand rubles) or by 581 % ((99 927 thousand rubles / 17 283 thousand rubles) x 100 %). Thus, the liabilities related to taxes and charges increased almost 7 times, which indicates significant financial problems with RVC.

Positive changes in dynamics include a significant reduction in the liabilities related to settlements with various debtors and creditors. They increased significantly in 2017, and in 2018 they decreased.

The settlements with various debtors and creditors also stand out in the structure of the accounts payable –75 % as of 01.01.2017, 92 % as of 01.01.2018 and 81 % as of 01.01.2019 (Fig. 3).

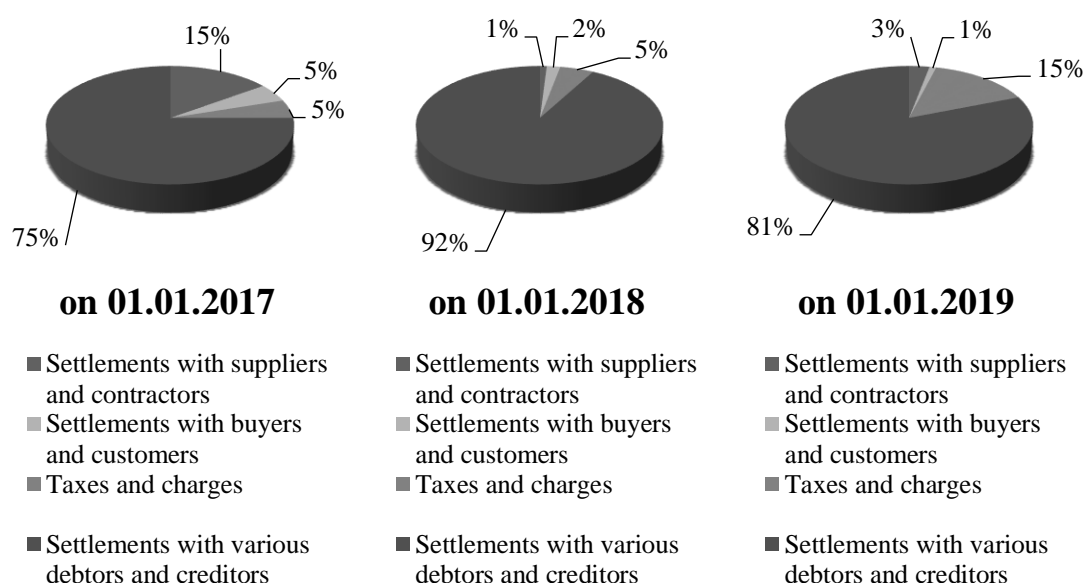


Fig. 3. Dynamics of RVC's accounts payable structure

The other components are not significant. The exceptions are: settlements with suppliers and contractors – 15 % as of 01.01.2017 and taxes and charges – 15% as of 01.01.2019.

Next we examine the turnover of the accounts payable. It is defined as the ratio of the net proceeds to its average value over the reporting period. In 2017 the net

proceeds were 2 072 038 thousand rubles, in 2018 they constituted 933 833 thousand rubles.

The average accounts payable for 2017 amounted to 557 567 thousand rubles $((325\ 822\ \text{thousand rubles} + 789\ 312\ \text{thousand rubles}) / 2)$, and in 2018 they were 782 397 thousand rubles $((789\ 312\ \text{thousand rubles} + 775\ 482\ \text{thousand rubles}) / 2)$.

In 2017 the turnover of the accounts payable was 3.7 turnovers $(2\ 072\ 038\ \text{thousand rubles} / 557\ 567\ \text{thousand rubles})$, in 2018 it was 1.2 turnovers $(933\ 833\ \text{thousand rubles} / 782\ 397\ \text{thousand rubles})$.

The duration of one accounts receivable turnover in 2017 was 97 days $(360\ \text{days} / 3.7\ \text{turnovers})$, in 2018 it was 300 days $(360\ \text{days} / 1.2\ \text{turnovers})$.

The indicators of the duration of one accounts payable turnover significantly deteriorated in dynamics. Particularly high it was in 2018.

Thus, the results of the study allow us to make the following conclusions:

- in the Ukrainian balance sheet, payables are reflected in more detail than they are in the Russian one, which makes the former more informative;
- the accounts payable in the structure of current liabilities moved from the first place (58%) as of 01.01.2017 to a stable second place – 18% as of 01.01.2018 and 35% as of 01.01.2019;
- in 2017, the accounts payable increased by 463490 thousand rubles (142%) whereas in 2018 they decreased by 13830 thousand rubles (2%);
- the increased liabilities related to taxes and charges are evaluated negatively whereas the significant reduction in the liabilities related to the settlements with various debtors and creditors is thought of as positive. The latter increased significantly in 2017 and decreased in 2018;
- the settlements with various debtors and creditors also stand out in the structure of the accounts payable – 75 % as of 01.01.2017, 92 % as of 01.01.2018 and 81 % as of 01.01.2019;
- the indicators of the duration of one accounts payable turnover significantly deteriorated in dynamics; particularly high it was in 2018.

- the reduction of RVC's accounts payable in 2018 is considered as positive; however, its turnover is extremely low.

Studying the relationship between accounts receivable and accounts payable, their impact on a company's liquidity and financial stability are subjects of further research.

References:

1. *Годовой отчет акционерного общества «Российская венчурная компания» за 2018 год* (Распоряжение Росимущества). № 401-р. (2019). Removed from https://www.rvc.ru/about/disclosure/godovoy-otchet/Annual_report_2018.pdf.
2. Лахтионова Л.А. Развитие построения и содержания бухгалтерского баланса с целью усиления его аналитических возможностей: украинский опыт. *Взгляд из прошлого в будущее: материалы Международной научно-практической конференции* (с. 135 – 156). 10 – 11 февраля, 2011, Санкт-Петербург, Россия: Нестор-История.
3. Лахтионова Л.А. Актуальные проблемы финансового анализа в контексте устойчивого развития: международные и национальные аспекты *Устойчивое развитие экономики: международные и национальные аспекты: материалы I Международной научно-практической конференции, посвященной 50-летию Полоцкого государственного университета* (с. 521 – 528). 7 – 8 июня, 2018, Полоцк, Беларусь: Полоцкий государственный университет.
4. Лахтионова Л.А. Дисципліна «Фінансовий аналіз» в Україні: досвід та перспективи. *Наука и образование в XXI веке: материалы II Международной научно-практической интернет-конференции* (с. 231 – 234). 1 – 2 мая, 2018, Астана, Казахстан: ОФ «Мосты согласия».
5. Лахтионова Л.А. Фінансовий аналіз як економічна наука: теоретичні та практичні питання її засвоєння. *Соціально-гуманітарні науки та сучасні виклики: матеріали III Всеукраїнської наукової конференції, присвяченої 100-річчю Дніпровського національного університету імені Олеся Гончара* (с. 293 – 295). 25 – 26 травня, 2018, Дніпро, Україна: СПД «Охотнік».
6. Lakhtionova L, Muranova N., Bugaiov O. A general assessment of the Russian venture company financing sources according to the balance sheet: the Ukrainian methods of analysis. *Les tendances actuelles de la mondialisation de la science mondiale: collection de papiers scientifiques «ΛΟΓΟΣ» avec des matériaux de la conférence scientifique et pratique internationale (Vol. 1)* (p. 6 – 12). 3 avril, 2020, Monaco: Principauté de Monaco: Plateforme scientifique européenne.

7. Lakhtionova L, Muranova N., Bugaiov O. Evaluation of the financial results of the Russian Venture Company: a Ukrainian methodology of analysis. *Scientific Horizon in the Context of Social Crises: Proceedings of the 2nd International Scientific and Practical Conference* (p. 12 – 20). February 26-28, 2020, Japan: Otsuki Press.
8. Lakhtionova L, Muranova N., Bugaiov O. A general evaluation of the economic resources of the Russian Venture Company according to the balance sheet: a Ukrainian methodology of analysis. *Challenges in Science of Nowadays: Proceedings of the 3rd International Scientific and Practical Conference* (p. 41 – 49). April 6-8, 2020, Washington, USA: EnDeavours Publisher.
9. Lakhtionova L, Muranova N., Bugaiov O. A. general assessment of the receivables of the Russian venture company according to its financial report: a Ukrainian methodology of analysis. *Integración de las ciencias fundamentales y aplicadas en el paradigma de la sociedad post-industrial: Colección de documentos científicos «ΑΙΟΓΟΣ» con actas de la Conferencia Internacional Científica y Práctica* P. 7 – 13, (Vol. 1), 24 de abril de 2020. Barcelona, España: Plataforma Europea de la Ciencia.