

AN OVERALL ASSESSMENT OF THE CURRENT LIABILITIES OF THE RUSSIAN VENTURE COMPANY ACCORDING TO ITS FINANCIAL STATEMENTS: A UKRAINIAN METHODOLOGY OF ANALYSIS

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Introduction. 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 current liabilities has a special place in the study of the resources of its financial resources. An important issue is studying the current liabilities of Russian companies using modern Ukrainian financial analysis techniques, hence the relevance of the chosen subject of research.

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

Materials and methods. According to the RVC official website and the annual financial report, we will make an analytical research of the company's current

liabilities [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 and the 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 statement of financial performance [1].

The main methods of the analysis of current liabilities 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).

Results and discussion. The issues to be discussed are presentation of the current liabilities in the financial statement and their analysis according to it.

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

Table 1

Presentation of current liabilities in the Ukrainian and Russian balance sheets

Ukraine		Russia	
Liabilities (kinds of current liabilities)	Line number	Liabilities (kinds of current liabilities)	Line number
III. Current liabilities and ensuring		V. Short-term liabilities	
Short-term bank loans	1600	Loans	1410
Current accounts payable:		Accounts payable	1520
long-term liabilities	1610	including:	
goods, works, services	1615	Settlements with suppliers and contractors	
payments to/from the national budget	1620	Settlements with buyers and customers	
including income tax	1621	Taxes and charges	
insurance	1625	Settlements with different debtors and creditors	
salaries of the staff	1630		
Current ensuring	1660	Deferred income	1530
Deferred income	1665	Estimated liabilities	1540
Other current liabilities	1690	Other current liabilities	1550
Total Section III	1695	Total Section V	1500

It should be noted that both in the Ukrainian balance sheet (statement of financial position) and in the Russian balance sheet the deferred income relates to current liabilities.

According to the balance sheet data, consider the dynamics of the composition and structure of RVC's current liabilities (Table 2).

Table 2

Dynamics of the composition and structure of the current liabilities of RVC

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	564 098	4 457 486	2 207 591	+ 3 893 388	- 2 249 895
Including:					
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 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%). 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].

The Notes to the Balance Sheet and the Statement of Financial Performance provide information about the estimated liabilities [1]. In 2018, the company created estimated liabilities for future payments of holidays in the amount of 21 825 thousand rubles and estimated liabilities for the annual bonus payment in the amount of 190 366 thousand rubles. The estimated liabilities in 2018 are made up of:

- holidays payments: formed 47 770 thousand rubles, used 45 856 thousand rubles, written off 469 thousand rubles;
- annual bonus payment: formed 209 068 thousand rubles, used 164 511 thousand rubles [1].

Doubtful debt is absent as there was no provision for it. There are no events in RVC after the reporting date as of December 31, 2018 [1].

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%).

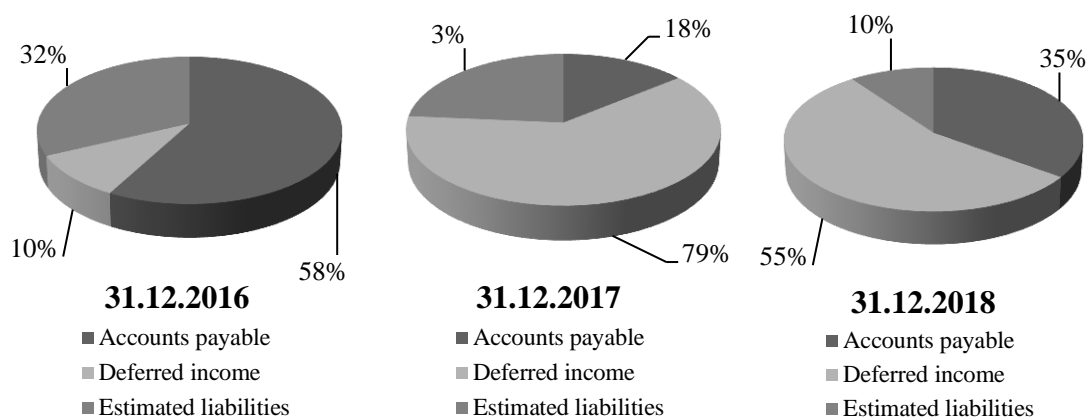


Fig. 1. Dynamics of RVC's current liabilities structure

At the next step we study the impact of current liabilities on balance sheet liquidity. To do this, we need to compare current assets and current liabilities:

As of January 1, 2018, the current assets amounted to 27 300 579 thousand rubles, and the current liabilities reached 4 457 486 thousand rubles.

As of December 31, 2018, the current assets amounted to 11 369 531 thousand rubles, and the current liabilities reached 2 207 591 thousand rubles.

Thus, the balance of RVC is liquid for both the beginning and the end of the year.

It is also important to study the accounts payable, but given the limited volume of the article it will be a matter for further research.

Conclusions. The results of the study allow us to make the following conclusions:

- deferred income relates to current liabilities both in the Ukrainian balance sheet (statement of financial position) and in the Russian balance sheet;
- during 2017, the current liabilities increased almost 8 times;
- in 2018, the situation with the current liabilities changed dramatically, with their size decreased by 50%;
- in 2018, the company created estimated liabilities for future payments of holidays and those for the annual bonus payment;

- both at the beginning and at the end of 2018, the largest portion in the structure of current liabilities was occupied by the deferred income: 79% and 55% respectively;

- the balance of RVC is liquid for both the beginning and the end of 2018.

Further research will be devoted to profound studies of accounts payable according to the financial statements of venture companies using the latest achievements of the Ukrainian methodology of financial analysis.

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