Peoples' Friendship University of Russia named after Patrice Lumumba

International Financial Reporting Standards Consolidated Financial statements and Independent Auditor’s Report

31 December 2022

Peoples' Friendship University of Russia
named after Patrice Lumumba

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Technologies of Trust

Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

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Independent Auditor's Report

To the Supervisory Board and management of Peoples' Friendship University of Russia named after Patrice Lumumba:

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Peoples' Friendship University of Russia named after Patrice Lumumba and its subsidiary (together – the "Group") as at 31 December 2022, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

30 June 2023

Moscow, Russian Federation

V.V. Solovyev is authorised to sign on behalf of the general director of Joint-Stock Company “Technologies of Trust – Audit” (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906105041)

Peoples' Friendship University of Russia
named after Patrice Lumumba
Consolidated Statement of Financial Position
31 December 2022

In thousands of Russian roubles	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	8	27,614,879	27,505,169
Intangible assets	9	112,914	82,097
Investments in associates		4,469	4,243
Total non-current assets		**27,732,262**	**27,591,509**
Current assets			
Inventories		209,770	147,345
Accounts receivable	12	571,433	393,045
Current income tax prepayments		178,746	50,798
Financial assets at fair value through profit or loss	11	703,670	-
Bank deposits	10	2,993,887	-
Cash and cash equivalents	10	1,364,799	4,418,594
Other current assets	13	24,033	38,085
Total current assets		**6,046,338**	**5,047,867**
TOTAL ASSETS		**33,778,600**	**32,639,376**
EQUITY			
Settlements with the founder	14	24,066,587	24,066,587
Accumulated income		5,899,071	5,516,975
TOTAL EQUITY		**29,965,658**	**29,583,562**
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	23	83,679	5,420
Total non-current liabilities		**83,679**	**5,420**
Current liabilities			
Accounts payable	15	996,805	961,414
Contract liabilities with counterparties	16	2,350,087	1,876,975
Deferred income from grants		315,822	132,051
Other taxes payable		51,539	54,081
Other current liabilities	13	15,010	25,873
Total current liabilities		**3,729,263**	**3,050,394**
TOTAL LIABILITIES		**3,812,942**	**3,055,814**
TOTAL EQUITY AND LIABILITIES		**33,778,600**	**32,639,376**

Approved for issue and signed on 30 June 2023

Yastrebov O. A.
Rector

Zanegina B. V.
Acting chief accountant

Peoples' Friendship University of Russia
named after Patrice Lumumba
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2022

In thousands of Russian roubles	**Note**	**2022**	**2021**
Revenue from primary activity	17	13,106,911	11,516,548
Income from grants	18	1,009,978	844,128
Other income	19	305,942	300,126
Total revenue and income		**14,422,831**	**12,660,802**
Salaries, remuneration under civil contracts and relevant contributions	20	(9,866,317)	(8,727,378)
Third party services	21	(1,760,862)	(1,419,558)
Depreciation of property, plant and equipment	8	(1,158,776)	(1,279,286)
Scholarships and transfers to public		(583,539)	(534,026)
Cost of raw materials and consumables used		(319,900)	(347,293)
Taxes and levies	22	(157,392)	(120,144)
Net charge for expected credit losses on receivables	12	(46,103)	(122,889)
Amortisation of intangible assets	9	(44,390)	(31,190)
Other expenses		(261,838)	(215,344)
Total operating expenses		**(14,199,117)**	**(12,797,108)**
Operating profit/(loss)		**223,714**	**(136,306)**
Finance income	24	425,907	184,466
Finance costs		(46,316)	-
Foreign exchange translation differences, net	25	(863)	(7,262)
Share of result of associates		226	89
Profit before income tax		**602,668**	**40,987**
Income tax expense	23	(220,572)	(205,500)
PROFIT/(LOSS) FOR THE YEAR		**382,096**	**(164,513)**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**382,096**	**(164,513)**

The accompanying notes form an integral part of these consolidated financial statements

In thousands of Russian roubles	Note	Settlements with the founder	Accumulated income/(expense)	Total equity
Balance at 1 January 2021		**23,941,604**	**5,681,488**	**29,623,092**
Comprehensive loss for the year		-	(164,513)	**(164,513)**
Total comprehensive loss for 2021		**-**	**(164,513)**	**(164,513)**
Transfer of property, plant and equipment	14	124,983	-	**124,983**
Balance at 31 December 2021		**24,066,587**	**5,516,975**	**29,583,562**
Comprehensive income for the year		-	382,096	**382,096**
Total comprehensive income for 2022		**-**	**382,096**	**382,096**
Balance at 31 December 2022		**24,066,587**	**5,899,071**	**29,965,658**

Peoples' Friendship University of Russia
named after Patrice Lumumba
Consolidated Statement of Cash Flows
for the year ended 31 December 2022

In thousands of Russian roubles	Note	2022	2021
Cash flows from operating activities			
Profit before income tax		**602,668**	**40,987**
Adjustments for:			
Depreciation of property, plant and equipment	8	1,158,776	1,279,286
Amortisation of intangible assets	9	44,390	31,190
Net charge for expected credit losses on financial assets	12	46,103	122,889
Foreign exchange expenses	25	863	7,262
Interest income	24	(425,907)	(184,462)
Share in results of associates		(226)	(89)
Other financial income	24	-	(4)
Revaluation of financial assets at fair value through profit or loss		46,316	-
Operating cash flows before working capital changes		**1,472,983**	**1,297,059**
(Increase) / decrease in accounts receivable, prepayments and other current assets		(209,582)	247,934
(Increase) / decrease in inventory		(62,425)	24,544
Increase in contract liabilities with counterparties and accounts payable		681,411	104,331
Increase / (decrease) in arrears in settlements with the budget for other taxes and contributions		584	(26,723)
Changes in working capital		**409,988**	**350,086**
Income taxes paid		(270,261)	(256,099)
Net cash from operating activities		**1,612,710**	**1,391,046**
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,268,485)	(750,034)
Bank deposits placed		(4,913,990)	(1,630,000)
Proceeds from the return of deposits		1,983,272	3,884,216
Acquisition of intangible assets		(75,207)	(93,813)
Interest received		425,907	184,462
Placement of funds on unallocated metal accounts		(749,986)	-
Net cash (used in)/from investing activities		**(4,598,489)**	**1,594,831**
Effect of exchange rate changes on cash and cash equivalents in foreign currency		**(68,016)**	**(32,542)**
Changes on cash and cash equivalents		**(3,053,795)**	**2,953,335**
Cash and cash equivalents at the beginning of the year	10	**4,418,594**	**1,465,259**
Cash and cash equivalents at the end of the year	10	**1,364,799**	**4,418,594**

1 The University and its Operations

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2022 for Peoples' Friendship University of Russia named after Patrice Lumumba ("RUDN") as well as for a noncommercial specialized organization Endowment Fund (hereinafter collectively referred to as the "Group" or the “University”).

RUDN was established under the USSR Government Resolution in 1960. Under the Russian President Decree of 12 March 2012, the University was entitled to independently develop and implement its own higher educational programmes. RUDN is a unitary not-for-profit entity established to achieve educational, scientific, social and cultural goals. The founder of RUDN is the Russian Federation. The founder's powers and authority are executed by the Ministry of Education and Science of the Russian Federation.

Principal activity. The University implements educational programmes in higher and secondary vocational education programmes, and additional general education and professional programmes, and engages in fundamental and applied scientific research. The University provides education to develop professionals in healthcare, economy, philology, law and other areas.

RUDN is the base institution for the CIS Network University and coordinator of the SCO Network University, it is part of the Venice Consortium of Higher Education Universities programme and is actively involved in establishing and developing the BRICS Network University.

The Priority 2030 program. The "Priority 2030" program, which replaced the "5-100" Competitiveness Program, has become the largest ever government project to support the development of Russian universities. The goal of the "Priority 2030" program is to form a broad group of universities that will become leaders in creating new scientific knowledge, technologies and developments for implementation in the Russian economy and social sphere. On 27 September 2021, the Ministry of Science and Higher Education of the Russian Federation announced the list of organizations participating in the Priority 2030 program. Applications were formed by 191 universities, 106 finalist universities were included in the final list. RUDN is among the winners. All universities of the "Priority 2030" received the basic part of the grant for 100 million rubles.

As part of implementation of the "Priority 2030" program, RUDN implements a consistent transformation of the primary activity to improve the quality of education, research and development productivity, and also implements four strategic projects:

1) RUDN Agrotechnopark: export to Africa. The goal is to improve the quality of domestic planting material to solve the problems of food security in Russian Federation and increase the export of agricultural products to African countries;

2) Tissue-engineered bone tissue. The goal is to develop and register a cell preparation for the restoration of damaged bone tissue - tissue-engineered bone by 2028;

3) Cognitive neurorehabilitation. The goal is intensive neurocognitive rehabilitation of children and young people who have undergone brain oncology to restore cognitive functions to a level that allows them to study in an organized team;

4)" Act! internationally". The goal is to increase the export of Russian education and science to friendly and neutral countries (FNC) to counter attempts to isolate Russia, protect national interests and ensure the technological sovereignty of Russian Federation in the face of sanctions pressure.

As of 31 December 2022, the University had one branch in the Russian Federation: The Sochi Institute (Branch) of University (as of 31 December 2021: one branch) and one representative office in the Republic of Uzbekistan (as of 31 December 2021 - one representative office). Representative office in the Republic of Uzbekistan as of 31 December 2022 and 31 December 2021 did not conduct activities.

On 13 January 2022, a Noncommercial specialized organization Endowment Fund of RUDN University (RUDN University Endowment Fund) was created. The University is the only founder of the fund. The main goal of the fund is to create endowment capital to direct income from endowment capital to the development of the RUDN for use in education, science, healthcare, culture, art, physical culture and sports, social assistance. The Board of the Fund (supreme collegiate governing body) and the Executive Director (sole executive body) are the governing bodies, the Board of Trustees is the collegial supervisory body. In 2022 the fund activities did not have a significant impact on the consolidated financial statements.

1 The University and its Operations (continued)

The University has investments in associates with an interest of 10-35.7%. The number of associates as of 31 December 2022 totalled 8 entities (as of 31 December 2021: 9 entities). Investments in associates are made to commercialise the University's scientific developments. The University's interest in associates is formed through the contribution of the rights to use intellectual property for which the University has an exclusive ownership.

	31 December 2022	31 December 2021
VETF LLC	35.7 %	35.7 %
BCEC LLC	35.0 %	35.0 %
ECTPE LLC	25.0 %	35.0 %
NIILAB Hybrid and Aesthetic Surgery LLC	25.0 %	25.0 %
Innovatika LLC	25.0 %	25.0 %
Innovative management systems LLC	25.0 %	25.0 %
RUDN IAQ LLC	10.0 %	10.0 %
CDT RUDN LLC	10.0 %	10.0 %
AMANI LLC	-	35.0 %

Registered and actual address: 6 Miklukho-Maklaya str., Moscow, 119049, Russian Federation.

2 Operating Environment of the University

Despite the steady demand for the specialists trained by the University and its scientific activities, the future economic development of the Russian Federation is dependent upon external factors and internal measures undertaken by the Russian Government to sustain growth, and to make amendments to the tax, legal and regulatory environment.

The management of the University believes that it takes all necessary measures to support the sustainability and development of the University in the current economic environment, and such government initiatives make the management confident of the development prospects for the University in the mid- and long-term perspective.

The Russian Federation economy displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. The Russian economy continues to be negatively impacted by ongoing political tension and sanctions imposed by a number of countries against certain sectors of the Russian economy, Russian companies and individuals.

In 2022 ongoing geopolitical tension in the region significantly escalated as a result of further developments of the situation with Ukraine which has been deteriorating since February 2022 and remains highly unstable. The escalation of the geopolitical situation led to a significant foreign exchange rates volatility, a sharp increase in foreign exchange rates compared to 2021 year-end exchange rates, an increase in the key rate of the Bank of Russia, which subsequently reduced, an increase in oil and gas prices and to a decline in the Russian equity market. There is increased volatility in the financial and commodity markets. Sanctions and restrictions for multiple Russian entities, including removing access to the Euro and USD markets, the international SWIFT system, and many other, have been imposed and continue being introduced. A number of multinational groups suspended or terminated their business activity in the Russian Federation. In December 2022, the EU and a number of countries outside the EU introduced a price ceiling on Russian oil supplies. The ceiling price has been set at $60 per barrel and is subject to subsequent regular review. In addition, in December 2022, the EU imposed an embargo on offshore supplies of Russian oil. In February 2023, a price ceiling was introduced for Russian gas supplies and an embargo on Russian oil products.

There is an expectation of further sanctions and limitations on business activity affecting companies operating in the Russian Federation, as well as further negative consequences for the Russian economy in general, but the full extent and scale of possible effects of these are unknown. It is not possible to determine how long this increased volatility will last or at what level the above financial indicators will eventually level out.

The future effects of the current economic situation and the above measures are difficult to predict and management's current expectations and estimates could differ from actual results.

2 Operating Environment of the University (continued)

The management of the University is taking necessary measures to ensure sustainability of the University's operations and support its customers, students and employees, for example:

- Increase in the capability of digital services;
- Receive Government grants;
- Provide remote education to the students and graduate students.

3 Summary of Significant Accounting Policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except for property, plant and equipment, for which the fair value as the deemed cost was used as at 1 January 2020, and except for financial instruments based on fair value through profit or loss ("FVTPL"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented in the consolidated financial statements.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The accounting areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

Consolidated financial statements. Subsidiaries are those investees, that the University controls because the University (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of its returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the University has power over another entity. For a right to be substantive, the University must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The University may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the University assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the University from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the University (acquisition date) and are deconsolidated from the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the University and its subsidiary are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The University and all of its subsidiaries use uniform accounting policies consistent with the University's policies.

Foreign currency translation. The functional currency of the University is the currency of the primary economic environment in which it operates. The functional currency and presentation currency of the University is the national currency of the Russian Federation, Russian Roubles ("RR"). The consolidated financial statements are presented in Russian Roubles ("RR"), which is the University's presentation currency.

Transactions and balances. Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the Central Bank of the Russian Federation ("CBRF") at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into University's functional currency at year-end official exchange rates of the CBRF are recognised in profit or loss. Foreign exchange gains and losses that relate to cash and cash equivalents, as well as other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income as "Foreign exchange translation differences, net" line. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

3 Summary of Significant Accounting Policies (continued)

As of 31 December 2022, the principal rate of exchange used for translating foreign currency balances was USD 1 = RR 70.3375, CNY 1 = RR 9.8949, EUR 1 = RR 75.6553, (as of 31 December 2021: USD 1 = RR 74.2926, CNY 1 = RR 11.6503, EUR 1 = RR 84.0695).

Associates. Associates are entities over which the University has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the University's share of net assets of an associate are recognised as follows: (i) the University's share of profits or losses of associates is recorded in the profit or loss for the year as the share of results of associates, (ii) the University's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the University's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

However, when the University's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the University does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the University and its associates are eliminated to the extent of the University's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Disposals associates. When the University ceases to have significant influence, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the University had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Property, plant and equipment. All property, plant and equipment of the University are divided into (a) property, plant and equipment under operational management, and (b) other property, plant and equipment, in respect of which there are no restrictions compared to property, plant and equipment under operational management.

An item of property, plant and equipment should be recognised within assets only if: (a) it is probable that the University will receive future economic benefits or service potential associated with this asset; and (b) the asset cost or fair value can be reliably estimated.

Property, plant and equipment under operative management include immovable property, land in perpetual use, construction in progress and highly valuable property (HVP). Highly valuable movable property is movable property that is acquired at the expense of state funding sources and the value of which is more than RR 500 thousand. The University operates property, plant and equipment within limits set by the legislation of the Russian Federation and pursuant to its goals, the property's intended use and upon consent of the owner of the property.

In accordance with Federal Law No. 174-FZ of 3 November 2006 "On Autonomous Institutions" the owner of the property is the Russian Federation. Under Article 296 of the Russian Civil Code, the property owner can remove any excessive, unused or inappropriately used property assigned to the University or acquired by the University from funds provided by the owner to purchase the property. The owner of the property removed from the University can dispose of such property at its discretion. The property owner is not liable for the obligations of the University.

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment loss, where required. Property, plant and equipment includes investments in construction in progress to be further used as property, plant and equipment of the University.

3 Summary of Significant Accounting Policies (continued)

The University's construction in progress includes but is not limited to assets under construction financed under the Russian Federal Targeted Investment Programme (FTIP).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired.

At the end of each reporting period University management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, University management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs of disposal and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs of disposal.

Gain or loss on disposal of property, plant and equipment is determined as the difference between the proceeds received from the sale and their carrying amount and is recognized in profit or loss for the year as part of other profit / (loss).

Depreciation. Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	Useful lives in years
Residential and non-residantial buildings	10-99
Plant and equipment	6-25
Production inventory	9-25
Structures	3-80
Transport	8-11

The residual value of an asset is the estimated amount that the University would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets. An intangible asset shall be recognized only when: (a) it is probable that the expected future economic benefits or service potential of the asset will flow to the University, and (b) the cost or fair value of the item can be measured reliably. Acquired computer software licenses are capitalized at the cost incurred to acquire and bring them to use. Intangible assets resulting from scientific research are not subject to recognition. Costs incurred during the research and development stage are recognized as an expense when they are incurred.

The intangible asset, which is the result of development and design work, shall be recognised only when the University can demonstrate that all of the following conditions are in place: (a) the asset's complete bringing into a state suitable for operation or sale is technically feasible; (b) there is an intention to complete the asset's development and operate or sell it; (c) the intangible asset can be used or sold; (d) it can support the way the asset will generate future economic benefits or value in use; (e) technical, financial and other resources are available to complete the development work, use or sell the intangible asset; and (f) it can reliably estimate any costs attributable to the intangible asset that were incurred in the course of its development.

The patents, software products, know-how and the website developed by the University' s resources are capitalised within expenses incurred when the intangible asset satisfied the above criteria for the first time. The cost of intangible assets developed by the University's resources includes all direct expenses incurred to develop, produce and prepare the asset for use per management's intentions. Any costs previously recognised as expenses are not included in the cost of intangible assets.

All the intangible assets of the University have limited useful lives. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

3 Summary of Significant Accounting Policies (continued)

Intangible assets are amortised using the straight-line method over their useful lives:

	Useful lives in years
Internet websites	2-7
Licences	1-3
Other intangible assets	2-10

An asset starts to be amortised when it becomes ready for use, i.e. when its location and condition enable to use the asset in accordance with management intentions. Amortisation is charged to gains and losses for the period. The University derecognises intangible assets within assets upon disposal or when no future economic benefits or service potential are expected from its use or disposal. The financial result arising on derecognition of intangible assets (defined as the difference between net proceeds from disposal and the carrying amount of the asset) is included in the gains and losses for the reporting period.

Impairment of non-financial assets. Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Financial instruments – key measurement terms. *Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the Unversity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 29.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the consolidated statement of financial position.

3 Summary of Significant Accounting Policies (continued)

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the University commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories. The University classifies financial assets in the following measurement categories: FVTPL and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the University's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the University manages the assets in order to generate cash flows – whether the University's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows") or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the University undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the University in determining the business model include past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed. Refer to Note 6 for critical judgements applied by the University in determining the business models for its financial assets.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the University assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the University considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 6 for critical judgements applied by the University in performing the SPPI test for its financial assets.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model.

3 Summary of Significant Accounting Policies (continued)

Financial assets impairment – credit loss allowance for ECL. The University assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and for the exposures arising from loan commitments and financial guarantee contracts. The University measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

The University applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (“12 Months ECL”). If the University identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (“Lifetime ECL”). Refer to Note 26 for a description of how the University determines when a SICR has occurred. If the University determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The University’s definition of credit impaired assets and definition of default is explained in Note 26. For financial assets that are purchased or originated credit-impaired (“POCI Assets”), the ECL is always measured as a Lifetime ECL. Note 26 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the University incorporates forward-looking information in the ECL models.

Financial assets – derecognition. The University derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the University has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial assets – modification. The University sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The University assesses whether the modification of contractual cash flows is substantial.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the University derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The University also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with founders.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the University compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The University recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at amortised cost.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

3 Summary of Significant Accounting Policies (continued)

Offsetting financial instruments. Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. Restricted cash balances are excluded from cash and cash equivalents.

Receivables from primary activity and other receivables. Receivables from primary activity and other receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method.

Payables from primary activity and other payables. Payables from primary activity and other receivables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

Operating lease. Where the University is a lessor in a lease which does not transfers substantially all the risks and rewards incidental to ownership to the lessee (i.e. operating lease), lease payments from operating leases are recognised as other income on a straight-line basis.

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Article 251 “Income Not Treated as Deductible for Tax Purposes” of Article 25 of the Russian Tax Code provides that entities should not include earmarked proceeds in their tax base calculations (except for earmarked proceeds in the form of excisable goods). They include such earmarked proceeds to provide for non-commercial organisations and support operations prescribed by their charters that were provided gratuitously based on decisions by government agencies, local authorities and management bodies of state non-budget funds, as well as earmarked proceeds from other organisations and/or individuals and used by the recipients for the purpose intended. The taxpayers acting as recipients of the above earmarked proceeds are required to maintain separate accounting for income (expenses) received (incurred) as part of earmarked proceeds. These requirements are met by the University during the reporting period. Income taxes for 2022-2021 were assessed on income from fee-based educational services, scientific research conducted on a commercial basis and other commercial services. The income tax charge/credit comprises current tax and deferred tax and is recognised in surplus or deficit for the year, except if it is recognised in the equity because it relates to transactions that are also recognised, in the same or a different period, in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

3 Summary of Significant Accounting Policies (continued)

Given that the larger part of the University's income and expenses is not included in income tax calculations, the tax base is determined for the assets and liabilities used in taxable activities. If any assets or liabilities are used both in taxable and tax-exempt activities, their tax base approximates the carrying amount shown in the consolidated financial statements, as it is difficult to reliably estimate the percentage of the asset or liability to be used in the taxable activity, unless such assets or liabilities are directly attributable to a taxable activity.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Uncertain tax positions. The University's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance expenses and other gains/(losses), net, respectively.

Value added tax. Value added tax relating to sales proceeds is payable to the budget on the earlier of two dates: (a) the date of receipt of receivables from customers or (b) the date of shipment (transfer) of services to customers. VAT paid on the purchase of goods and services is usually recoverable by way of an offset against the VAT charged on sales proceeds upon receipt of the seller's invoice. Tax Authorities Allow Settlement of VAT on a Net Basis. Output value added tax (VAT) payable and VAT recoverable from the budget is recognised in the consolidated statement of financial position on a gross basis within assets and liabilities. Where provision has been made for the impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Inventories. Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

Where the University expects a part or full provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to the provision is recognized in the consolidated statement of profit or loss and other comprehensive income, net of any reimbursement.

Revenue recognition from primary activities.

Revenue is income arising in the course of the University's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the University expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties.

Financing of educational activities is carried out at the expense of government grants and payment for educational services by individuals and legal entities.

3 Summary of Significant Accounting Policies (continued)

Revenue from the educational services financed by the state. The amount of grants allocated by the government for the provision of educational services depends on the name, quantity of public services and standard costs to provide public services by price groups of major qualifications and areas of training. Revenues from educational services are recognised based on agreements signed with the Ministry of Science and Higher Education of the Russian Federation. Revenues are calculated based on the fair value of the consideration received or receivable.

Revenue from the general and additional educational services provided on a fee basis. Revenues from rendering fee-based educational services are recognised on a monthly basis, pro rata to the time spent on training delivery in the reporting period, when the service was rendered. For the most of education programmes the period of providing services is equal to 10 months. Revenues are measured based on the fair value of the consideration received or receivable. Transactions for which an uncertainty arises about the probability of the economic benefit inflow, for example when overdue receivables exceed two semesters (or 360 days), revenue is recognised in the period when consideration for such services was received

Revenue from research and development services. Research and development services are performed both in accordance with a public engagement and under agreements signed with various Ministries, government agencies and commercial organisations. Research and development services are provided within the framework of a public engagement, for the subjects of research formulated in line with priority outlines for science and technology development approved by the Russian Federation. Revenue from research and development services is recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. The proportion of the services rendered is calculated by reference to the proportion of actual costs incurred under the agreement to total costs under the agreement. Revenues are shown net of VAT. Revenues are measured based on the fair value of the consideration received or receivable.

Compensation of expenses incurred by the University to provide conditions for implementing projects related to grants from the Russian Foundation for Basic Research (the "RFBR") (referred to as the “Foundation”). The University is a party to a trilateral agreement between the Foundation, the University and the grant’s recipient. The Foundation acts as client under the trilateral agreement, and the recipient of the grant acts as a contractor. The University assists in the implementation of the project, engages in settlements under instructions from the recipient of the grant, and signs contracts with third parties. The trilateral agreement provides that the recipient of the grant can dispose of the cash (grant) in the University’s account, including receiving all or part of funds as transfers to its account or in cash (depending on the entity’s ability), instructing the University to sign and pay from the grant contracts with third parties for the supply of equipment, performance of work and provision of services. The recipient of the grant reimburses the University’s out-of-pocket expenses of no more than ten percent of the grant amount. In this regard, the University recognises income gained and expenses incurred for ensuring the financing of the Foundation grant recipient, on net basis and includes the revenue in the amount of expenses to be reimbursed to the University as part of other revenue.

Other services. The University provides the following other services for a fee:

- additional accommodation in dormitories;
- medical services;
- other types of services.

Revenues from other fee-based services are recognised in the reporting period in which the services were rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided under the agreement. Revenues are presented net of VAT. Revenues are measured based on the fair value of the consideration received or receivable.

Financing components. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

3 Summary of Significant Accounting Policies (continued)

Grants

Grants for the acquisition of fixed assets and major repairs. Budget appropriation under the FTIP are federal budget funds allocated for budgetary investments under the rules of making capital investments into the state property of the Russian Federation in accordance with the Federal Targeted Investment Programme (FTIP). The budget appropriation is intended for investing in new construction, expansion, renovation and technical upgrade of the existing buildings and structures, purchase of cars, equipment, tools, fixtures, research and development and other expenses. The budget appropriations are recognised as revenues in the consolidated statement of profit or loss and other comprehensive income for the reporting period in the amount corresponding to the costs incurred and capitalised during the reporting period.

Grants and donations for scholarships. The budgetary funds received in the form of a subsidy for student scholarships, and other payments from budgets of all levels (including budgetary funds for fulfilling public obligations) or from legal entities that are subsequently allocated to payments to students, are recognised within revenues when the University accrues scholarships and other benefits to students. Personal scholarships are fully treated as revenue for the period.

Donations for activities prescribed by the Charter and University development. To carry out its activities prescribed by the Charter, the University receives voluntary donations from legal entities and individuals, and grants from the budget of Moscow city. Donations are allocated to support the University's operation and development, carry out the educational process, and improve the material and technical base.

The voluntary donations received by the University during the reporting period are used in accordance with their contractual purposes and recognised within revenue for the period as follows:

- when under the assets' transfer conditions, the University is required to either use future economic benefits or service potential associated with the assets in due course, or return them to the giving party if the conditions are not met, then revenues are recognised when the conditions are satisfied;
- when no conditions are prescribed for the assets' transfer, the University recognises revenues, when control over the asset originally is established.

Other income recognition

Providing property for lease. Income from property lease services is recognized on a monthly basis and is calculated in relation to the amount of the lease stipulated by the lease agreement and the number of days of use of the leased premises in the reporting month. Compensation for utilities from lessee is also recognized as other income.

Employee benefits. Wages, salaries, contributions to the Russian Federation state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the University. The University has no legal or constructive obligation to make pension or similar benefit payments.

Interest income. Interest income is recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income, all fee received between the parties to the contract that are an integral part of the effective interest rate, all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the University relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

For financial assets that are originated or purchased credit-impaired, the effective interest rate is the rate that discounts the expected cash flows (including the initial expected credit losses) to the fair value on initial recognition (normally represented by the purchase price). As a result, the effective interest is credit-adjusted.

3 Summary of Significant Accounting Policies (continued)

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their AC, net of the ECL provision, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the AC.

Contingent liabilities. The University does not recognise contingent liabilities, unless the likelihood of the outflow of resources is remote, but discloses the nature of contingent liabilities and when feasible, an assessment of its impact on the financial indicators, the uncertainties relating to the amount or time of settlement and the probability of recovery as at the reporting date in the notes to the consolidated financial statements for each category of contingent liabilities.

Contingent assets. The University does not recognise contingent assets but discloses information on contingent assets in the Notes to consolidated financial statements, when it is probable that the entity will receive future economic benefits or value in use associated with the asset. Contingent assets are periodically reviewed to ensure that relevant changes are appropriately reflected in the consolidated financial statements. If it is practically guaranteed that future economic benefits will be received or value in use will be created, and an asset can be reliably estimated, then the asset and respective income are recognised in the consolidated financial statements in the period when the change took place.

Amendment of the consolidated financial statements after issue**.** Any changes to these consolidated financial statements after issue require approval of the University's management who authorised these consolidated financial statements for issue.

4 Adoption of New or Revised Standards and Interpretations

Covid-19-Related Rent Concessions – Amendments to IFRS 16 issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021. The amendment extended the date of the practical expedient provided by Amendments to IFRS 16 issued on 28 May 2020 from 30 June 2021 to 30 June 2022.

The following amended standards became effective from 1 January 2022, but did not have a material impact on the Group:

Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are now recognised in profit or loss. The amendment to IAS 16 also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset.

The amendment to IAS 37 clarifies the meaning of 'costs to fulfil a contract'. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 was amended to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception in IFRS 3 was added for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 or IFRIC 21, rather than the 2018 Conceptual Framework.

The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities.

Illustrative Example 13 that accompanies IFRS 16 was amended to remove the illustration of payments from the lessor relating to leasehold improvements.

4 Adoption of New or Revised Standards and Interpretations (continued)

IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. IFRS 1 was amended to allow entities that have taken this IFRS 1 exemption to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. The amendment to IFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

The requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41 was removed.

5 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2023 or later, and which the University has not early adopted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IFRS 17 "Insurance Contracts"(issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021**, **the effective date subsequently modified to 1 January 2023 by the Amendments to IFRS 17). IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies.

Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023). The amendments include a number of clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and transition.

Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022, the effective date subsequently modified to 1 January 2024 by the Amendments to IAS 1 as discussed below). These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023, the effective date subsequently modified to 1 January 2024 by the Amendments to IAS 1 as discussed below). The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

5 New Accounting Pronouncements (continued)

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations.

Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to the transition requirements in IFRS 17 provides insurers with an option aimed at improving the usefulness of information to investors on initial application of IFRS 17.

Lease Liability in a Sale and Leaseback Amendments to IFRS 16 – Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments apply to sale and leaseback transactions where the transfer of the asset qualifies as a ‘sale’ under IFRS 15 and the lease payments include variable lease payments that do not depend on an index or rate. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.

Non-current Liabilities with Covenants – Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments clarify previous amendments to IAS 1 on classification of liabilities as current or non-current issued in January 2020 that would have become effective for reporting periods beginning on or after 1 January 2023. The 2022 amendments clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. The 2022 amendments introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the University's consolidated financial statements.

6 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The University makes accounting estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The University’s management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Property under operative management and land plots under unlimited use. To enable the University to perform its core activity, the Russian Federation has entitled the University to manage the property and use the land plots in perpetuity. Operating management gives the University a right to hold (use) immovable property and highly valuable movable property ("HVP") without a right to dispose of it. The right of full disposal of immovable property and HVP (including their withdrawal) is retained by the Russian Federation. The Russian Federation can dispose of any property withdrawn from the University at its discretion. The owner of property has never withdrawn the property in practice; as of the reporting date, the University does not have a list of assets approved by the founder which are subject to withdrawal.

6 Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

The University operates under public orders for research and education services and does not expect any reduction in the volumes of its activity. Therefore, the University does not expect that the property will be withdrawn by the Russian Federation. The property and land plots have a potential benefit for the University in performing its statutory activities. Since the University controls the future potential benefit from the use of the property and land plots, it would be reasonable to recognise the property under operating management and the land plots used in perpetuity as assets.

Recognition of settlements with founders in a separate line item "Settlements with the founder" in the consolidated statement of financial position. Settlements with the founder include the value of immovable property, highly valuable movable property, land plots used in perpetuity and construction in progress transferred by the Russian Federation to the University to perform its core activity provided in its Charter.

Useful lives of property, plant and equipment. The estimation of the useful lives of items of property, plant and equipment is a matter of judgement based on the experience with similar assets. The future economic benefits or value in use embodied in the assets are consumed principally through their use. However, other factors, such as technical obsolescence and wear and tear of equipment, often result in the diminution of the economic benefits embodied in the assets.

The University's management estimates the remaining useful lives of property, plant and equipment based on the current technical condition of the assets and estimated period during which the assets are expected to generate benefits or value in use for the University.

The following primary factors are considered:

(a) expected usage of the assets;

(b) expected physical wear and tear, which depends on operational factors and maintenance programme;

(c) obsolescence of equipment from the technology perspective.

Were the estimated useful lives to differ by 10% from management's estimates, the impact on depreciation for the year ended 31 December 2022 would be to increase it by RR 66,840 thousand or decrease it by RR 150,220 thousand (2021: increase by RR 144,280 thousand or decrease by RR 118,047 thousand).

Expected credit loss (ECL) measurement. Measurement of ECLs is a significant estimate that involves measurement methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 26.

For receivables from legal entities, the University assesses whether there is objective evidence of impairment on an individual basis.

For receivables from individuals, the University assesses whether there is objective evidence of impairment for individually significant amounts, and then collectively for the amounts receivable that are not individually significant.

In determining the amount of ECL allowance, the University's management considers the age of receivables and collectibility of the debt.

ECL allowance is made for 100% of doubtful receivables which are more than 360 days past due.

Recognition of income and expenses on grants without a commercial component. The University earns income from subsidies provided in the form of grants (RFBR, RSF) without a commercial component. The University initially recognises these subsidies within deferred income from grants. The University acts as a principal under the agreements on subsidies provided in the form of grants because under the agreements funds are allocated to the University to complete projects and research. Since grants can be provided at any time during the reporting period (not only at the beginning of the year) and for more than one year, income is recognised as expenses to be compensated for by the grants as incurred in the amount of actual costs. Costs actually incurred during one period are expensed in the reporting period. The University recognises income from grants within "Income from grants" in the consolidated statement of profit or loss. The University is aware of the conditions and procedure for recognising expenses under the subsidies, therefore, they are reasonably certain that they will receive income from the subsidy.

6 Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

Deferred income tax asset recognition. The recognised deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recorded to the extent that realization of the related tax benefit is probable. This includes temporary differences expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilised. The future taxable profits and the amount of tax benefits probably deductible in the future are based on the business plan prepared by management of the University and its extrapolated results. The business plan is based on management expectations that are believed to be reasonable under the circumstances.

Tax legislation. Russian tax, currency and customs legislation is subject to varying interpretations. Refer to Note 27.

7 Balances and Transactions with Related Parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the economic substance of the relationship, not merely the legal form. Related parties include:

- entity controlled by the RUDN directly or indirectly through one or more intermediaries;
- key management personnel of the University and their close family members;
- entities on which the University can have a significant influence.

Government agencies are related parties, since they are under common control and transactions with them meet the definition of related party transactions. However, disclosure of transactions between the University and government agencies is not mandatory under IAS 24 "Related Party Disclosures", as:

- the transactions are conducted in line with typical business relations between the parties;
- the transactions are conducted under her terms and conditions that are normal for similar transactions under these circumstances.

As at 31 December 2022 and 31 December 2021 the University's related parties included:

- members of the Supervisory Board;
- President;
- Rector;
- University management (Vice-Rectors, Deans and others);
- members of the Academic Council;
- associates.

The income and expense items with related parties for the year ended 31 December 2022 were as follows:

	Key management personnel of the University		
In thousands of Russian roubles	**University management**	**Academic Council**	**Supervisory Board**
Salary and other benefits	182,606	241,452	23,507

The income and expense items with related parties for the year ended 31 December 2021 were as follows:

	Key management personnel of the University		
In thousands of Russian roubles	**University management**	**Academic Council**	**Supervisory Board**
Salary and other benefits	240,024	150,949	15,006

There were no significant transactions with entities controlled by the University and entities over which the University has significant influence in 2022 and 2021.

8 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment in 2022 were as follows:

In thousands of Russian roubles	Land	Residential Buildings	Non-residential Buildings	Plant and equipment	Production inventory	Structures	Transport	Construction in progress and advances	Total
Cost									
At 31 December 2021	**14,308,400**	**2,054,001**	**8,049,080**	**5,111,741**	**1,170,227**	**250,339**	**54,200**	**465,852**	**31,463,840**
Additions	-	-	11,513	550,201	267,178	18,939	-	433,487	**1,281,318**
Disposals	-	-	(2,716)	(60,323)	(32,740)	-	(1,867)	-	**(97,646)**
Transfers	-	270,643	60,624	-	-	17,962	-	(349,229)	**-**
At 31 December 2022	**14,308,400**	**2,324,644**	**8,118,501**	**5,601,619**	**1,404,665**	**287,240**	**52,333**	**550,110**	**32,647,512**
Accumulated depreciation									
At 31 December 2021	**-**	**(123,654)**	**(460,120)**	**(2,423,602)**	**(875,058)**	**(45,384)**	**(30,853)**	**-**	**(3,958,671)**
Depreciation charge	-	(61,827)	(91,026)	(713,971)	(258,216)	(26,558)	(7,178)	-	**(1,158,776)**
Disposal of depreciation	-	-	-	50,235	32,712	-	1,867	-	**84,814**
At 31 December 2022	**-**	**(185,481)**	**(551,146)**	**(3,087,338)**	**(1,100,562)**	**(71,942)**	**(36,164)**	**-**	**(5,032,633)**
Carrying amount									
At 31 December 2021	**14,308,400**	**1,930,347**	**7,588,960**	**2,688,139**	**295,169**	**204,955**	**23,347**	**465,852**	**27,505,169**
At 31 December 2022	**14,308,400**	**2,139,163**	**7,567,355**	**2,514,281**	**304,103**	**215,298**	**16,169**	**550,110**	**27,614,879**

Movements in the carrying amount of property, plant and equipment in 2021 were as follows:

In thousands of Russian roubles	Land	Residential Buildings	Non-residential Buildings	Plant and equipment	Production inventory	Structures	Transport	Construction in progress and advances	Total
Cost									
At 1 January 2021	**14,308,400**	**2,054,001**	**7,931,091**	**4,716,000**	**1,105,194**	**243,909**	**53,642**	**333,411**	**30,745,648**
Additions	-	-	124,983	467,879	168,975	6,430	558	133,722	**902,547**
Disposals	-	-	(6,994)	(73,419)	(103,942)	-	-	-	**(184,355)**
Transfers	-	-	-	1,281	-	-	-	(1,281)	**-**
At 31 December 2021	**14,308,400**	**2,054,001**	**8,049,080**	**5,111,741**	**1,170,227**	**250,339**	**54,200**	**465,852**	**31,463,840**
Accumulated depreciation									
At 1 January 2021	**-**	**(61,827)**	**(232,734)**	**(1,720,592)**	**(782,862)**	**(22,910)**	**(15,285)**	**-**	**(2,836,210)**
Depreciation charge	-	(61,827)	(232,770)	(766,863)	(179,784)	(22,474)	(15,568)	-	**(1,279,286)**
Disposal of depreciation	-	-	5,384	63,853	87,588	-	-	-	**156,825**
At 31 December 2021	**-**	**(123,654)**	**(460,120)**	**(2,423,602)**	**(875,058)**	**(45,384)**	**(30,853)**	**-**	**(3,958,671)**
Carrying amount									
At 1 January 2021	**14,308,400**	**1,992,174**	**7,698,357**	**2,995,408**	**322,332**	**220,999**	**38,357**	**333,411**	**27,909,438**
At 31 December 2021	**14,308,400**	**1,930,347**	**7,588,960**	**2,688,139**	**295,169**	**204,955**	**23,347**	**465,852**	**27,505,169**

8 Property, Plant and Equipment (continued)

As of 31 December 2022 the University's property, plant and equipment includes assets under operational management with carrying value equal to RR 24,192,941 thousand (as of 31 December 2021: RR 24,733,936 thousand).

As of 31 December 2022 the University's property, plant and equipment includes advances issued for the purchase of property, plant and equipment with carrying value equal to RR 52,335 thousand (as of 31 December 2021: RR 21,505 thousand).

9 Intangible Assets

Movements in the carrying amount of intangible assets for 2022 were as follows:

In thousands of Russian roubles	Web-sites	Licenses	Other	Unfinished developments	Total
Cost					
At 31 December 2021	**18,838**	**34,182**	**52,925**	**22,899**	**128,844**
Additions	-	17,808	6,816	51,482	**76,106**
Disposal	(201)	(18,665)	(4,732)	-	**(23,598)**
Transfer	15,914	-	44,176	(60,090)	-
At 31 December 2022	**34,551**	**33,325**	**99,185**	**14,291**	**181,352**
Accumulated amortisation					
At 31 December 2021	**(14,190)**	**(15,143)**	**(17,414)**	**-**	**(46,747)**
Amortisation charge	(3,304)	(22,610)	(18,476)	-	**(44,390)**
Disposal	141	18,665	3,893	-	**22,699**
At 31 December 2022	**(17,353)**	**(19,088)**	**(31,997)**	**-**	**(68,438)**
Carrying amount					
At 31 December 2021	**4,648**	**19,039**	**35,511**	**22,899**	**82,097**
At 31 December 2022	**17,198**	**14,237**	**67,188**	**14,291**	**112,914**

Movements in the carrying amount of intangible assets for 2021 were as follows:

In thousands of Russian roubles	Web-sites	Licenses	Other	Unfinished developments	Total
Cost					
At 31 December 2020	**17,491**	**-**	**17,220**	**377**	**35,088**
Additions	1,347	34,182	35,762	22,522	**93,813**
Disposal	-	-	(57)	-	**(57)**
At 31 December 2021	**18,838**	**34,182**	**52,925**	**22,899**	**128,844**
Accumulated amortisation					
At 31 December 2020	**(10,986)**	**-**	**(4,628)**	**-**	**(15,614)**
Amortisation charge	(3,204)	(15,143)	(12,843)	-	**(31,190)**
Disposal	-	-	57	-	**57**
At 31 December 2021	**(14,190)**	**(15,143)**	**(17,414)**	**-**	**(46,747)**
Carrying amount					
At 31 December 2020	**6,505**	**-**	**12,592**	**377**	**19,474**
At 31 December 2021	**4,648**	**19,039**	**35,511**	**22,899**	**82,097**

10 Cash, Cash Equivalents, and Bank Deposits

Cash and cash equivalents consist of cash on accounts within the Federal Treasury of the Russian Federation, bank account balances, and cash on hand. The following amounts from the consolidated statement of cash flows and the consolidated statement of financial position are included in cash and cash equivalents:

In thousands of Russian roubles	31 December 2022	31 December 2021
Bank balances payable on demand	1,262,522	1,278,784
Account balances with the Federal Treasury of the Russian Federation	62,214	82,277
Term deposits with original maturity of less than three months	40,000	3,057,468
Cash on hand	63	65
Total cash and cash equivalents	**1,364,799**	**4,418,594**

10 Cash, Cash Equivalents, and Bank Deposits (continued)

For 2022, interest income on deposits placed in rubles was accrued at a rate of 7.15% to 21.25% per annum (for 2021: 2.35% - 9.36% per annum), on deposits placed in US dollars, interest accrued at a rate of 0.01% to 6.50% per annum (for 2021: 0.55% - 1.05% per annum) and on deposits placed in euros, interest accrued at a rate of 3.52% per annum (for 2021: 0.50% per annum).

As of 31 December 2022 there were short-term deposits with a maturity of more than three months amounted to RR 2,993,887 thousand. As 31 of December 2022 deposits were placed with PJSC Gazprombank and PJSC Rosselkhozbank at the rate of 7.50% to 8.45% per annum in rubles and at the rate of 0.10% in US dollars (as of 31 December 2021: not posted).

Cash and cash equivalents are denominated in the following currencies:

In thousands of Russian roubles	**31 December 2022**	**31 December 2021**
Euro	348,946	388,808
Chinese yuan	346,486	-
Russian roubles	344,485	2,253,904
US dollars	324,882	1,775,882
Total	**1,364,799**	**4,418,594**

The credit quality of cash and cash equivalents and term deposits balances may be summarised based on Expert RA ratings as follows at 31 December 2022:

In thousands of Russian roubles	**Rating ruAAA**	**Rating ruAA+**	**Rating ruAA**	**Rating ruA+**	**No Rating**	**Total**
31 December 2022						
Bank balances on demand	1,231,414	31,018	75	15	-	**1,262,522**
Account balances with the Federal Treasury of the Russian Federation	-	-	-	-	62,214	**62,214**
Term deposits with original maturity of less than three months	40,000	-	-	-	-	**40,000**
Term deposits with original maturity of more than three months	-	1,920,000	1,073,887	-	-	**2,993,887**

The credit quality of cash and cash equivalents and term deposits balances may be summarised based on Expert RA ratings as follows at 31 December 2021:

In thousands of Russian roubles	**Rating ruAAA**	**Rating ruAA+**	**Rating ruAA**	**Rating ruA+**	**No Rating**	**Total**
31 December 2021						
Bank balances on demand	630,059	907	647,818	-	-	**1,278,784**
Account balances with the Federal Treasury of the Russian Federation	-	-	-	-	82,277	**82,277**
Term deposits with original maturity of less than three months	630,000	-	2,427,468	-	-	**3,057,468**

In the 2021 financial statements, cash and cash equivalents were disclosed at credit ratings set by Moody's.

11 Financial assets at fair value through profit or loss

As of 31 December 2022, financial assets at fair value through profit or loss included funds in precious metals under unallocated metal account agreements (hereinafter referred to as "UMA") in the amount of 703,670 (as of 31 December 2021 - these were no assets). These accounts do not imply physical deliveries of precious metals. UMA contracts are financial assets with an embedded inseparable derivative (hybrid contract). Revaluation of financial assets at fair value through profit or loss is recognized in the consolidated statement of profit or loss on a net basis in the line items "Finance income" or "Finance costs", depending on the financial result.

12 Accounts receivable

In thousands of Russian roubles	**31 December 2022**	**31 December 2021**
Accounts receivable from primary activity	678,138	445,221
Provision for ECL for receivables from primary activity	(312,235)	(269,956)
Other financial receivables	189,100	319,212
Provision for ECL on other receivables	(82,232)	(201,533)
Total financial assets within accounts receivable	**472,771**	**292,944**
Employee costs in advance	408	112
Prepayments	72,565	71,174
Other tax receivables	25,689	28,815
Total accounts receivable	**571,433**	**393,045**

The following table explains the changes in the credit loss allowance for accounts receivables under simplified ECL model between the beginning and the end of the annual period:

In thousands of Russian roubles	**2022**	**2021**
Allowance for credit losses on receivables at 1 January	**471,489**	**455,777**
Increase in provision charged to profit or loss	46,103	122,889
Provision used	(123,125)	(107,177)
Allowance for credit losses on receivables at 31 December	**394,467**	**471,489**

The University applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, accounts receivable from primary activity and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The credit loss allowance for accounts receivable is determined according to provision matrix presented in the table below. The provision matrix is based the number of days that an asset is past due.

In % of gross value	**Loss rate**	**Gross carrying amount**	**Lifetime ECL**
Financial receivables at 31 December 2021			
- less than 30 days overdue	0.70 %	274,867	1,924
- 30 to 90 days overdue	11.30 %	17,130	1,936
- 91 to 360 days overdue	89.30 %	44,939	40,132
- over 360 days overdue	100.00 %	427,497	427,497
Total trade receivables (gross carrying amount)		**764,433**	
Credit loss allowance		(471,489)	
Total contract assets (carrying amount)		**292,944**	
Financial receivables at 31 December 2022			
- less than 30 days overdue	4.32 %	446,742	19,299
- 30 to 90 days overdue	28.81 %	14,313	4,124
- 91 to 360 days overdue	56.91 %	81,547	46,408
- over 360 days overdue	100.00 %	324,636	324,636
Total trade receivables (gross carrying amount)		**867,238**	
Credit loss allowance		(394,467)	
Total contract assets (carrying amount)		**472,771**	

13 Other assets and liabilities

Included in other assets and liabilities is cash received as a collateral for applications to participate in the bid (auction) from the participants of procurements, and also as a collateral for the performance of the contracts signed as a result of competitive procurements.

The cash is at the temporary disposal of the University and shall be refunded to the procurement participants to the extent of the collateral received for the applications upon the completion of competitive procedures, or to the extent of the collateral received for the contract performance upon the fulfilment of contractual obligations.

13 Other assets and liabilities (continued)

As of 31 December 2022, other assets comprise cash received by the University at its temporary disposal in the amount of RR 15,010 thousand (as of 31 December 2021: RR 25,873 thousand). Corresponding amounts were recognised within other liabilities.

Restricted cash is placed with the Russian Federal Treasury. The amount is neither past due nor impaired. The carrying amount of restricted cash approximates its fair value.

Other assets also comprise receivables in the form of cash deposited by the University as performance security and as security deposit for tenders.

These receivables are neither past due nor impaired, and as of 31 December 2022 amounted to RR 9,023 thousand (as of 31 December 2021: RR 12,212 thousand).

14 Settlements with the founder

The table below shows a reconciliation of the movement of property, plant and equipment and construction in progress, which are in operational management and form settlements with the founder:

In thousands of Russian roubles	2022	2021
Settlements with the founder at 1 January	**24,066,587**	**23,941,604**
Transfer of property, plant and equipment	-	124,983
Settlements with the founder at 31 December	**24,066,587**	**24,066,587**

Settlements with the founder include the following components of the book value: immovable property, highly valuable movable property, land plots in perpetual use and construction in progress. Highly valuable movable property is movable property that is acquired at the expense of state funding sources and the value of which is more than RR 500 thousand.

During 2021, the administrative building was transferred to the operational management of the University from the founder. The fair value of the specified item of property, plant and equipment was estimated using a professional independent valuer.

15 Accounts payable

In thousands of Russian roubles	31 December 2022	31 December 2021
Accounts payable from primary activity	94,425	88,054
Other financial accounts payable	66,508	86,214
Total financial payables	**160,933**	**174,268**
Accrued employee benefit costs	835,872	787,146
Trade and other payables at 31 December	**996,805**	**961,414**

As of 31 December 2022, accrued employee benefit costs include liabilities accrued for deferred leave payable within 12 months after the reporting date in the amount of RR 651,653 thousand and liabilities for insurance premiums for obligatory social insurance RR 162,913 thousand (as of 31 December 2021: RR 613,324 thousand and RR 153,331 thousand respectively).

Refer to Note 29 for disclosure of the fair value of each class of financial liabilities.

16 Contract liabilities with counterparties

In thousands of Russian roubles	31 December 2022	31 December 2021
Contract liabilities on primary activities	2,293,047	1,595,355
Other contract liabilities	57,040	281,620
Total	**2,350,087**	**1,876,975**

Other contract liabilities include advances received under lease agreements.

17 Revenue from primary activity

In thousands of Russian roubles	2022	2021
Fee-based main educational programmes	6,679,290	6,352,542
Educational services provided as part of the public engagement	4,008,741	3,463,864
Fee-based additional educational programmes	1,180,173	629,222
Research and development services as part of the public engagement	502,059	380,426
Students accommodation in the dormitory and additional dormitory services	346,042	276,189
Healthcare services	211,464	195,299
Research and development services	179,142	219,006
Total	**13,106,911**	**11,516,548**

Revenue from primary activities is recognized over time, except for the following activities recognized at a point in time based on acts of work performed: research and development services as a part of the public engagement and research and development services.

18 Income from grants

In thousands of Russian roubles	2022	2021
Grants and donations for scholarships	577,575	499,367
RSF and RFBR grants	108,639	50,405
Grants for the University development	100,000	-
Grants for acquisition of PPE and major repairs	-	31,574
Other grants	223,764	262,782
Total	**1,009,978**	**844,128**

19 Other income

As part of other income, the University received income from the provision of property for lease in the amount of RR 141,887 thousand (2021: RR 154,187 thousand).

20 Employee benefits expense and other personnel costs

In thousands of Russian roubles	2022	2021
Salaries	7,131,814	6,321,979
Social insurance contributions accrued	1,767,660	1,582,373
Unused vacation provision expenses	853,353	728,537
Compensation under civil contracts	88,093	85,426
Other payments	25,397	9,063
Total	**9,866,317**	**8,727,378**

21 Third party services

In thousands of Russian roubles	2022	2021
Expenses for current repairs of property, plant and equipment	430,144	302,876
Property maintenance services	360,060	245,356
Acquisition of computer software rights to use and databases	205,902	119,067
Utilities costs	137,864	188,107
Security, fire safety services	82,989	79,002
Transport services	63,277	40,633
Legal, audit and consulting services	32,358	28,737
Advertising services	27,479	35,944
R&D expenses	22,681	1,335
Telecommunication services	21,520	19,736
Other expenses	376,588	358,765
Total	**1,760,862**	**1,419,558**

22 Taxes and Levies

In thousands of Russian roubles	**2022**	**2021**
Property tax	78,533	57,703
Land tax	76,186	60,396
Other taxes	2,673	2,045
Total	**157,392**	**120,144**

23 Income Taxes

(a) Components of income tax expense

Income tax expense recorded in profit or loss comprises the following:

In thousands of Russian roubles	**2022**	**2021**
Current tax	(142,313)	(212,543)
Deferred tax	(78,259)	7,043
Income tax expense for the year	**(220,572)**	**(205,500)**

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate.

The income tax rate applicable to the University's income for 2022 and 2021 is 20%. A reconciliation between the expected and the actual taxation charge is provided below:

In thousands of Russian roubles	**2022**	**2021**
Profit before tax	**602,668**	**40,987**
Theoretical tax charge at statutory rate of 20%:	120,534	8,197
Tax effect of items which are not deductible or assessable for taxation purposes and other effects	100,038	197,303
Income tax expense for the year	**220,572**	**205,500**

(c) Deferred taxes analysed by type of temporary difference.

Differences between IFRS and statutory taxation regulations in Russian Federation give rise to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

The tax effect of the movements in the temporary differences for the year ended 31 December 2022:

In thousands of Russian roubles	**31 December 2021**	**Credited/ (charged) to profit or loss**	**31 December 2022**
Tax effect of deductible/(taxable) temporary differences			
Property, plant and equipment	(99,477)	(63,095)	(162,572)
Accounts receivable	94,057	(15,164)	78,893
Net deferred tax liability	**(5,420)**	**(78,259)**	**(83,679)**
Recognised deferred tax liability	(5,420)	(78,259)	(83,679)
Net deferred tax liability	**(5,420)**	**(78,259)**	**(83,679)**

The tax effect of the movements in the temporary differences for the year ended 31 December 2021 are:

In thousands of Russian roubles	**1 January 2021**	**Credited to profit or loss**	**31 December 2021**
Tax effect of deductible/ (taxable) temporary differences			
Property, plant and equipment	(103,618)	4,141	(99,477)
Accounts receivable	91,155	2,902	94,057
Net deferred tax liability	**(12,463)**	**7,043**	**(5,420)**
Recognised deferred tax liability	(12,463)	7,043	(5,420)
Net deferred tax liability	**(12,463)**	**7,043**	**(5,420)**

24 Finance Income

In thousands of Russian roubles	2022	2021
Interest income	425,907	184,462
Other financial income	-	4
Total	**425,907**	**184,466**

25 Foreign exchange translation differences, net

In thousands of Russian roubles	2022	2021
Foreign exchange gains from the revaluation of receivables and payables	3,497,382	155,449
Foreign exchange losses from the revaluation of receivables and payables	(3,493,398)	(127,673)
Foreign exchange gains on cash and deposits	2,757,330	930,176
Foreign exchange losses on cash and deposits	(2,762,177)	(965,214)
Total	**(863)**	**(7,262)**

26 Financial Risk Management

The risk management function within the University is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise these risks.

Market risk. The University takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest-bearing assets (term deposits) and (c) precious metals, all of which are exposed to general and specific market movements. University's management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored monthly.

The table below provides an overall analysis of the Group's foreign exchange risk as at the end of the reporting period:

	31 December 2022			**31 December 2021**		
In thousands of Russian roubles	**US dollars**	**Euro**	**Chinese yuan**	**US dollars**	**Euro**	**Chinese yuan**
Cash and cash equivalents	324,882	348,946	346,486	1,775,882	388,808	-
Bank deposits	353,887	-	-	-	-	-
Accounts receivable from primary activities	39,333	11,801	-	8,202	2,584	-
Other financial accounts receivable	-	2,113	-	2,604	302	-
Total financial assets/ Net balance sheet position	**718,102**	**362,860**	**346,486**	**1,786,688**	**391,694**	**-**

26 Financial Risk Management (continued)

The table below provides an analysis of the sensitivity of profit or loss, as well as the amount of equity, to possible changes in exchange rates at the reporting date, in relation to the functional currency of the University, while all other variable characteristics remain unchanged:

	31 December 2022		31 December 2021	
In thousands of Russian roubles	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
US dollar strengthening by 10%	71,810	71,810	178,669	178,669
Euro strengthening by 10%	36,286	36,286	39,169	39,169
Chinese yuan strengthening by 10%	34,649	34,649	-	-
US dollar weakening by 10%	(71,810)	(71,810)	(178,669)	(178,669)
Euro weakening by 10%	(36,286)	(36,286)	(39,169)	(39,169)
Chinese yuan weakening by 10%	(34,649)	(34,649)	-	-

The risk has been calculated only for monetary assets and liabilities denominated in currencies other than the functional currency of the University.

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

Other price risk. The Group exposed to the risk of changes in the price of precious metals (gold, silver, platinum, palladium). The management of the group controls and authorizes transactions with financial instruments. If precious metals prices were 20% lower at 31 December 2022 profit for the year would be RR 140,734 thousand lower, with other variables held constant.

Credit risk. The University exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the University's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The University's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position:

In thousands of Russian roubles	Note	31 December 2022	31 December 2021
Trade and other receivables			
Accounts receivable from primary activity	12	365,903	175,265
Other financial receivables	12	106,868	117,679
Cash and cash equivalents			
Term deposits with original maturity of less than three months	10	40,000	3,057,468
Bank balances payable on demand	10	1,262,522	1,278,784
Bank deposits	10	2,993,887	-
Financial assets at fair value through profit or loss	11	703,670	-
Total maximum exposure to credit risk	10	**5,472,850**	**4,629,196**

Expected credit loss (ECL) measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the University: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

The ECLs that are estimated by management for the purposes of these consolidated financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The University applies simplified approach within IFRS 9, regarding estimation of ECL, when ECL is modelled over trade and other receivables and assets from contracts lifetime period.

26 Financial Risk Management (continued)

For purposes of measuring PD, the University defines default as a situation when the exposure meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- the borrower meets the unlikeliness-to-pay criteria.

For purposes of disclosure, the University fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the University.

The level of ECL that is recognised in these consolidated financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognise interest income based on gross carrying value and applies the asset's effective interest rate to the carrying amount, net of ECL, when calculating interest income

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future month during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Management of the University has developed credit policy and constantly controls credit risks with respect to receivables. Accounts receivable from primary activities are represented within a big amount of counterparties, the main part of which are students and other trainees. The University executes permanent valuation of debtors' creditworthiness and created credit loss allowance if necessary. The University reduces credit risk by concluding contracts for the provision of educational services with students on terms of prepayment, as well as by systematically analyzing accounts receivable for the need to expel students who have arrears in paying for educational services.

University's management analyses terms of delayed payments of trade receivable from primary activities and controls overdue balances of receivables.

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting financial obligations. The University is exposed to the daily need to use available cash to settle financial instruments settled in cash. Liquidity risk is managed by the Management of the University. The Management of the University monthly monitors the forecasts of the cash flow of the University.

The maturity analysis of financial liabilities at 31 December 2022 is as follows:

In thousands of Russian roubles	**Note**	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 12 months to 5 years**	**Total**
Liabilities						
Accounts payable from primary activity	15	94,425	-	-	-	**94,425**
Other financial accounts payable	15	66,508	-	-	-	**66,508**
Other liabilities	13	15,010	-	-	-	**15,010**
Total future payments, including future principal and interest payments		**175,943**	**-**	**-**	**-**	**175,943**

26 Financial Risk Management (continued)

The maturity analysis of financial liabilities at 31 December 2021 is as follows:

In thousands of Russian roubles	Note	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Total
Liabilities						
Accounts payable from primary activity	15	88,054	-	-	-	**88,054**
Other financial accounts payable	15	86,214	-	-	-	**86,214**
Other liabilities	13	25,873	-	-	-	**25,873**
Total future payments, including future principal and interest payments		**200,141**	**-**	**-**	**-**	**200,141**

27 Contingencies and Commitments

Legal proceedings. The University is the defendant against several claims. University management believes that these claims will not lead to any significant cash outflow.

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period is subject to varying interpretations when being applied to the transactions and activities of the University. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review were made. Under certain circumstances reviews may cover longer periods.

As Russian tax legislation does not provide definitive guidance in certain areas, the University adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the University. While management of the University currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the University.

Capital expenditure commitments. As of 31 December 2022 the University has contractual capital expenditure commitments in respect of property, plant and equipment totalling RR 193,939 thousand (as of 31 December 2021: RR 185,982 thousand).

28 Management of Capital

The University's objectives when managing capital are to safeguard the University's ability to continue as a going concern in order to provide interests of founder and to maintain an optimal capital structure. To maintain and regulate the capital structure, the University carries out its activities in accordance with the approved plan of financial and economic activities. The amount of capital that the University managed as of 31 December 2022 was RR 29,965,658 thousand (as of 31 December 2021: RR 29,583,562 thousand).

29 Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

29 Fair Value Disclosures (continued)

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting period. Recurring fair value measurements of financial assets at fair value through profit or loss in the form of funds in precious metals under UMA agreements refer to level 1 of the fair value hierarchy.

As at 31 December 2022 and 31 December 2021 the carrying amounts of financial instruments such as cash (Level 1), cash equivalents and bank deposits (Level 2), trade receivables and other receivables debt, trade payables and other payables (Level 3) do not differ significantly from their fair value. The fair value of financial assets is measured at the net present value of estimated future cash flows. The University also takes into account liquidity, credit and market risk factors and adjusts the valuation model if necessary.

30 Events After the Reporting Period

On 23 March 2023 the Minister of Science and Higher Education of Russia V. N. Falkov signed Order No. 313 on renaming the Peoples' Friendship University of Russia and returning the name of Patrice Lumumba to it. Appropriate changes were made to the Charter of the University.

On 13 March 2023, RUDN completed the reorganisation process by taking over the federal state autonomous educational institution of supplementary vocational education “State Institute of New Forms of Education” (“SINFE”). The reorganisation was carried out in accordance with Order of the Russian Ministry of Science and Higher Education No. 935 of 28 September 2022. Since SINFE was not engaged in any activity, the RUDN reorganisation through a take-over of other legal entity had no significant impact of these consolidated financial statements.