«APPROVED»
By decision of the Board of Directors of NJSC «West Kazakhstan Marat Ospanov Medical University»
from October «24», 2019
protocol No. 6.

Accounting policy of Non-commercial joint-stock company «West Kazakhstan Marat Ospanov Medical University»

Aktobe, 2019

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I. ACCOUNTING POLICIY

Introduction

This document (hereinafter the Accounting Policy) defines the main accounting principles that are used for accounting and preparation of separate financial statements of the Noncommercial Joint Stock Company «West Kazakhstan Marat Ospanov Medical University» (hereinafter referred to as the University).

The accounting policy is an internal regulatory document that defines a single set of principles, rules of accounting and preparation of external financial statements in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The accounting policy of NJSC «West Kazakhstan Marat Ospanov Medical University» is made in accordance with:

- The Charter of this University, approved by order of the Chairman of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan dated 07.02.2019 No. 161;
- The Law of the Republic of Kazakhstan «On State Property»;
- The Law of the Republic of Kazakhstan «On Joint Stock Companies»;
- The Law of the Republic of Kazakhstan «On Non-Commercial Organizations»;
- The Law of the Republic of Kazakhstan «On Education»;
- Civil Code of the Republic of Kazakhstan (subject to amendments and additions);
- Code of the Republic of Kazakhstan «On the health of the people and the healthcare system»;
- Code of the Republic of Kazakhstan «On taxes and other obligatory payments to the budget (Tax Code)»;
- The Law of the Republic of Kazakhstan «On Accounting and Financial Reporting»;
- International Financial Reporting Standards (hereinafter - IFRS);
- Accounting Rules approved by order of the Minister of Finance of the Republic of Kazakhstan;
- A working chart of accounts developed on the basis of the Standard Chart of Accounts of Accounting, approved by order of the Ministry of Finance of the Republic of Kazakhstan (as amended);
- Order of the Ministry of Finance of the Republic of Kazakhstan «On approval of the forms of primary accounting documents»;
- and other regulatory legal acts of the Republic of Kazakhstan on accounting and financial reporting.

Accounting of NJSC «West Kazakhstan Marat Ospanov Medical University» is carried out using the Standard Chart of Accounts approved by the Ministry of Finance of the Republic of Kazakhstan (with amendments and additions).

The purpose of adopting this accounting policy is to create such an accounting system for the whole enterprise that will reliably present information on the financial position of the enterprise, on the results of operations and changes in its financial position, as well as comply with international financial reporting standards (IFRS) in all aspects, those cases when compliance with IFRS contradicts the qualitative characteristics of financial information, such as reliability, materiality and balance between usefulness and costs, or the legislation of the Republic of Kazakhstan.

This accounting policy defines the basic rules of the organization of accounting, as well as the requirements for internal control.

For the purposes of accounting and the preparation of financial statements, the reporting period is a month; the reporting year is a calendar year, starting from ***January 1 to December 31*** inclusive.

All balance sheet items have a single assessment, the unit of measurement of which is the national currency of the Republic of Kazakhstan - ***tenge.***

1. General Provisions

1.1. Legal status

NJSC «West Kazakhstan Marat Ospanov Medical University» / hereinafter - the University / carries out its activities in accordance with the Charter, approved by order of the Chairman of the Committee on State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan dated 07.02.2019 No. 161 and operates in accordance with the Law of the Republic of Kazakhstan «On State Property».

The founder of the University is the Government of the Republic of Kazakhstan represented by the Committee on State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan. The right to own and use the state block of shares of the University in the amount of 100% of the authorized capital is exercised by the Ministry of Healthcare of the Republic of Kazakhstan (hereinafter - the Sole Shareholder).

The University is a non-commercial organization, an educational institution of higher and postgraduate professional medical education, carrying out educational, medical, research, cultural and educational and other activities in the field of health care, higher, postgraduate, additional professional education.

The governing bodies of the University are:

➢ Supreme body - Sole shareholder;

➢ Management Body - Board of Directors;

➢ Collegial Executive Body - Management Board;

➢ The body that exercises control over financial and economic activities - Internal Audit Service;

➢ Other bodies in accordance with the legislation of the Republic of Kazakhstan and (or) the Charter.

The Sole Shareholder of the University has the following powers:

• participate in the management of the University in the manner prescribed by the Law of the Republic of Kazakhstan «On Joint-Stock Companies» and (or) the Charter of the University;

• receive information on the activities of the University, including getting acquainted with the financial statements of the University, in the manner determined by the Sole Shareholder;

• apply to the University with written requests for its activities; demand the convening of meetings of the Board of Directors, etc;

• introduce amendments and additions to the University Charter or its approval in a new edition;

• voluntary reorganization or liquidation of the University;

• determination of the quantitative staff, term of office of the Board of Directors, election of its members and early termination of their powers, as well as determination of the amount and terms of payment of remuneration and compensation of expenses to members of the Board of Directors for the performance of their duties, with the exception of members of the Board of Directors who are public servants;

• election (appointment) of the Chairman of the Management Board - the Rector, determination of the term and early termination of his powers;

• approval of the annual financial statements of the University;

• other issues, decision-making on which is referred by the Charter and (or) legislation to the exclusive competence of the Sole Shareholder of the University.

The body managing the University is the *Board of Directors* whose competence includes the following main issues:

• approval of the strategic directions of the University and the development plan, evaluation of its implementation and performance report;

• preliminary approval of the annual financial statements of the University;

• determination of the sizes of official salaries and conditions of remuneration and bonuses of the Chairman of the Management Board - Rector and members of the Management Board;

• determination of the quantitative staff, term of office of the internal audit service, appointment of its head and members, as well as early termination of their powers, determination of the working procedure of the internal audit service, size and terms of remuneration and bonuses for employees of the internal audit service;

• approval of documents regulating the internal activities of the University, including in accordance with the classifier of internal documents approved by the Board of Directors;

• approval of the organizational structure, staffing of the University, its branches and representative offices;

• other issues stipulated by law and (or) the University Charter, not related to the exclusive competence of the Sole Shareholder.

Chairman of the Management Board - Rector is appointed (elected) by the Sole Shareholder. *The Board* has the right to make decisions on any issues of the University activities that are not referred by the legislation and the Charter to the competence of other bodies of the University and its officials, including:

• ensuring the fulfillment of the University obligations on transactions concluded on behalf of the University in the manner prescribed by law and the Charter;

• approval of the staffing of the University, staffing and organizational structure of branches and representative offices, taking into account the staffing approved by the Board of Directors;

• making decisions on production issues of the internal activities of the University;

• development of strategic directions of the University;

• making decisions on other issues of the University that are not within the exclusive competence of the Sole Shareholder and the Board of Directors.

The *University internal audit service* is created by the University Board of Directors to monitor the financial and economic activities of the University, evaluate internal control, risk management and counseling in order to improve the University's activities.

The financial and production activities of the NJSC «West Kazakhstan Marat Ospanov Medical University» are carried out on the basis of economic independence. The university has a seal, an independent balance sheet, and bank accounts in accordance with the law.

A certificate of state registration of a legal entity was issued by the Department of Justice of the Astana region of Aktobe city, Department of Justice of the Aktobe region dated 05.03.2019.

Business Identification Number (BIN) - 9902 4000 7563.

Location (address) of the University: 030019, Republic of Kazakhstan, Aktobe region, Aktobe city, Astana region, 68 Maresyev street.

The University operates on the basis of the above regulations and internal documents.

1.2. Main activities

In accordance with the Charter, the main goal of the activity of the NJSC «West Kazakhstan Marat Ospanov Medical University» is to promote the development of the healthcare system of the Republic of Kazakhstan, by creating the necessary conditions for obtaining a quality education, aimed at the formation, development and professional development of the individual on the basis of national and universal values, achievements of science and practice.

The main subject of the University activities is higher education, the activities of general hospitals, specialized hospitals and other medical institutions with hospitals and general medical practice.

To achieve these goals the University carries out the following functions:

• training of highly qualified specialists with medical and pharmaceutical education in the forms of training provided for by regulatory legal acts in the field of education within the framework of the state order and commercial basis;

• training of scientific and teaching personnel of the highest qualification in the magistracy, residency, doctoral studies within the framework of the state order and contractual relations with residents and non-residents;

• conclusion of direct agreements and contracts with foreign organizations on areas of activity, creation of temporary teams of researchers and specialists, participation in the activities of international associations and organizations on the basis of contracts, agreements and memoranda with the aim of obtaining advanced skills and experience taking into account commercial interests;

• training, retraining and advanced training of citizens of foreign countries carried out under international agreements concluded by the Government of the Republic of Kazakhstan or on its behalf in the directions of international public and other organizations, as well as under contracts concluded with higher educational institutions of other countries and foreign citizens on the basis of training contracts at the expense of the sources of the provided organizations and the paid basis;

• development of biomedical sciences through scientific research and creative activities of scientific and teaching staff and students, the use of the results in the educational process and healthcare practice in the framework of projects financed from the budget, as well as on a contractual basis at the expense of legal entities;

• training, retraining of scientific and scientific-pedagogical staff of the University in the magistracy, doctoral studies in higher educational institutions, scientific centers of the Republic of Kazakhstan and foreign countries;

• organizing joint work with healthcare organizations in priority areas within the framework of the guaranteed volume of medical care and paid services;

• providing qualified medical care, specialized, consultative and comprehensive medical, diagnostic and medical care, including on a contractual basis within the framework of the guaranteed volume of medical care and paid services;

• conducting preclinical, laboratory and clinical trials of medicines, dressings, medical supplies and medical diagnostic equipment as part of research activities;

• participation in the organization and conduct of scientific and educational events, exhibitions, seminars, conferences, meetings, forums, symposia, trainings in healthcare and medical education in the framework of projects funded from the budget, as well as commercial in nature;

• rental and management of own real estate, housing for the weekend and other periods of short-term residence for employees and students at the University.

The main structural units of the University are schools / faculties, research institutes, university clinics, educational and scientific centers, departments, laboratories, a museum, a research library, departments, services, sectors, branches and representative offices operating in accordance with the law Republic of Kazakhstan and the Charter.

The legal status and functions of structural units of the University are determined by the Charter and the Regulations on structural units of the University, approved by the Chairman of the Board - Rector of the University.

The University with all its structural units is a single educational and scientific unit.

2. Principles of accounting

2.1. Qualitative Characteristics of Financial Statements and Accounting Policy

The accounting policy defines the essential principles of accounting and preparation of financial statements of the NJSC «West Kazakhstan Marat Ospanov Medical University», without information on which a reliable assessment of the financial situation, cash flow and financial results of the University is impossible.

Accounting policies are designed to provide:

- ✓ implementation of the main accounting assumptions;
- ✓ unity of methodology in organizing and maintaining accounting;
- ✓ responsiveness of the accounting system to changes in the conditions for the implementation of financial and economic activities, including those due to changes in legislative, regulatory acts and IFRS.

This accounting policy has been developed in compliance with the principles used for the preparation of financial statements. The main qualitative characteristics of the University's financial statements are comprehensibility, relevance (materiality), reliability (truthful presentation, the predominance of the essence over the form, neutrality, prudence, completeness) and comparability, which provides for the following:

The accrual principle in accordance with which income is recognized when they are earned and expenses and losses when they are incurred, regardless of whether or not cash is received or paid.

The principle of comprehensibility is a principle that implies the use of such forms and methods of reflecting the events of financial and economic activity that would make financial statements accessible for users to understand, i.e., information should be easily understandable and accessible.

The principle of relevance - financial reporting information is useful and necessary, respectively, relevant to users in making decisions. The relevance of the information is seriously affected by its nature and materiality, so its omission or distortion will have a significant impact on economic results. Each material item is presented separately in the financial statements. Non-material items are combined with other items of a similar nature or purpose and are not presented separately.

The principle of reliability - information is reliable when it does not contain significant errors and biases of distortion, and when users can rely on it as representing truthfully what it should either represent or it is reasonably expected from it to represent it.

True presentation - in order to be reliable, the information must truthfully represent the operations and other events that it must either present, or it is reasonably expected from it to represent it.

Neutrality - to be reliable, the information contained in the financial statements must be neutral, that is, it must be unbiased.

Prudence is the introduction of a certain degree of caution in the process of forming judgments necessary in making the calculations required in the face of uncertainty so that assets or income are not overstated and liabilities or expenses are underestimated.

Completeness - in order to be reliable, the information in the financial statements must be complete, taking into account the materiality and costs of it. Skipping can do information is false or misleading, and therefore unreliable and imperfect in terms of its relevance.

The principle of comparability - compliance with this principle allows you to compare financial statements for different periods of time, evaluate the dynamics of performance and, accordingly, form a business strategy. Users should be able to compare the financial statements of the company for different periods in order to determine trends in its financial position and performance. Users should also be able to compare the financial statements of different companies in order to assess their relative financial position, results of operations and changes in financial position. Measurement and reflection of financial results from similar operations and other events should be carried out consistently for the entire University throughout its existence.

An important consequence of comparability as a qualitative characteristic is that users should be aware of the accounting policies used in preparing the financial statements and any changes made therein and the result of such changes.

Users should be able to distinguish between accounting policies for similar transactions and other events used by the enterprise.

It is not advisable for the University to continue accounting in the same way if the adopted policy does not provide such qualitative characteristics as relevance and reliability, and it is inappropriate to leave the accounting policy unchanged when there is a more appropriate and reliable alternative. Since users should be able to compare the financial position, results of operations and changes in the financial position of the University over time, it is important that the financial statements contain relevant information for previous periods.

The principle of consistency - assumes that accounting policies are applied sequentially from one period to another. Users should be able to compare the entity's financial statements for different reporting periods in order to identify trends in its financial position.

The principle of consistency or identity, which implies the correspondence of analytical accounting data to the turnover and balances of synthetic accounting accounts, as well as accounting reporting indicators on the first day of each month.

The principle of truthful and impartial presentation means that financial statements should create a true and impartial view of the user about the financial situation, the result of financial and economic activities, and the cash flow of the entity.

The principle of constancy - a certain constancy of the Accounting Policy and its consistent application from one period to another is assumed, which does not exclude the possibility of its improvement when finding more effective and reliable alternatives for applying the principles, methods and methods of accounting.

2.2. Accounting Policy Assumptions

Accounting policies are developed based on the following assumptions:

- ***Fair presentation and compliance with IFRS***

The financial statements must accurately represent the financial position, financial performance and cash flows of the University. Fair presentation requires the presentation of information in such a way which leads to the formation of meaningful, reliable, comparable and understandable information.

- **The financial statements are prepared on an accrual basis**

According to this method, the results of operations and other events are recognized upon their completion (and not when cash or cash equivalents are received or paid). They are reflected in the accounts and are included in the financial statements of the periods to which they relate.

The accrued financial statements inform users not only about past transactions related to the payment and receipt of cash, but also about obligations to pay money and their equivalents in the future, and about resources representing cash that will be received in the future.

Expenses in the income statement are recognized on the basis of the principle of correlation, that is, on the basis of a direct relationship between the costs incurred and the revenues for specific items of income.

- ***Continuous activity***

The financial statements are prepared on the assumption that the University is operational and will operate for the foreseeable future. Thus, it is assumed that the University is not going to and does not need to liquidate or significantly reduce the scale of its activities. If such an intention or need exists, then the financial statements should be prepared according to a different principle and information about this principle should be disclosed additionally.

The financial statements disclose any serious doubts about the University's ability to adhere to the principle of continuity.

If the University does not adhere to the principle of continuity, then the financial statements disclose:

- inconsistency with the principle of continuity;
- the basis on which the financial statements are prepared;
- the reason why the company is not considered to be continuously operating.

In preparing the financial statements, management should evaluate the possibility of continuing its activities for at least twelve months following the reporting period.

2.3. Changes in accounting policies, correction of errors of previous reporting periods

Users of financial statements need to be able to compare University financial statements of different periods in order to determine trends in financial position, financial results and cash flows.

Therefore, the same accounting policy is applied during each period and from one period to the next, unless changes in accounting policies do not meet one of the following criteria.

Changes in accounting policies of NJSC «West Kazakhstan Marat Ospanov Medical University» can be made in cases when:

- ➢ changes are made to international financial reporting standards that affect changes in accounting;
- ➢ this is required in accordance with legislation, including accounting legislation;
- ➢ this change will lead to a more accurate presentation of events and transactions in the financial statements;
- ➢ in connection with a change in the types of activities carried out by the University;
- ➢ reorganization of a legal entity.

In case of changing of accounting policy - a change in the methods, principles and foundations for accounting estimates used by the organization for preparing and presenting financial statements, a promising way to reflect the changes is applied - that is, the new accounting policy will be applied to events and transactions occurring after the date of change.

Changes and additions to the Accounting Policy are made by a commission of experts from the accounting, financial, technical departments and other competent specialists, based on the characteristics of the organization, and approved by the Head of the University.

Not considered a change in Accounting Policy - changes in accounting estimates. Changes in estimates are changes in values based on estimates. For example: calculation of doubtful debts; impairment allowances; fair value of financial assets and financial liabilities; useful lives; scheme for obtaining economic benefits, reserves for warranty service, etc.

Changes in accounting estimates are recognized prospectively by adjusting assets, liabilities, equity, profit or loss:

- • in the period when the change occurred;
- • in future periods.

Omissions and distortions of information due to inaccuracies in calculations, errors in applying the Accounting Policy, fraud, as well as underestimation or misinterpretation of information (known or available at the date of approval of the Financial Statements) are recognized as historical errors.

Potential **errors in the current period** discovered in that period are corrected before the financial statements are authorized for issue.

Errors of a past period are omissions or errors in the financial statements for one or more previous periods that have arisen as a result of not using or misusing reliable information, the significance of which is so great that the information presented in the financial statements for the previous period (periods) can no longer be considered as reliable at the time of its presentation.

A significant error is recognized as an amount in the amount of more than 0.1% of income from core activities of the previous reporting period.

The correction of a material error relating to previous periods is made by the main accounting procedure - retrospectively in the first financial statements issued after the error was discovered by:

- recalculation of comparative data for the previous period (s) presented, in which an error was made;
- or recalculating the opening balance of assets, liabilities and capital for the earliest of the presented periods, if a mistake was made before the earliest of the presented periods.

If it is impracticable to determine the effect of an error relating to a certain period on comparative information for one or more of the presented periods, the University should recalculate the opening balance of assets, liabilities and capital for the earliest period for which a retrospective restatement is practicable (this period may be current).

In case when the recalculation is practically impracticable, the amount of the effect of the error is recognized in the opening balance of retained earnings for the current period.

Correction of an error of one of the previous periods is excluded from profit or loss for the period in which the error was identified. Any other information about prior periods, such as historical summaries of financial indicators, is also adjusted as far back in time as practicable.

When at the beginning of the current period it is almost impossible to determine the amount of error (for example, errors in the application of accounting policies) for all previous periods, the University recounts the relevant comparative information prospectively from the earliest practicable date.

Thus, the University neglects the corresponding part of the cumulative translation of those assets, liabilities and equity that appeared before this date.

There is a difference between error correction and changes in accounting estimates. The latter, by their nature, are approximate values that may need to be revised as additional information becomes available.

For example, a gain or loss recognized as a result of a contingent event is not an error correction.

Disclosure in financial statements

The following information on a material error must be disclosed in the financial statements without fail:

- nature of the error;
- the amount of adjustment for the current and previous periods;
- tax effect;
- the fact that a comparative calculation has been made.

3. Methodical section

3.1. Key terms and concepts used in the disclosure of accounting policies

Assets - this property, property and personal non-property benefits and rights of the entity that have a value, resulting from past transactions or other events. The assets embody the present or future economic benefit, representing a direct or indirect contribution to the cash flow of the entity.

Obligations are the obligation of one person (debtor) to perform a certain action in favor of another person (creditor): transfer property, pay money, performs work. The creditor has the right to demand that the debtor fulfill his duties. Obligations arise in the ordinary course of business and, in the vast majority of cases, can come into force as a result of the requirements of the charter or contract.

The work plan of accounts is a system of registration and grouping of operations in accounting and contains a complete list of synthetic and analytical (including sub-accounts) accounts necessary for accounting in accordance with the requirements of timeliness and completeness of accounting and reporting.

In-kind accounting - used to record items in their natural-material form. The choice of this meter depends on the physical properties of the objects taken into account: pieces, meters, kilograms, liters, etc.

Labor accounting - is used to account for labor costs in man-hours, man-days and is used in accounting when calculating wages.

Cost (cash) accounting is a unified generalized accounting, the basis of which is calculated in kind and labor meters.

Depreciation is the systematic reduction in the amortized cost of a long-term asset over its useful life.

Amortized cost is the initial cost of an asset or another amount reflected in the financial statements instead of cost, less its residual value. The amortized cost of fixed assets is systematically distributed over their useful lives using the straight-line method of depreciation. Depreciable deductions for the current period are recognized as an expense.

The asset's useful term is defined as the period of time over which the asset is intended to be used.

Initial value - the amount of cash or cash equivalents paid for the acquired asset.

Residual value is the amount of income that the company expects to receive for the asset at the end of its useful life minus the expected costs of disposal.

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.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Carrying amount is the amount at which an asset is taken to the balance sheet, net of accumulated depreciation and any accumulated impairment losses.

Recognition of elements of financial statements is the process of including in the balance sheet or Profit and Loss Statement an article that fits the definition of one of the elements of the financial statements and satisfies the following recognition criteria.

Recognition contains a verbal description of the article and its monetary value, and the inclusion of this amount in the balance sheet or income statement. Items that meet the recognition criteria must be recognized in the balance sheet or income statement.

The non-recognition of such items is not corrected either by the disclosure of the accounting policies used or by the notes.

An item that meets the definition of an element of financial reporting should be recognized if:

• there is likelihood that any future economic benefits associated with the article will be received or lost by the organization;

• Actual acquisition costs or property value can be measured reliably.

The relationship between the elements of the financial statements means that an item that meets the definition and recognition criteria for a particular element, such as an asset, automatically requires the recognition of another element, such as income or liability.

When assessing the compliance of an article with these criteria and, therefore, the possibility of its recognition in the financial statements, it is necessary to take into account the materiality factor.

3.2. Cash accounting

Cash includes funds in bank accounts, in special accounts, cash in transit, as well as cash and cash equivalents in the form of short-term investments.

When accounting for cash, NJSC «West Kazakhstan Marat Ospanov Medical University» is guided by the international standard IAS 7 «Report on cash flows».

The university has settlement and other bank accounts, the maintenance of which is regulated by the banking service agreement and the transactions on which are performed in the manner prescribed by law.

The university uses an electronic payment system. Payments are made by the accounting department on the basis of a payment invoice, invoice, and contracts. The right of the first signature on payment documents belongs to the head, the second to the chief accountant.

Money movement operations and the balance of money in bank accounts are reflected in accounting on the basis of bank statements from personal accounts with the bank and their annexes. The extracts are accompanied by documents of a special form used by the bank for each transaction of crediting and debiting money from bank accounts: payment order, check, announcement of contribution, and others. The accountant reconciles the balance of funds in bank accounts reflected in accounting with a bank statement.

Accounting of money in bank accounts for non-cash transactions is carried out on the following accounts of the working chart of accounts:

- 1020 «Cash in transit»;
- 1030 «Cash on current bank accounts»;
- 1040 «Cash on correspondent accounts»;
- 1050 «Cash Savings Accounts»;
- 1080 «Other cash».

Analytical accounting is conducted for each current account.

For the purpose of separate accounting for receipts of cash and other funds (income), as well as related expenses, the opening of additional accounts to major (in national and foreign currencies) in different banks.

Settlements *in foreign currency* with non-resident legal entities are carried out within the limits of the available foreign currency funds in the account by bank transfer. For the initial reflection in the accounting of banking operations in foreign currency accounts, the exchange rate is applied on the date the funds are credited to the foreign currency account in the bank or debited. In parallel with entries in tenge, transactions in foreign currency should also be reflected in the currency of settlements (payments) at their face value.

When reflecting settlements in currency, separate accounting should be provided for each currency (at the sub-account level or using an analytical account).

Foreign exchange differences arising from the revaluation of cash balances on foreign currency accounts at the reporting date shall be recognized as income or expense in the period it occurs. This exchange rate difference shall be reflected in the account of other income and expenses («Exchange rate difference»).

Cash in transit includes cash transferred to the current account but not received at the reporting date. In addition, cash in transit also includes the conversion of cash from one currency to another, which must be reflected at the market rate at the transaction date.

Cash on deposit accounts are used to reflect information on the availability and movement of funds in tenge on deposit accounts in tenge. The procedure for the execution and execution of operations in a bank is governed by the rules of banks.

Cash equivalents include short-term highly liquid investments that can be easily converted to a known amount of cash and are practically not exposed to the risk of changes in value. These include deposits with maturities of up to three months. After closing the deposit account, funds, including interest, are transferred to the account of the company.

Funds placed in deposit accounts for a period of more than three months are a financial asset and are divided into short-term (up to 12 months from the date of placement) and long-term (more than 12 months from the date of placement).

Cash accounting at the cash desk is kept on the account 1010 «Cash at the cash desk». The procedure for conducting cash registers is determined in accordance with the Rules for conducting cash transactions. Responsibility for conducting cash transactions is assigned to the employee with whom a full liability agreement has been drawn up.

Cash is received at the cash desk on a cash register order signed by the chief accountant or a person authorized by the University's management.

The receipt of funds is made out by a cash receipt and, in case of receipt of revenue, by check, if there is a mandatory cash register with fiscal memory.

The expenditure of cash from the cash desk is carried out on the expenditure cash warrant on the basis of a document authorizing the issuance of cash, certified by the first head and chief accountant.

All credit and debit orders before they are transferred to the cash register are recorded by the accounting department in special journals for registering credit and debit cash documents.

In account cash warrants, the basis for the issuance of funds is indicated and the documents attached to it are listed.

Accounting for cash transactions is conducted in the Cash Book, which must be numbered, laced and sealed with a seal. Cleanups and corrections in the Cash Book are not allowed. Corrections are certified by the signatures of the cashier and chief accountant.

A cash statement is prepared as cash flows, or once a month. Monthly sheets of the cash book are printed, which are numbered, certified by the signature of the chief accountant. At the end of the reporting

Yearly monthly sheets are stitched in chronological order, certified by the signatures of the Manager and the chief accountant.

Typical accounting entries for this section:

№	**The content of business operations**	**Account Correspondence**	
		Debit	**Credit**
1	Cash flow from the current account (foreign currency account) at banks	1010	1030
2	On account of repayment of debts of accountable persons on unused advances	1010	1250
3	In respect of compensation for material damage caused by an employee	1010	1250
4	In the form of surplus money at the cash desk, identified at inventory taking	1010	6290
5	Cash deposited to the current account	1030	1010
6	Issued to employees report	1250	1010
7	Wages issued to employees	3350	1010
8	Issued to employees in repayment of overspending on expense reports	1250	1010

9	Cash withdrawal to a bank account	1030	1010
10	Cash transfers not received by appointment	1020	1010
11	Currency conversion in tenge with transfer to the current Bank account	1020	1030
12	Revenue delivered by the accountable to the postal branch, but not credited to the current bank account	1020	1250
13	Receipt of money on the way	1030	1020
14	Money transferred to deposit and savings accounts	1050	1030
15	Cash deposited on deposit and savings accounts	1050	1010
16	Credited interest on deposit accounts	1050	6110
17	Money transferred to current accounts	1030	1050
18	Transferred to pay tax arrears	3120-3190	1030
19	Listed to pay off other obligatory payments	3210-3230	1030
20	Listed to repay short-term payables: - to suppliers and contractors - in the current part of long-term payables - other short-term payables	3310 3310 3310	1030 1030 1030
21	Refund of unused advance amount: - short term - - long-term	 3510 4410	 1030 1030
22	Listed to pay off long-term payables: - to suppliers and contractors - other long-term payables	4110 4160	1030 1030

Disclosure in financial statements

The balance of the accounts «Cash on hand», «Money in the current account in tenge», «Money in the foreign currency account», «Financial investments», «Money in transit», «Money in special accounts with banks» are reflected in the current assets section under the item «Cash».

Deposits with a maturity of less than three months are considered cash equivalents and therefore are shown in the balance sheet on the line «Cash and cash equivalents».

If there are funds limited for use by the University due to contractual or other legal conditions (the account is pledged, or the account is seized by tax or other government agencies) they remain on the cash accounts, but are reflected in the balance sheet separately, together with comments of authority.

IAS 7 Cash Flow Statement, when used in conjunction with other forms of financial reporting, provides users with information that allows users to evaluate:

• changes in the net assets of organizations, its financial structure (including liquidity and solvency);

• its ability to manage cash flows in order to adapt to changing conditions and opportunities.

The cash flow statement should present cash flows for the period, classifying them by type of activity: operating, investment and financial.

Operating activities - this is the main income-generating activities of the enterprise and other activities, except for investment and financial activities.

The flow from operating activities is mainly derived from the main income-generating

activities of the enterprise and is a key indicator of the organization's ability to generate cash for:
- repayment of loans;
- maintaining and increasing operational capabilities;
- dividend payments;
- making investments.

Also, cash payments made for the production or acquisition of assets held for rent to others and subsequently held for sale in accordance with IAS 16 Property, Plant and Equipment are classified as cash flows from operating activities.

Similarly, cash income from leases and subsequent sales of such assets are also cash flows from operating activities.

Investment activity is the acquisition and sale of long-term assets and other investments not related to cash equivalents.

Separate disclosure of cash flow from investing activities is of particular importance because it shows what expenses were incurred in order to acquire resources intended for generating future income and cash flows. Only those expenses that entail recognition of an asset in the statement of financial position can be classified as investment activities.

The university should separately present the main types of cash receipts and cash payments arising from the implementation of investment activities, except in cases where cash flows are presented on the basis of netting. Separate presentation of the main types of cash receipts and cash payments means that the entire volume of cash flows, both entering the company and leaving it, is presented in the statements, even if these receipts and disposals are associated with the same operation.

Financial activity is an activity that leads to changes in the amount and composition of equity and borrowed funds.

Separate disclosure of information about cash flows from financial activities is of great importance, since this information is useful in forecasting the requirements of the future cash flows of the enterprise from those who finance it.

Investment and financial transactions that do not require the use of cash or cash equivalents (non-cash transactions) should be excluded from cash flow statements. Such transactions must be disclosed separately in the financial statements.

The university discloses the cash flow from operating activities using the direct method by which the main types of cash receipts and payments are disclosed. In this case, an adjustment is made to each article of the report on the results of financial and economic activities. They start with cash receipts from sales of products, from which all cash payments for the acquisition of goods, current expenses, interest on loans and payments to the budget, etc. are deducted.

Examples of cash flows arising from operating activities are:
- receipt of money from the provision of services;
- other income;
- cash outflows;
- payments to suppliers and contractors for goods and services rendered;
- advances paid for the supply of inventory, for the performance of work and the provision of services;
- salary payments and other payments;
- settlements with the budget, pension funds;
- other payments.

Examples of cash flows from investing activities are cash outflows for the acquisition of assets, fixed assets and other long-term assets.

When providing information about cash flows, it is necessary to disclose the composition of cash and cash equivalents and present a reconciliation of the amounts in the statement of cash flows with equivalent items presented in the balance sheet.

Funds limited for use by the enterprise due to contractual or other legal conditions (the account is pledged, or the account is seized by tax or other government bodies) remain on the cash accounts, but are reflected in the balance sheet separately, together with authority comments

3.3. Stock accounting

This chapter defines the policy for assessing the cost of inventories of NJSC «West Kazakhstan Marat Ospanov Medical University» in the balance sheet, as well as the valuation method when writing them off to current expenses.

Inventory accounting is organized in accordance with the international standards IAS 2 «Inventories» and its methodological recommendations. In accordance with the Standard Chart of Accounting Accounts, approved by the Ministry of Finance of the Republic of Kazakhstan, active accounts are intended for accounting of all inventories.

This subsection includes the following groups of accounts:

• 1310 «Raw materials», which takes into account raw materials and materials intended for further use in the production process.

• 1320 «Finished goods», where finished products are taken into account.

• 1330 «Goods», which reflects operations related to the movement of goods purchased and stored for processing.

• 1340 «Work in progress», which takes into account the costs of work in progress.

• 1350 «Other reserves», where reserves not indicated in previous groups are taken into account.

• 1360 «Estimated reserve for losses from impairment of reserves», which reflects operations related to the creation and movement of reserves to reduce the value of reserves to net realizable value due to damage and obsolescence.

During the production activities, the University may provide for the necessary number of synthetic accounts in the context of groups and subgroups for accounting materials.

University inventory includes assets in the form of:

• stocks of raw materials, materials, purchased semi-finished products and components, structures and parts, containers and packaging materials, spare parts, other materials intended for use in production or to perform work and services;

• work in progress - this is products or work that has not passed all the stages, phases or conversions provided for by the technological process, as well as incomplete products that have not passed the tests and technical acceptance;

• goods are tangible goods purchased and stored for resale.

Material assets that perform the role of objects of labor in the production process, participate in it once and transfer the entire cost to the cost of manufactured products at a time. For the implementation of the continuous technological production process of the University, it is necessary to create the appropriate reserves of materials, semi-finished products, fuel, etc. in stock.

Stocks at initial recognition are recognized at their actual cost, which includes all acquisition, processing and other costs incurred in order to bring the stocks to their present location, the capitalization of which is carried out at the planned cost.

Inventories received from another entity are recognized at the carrying amount of the inventories of the transferring entity. The cost of inventories received by an enterprise from third parties on a gratuitous basis is the fair value of inventories at the date they are received.

Reserves received during the dismantling of fixed assets, the University comes at a cost determined on the basis of internal assessments based on the technical condition, depreciation and current market prices for similar new materials. After dismantling, these elements are recognized in revenue and are simultaneously recorded as part of materials in warehouses for future use.

Valuation of inventories is carried out at the acquisition price; in the absence of value (e.g. sponsorship), inventories are measured at fair value.

In the event that an unaccounted inventory (surplus) is found during the inventory, such inventories are recorded in correspondence with other income accounts at a cost that is determined based on their fair value at the date of adoption for accounting.

To determine the fair value of reserves, the University uses the following data:

• data on the latest market price of the operation with the corresponding reserves, but subject to the absence of significant negative changes in the technological, market or legal environment in which the University operates;

• information on the market price for such inventories, taking into account individual characteristics, characteristics and the degree of work in progress, for which fair value is determined;

• other additional indicators characterizing the price level for the considered stocks (including data on the value of stocks determined by an independent appraiser);

• various external sources, such as statistics, price lists of other organizations, data from the Internet.

The University can determine the fair value of reserves either independently or with the help of an independent appraiser. The University determines independently the feasibility of attracting an independent appraiser, based on the principle of a balance between benefits and costs.

Inventories are carried at cost.

The cost of inventories is determined by the weighted average cost method, regardless of the group of inventories, and includes the costs incurred to purchase inventory, bringing them into proper condition and delivering them to their destination.

The cost of each object is determined from the weighted average cost of similar objects at the beginning of the period and the cost of the same objects purchased during the reporting period.

The University distinguishes the following types of stock retirement:

1) write-off of reserves in production;

2) other disposal of stocks as a result of: expiration of storage periods, obsolescence, other cases of loss of consumer properties (illiquid stocks), identification of shortages during inventory, theft, damage to property in accidents, fires, natural disasters;

3) implementation of stocks on the side.

Non-liquid reserves are those that meet the following criteria:

- the presence of damage (spoilage, breakdown, defect), as a result of which stocks cannot be used;
- physical or moral obsolescence of stocks and the inappropriateness of their use;
- non-use for a long period or normal production cycle, except for emergency recovery and excess stock.

A reserve may be created at the University to reduce the cost of inventories to the net realizable value due to damage or obsolescence of inventories, which reflect operations related to its creation and movement. Reserve for an impairment of the value of inventories to the current replacement cost or net realizable value is created line-by-line or by group for similar or related inventory items in accordance with the order of the head. It is reflected in account 1360 «Estimated reserve for losses from impairment of reserves». The last digit of the account «0» is replaced by the numbers from 1 to 3 and defines individual groups and types of stocks inside the synthetic account.

In case illiquid reserves are identified, the University accrues a reserve in the amount of 100% of their value. The calculation and revision of the size of such a reserve is based on the timing of stocks in warehouses, the degree of their suitability for use in production activities, and obsolescence.

At each reporting date, the University identifies the presence or absence of any indication that the impairment loss recognized in prior periods for inventories may no longer exist or have decreased. In this case, the impairment loss recognized in prior periods in respect of inventories is reversed.

If at the end of the current period the estimate of the reserve exceeds the amount of the reserve created at the end of the previous period, the difference relates to an increase in current expenses. If at the end of the current period the estimate of the reserve is less than the amount of the reserve created at the end of the previous period, the difference relates to a decrease in current expenses.

At the end of the reporting year, the carrying amount of inventories is reviewed in case of damage, complete or partial obsolescence or a decrease in their sale value based on inventory results approved by the manager, taking into account events and changes in circumstances indicating that the carrying amount of assets may not be recoverable.

In this case, stocks that are stored for free distribution or distribution at face value, consumption in the production process of goods subject to free distribution or distribution at face value, are estimated at the lower of cost and current replacement cost. The remaining inventory is valued at the lower of cost and net realizable value.

Based on this, the organization of accounting of material assets should provide a solution to the following problems:

• monitoring compliance with established standards, inventories, their safety, timely and complete capitalization of stocks;

• timely and complete documentation of all operations related to the movement of stocks and the calculation of their actual cost;

• control over the state of stocks in order to identify entities unnecessary in production.

Inventories are recorded when the legal ownership of them under the supply contract passes from the supplier to the University.

The inventories of purchase and sale contracts from suppliers must have settlement documents (invoice, bill of lading, etc.) and supporting documents (specifications, certificates, etc.). The purchase agreement with the specification serves as a justification for the purchase.

The primary documents when purchasing stocks are an invoice, a waybill (sales receipt), a sales contract with the obligatory indication of the number and series of the certificate of state registration.

Upon acceptance, stocks are subject to rigorous verification with respect to assortment, quantity and quality specified in the settlement and accompanying documents.

All material assets received must be capitalized within

24 hours to warehouses or to accountable persons. Inventories must be accounted for in the appropriate units of measurement at which the discount price is set. If stocks are received in a unit of measurement different from that approved for a group (subgroup) of stocks, then units of measurement are recalculated.

The Act for the write-off of Inventory is drawn up for actually used up reserves, which indicates the name, quantity, accounting price and amount for each item, the type of work for which they are used up.

Inventory, tools, protective clothing and personal protective equipment, regardless of their useful life, are recognized as stocks when accepted for accounting at the warehouse. At the time of their delivery from the warehouse to operation (sock), an act of operation is drawn up, and there is a movement. For items written off to production costs, operational records should be instituted at the places of operation and materially responsible persons, in quantitative terms, in accordance with the established standards and terms of wear or use.

Any disposal of stocks must be accompanied by the issuance of an order by the head to create a commission to write off (markdown) stocks.

After the sale of inventories, the amount by which they are accounted for must be recognized as an expense in the period when the related revenue is recognized.

Losses of inventories and the amount of write-offs of the value of inventories to the possible net worth should be recognized as expenses in the period of losses or write-offs.

Some inventories may be credited to other assets, for example, materials used to create a fixed asset are included in the value of the fixed asset and included in expenses by depreciation over the useful life of the fixed asset.

Write-off of material assets is carried out in accordance with applicable standards on the territory of the Republic of Kazakhstan.

Inventories whose value is included in the value of other assets are recognized as an expense over the estimated useful lives of the assets.

Inventory (inventory, overalls) used in the production process for more than a year is kept on an off-balance account.

Requirements - invoices for receiving medicines are compiled by materially responsible persons (senior nurses) at the request of doctors and transferred to the pharmacy. The pharmacist writes out consumables for the internal movement of medicines and transfers them to the department to the indicated materially responsible persons.

At the end of each month, the pharmacist draws up a material report on the movement of medicines for the corresponding period, which is submitted to the accounting department for reconciliation and accounting.

The depleted inventory is drawn up for actually used up reserves, which indicates the name, quantity, accounting price and amount for each item, type of work or name of the product for which they are used up.

Compensation for shortages is made at market prices, but not lower than the actual cost.

The University's inventory is recorded in storage in physical terms, and in accounting by the operational accounting method of accounting - in quantitative and total terms for materially responsible persons. Bookkeeping records the acquisition, availability and expenditure of TMZ in quantitative and monetary terms.

At the end of the month the head of the warehouse (storekeeper) transfers the primary documents for the receipt and dispensing of materials (goods) to the accounting department with a material report.

Analytical accounting of the movement of reserves is carried out according to the quantitative-total method for each balance sheet account and financially responsible persons.

For registration of capitalization and write-off of reserves, accounting forms approved by the Ministry of Finance of the Republic of Kazakhstan are applied.

Typical accounting entries for this section:

No	The content of business transactions	Correspondence accounts	
		Debit	Credit
1	Acquisition of materials and other supplies from individuals and suppliers	1300	3310
2	The arrival of materials from the elimination of fixed assets	1350	6210
3	Writing off household goods, stationery, fuel, food, medicine, etc	7010,7210	1300
4	Writing off of shortages of materials and other supplies when culprits	7010,7210	1300
5	Gratuitous receipt of Inventory from individuals and organizations	1300	6220
6	Capitalized excess of Inventory identified in stocktaking	1300	6290
7	Reserve created for write-off of holdings	7420	1360
8	Writing off of the value of inventories due to their impairment	1360	1300

Disclosure in financial statements

The following information must be disclosed in the financial statements of the University:

• accounting policy adopted for estimating inventories, including the method used to calculate their cost;

• total book value of reserves and book value according to classification items adopted by the University;

• fair value of inventories less costs to sell;

• the amount of the return of any write-off, which is recognized as a decrease in expenses in a given period, as well as the circumstances or events that led to the return of the written-off inventory;

• cost of inventories recognized as an expense in a given period;

• the amount of any write-offs of inventories during the period up to the possible net realizable value;

• the carrying amount of inventories pledged as security for liabilities.

• the amount of the provision for impairment of inventories recognized as an expense in the period;

• those circumstances or events that led to the restoration of the reserve for impairment of inventories.

The notes to the financial statements reflect the breakdown of inventories into categories such as materials, parts, etc. In the balance sheet - stock balances and in the statement of cash flows - cash payments for the acquisition of inventory.

3.4. Asset Accounting

The purpose of this chapter of the Accounting Policy is to determine the basic principles and methods of accounting for fixed assets owned by NJSC «West Kazakhstan Marat Ospanov Medical University», as well as the calculation of depreciation of fixed assets and depreciation on them.

Fixed assets are accounted for in accordance with IAS 16 «Real Estate, Buildings and Equipment» and IAS 36 «Impairment of Assets».

Fixed assets are detailed by type. Type of fixed assets is a combination of assets of the same nature and use in the activities of the University. If a single object has several parts having different useful lives, each part is accounted for as an independent fixed asset.

At the University, for accounting of fixed assets to the «2400» subgroup, in accordance with the Standard Chart of Accounts approved by the Ministry of Finance of the Republic of Kazakhstan, depending on the details on types of fixed assets, synthetic accounts are opened and applied to subclass 2410 «Fixed Assets».

In case of changes in the University's investment or social policy affecting changes in the composition of fixed assets, the management reclassifies within the above groups by transferring assets to one or another group.

Fixed assets are tangible assets that:

 are intended for use in the production or delivery of goods and the provision of services, for rental purposes or for administrative purposes;

 are intended to be used for more than one reporting period.

Recognition of fixed assets by an asset involves the fulfillment of two conditions simultaneously:

- high confidence that the University will receive economic benefits related to the asset;
- reliability of asset cost estimates for the University.

Fixed assets may come to the University as a result of operations of purchase, exchange, receipt of objects as a contribution to the authorized capital, gratuitous receipt from legal entities and individuals, creation by the subject as a result of the construction of the object.

Fixed assets are acquired:

 on a reimbursable basis. These include the acquisition of fixed assets through commercial activities, the sale of services under contractual relations with state institutions, investment activities, capital construction contracts, budget financing in the form of state assistance and subsidies (if conditions exist), sponsorship and / or charity assistance (with limited and unlimited conditions), borrowed capital, contribution to the authorized capital, exchange for other assets.

 at no cost. The acquisition of fixed assets at the expense of state assistance and / or subsidization (in the absence of conditions), sponsorship and / or charity assistance (in the absence of restrictions), donation and other sources on the basis not prohibited by law, provided that there is no initial cost, can be attributed to a gratuitous basis in monetary terms.

Features of the acquisition and recognition of fixed assets, including:

1) Acquisition of objects (fixed assets) under capital construction contracts.

The cost of an item of a constructed and / or constructed fixed asset under a contract or by an economic method is determined on the basis of the same principles as the value of the acquired asset. The University carries out the construction of fixed assets and installation of equipment, both in-house and with the involvement of third-party contractors.

In the case of attracting third-party contractors on the basis of a contract, the initial cost of an item of fixed assets is determined as the sum of the actual costs of the enterprise to perform work under construction contracts, excluding reimbursable taxes.

When taking into account the contract of the contract (both long-term and short-term nature), intermediate acts of completed work are signed, when signing, the cost of the certificate of completed work is taken into account in the unfinished construction account. Own materials transferred to contractors for construction and installation works are also included in the cost of capital construction

Recognition of costs for the construction of fixed assets by contract is carried out by reference to the stage of completion of work under the contract. In this case, only those costs under the contract that reflect the work performed according to this contract are included in the costs incurred at the reporting date.

In determining the actual costs of acquiring / creating an item of fixed assets, it is also necessary to take into account the principles established by other sections of the accounting policy.

After completion of work under contract agreements and after the fixed asset is available for use, capitalized costs on the Incomplete Construction account are transferred to the corresponding group of fixed assets.

2) Recognition of capital construction projects carried out in an economic way.

Before the completion of construction of facilities, the costs of their construction constitute construction in progress.

Valuation after recognition may be carried out using the accounting model for actual costs or the accounting model for revalued amounts.

1) After the initial recognition of an asset, the University maintains records of actual cost (historical cost) less accumulated depreciation of fixed assets and accumulated impairment losses and apply this policy to the entire class of fixed assets.

2) After the initial recognition as an asset, an item of property, plant and equipment is carried at revalued amount, which is its fair (market) value at the date of revaluation minus the amount of any subsequent accumulated depreciation and further accumulated losses from a decrease in usefulness and can be measured reliably.

Fixed assets are recognized on the balance sheet at cost, which is equal to:

• the sum of all direct acquisition costs;

• other costs necessary to prepare the asset for use.

The cost of an independently produced asset is determined on the basis of the same principles as the cost of an acquired asset. Accordingly, in determining such a cost, internal revenues are excluded.

The cost of an asset does not include excess costs of raw materials and other resources, labor and other expenses incurred in creating the asset on its own.

When acquiring fixed assets on credit, based on a deferred payment, the actual cost is equal to the purchase price.

When acquiring fixed assets as a result of exchange operations, the value of an object is determined at the fair value of the received asset, which, in its the queue is equal to the fair value of the asset to be exchanged, adjusted for the amount of cash or cash equivalents paid.

When fixed assets are received free of charge from state bodies, legal entities and individuals, the value of an object is estimated on the basis of an assessment report prepared by an independent appraisal company or on the basis of transfer documents.

To ensure the smooth operation of fixed assets, the University periodically makes major or ongoing repairs.

Upon initial recognition, an item of real estate, buildings and equipment is valued at the actual (initial) cost price, which includes all actually incurred expenses for the construction or acquisition of the asset. The actual cost of fixed assets includes all unavoidable costs until the asset is put into a state of readiness for operation. After initial recognition as an asset, an item of property, plant and equipment should be carried at its historical cost less accumulated depreciation and any accumulated impairment losses.

The costs of maintenance and overhaul of fixed assets, carried out in order to maintain and maintain the technical condition of the object, do not increase the initial cost, but are recognized as current expenses of the reporting period in which they were incurred.

The costs of maintenance and overhaul of fixed assets, carried out in order to maintain and maintain the technical condition of the object, do not increase the initial cost, but are recognized as current expenses of the reporting period in which they were incurred.

Such costs as major repairs, modernization and reconstruction will be attributed to an increase in the value of the fixed assets if the initial estimated normative indicators (service life, capacity, area, speed, labor productivity, reduction of production costs, etc.) have changed as a result of these investments, that is, the size of economic benefits has changed, which in the future will be obtained as a result of the use of fixed assets. The results of subsequent costs attributable to the increase in value must be agreed with the governing body.

Analytical accounting of actual costs for the repair of fixed assets is carried out objectively, cumulatively from the beginning of the year. For each repair object, information is accumulated on actually incurred expenses.

All other subsequent costs must be recognized a Depreciation of fixed assets (in accounting) is carried out by the method of uniform (straight-line) write-offs.

Depreciation of property, plant and equipment is charged to the University over its useful lives.

The useful life is different from the actual life of the asset. A fixed asset continues to perform its functions after a useful life.

Depreciation of fixed assets is a process of losing physical and moral characteristics. Depreciation is charged at the end of each month. Each category of fixed assets has a corresponding rate of depreciation. Depreciation is charged on assets with not fully amortized cost. Assets whose value is fully depreciated are not depreciated.

Depreciation for fixed assets newly put into operation begins on the first day of the month following the month of entry, and for disposed of fixed assets it stops on the first day of the month following the month of disposal.

Land and construction in progress are not subject to depreciation.

In accounting, accrued depreciation is recognized as general and administrative expenses of the current period's expenses in the period in which they were incurred.

For the purposes of preparing financial statements, the University uses the following useful lives:

Name of assets	**Service life (years)**	**Depreciation rates (%)**
Residential buildings	50-100	1-2
Non-residential buildings	14-100	1-7
Facilities	14-50	2-7
Vehicles	5-10	10-20
Machinery and equipment	5-25	4-20
Computers and information processing equipment	4-5	20-25
Fixed assets not included in other groups	5-20	5-20
Library fund	5-20	5-20
Library Fund: Rare and Unique Items (Science Foundation)	Not depreciated	

Within each range, the useful life is determined based on the assessment of the University management based on experience with similar assets.

The useful life can be determined by the University on its own or by involving appraisers.

To determine the useful life of the University by the decision of the first leader may create a commission from among the representatives of the University

In order to bring the initial cost of fixed assets in line with current prices on a certain date, the University is entitled in accordance with applicable law to reassess objects, as a result of which fixed assets are reflected in accounting and reporting at current cost.

Revaluation of fixed assets is carried out either according to the standards and within the time limits established by the legislation of the Republic of Kazakhstan, or by the University itself.

Revaluation of fixed assets is carried out by independent experts entitled to provide such services. The value of the revalued fixed asset should not exceed the market value of the fixed asset.

The revaluation amount of property, plant and equipment minus the corresponding revaluation amount of accumulated depreciation involves a change in the initial or current value of the property, plant and equipment. The revaluation amount of property, plant and equipment minus the corresponding revaluation amount of accumulated depreciation is transferred annually to retained earnings evenly over the remaining useful life.

When a property, plant and equipment are revalued, the accumulated depreciation at the revaluation date is accounted for in one of the following ways:

- revalued anew in proportion to a change in the carrying amount of an asset so that after revaluation the carrying amount is equal to its revalued amount. This method is often used when an asset is premeasured to its replacement value taking into account depreciation by indexing;
- is written off against the carrying amount of the asset before deduction of depreciation, and the net amount is premeasured. This method is often used for buildings.

If the carrying amount of an asset as a result of a revaluation increases, the amount of such an increase must be recognized in the Profit and Loss Statement and accumulated in equity under the heading «Value Increment from Revaluation». However, such an increase shall be recognized in profit or loss to the extent that it restores the amount of the decrease in value from revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an asset decreases as a result of revaluation, the amount of such a reduction is included in profit or loss. Nevertheless, this decrease should be recognized in the Profit and Loss Statement in the amount of the existing credit balance, if any, reflected in the article «Revaluation surplus» relating to the same asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading «Revaluation surplus».

If a revaluation of an individual object of fixed assets is carried out, then all other assets belonging to the same class of fixed assets as this asset are subject to revaluation.

Revaluation of objects belonging to the same class of fixed assets is carried out simultaneously to avoid selective revaluation of assets and reflection in the financial statements of amounts representing a mixture of costs and costs for different dates.

Upon derecognition of an asset, the increment in value from its revaluation included in equity as applied to the property, plant and equipment can be transferred directly to retained earnings. Thus, the revaluation surplus can be fully transferred to retained earnings upon termination of the asset or its disposal. However, part of the revaluation surplus can be carried forward to retained earnings as the asset is used. In this case, the amount of the increment in value transferred represents the difference between the depreciation amount calculated on the basis of the revalued book value of the asset and the depreciation amount calculated on the basis of the initial asset value. The transfer of value gains from revaluation to retained earnings is carried out without involving profit or loss accounts.

The university does not create reserves for the impairment of fixed assets.

The disposal and write-off of fixed assets from the University's balance sheet occurs as a result of physical or moral depreciation, sale, gratuitous transfer, liquidation due to an accident or natural disaster, or when the management decided to cease use of the asset, i.e. no further economic benefits are expected from his disposal, etc.

Profit or loss arising from the disposal or sale of an item of property, plant and equipment should be determined as the difference between the estimated amount of net proceeds from disposal and the carrying amount of the asset. Gain on disposal of an asset should not be classified as revenue.

An item of fixed assets should be deregistered not only when it is being sold or physically dismantled and disposed of, but, in accordance with the requirements of standards, at the moment when it ceases to bring economic benefits to the University, as it ceases to satisfy the basic definition of an asset.

Upon disposal of an asset, all accounts related to it are closed: the asset account directly, the corresponding accumulated depreciation account and the impairment allowance account.

Similarly, all the costs associated with the execution of the transaction, as well as the costs of dismantling are involved in determining the financial results from the disposal of the property, plant and equipment.

In addition, if the University accounts for fixed assets at fair value, then all the accumulated revaluation reserves associated with the fixed asset that ceases to be recognized should be transferred to retained earnings, bypassing the statement of comprehensive income.

In order to determine the unsuitability of fixed assets, the impossibility and economic inexpediency of carrying out their restoration repair, as well as to draw up the necessary documentation for cancellation, a permanent commission is created, if necessary, by order of the Chairman of the Management Board, appropriate specialists can be included in the commission. This commission draws up an Act, which reflects the characteristics of the objects being written off, the reason for the retirement, a description of the technical condition of the main parts, assemblies, parts, structural elements and the justification for the inexpediency of the repair.

Spare parts, aggregates, scrap metal and other valuables received from the liquidation shall be credited to the relevant accounts at prices of possible use or sale.

For fixed assets liquidated as a result of natural disasters and accidents, the certificate of liquidation shall be accompanied by a certificate of the competent organization about the natural disaster, or a copy of the accident statement indicating the reasons and the culprits.

On the basis of the Acts for the Elimination, Transfer or Transfer of Fixed Assets, make notes about their disposal in the inventory cards, inventory cards and inventory lists of fixed assets at their location.

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	Credit
1	Listed for the acquisition of fixed assets	3310	1030
2	Capitalized fixed assets	2410	3310
3	The increase in the initial cost of fixed assets as a result of revalued amount	2410	5520
4	Decrease in the initial cost of fixed assets as a result of revalued amount	7010,7210	2410
5	Reflection of costs associated with major repairs (modernization, reconstruction), leading to an increase in future economic benefits from the use of fixed assets	2410	2930
6	Writing off of fixed assets upon their disposal (liquidation, shortage, etc.): - on book value - - the amount of accumulated depreciation	 7010,7210 2420	 2410 2410
7	Depreciation chargeable	7010,7210	2420
8	Adjustment of accumulated depreciation as a result of revaluation of fixed assets	5520	2420
9	Write-off of depreciation on disposed assets	2420	2410
10	Transfer of fixed assets to materials: - on residual value - - amount of depreciation (depredation adjustment	 1350 2420	 2410 2410
11	Write-off of expenses for the repair of fixed assets	7010,7210	3310
12	Write-off of depreciation on disposed assets	2420	2410

Disclosure in financial statements.

Disclosure of information in the financial statements is carried out by types of fixed assets. IAS 16 provides that property, plant and equipment should be grouped by type and use into appropriate groups.

University financial statements should disclose the following information for each class of fixed assets:

- changes (if any) in the Accounting Policy related to fixed assets or methods and norms of depreciation;
- movement of the balance of fixed assets by categories, including the opening balance, income, disposal, revaluation and final balance, both for the current value and for accumulated depreciation;
- methods for assessing the carrying value of fixed assets before deduction of depreciation;
- used depreciation methods;
- applicable useful lives or depreciation rates;
- gross carrying amount and accumulated depreciation (in conjunction with accumulated impairment losses) at the beginning and end of the period;
- comparison of the carrying amount at the beginning and end of the period, reflecting the receipt and disposal of assets;
- other changes;
- the amount of contractual obligations for the acquisition of fixed assets;
- the amount of compensation from third parties for fixed assets that depreciated, were lost or given, included in profit or loss, if it is not disclosed separately in the income statement;
- cash payments for the acquisition of fixed assets;
- restrictions on property rights and the value of fixed assets pledged as security for obligations;

If fixed assets are carried at revalued amounts, the following information shall be disclosed in the financial statements:

 the one for which revaluation was carried out;

 participation of an independent professional appraiser, or the assessment was made by the University independently, based on a marketing analysis of the market and confirmations of existing offers on the market;

 methods and significant assumptions used in the calculation of the fair value of assets;

 the extent to which the fair value of the properties was determined directly on the basis of current prices of an active market or recent market transactions between independent parties or was obtained using other valuation techniques;

 for each revalued class of property, plant and equipment: the carrying amount that would be recognized if assets were not accounted for using the cost model.

3.5. Intangible asset accounting

In accordance with the international standard IAS 38 «Intangible assets» in NJSC «West Kazakhstan Marat Ospanov Medical University» intangible assets (IA) are recorded on account 2730 «Other intangible assets» and depreciation on account 2740 «Depreciation of other intangible assets».

Intangible assets are non-monetary assets that do not have a physical nature, intended for use for more than one year in the production and sale of goods (works, services) and administrative purposes. An intangible asset should be recognized when it is probable that future economic benefits related to the use of the asset will flow to the entity and the value of the asset can be measured reliably.

Intangible assets at the time of acquisition are carried at historical cost, including actual acquisition costs, including non-refundable taxes and fees paid upon purchase, as well as delivery, installation, installation and other expenses.

Initial recognition of intangible assets is carried out at its cost, is made out by the Acceptance and Transfer Act of arbitrary forms of intangible assets, which reflects their useful life and liquidation value.

The cost of an intangible asset includes:

- the purchase price after deducting trade discounts and discounts, including import duties and non-refundable purchase taxes;

- any directly attributable costs of preparing the asset for its intended use.

Subsequent costs associated with an intangible asset are recognized at the University as expenses of the reporting period in which they are incurred.

If the cost of an intangible asset was initially recognized by the University in its interim or annual financial statements as an expense, IAS 38 prohibits the subsequent inclusion of such costs in the cost of the intangible asset.

Some intangible assets may take the tangible form. For example, CDs (software), legal documents (license or patent), video recording.

In determining whether an asset combining tangible and intangible elements should be accounted for in accordance with IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets, the University needs to decide which of these elements is more important for operational performance object.

IAS 38 provides two accounting models for the subsequent measurement of intangible assets:

• Accounting at historical cost less accumulated depreciation and impairment losses in IAS 36;

• Recognition at revalued amount, which is its fair value at the date of revaluation, less accumulated depreciation and any subsequent impairment losses.

At the University depreciation of an intangible asset is calculated using the straight-line (uniform) method of deducting value.

Depreciation on intangible assets newly commissioned starts on the first day of the month following the month of entry, and on retired intangible assets it stops on the first day of the month following the month of disposal.

In accounting, accrued depreciation is recognized as general and administrative expenses of the current period. The depreciable amount of an intangible asset is determined based on the useful life and residual value of the intangible asset.

The useful life of an intangible asset is determined by a permanent commission taking into account future economic benefits and is approved by the Chairman of the Management Board when taking the object for accounting. The amortized cost of intangible assets is written off systematically over their estimated useful lives.

For the purpose of preparing financial statements, the University for Intangible Assets uses a depreciation rate of 10 to 25%, depending on each type of intangible asset.

After initial recognition, the University does not premeasured intangible assets.

The residual value is recognized equal to zero, unless:

- there is an obligation of a third party to acquire an asset at the end of its useful life;

- there is an active market for this intangible asset and it is likely that such a market will exist at the end of the asset's useful life.

The derecognition of an intangible asset (derecognition from the balance sheet) occurs when it is disposed of or in the case when future receipt of economic benefits from its use or subsequent disposal is not expected. The disposal of an intangible asset is documented in a free form debit statement. When writing off an intangible asset, its initial (revalued) value is debited from the corresponding account. At the same time, the depreciation accumulated for this object is written off.

The gain or loss from the termination of the use or disposal of an intangible asset is determined as the difference between the carrying amount of the intangible asset and the net proceeds from its disposal and is reflected in the Statement of income.

The costs of an intangible asset should be recognized as an expense as incurred, unless:

□ they form part of the value of an intangible asset that meets the recognition criteria, or

□ the object was acquired in a business combination and cannot be recognized as a separate asset. The cost of this item will be included in the amount of goodwill.

Typical accounting entries for this section:

№	The content of business operations	Correspondence Account	
		Debit	Credit
1	Listed for the acquisition of intangible assets	3310	1030
2	Capitalized intangible assets	2730	3310
3	Gratuitous receipt of intangible assets from individuals and of organizations	2730	6220
4	Accrual of depreciation of intangible assets	7010,7210	2740
5	Write-off of the carrying amount of intangible assets upon disposal: - amount of book value - in the amount of accumulated depreciation	7010,7210 2740	2730 2730
6	Return of intangible assets that do not comply terms of delivery	3310 4110,4160	2730
7	Impairment of intangible assets	7420	2730
8	Impairment recovery of intangible assets	2730	6240
9	Depreciation of intangible assets on work in progress cost	2930	2740

Disclosure in financial statements.

In the financial statements, the University discloses the following information for each class of intangible assets:

1) useful lives or applicable depreciation rates;

2) applied depreciation methods (linear method);

3) historical cost and accumulated depreciation at the beginning and end of the period;

4) articles of the statement of comprehensive income, which include depreciation of intangible assets;

5) alignment of the net book value at the beginning and end of the reporting period, showing:

- increase in the value of intangible assets, with the allocation of an increase from the acquisition of additional intangible assets;
- disposal;
- impairment losses recognized in profit or loss during the period;
- recovery of impairment loss on an asset recognized in profit or loss;
- depreciation accrued during the reporting period;
- other changes in the amount of intangible assets during the period.

The statements also disclose the description, the carrying amount at the end of the year and the remaining amortization period of any intangible asset that is material to the financial statements of the University as a whole. It also discloses the total amount of research and development costs recognized as expenses of the current period.

The financial result arising from write-offs or disposals is defined as the difference between the net proceeds from the disposal and the carrying amount of the intangible asset. It should be recognized as income or expense in the income statement.

If an intangible asset is exchanged for a similar intangible asset, then the value of the acquired intangible asset equals the value of the retired intangible asset, and as a result no gain or loss is recognized.

3.6. Financial assets and liabilities

A financial instrument is a contract that results in a financial asset in one entity and a financial liability or equity instrument in another entity.

A financial asset is any asset that represents:

• cash;

• equity instrument of another organization (with the exception of state-owned enterprises);

• contract law:

• to receive cash or other financial assets from another company or organization, or

• to exchange financial assets or financial liabilities with another company or organization on conditions that are potentially beneficial to the University.

Examples of cash financial assets and financial liabilities are:

- trade receivables and payables;
- bills receivable and payable;
- loans receivable and payable.

Financial liabilities differ from an equity instrument by the presence of a contractual obligation of one party to provide either cash or another financial asset to the other party. If such a contractual obligation exists, the University classifies this instrument as a financial liability, regardless of how it is settled. If there are no contractual obligations, then classifies this as an equity instrument.

The distribution of income to owners of a financial instrument is classified as an equity instrument and is presented in the statement of equity.

The university can offset financial assets and financial liabilities and show the balanced amount in the balance sheet when:

- has a legally secured right to offset the amounts recognized in the balance sheet;
- intends to either offset, or to realize the asset and pay off the obligation at the same time.

The university recognizes a financial asset or financial liabilities only when it becomes a party to a contract in respect of a financial instrument.

3.7. Accounts receivable

When accounting for receivables, the NJSC «West Kazakhstan Marat Ospanov Medical University» is guided by the international standard IAS 8 «Revenue».

Accounts receivable - this is the amount of debt due to the company from other legal entities and individuals, or citizens and arising as a result of economic relations between them.

Doubtful debt is the receivable of an entity that is not repaid by the due date in accordance with the terms of payment agreement.

Bad debt is recognized as receivables for which, in accordance with the legislation of the Republic of Kazakhstan, the limitation period has expired.

Statute of limitations is the period of time during which a claim can be satisfied arising from violations of a person's right or interest protected by law. The general limitation period is established by the Civil Code of the Republic of Kazakhstan.

Allowance for doubtful debts is the amount of funds required to cover losses on receivables, in respect of which the probability of their non-repayment prevails.

At the University receivables are recorded for each debtor separately in the accounts of section 1200 «Short-term receivables».

When accounting for receivables, current and long-term ones are distinguished. University according to the results of the inventory of settlements with debtors according to the decision of the head at the end of the reporting period:

1) creates a reserve for doubtful debts in the event of delay in payment or delivery of goods (works and services), the reserve is created by the method of accounting for payment periods:

- from 180 days to 1 year - in the amount of 50% of the amount owed;
- more than 1 year - in the amount of 100% of the amount owed.

If subsequently the receivables classified as doubtful are returned, then the previously recognized expense for the creation of reserves for doubtful receivables should be restored;

2) write off the following accounts receivable which are hopeless for collection:

- which the court refused to recover, including due to the expiration of the limitation period;
- not satisfied during the liquidation of the debtor due to the lack of his property, as well as not declared by the creditor prior to approval of the liquidation balance sheet;
- if the obligation is terminated by the death of the debtor, if the performance cannot be performed without the personal participation of the debtor or the obligation is otherwise inextricably linked to the personality of the debtor.

The allowance for doubtful debts is periodically reviewed and, if there is a need for adjustments, the corresponding amounts are reflected in the income statement of the reporting period in which such a need is identified.

Bad debts are written off against the allowance for bad debts. If the reserve is insufficient, the write-off occurs directly to the profit and loss account. The written off receivables are registered off-balance for three years.

If a receivable written off earlier is paid in subsequent reporting periods, it is recognized as income in the period when such payment was made.

For the purposes of financial reporting, receivables are classified as short-term and long-term.

Short-term receivables are stated at the expected amount receivable. As a rule, receivables are valued at the amount of the invoice and are confirmed by invoices or other debt obligations.

Accounts receivable for a period of more than 1 year are classified as long-term.

Revenues are recorded for each type of activity from the implementation of work and services. Based on the results of the services provided, customers are provided with an act of work performed, which is intended to confirm the work performed and the services provided. The act indicates the total cost of the work performed.

In order to minimize the risks of missing the opportunity to collect receivables through the tax authorities or in court, it is necessary to confirm the balance of the receivables once a quarter by drawing up reconciliation statements.

Short-term advances paid - this is the money transferred to suppliers (contractors) for the upcoming delivery of goods (work performed, services), and other short-term advances paid. Debt payment for goods received, work performed or services rendered is made net of the advance payment previously paid by him.

Accounting for advances issued is carried out in the context of each debtor to account 1710 «Short-term advances paid».

Reporting amounts are cash advances given to university employees for business expenses and business trip expenses.

Money in the account for business needs and travel expenses should be issued to persons working in the enterprise, by order of the head. Issuance of accountable amounts to employees is made after full settlement of previously issued advances. In exceptional cases, extradition by permission of the head is allowed

For the money received in the account, the University employees are obliged to submit to the accounting department an advance report on the actually spent amounts with the application of supporting documents confirming the expenses incurred.

The expense report is the main document for accounting for settlements with accountable persons.

Reporting periods for received funds in the sub-report:

- for household expenses - within 3 days,
- on business trips - within 5 days.

Documents attached to the expense report are numbered in the order they are recorded in the report. In the expense report must be filled out: the balance of the previous advance, the received advances, the amount spent, the balance (overspending) of the accountable amount, the payment of the overspending. Unused advance balance must be returned by the accountable person.

In the accounting service, advance reports are checked arithmetically, and also the correctness of the paperwork and the expenditure of funds as intended. Verified advance reports are approved by the manager.

A business official trip is a trip of workers by order of the leadership of the NJSC «West Kazakhstan Marat Ospanov Medical University» for a certain period of time to another locality to carry out the assignment outside the place of his permanent work. Documentation of travel expenses is regulated by the following legislative and regulatory acts:

- The Labor Code of the Republic of Kazakhstan;
- Decree of the Government of the Republic of Kazakhstan «On approval of the rules on official business trips within the Republic of Kazakhstan for employees of state institutions, supported by the state budget, as well as deputies of the Parliament of the Republic of Kazakhstan» (subject to amendments and additions);
- Decree of the Government of the Republic of Kazakhstan «On approval of the Rules for reimbursement of expenses on official business trips at the expense of budgetary funds, including to foreign states».

The employees are sent on a business trip by the head on the basis of an order indicating:

1) the destination and name of the organization;

2) the duration of the trip;

3) the purpose of the trip;

4) conditions for reimbursement of travel expenses:

- the number of days to reimburse per diem;

- the number of days to reimburse the costs of renting a living space When sending to several settlements, the number of days spent in each settlement is indicated;

- the type of transport for which travel expenses are reimbursed with an indication of the route.

The duration of the trip is established by the first leader depending on the purpose of the trip, but it should not exceed 40 days. In case of official need, the duration of the trip can be extended by an appropriate order of the head.

The university can independently develop and approve the internal procedure for reimbursing the costs of official business trips.

When an employee returns from a business trip to a place of permanent work before the end of the working day, the question of the time of appearance at that day is decided by agreement with the administration.

Upon returning from a business trip, the employee submits a business trip report within five working days with the application of supporting documents on the costs of the business trip

The following expenses are reimbursed to the seconded employee:

1) per diem for each day of a business trip;

2) for the rental of housing;

3) on the way to the place of business trip and back to the place of permanent work on the basis of the presented travel documents.

Analytical accounting of calculations on reporting amounts at the University is carried out on account 1251 «Short-term receivables of employees».

Typical accounting entries for this section:

№	The content of business operations	Correspondence Account	
		Debit	Credit
1	Advances paid	1710	1030,1251
2	Received goods and services on advances issued	1300 7010,7210	3310
3	Closed advances issued upon delivery of goods and of services	3310	1710
4	Issued cash in the sub-report	1251	1030

5	Write-off of travel expenses for expense report	7010,7210	1251
6	Creating a reserve for doubtful requirements	7440	1280
7	Write-off of bad debts of buyers and customers for reserve account for doubtful claims	1280	1210

Disclosure in financial statements

The University's financial statements disclose the definition and totals of long-term and current debt. Accounts receivable should be disclosed net of allowance for doubtful debts. Subject to disclosure are methods for determining the allowance for doubtful debts.

A statement of the receivable is attached to the balance sheet, indicating the name of the debtor and the period of debt formation.

The notes disclose the following information regarding receivables:

- total amount of receivables for goods and services;
- the amount of overdue debts recognized by the enterprise as doubtful;
- also claim work.

Actual data is provided on the amount of the created reserve for individual significant debts, on the decisions taken to write off the receivables from the reserve or for losses of the reporting period.

The facts and reasons for the formation of receivables are disclosed.

3.8. Accounting for liabilities

Liabilities (obligations) - this is the obligation of the enterprise to perform a certain action in favor of another person (Lender): transfer the property, perform work, pay money, etc., and the creditor has the right to demand that the enterprise fulfill its obligations. Obligations arise as a result of various transactions by the enterprise and are the legal basis for subsequent payments for goods, work performed and services provided. A liability is recorded only when a debt arises on it. Liabilities are measured by the amount of money needed to pay a debt or in a market, the cost of goods and services that must be provided.

The basis for assuming obligations to the supplier of goods (works, services) are contracts, invoices, invoices or an act of work performed.

Related parties - parties are considered related when one of them has the ability to control or exert significant influence on the other side when making business and financial decisions.

Control - the ability to determine the financial and other management policies of the entity by virtue of the predominant participation in its authorized capital, either in accordance with an agreement concluded with it, or in any other way.

Significant impact - participation in decision-making on the financial and other policies of the subject without the possibility of its control.

Transactions between related parties - transfer of assets and liabilities, regardless of the fact of mutual settlement.

By maturity, current (short-term) liabilities are distinguished from long-term ones.

Current liabilities include debts that are expected to be repaid within a year or business cycle, no matter how long; long-term liabilities are debts that are not planned to be repaid during the next year or regular business cycle.

By types distinguish:

- obligations between a legal entity and its structural unit;
- *liabilities* between related parties;
- *liabilities* for other organizations;
- other payables.

Current liabilities are divided into:

Actual liabilities are obligations arising from a contract, contract, or on the basis of legislation that can be determined precisely. Actual liabilities include accounts receivable, the current portion of long-term liabilities, accrued wages, for goods or services.

Estimated liabilities are liabilities whose exact amount cannot be determined before a certain date, i.e. income taxes, warranty payments and vacation pay.

Contingent liabilities - non-existent, potential liabilities that depend on a future event that arose from a previous transaction, such as lawsuits, loan guarantees, etc.

In the Company accounting for settlements with suppliers and contractors is reflected in section of accounts 3300 «Short-term payables».

Settlements of received advances received are intended to summarize information on short-term obligations arising from the receipt of advance payments from buyers and customers under contracts for the supply of goods or services.

Account 3510 «Short-term advances received» takes into account obligations that must be settled within 12 months after the reporting date. The remaining liabilities on advances received are accounted for as other long-term liabilities on account 4410 «Long-term advances received».

Accounts payable on advances received are written off only in case of full or partial repayment of accounts payable, i.e. when the obligation is fulfilled, canceled or its validity has expired.

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	**Credit**
1	Capitalization from suppliers of inventory holdings, non-current assets	1300, 2410,2730	3310
2	Contractors' bills accepted for payment for services rendered (work performed)	1720 7010,7210	3310
3	Payables payable to suppliers: - by offsetting the advance payment - due to their receivables in the presence of reconciliation	 3310 3310	 1710 1210
4	Payment of suppliers' invoices	3310	1030
5	Write-off of unclaimed amounts payable debt to suppliers, including after the expiration of the limitation period	3310	6290
6	Reflected part of long-term payables debt payable during the current year	4110-4140 4050,4170	3370
7	Repayment of the current portion of long-term liabilities	3370	1030
8	Reflection received inventory, non-current assets from other organizations	1300, 2410,2730	3380
9	Repayment of debt of other creditors	3380	1030
10	Short-term advances received	1030	3510
11	Set off a previously received advance payment	3510	1210
12	Refund of unused advance amount	3510	1030
13	Write-off of unclaimed accounts payable on advances received, including upon expiry of the period of limitation	3510	6290
14	Money received in the reporting period, but related to future stream of earnings	1030	3520

15	Recognition by the income of the reporting period of amounts previously deferred income	3520	6010
16	Reflection of obligations to pay fines and forfeit legal entities and individuals	7010,7210	3560
17	Repayment of current liabilities	3510,3520 3530,3560	1030
18	Long-term advances received	1030	4410
19	Settlement of debts of buyers on account earlier advance payment received	4410	1210, 2110
20	Refund of unused advance amount	4410	1030
21	Write-off of unclaimed accounts payable on advances received, including after the expiration of the limitation period	4410	6290
22	Money received in the current reporting period, but related to deferred revenue	1030	4420
23	Recognition by the income of the reporting period of the amounts related to deferred income	4420	6010
24	Reflection of other long-term obligations to various legal entities and individuals for services rendered, payment of fines and forfeits, etc.	7010,7210	4450
25	Repayment of other long-term liabilities	4450	1030

Disclosure in financial statements

The University's financial statements disclose the definition and totals of long-term and current debt.

A transcript of accounts payable is attached to the balance sheet, indicating the name of the creditors and the timing of the debt.

The notes disclose the total payables for goods and services at the beginning and end of the year. The facts and reasons for the formation of accounts payable are disclosed.

3.9. Accounting for employee benefits

Employee benefits - all forms of compensation that the University provides to employees in exchange for services rendered to them, production of goods, and performance of work in accordance with the terms of the employment contract.

The methodology and procedure for accounting for settlements with staff on remuneration, employee benefits in accounting of the NJSC «West Kazakhstan Marat Ospanov Medical University» is determined in accordance with the requirements of: IAS 19 «Remuneration of Employees», the Law «On Labor in the Republic of Kazakhstan», and other regulatory documents on remuneration. Payments to staff on wages are also regulated by the University's internal regulatory documents and the Collective Agreement adopted at the meeting of the labor collective.

The University independently draws up a staffing table in accordance with the need for employees, their number, professional and qualification level within the established wage fund.

Remuneration of staff is made in accordance with the Regulation on the conditions of remuneration of labor, bonuses and the provision of material assistance to employees, as approved by the Board of Directors.

The composition of the wage includes accrued amounts of wages regardless of the source of payment in cash and in kind:

- for hours worked - salaries accrued on salaries, bonuses and remunerations bearing incentive payments;

- for non-worked time - payment of annual, additional, study leave, involuntary absenteeism (donor certificate, summons of the military registration and enlistment office, judicial authorities).

- lump-sum incentive payments (remuneration according to the results of work for the year, material assistance, one-time assistance regardless of the source).

The University has the following surcharges regulated by the Collective Agreement, including:

- payment of overtime work, for work at night and on holidays;

- surcharge for combining posts (expanding service areas) and fulfilling the duties of a temporarily absent employee;

- and other surcharges and allowances that do not contradict the legislation of the Republic of Kazakhstan.

Calculations of wages, holidays, temporary disability are made by the University in accordance with applicable law.

Earnings for employees are calculated on the basis of time sheets, orders for combination and overtime work. The basis for the payroll of full-time specialists and employees is the order for admission to the position, the approved staff list and time sheet. The basis for the payroll of freelance specialists and employees is a contract concluded between an employee, a contract, a time sheet, an organization order for combination or piecework and other supporting documents.

In accordance with the accepted classification of costs, labor costs of employees of various categories of University staff, taking into account the nature of the work performed, are reflected either in the accounts of production accounting or in the accounts of administrative expenses.

The main analytical accounting document is the payroll sheet - a consolidated document that summarizes all types of accrued wages and other payments to employees, as well as deductions and deductions made in accordance with the current legislation of the Republic of Kazakhstan. The statement is compiled on the basis of payroll data.

Analytical accounting of employee benefits is kept on account 3350 «Short-term wage arrears».

Wages are paid by transferring money to individual card accounts of employees opened in second-tier banks.

Expenses for the payment of remuneration in the form of wages, bonuses, compensations, allowances, etc. are recognized as current expenses on the basis of the accrual method during the reporting period for the actually worked time and work performed.

Vacations are paid at the expense of the allowance for vacations of workers created in order to evenly include the amounts for vacation pay in the cost of production (work and services).

Short-term paid holidays are periods when employees are absent from work while retaining their place of work and a certain form of payment during these periods (annual paid labor holidays, paid study leaves, periods of temporary incapacity for work).

The obligation and expenses for the payment of such remuneration are recognized only upon the onset of vacation, study leave or a period of temporary incapacity for work

Holiday reserve

Reserves are recognized if the University, as a result of a certain event in the past, has legal or voluntary obligations, for the settlement of which it is highly likely that an outflow of resources will be required that includes future economic benefits, and which can be estimated in monetary terms with a sufficient degree of reliability.

In accordance with IAS 37 «Provisions, Contingent Liabilities and Contingent Assets», reserves are created to ensure the fulfillment of future obligations characterized by uncertainty. In order to comply with the principle of compliance in the financial statements, liabilities for other accrued expenses of the University, which can be measured only with an approximate level of accuracy, are qualified by the University as reserves and include (but are not limited to):

- reserve for balancing expenses by periods (expenses on holidays);

- a reserve to cover costs that may arise in future periods, but are associated with financial indicators of the reporting period.

The university creates a reserve of expenses for the upcoming holidays to evenly assign them to costs. The calculation of the reserve is carried out annually for each employee based on the average employee earnings for 12 months and the number of days of unused vacation at the reporting date. The amount of the estimated allowance for vacation pay includes the value of the estimated social tax.

Most of the additional wages are amounts for vacation pay, which may be provided to employees at different times and, therefore, are not uniformly distributed throughout the year. To evenly include the sums for paying holidays in the cost of production (work, services), the following calculation procedure is defined.

The calculation of the monthly amount of deduction to the reserve for vacation pay is calculated by dividing the annual wage fund by the total number of calendar days for the year minus holidays and the number of months in the year, i.e. 12, then by multiplying by the number of vacation days provided for by the employment contract.

The reserve for balancing expenses by periods (holiday expenses) can be created at the end of each month, quarter, half year or at the end of the year, depending on the frequency of reporting and is adjusted at the end of the year before reporting.

The reserve for the upcoming vacation pay will be determined by the University based on the amount of vacation pay arrears, the annual planned size of the payroll fund and the vacation schedule on account 3430 «Short-term estimated liability for employee benefits».

The creation of a reserve for vacation pay ensures the correct and uniform inclusion of the cost of vacation pay in expense accounts. The amount of deductions to the reserve depends on the average duration of leave of workers.

In order to clarify the correctness of the creation and use of the reserve for vacation pay, the University makes an annual inventory. During which the reserve of vacations is specified based on the number of days of unused vacation by all employees as of the reporting date, the average daily amount of expenses for remuneration of employees, the amount of social tax.

In case of excess of the actually accrued reserve over the amount confirmed by the inventory calculation at the reporting date, a reversal entry is made on the account «Expenses for creating a reserve», and in case of underestimation, an additional record is made on the calculation of the reserve. The vacation reserve unused in the current year is transferred to the next reporting period.

In a similar way, a reserve for social tax and social insurance is created and inventoried.

The deduction of expenses for the creation of a reserve for vacation pay to employees is carried out in accordance with the Code of the Republic of Kazakhstan «On taxes and other obligatory payments to the budget».

The reserve is used only for those costs in respect of which it was originally created.

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	Credit
1	Salary accounting	7010,7210	3350
2	Withholding of alimony wages	3350	3380
3	Withholding of deduction for compensation damage caused by them, accountable amounts	3350	6290,1251
4	Transfer of remuneration to card accounts of workers	3350	1030
5	Payroll for workers during their another vacation	3430	3350
6	Accrual of allowance for vacation pay to employees	7010,7210	3430
7	Accrual of provision for social tax on the amount of the reserve to pay for holidays of workers	7010,7210	3430

8	Accrual of provision for social insurance from the amount of the reserve for the payment of vacation of employees	7010,7210	3430
9	Social holiday tax expense from reserve	3430	3150
10	Social security deductions for vacation pay for reserve account	3430	3210

Disclosure in financial statements

In the financial statements of the University, information on all short-term employee benefits is disclosed in the Profit and Loss Statement as labor costs and in the balance sheet as payables.

In the financial statements for each class of reserves should disclose:

- type of reserves formed in the accounting of the University;
- the carrying amount at the beginning and end of the period;
- the amount of the increase in reserves during the reporting period;
- use of the reserve during the reporting period;
- unused reserves reversed (restored) during the reporting period.

In the notes to the financial statements, the University discloses the following information:

- types of remuneration (current, long-term);
- types of bonuses paid to employees.

3.10. Accounting for settlements with the budget

Tax accounting is carried out in accordance with the Law of the Republic of Kazakhstan «On Accounting and Financial Reporting». NJSC «West Kazakhstan Marat Ospanov Medical University» calculates and pays taxes and fees in accordance with the requirements of the Code of the Republic of Kazakhstan «On taxes and other mandatory Payments to the Budget» (Tax Code) and is the payer of the following taxes and mandatory payments:

- individual income tax;
- social tax;
- land tax;
- property tax;
- tax on vehicles;
- fees for emissions into the environment.

The basis for making entries in accounting registers are accounting documents: references, calculations, etc. The final adjustment of tax accounting records is made after the tax year, based on tax returns.

Maintaining registers (forms) of tax accounting, reporting on taxes and fees is carried out by an accountant. Tax accounting registers may be kept in the form of special forms on paper and / or in electronic form.

Reconciliation of calculations with the budget for taxes and other obligatory payments with tax authorities is carried out at the end of the year.

Reconciliation report - a document on the calculated (accrued, reduced) amounts of taxes, other mandatory payments to the budget, mandatory pension contributions, social contributions, as well as interest and penalties on a certain date according to the tax authority and taxpayer.

Accounting for taxes and fees is carried out on the accounts of the bank on a continuous cumulative basis separately for each tax and fee, as well as by type of debt (arrears of the main amount of tax or fee, interest, penalty). Fines and penalties payable to the budget in connection with a violation of tax legislation are recorded on separate accounts.

Other accrued liabilities and taxes of the University are reflected in the following accounting accounts:

- 3120 «Individual income tax»,
- 3150 «Social tax»,

- 3160 «Land tax»,
- 3170 «Vehicle tax»,
- 3180 «Property Tax»,
- 3190 «Other taxes»,
- 3191 «Fee for issue»,
- 3210 «Obligations on social insurance»,
- 3213 «Obligations for deductions for social health insurance»,
- 3220 «Obligations on pension contributions»,
- 3240 «Other liabilities for other voluntary payments» (insurance),
- 3380 «Other short-term payables».

Typical accounting entries for this section:

№	The content of business operations	Correspondence acoounts	
		Debit	Credit
1	Withholding of individual income tax from salary	3350	3120
2	Withholding of mandatory pension contributions from salary	3350	3220
3	Transfer of individual income tax in budget	3120	1030
4	Transfer of mandatory pension contributions to a pension fund	3220	1030
5	Accrued social tax	7010,7210	3150
6	Accrued liabilities for social and medical insurance	7010,7210	3210,3213
7	Accrued land tax, vehicle tax, property tax and other taxes	7010,7210	3160-3190
8	Payment of taxes and liabilities to the budget	3150-3190 3210, 3213	1030

Disclosure in financial statements

The financial statements of the University disclose the total debt for taxes and liabilities. A statement is attached to the balance sheet for receivables and payables in the context of taxes and liabilities.

The notes disclose the total receivables and payables at the beginning and end of the year. The facts and reasons for the formation of accounts payable are disclosed.

3.11. Profit tax accounting

The purpose of this section is to determine the procedure for accounting for income tax and accounting for current and future tax consequences:

 future reimbursement (repayment) of the carrying amount of assets (liabilities), which are recognized in the balance sheet of the enterprise.

 operations and other events of the current period recognized in the financial statements of the enterprise;

 the fact that the asset or liability is recognized in the financial position of the entity reflects the entity's expectation to reimburse or pay the carrying amount of the asset or liability. If it is probable that reimbursement or repayment of such a carrying amount will lead to an increase (decrease) in the amount of future tax payments compared with the amount that would have been determined if such reimbursement or repayment did not have any tax consequences, this section requires that the enterprise Recognized a deferred tax liability (deferred tax asset), subject to certain limited exceptions.

This section requires the University to take into account the tax consequences of transactions and other events in the same way as it takes into account these transactions and other events. Accordingly, any tax consequences relating to transactions and other events recognized in profit or loss should also be recognized in profit or loss. Any tax consequences relating to transactions and other events not recognized in profit or loss (either in other comprehensive income or directly in equity) should also be recognized not in profit or loss (either in other comprehensive income, or directly in equity). Similarly, the recognition of deferred tax assets and liabilities in a business combination, or in the amount of recognized gain from a purchase at a bargain price.

Corporate income tax (CIT) is one of the most significant types of taxes. According to Article 290 of the Tax Code of the Republic of Kazakhstan the NJSC «West Kazakhstan Marat Ospanov Medical University» is exempted from paying corporate income tax, as social organizations have the right to exemption from paying CIT in the performance of conditions if the income from activities in the social sphere, taking into account the income of gratuitously received property and interest on deposits, is at least 90 percent of the total annual income. Social activities include:

• the provision of services in the form of medical care in accordance with the legislation of the Republic of Kazakhstan (including in the implementation of medical activities that are not subject to licensing) by a healthcare subject licensed to carry out medical activities;

• the provision of services for primary, basic secondary, general secondary education, technical and vocational, post-secondary, higher and postgraduate education, carried out under the relevant licenses for the right to conduct educational activities, as well as additional education, pre-school education and training.

If this condition is violated, the University will maintain a profit tax account in accordance with IAS 12 «Income Tax» and be accounted for:

- 3110 «Corporate Income Tax Payable»,
- 4310 «Deferred tax liabilities for corporate income tax»,
- 7710 «Corporate income tax expenses».

Since the objectives of tax and financial reporting are different, different estimates are of the same accounting objects. Such differences in estimates should be reflected in the financial statements in the form of deferred taxes.

Deferred tax liabilities and assets are formed in connection with the difference between the recorded and tax values of assets and liabilities.

The principle of distribution of tax calculations between periods consists in the distribution of tax payments between reporting periods without taking into account the timing of actual tax payments. This principle provides a complete reflection of the tax consequences of all economic events recorded in current reporting and, in particular, reflection of the potential consequences of temporary differences between accounting and taxable profit.

3.12. Accounting for income, including deferred income

The accounting of income of NJSC «West Kazakhstan Marat Ospanov Medical University» is carried out in accordance with IAS 18 «Revenue».

Revenues are gross receipts of economic benefits for the period arising in the ordinary course of business when the result is an increase in equity other than an increase in equity from contributions from owners. At the same time, the amounts received in favor of a third party, such as value added tax, taxes on goods, work and services are not economic benefits received by the enterprise and do not lead to an increase in equity. Therefore, they are excluded from income.

Revenues are recognized if it is probable that the University will receive future economic benefits, and these benefits can be reliably measured.

Revenue from the provision of services is recognized in the reporting period in which these services were provided, based on the degree of completion of a particular operation, estimated in proportion to the share of services actually provided in the total volume of services that should be provided under the contract. The degree of completion is reflected in the act of work signed by the customer, which indicates the receipt of an economic conclusion and at the same time reliably estimates the amount of income and the transfer to the customer of significant risks and benefits associated with this transaction.

The income includes both the revenue of the University and other income.

According to their economic nature, revenues are divided into the following types:

• Income from core activities;
• Income from non-core activities;
• Financial income:
- income in the form of remuneration;
- compensation for discounting;
- income from changes in the value of financial investments;
- other financial income.

In accordance with clause 9 of Section 2 of the Charter, financing of the University's activities is carried out at the expense of the authorized capital, income and other sources not prohibited by the legislation of the Republic of Kazakhstan.

Revenues fall into two main categories, which reflect the conditions of their use:

1) Unlimited income - this is income unlimited by certain conditions for their use. For example, income from core activities.

2) Limited income - arise when receiving funds allocated for special purposes determined by the donor as part of a special agreement, contract or regulatory act, and can only be used for these purposes. For example, income received in the framework of financing from the budget for material and technical equipment.

Income is recognized when all of the following conditions are satisfied:

1) The university transferred to the customer significant risks and benefits associated with owning the asset. The transfer of risks and benefits associated with ownership may or may not coincide with the transfer of legal ownership or transfer of ownership;

2) The university is no longer involved in management to the extent that is usually associated with ownership, and does not control the assets sold;

3) The amount of income and expenses that are or will be incurred in connection with the transaction can be estimated reliably;

4) There is confidence that as a result of a particular operation there will be an increase in economic benefits.

If the University retains significant ownership risks, the operation is not a sale of services and income from it is not recognized. If it retains only minor risks associated with ownership, then the transaction is the sale of services and income is recognized.

Revenues are recognized if there is a probable inflow of economic benefits associated with the transaction. If there is uncertainty about the receipt of amounts already recognized as income from the sale of goods, then lost amounts or amounts that have ceased to exist are recognized as expenses, and not as an adjustment to the initially recognized income.

The university uses in the accounting of the implementation of services - the accrual method, i.e. the method according to which income and expenses are recognized from the moment the services are provided. Income is measured at the fair value of the consideration received or receivable.

When exchanging goods and services for goods and services of a similar nature and size, the exchange is not considered an operation that creates income. When exchanging goods and services for excellent goods or services, the exchange is considered as a transaction that creates income, measured at the fair value of the goods, services received, adjusted for the amount of cash or cash equivalents.

If the fair value of the goods or services received cannot be measured reliably, then income is measured at the fair value of the goods or services transferred, adjusted for the amount of transferred cash or cash equivalents.

The occurrence of income is expressed by the receipt or increase of cash, cash equivalents, stocks, fixed assets and other property, or a decrease in liabilities.

Income is recognized and included in the income statement in the reporting period in which it is earned, regardless of the receipt of payment from the buyer and the time for processing documents.

Accounting for deferred income is recorded on the accounts: 3520 «deferred income» - to account for other short-term liabilities and 4420 «deferred income» - to account for other long-term liabilities, which summarizes information on income received in the reporting period, but relating to future reporting periods.

Deferred income represents the receipt of cash in advance before the delivery of the goods or services is completed. Despite the fact that the criterion (ability of settlements) is satisfied, the process of revenue recognition does not occur. Income will not be recognized until the goods are shipped (delivered), the service is provided or the work is completed. Recognition of deferred income as income of the reporting period is made after full use of all conditions. Moreover, recognition can occur simultaneously (at the end of work on the basis of an act of completion) or on a periodic basis, if this is provided for by the contract.

Future income also includes the receipt of assets as gratuitous income. Gratuitous receipts of long-term assets are grouped:

- long-term assets donated by third parties;
- the amount of targeted financing provided on the conditions of creation (acquisition, construction, etc.) of long-term assets.

Target financing and receipts not caused by the creation of long-term assets are reflected in accounting and are included in the statements of the periods to which they relate, on the basis of the principle of correlation of expenses and recognized income without participation of deferred income accounts.

Funds earmarked for the acquisition, creation of a long-term asset or current expenses are recognized as deferred income.

Gratuitous receipts related to long-term assets are written off to income as depreciation on assets, the creation of which was due to these receipts, is accrued in an amount proportional to the amount of accrued depreciation.

In the case of the return of the gratuitously received values, the amount written off to income is recognized as a loss in correspondence with the account of the target financing debt, and the unwritten balance on the deferred income account is recognized as a debt on the return of funds in the period in which the demand for a return arose.

When selling values received free of charge, the underestimated amount of deferred income shall be reflected in other income if there is no obligation to return the funds received free of charge.

According to the subsection «Write-off of deferred income», gratuitous receipts related to long-term assets are subject to write-off over the life of the asset. That is, they are of a long-term nature and, in the statement of financial position, are reflected in long-term debt as a separate item, in case of materiality, or in other long-term debt, if insignificant. The exception is precisely the part that, based on depreciation rates and the value of assets in connection with which deferred income was provided, will be written off within twelve months from the reporting date. It is to be transferred to the subaccount of short-term deferred income related to long-term assets.

Deferred income to be recognized in the long term is recognized in the statement of financial position as long-term debt (excluding the reclassified part), in case of materiality, as a separate line item, and if insignificant, as part of other long-term debt.

Deferred income to be recognized in the short term is reflected in the statement of financial position of the University as a separate article - in the case of materiality, and if insignificant - in other short-term debt. At the same time, the reclassified portion of deferred income is also reflected in short-term debt.

Target financing and revenues are understood as the allocation of funds (cash, other property and property rights) intended for targeted use as means to achieve a specific goal, increasing the economic benefit of the organization as a result of the receipt of these funds.

These funds may include funds received:

- from the republican budget,
- from the local budget,
- from international institutions.

In the general case earmarked financing is recognized as income, but its recognition requires the simultaneous fulfillment of the following conditions:

- there is confidence that the University will achieve the goals of providing these funds,
- these funds have been received.

Target financing is recognized as income for those periods to which the expenses that are due to them and which it should compensate belong.

In some cases, assistance may be provided that does not require the fulfillment of any conditions, for example, provided as compensation for expenses or losses incurred in previous reporting periods. Such assistance is recognized as income in the period in which it is received. If such revenues are compensation for losses classified as improbable expenses, then they are classified as improbable income. At the same time, the «Target Financing» account is not used, income is recognized in correspondence with accounts for cash, other property and property rights or obligations (in case of obtaining benefits in the form of debt forgiveness).

Revenues related to the recognition of earmarked funding should be evenly distributed between periods and correlated with the costs (losses) for which funds were allocated. Similarly, earmarked finance related to depreciable assets is generally recognized as income over the periods and in the proportion in which the depreciation of those assets is accrued.

Targeted financing related to non-depreciable assets may also require the fulfillment of certain obligations, and will be allocated to income in the same periods when expenses have arisen aimed at fulfilling these obligations.

If the targeted financing is provided in the form of non-monetary assets (land or other assets), then such assets are recognized at fair value. Targeted financing also recognizes debt forgiveness, if it is conditional on the fulfillment of any requirements.

The accounting department of the University should keep separate records of expenses for projects carried out at the expense of targeted financing, including separately for projects for account of the state budget in the context of allocated funds on a repayable, urgent and paid basis and subsidies.

In case of violation of the use of the provided funds of earmarked funding, the University must refund the funds received.

In case of return of funds of target financing that are not related to non-current assets, the amount of funds allocated to income is recognized as a loss in correspondence with the account of accounting for funds of target financing.

In case of return of the target financing funds related to non-current assets, the amount of funds already allocated to income (the amount equivalent to the amount of accrued depreciation) shall be written off to other expenses in correspondence with the account of the target financing funds. The amount of earmarked funds, reflected as deferred income, is debited to the account of earmarked financing.

Thus, the balance of the target financing account reflects the amount of debt to be repaid.

In the NJSC «West Kazakhstan Marat Ospanov Medical University», revenues are reflected in the accounts of sections 6000 «Income from the sale of products and services», 6100 «Income from financing», 6200 «Other income» of the work plan and in accordance with IFRS 18 «Revenue».

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	Credit
1	Implementation of work at contractual cost, according to the actof fulfilled work.	1210	6000
2	Income from the sale of works, services	1010,1030 1210	6000
3	Set off a previously received advance payment	3510	1200
4	Recognition by the income of the reporting period of the amounts related to deferred income	3520,4420	6000
5	Refund for services not provided paid by buyers and customers in full or in the amount issued by them advances	6020	1010,1030 3310
6	Gratuitous receipt of fixed assets, intangible assets and inventory from legal entities and individuals	1300,2410 2730	6200
7	Closing at the end of the reporting period the account «Income from the sale of products and services», including income from interest on deposits	6000,6100 6200	5710

Disclosure in financial statements

In the income statement, it is necessary to disclose the amount of each significant item of income recognized during the period, including income arising from the provision of services from the performance of work under cooperation agreements on core activities.

In the notes to the income statement, it is necessary to disclose the accounting policy adopted for recognition of income from sales, the methods used to determine the stage of completion of contracts related to the provision of services / performance of work (including those under capital contracts).

Should also be disclosed:

- all possible other income recognized in accordance with the sections «Events that occurred after the reporting date» and «Contingent liabilities and assets»,
- the nature and amount of targeted financing funds recognized in the statements indicating all forms of state assistance received from the state budget, including international loans,
- misuse of funds,
- other contingent economic activities related to the targeted financing that has been recognized.

3.13. Cost accounting, including deferred expenses

Expenses are understood as a decrease in resources due to the expenditure or reduction of assets, or the occurrence of obligations as a result of the ordinary activities of an economic unit to generate income. Expenses arise from the disposal or use of cash, cash equivalents, inventories, and fixed assets and other property, as well as liabilities. Costs reduce equity as a result of operations not associated with participants.

In the NJSC «West Kazakhstan Marat Ospanov Medical University» expenses are generated and recognized on the basis of primary accounting documents in accordance with the rules and accounting principles reflected in this accounting policy, as well as international standards financial statements.

Company expenses meet four recognition criteria:

- *definition*
- *rating,*
- *timeliness*

-credibility.

Expenses are recognized in accounting if the following conditions exist:

- the amount of consumption can be reliably determined;
- if there is a decrease in future economic benefits associated with a decrease in an asset or an increase in liabilities.

This means that expense recognition takes place in the reporting period in which an increase in liabilities or a decrease in an asset is recognized.

Recognition of expenses should be made in the same period in which income is recognized in connection with which these expenses were incurred, or when it becomes clear that these expenses will not lead to any income, regardless of the time of actual payment of funds or otherwise forms of implementation. Such recognition involves the simultaneous recognition of income and expenses arising directly and jointly from the same operations or other events.

If the occurrence of economic benefits is expected over several accounting periods and the relationship with income can only be traced in whole or indirectly, then expenses are recognized during several reporting periods during which the corresponding economic benefits arise. The distribution of expenses for reporting periods is based on a justified and systematic determination of the amounts recognized in each reporting period.

If the costs incurred do not lead to the expected economic benefits, or when the future economic benefits do not meet or cease to meet the requirements for recognition as an asset in the balance sheet, then costs are recognized as expenses in the period in which the relevant circumstances are identified.

An expense is also recognized when a liability has arisen without recognizing the asset.

University expenses are classified as follows:

Direct costs - the cost of the services provided, corresponding to income. Such expenses are recognized as recognition of income arising directly and jointly as a result of the same operations and events.

Expenses of the period - expenses associated with the implementation process, general and administrative expenses. These costs do not relate to the cost of sales, but lead to a decrease in economic benefits and are recognized during the period in which they arise.

Distributed expenses are expenses such as depreciation and deferred expenses. These costs are distributed evenly over the periods during which the related assets are expected to be profitable.

Accounting for deferred expenses

In accordance with the assumption of accounting for the temporary certainty of facts of economic activity (accrual basis), the costs associated with the sale of goods, production of goods, performance of work, services, form its cost in the reporting period to which they relate, regardless of the time of their occurrence and condition calculations.

Deferred expenses are expenses incurred in a given reporting period, but related to future reporting periods in which economic benefits (income) may arise.

The expenses used in the creation of income for several accounting periods are distributed between the reporting periods on the basis of calculation. This procedure applies to expenses arising in connection with:

- with the consumption of services for a long time;
- subscription to print media;
- insurance payments;
- training;
- other recurring payments, ***etc.***

At the University deferred expenses are recognized on the basis of primary accounting documents in accordance with accounting principles. The most important condition for the recognition of expenses for the preparation of financial statements is the principle of compliance of income and expenses.

Deferred expenses include prepayments made in the current reporting period for the purchase of works and services, which are subsequently recognized on the relevant accounts and expense items (work and services, general and administrative expenses, selling expenses, financial or other expenses) based The method of regular and even write-off during the reporting periods to which they relate (the term of the contract), and the account "deferred expenses" are systematically credited.

Deferred expenses are recognized in the statement of financial position at the cost of cash paid.

Deferred expenses are allocated to periods by dividing the total bill by the number of upcoming periods for which payment has been made in advance. Expenses not yet distributed and not included in the profit and loss account are reflected in the balance sheet as related to future reporting periods.

The write-off to expenses of the current period is made as the occurrence of the event, as a result of which the University recognizes expenses.

To account for deferred expenses, the synthetic account 1720 «deferred expenses» is used. Analytical accounting of deferred expenses is carried out for each type (group) of expenses.

The University takes into account direct expenses and expenses of the period on the accounts of subsections 7010 «Expenses for the sale of products and the provision of services» and 7210 «Administrative expenses».

Costs are incurred in accordance with the legislation of the Republic of Kazakhstan approved by the standards.

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	Credit
1	The amount of insurance payments to insurance organizations for insurance contract	1720	1030
2	Subscription for periodicals, etc.	1720	1030
3	Write-off of expenses related to insurance payments with subscription to periodicals and other expenses	7010,7210	1720

Disclosure in financial statements

In the financial statements, expenses are recognized in the period in which they were actually incurred, and not when payment was made and primary supporting documents were received.

Expenses and losses for the reporting period are reflected in the statement of comprehensive income based on the functional classification:

- the cost of sales of products, works and services;
- administrative expenses;
- implementation costs;
- other expenses;
- financial expenses;
- tax expenses.

In the notes to the financial statements, the University discloses the accounting policies adopted for the recognition of expenses and the largest expense items by cost element. Mandatory disclosure are elements such as depreciation, material costs and labor costs. Material items of other expenses (losses) are also subject to mandatory disclosure in the notes to the financial statements.

If there are significant errors for previous periods, the following should be disclosed:

- the nature of the material error;
- the amount of error correction for the previous period;
- the amount of the correction relating to the information provided in the financial statements for the same period last year.

3.14. Lease accounting

All types of fixed assets leases are accounted for in the NJSC «West Kazakhstan Marat Ospanov Medical University» in accordance with the international standard IAS 17 «Leases».

Lease - an agreement according to which the leasing holder transfers to the lessee the right to use the asset for an agreed period of time in exchange for a rent or a series of payments.

Leases are divided into financial or operating. The classification of leases for financial and operating leases depends more on the content of the transaction than on the form of the contract and is carried out at the very beginning of the lease. If the terms of the lease are revised in the future, then this lease should be considered as a new lease for the reclassification of the lease.

Finance lease is a lease that involves the transfer of virtually all the risks and benefits associated with owning an asset. The ownership right can ultimately be either transferred or not transferred. In such cases, risks include risks associated with losses from downtime of capacities or technological and moral depreciation, fluctuations in profits due to changing economic conditions. And the benefits of owning an asset are the benefits of using the leased asset during its economic service, increasing its value or selling residual value, etc

A lease is recognized as financial if at least one of the conditions of the indicated items is met:

- by the end of the lease term, the ownership of the asset passes to the lessee;
- the lessee has the opportunity to buy an asset at a price that is significantly lower than the fair value at the date this opportunity is realized, and at the beginning of the lease there is an objective certainty that this opportunity will be realized;
- the lease term is a large part of the economic life of the asset, despite the fact that ownership is not transferred;
- at the beginning of the lease, the present value of the minimum lease payments amounts to at least almost the entire fair value of the leased asset;
- leased assets are of a special nature, so that only the tenant can use them without significant modifications.

Accounting for assets received under finance leases (leases) and liabilities are recorded as property, plant and equipment at the lower of the minimum amount: the discounted amount of the minimum lease payments or the fair value of the leased items of property, plant and equipment, which, as a rule, equals the amount of cash paid by the leasing holder for assets.

The same amount represents the initial carrying amount of financial lease obligations. When calculating the present value of the minimum lease payments, the discount factor is the interest rate leased.

Minimum lease payments are allocated between the cost of financing and the reduction of the outstanding liability. Financing costs shall be apportioned between all periods during the lease term in such a way as to obtain a constant periodic rate of interest on the outstanding balance of the obligation. Contingent rent is charged as an expense in the reporting periods in which it arises.

Lease payments are allocated to expenses of the period by recognizing financial expenses (interest under the lease agreement) during the lease term and calculating depreciation on the leased asset in accordance with the depreciation policy adopted by the University for its own assets and in accordance with IAS 16 «Fixed Assets» and IAS 38 «Intangible Assets».

Not always the depreciation amount for a certain period may equal the amount of rental payments without taking into account the amount of remuneration for the same period, because term depreciation and lease term may vary. If there is objective certainty that at the end of the lease the tenant will receive the right of ownership, the useful life is the estimated useful life.

Operating leases - leases other than finance leases. A lease is recognized as operating if it does not bear almost any risks and rewards associated with ownership.

Accounting for assets transferred to operating leases is carried out on the leasing holder 's balance sheet in accordance with the nature of the asset in the account of fixed assets, real estate investments or intangible assets.

The costs associated with the maintenance and operation of fixed assets, as well as depreciation, the leasing holder reflects in the accounts of expenses.

The leasing holder s income from the lease of the asset (excluding accounts for services rendered, such as insurance and maintenance) should be distributed on an even basis, regardless of the payment scheme, unless another systematic basis is more representative for a period of time in which the benefits arising from the use of the asset are reduced. If the contract provides for conditional lease payments, then their recognition as income of the period is made in the amount equal to conditional payments for the corresponding period.

The depreciation policy for depreciable leased assets must be consistent and consistent with the usual depreciation policy used by the leasing holder to depreciate similar assets, and the depreciation rate is calculated in accordance with IAS 16 and IAS 38. To determine the impairment of the leased asset, the University uses IAS 36.

The initial direct costs incurred by the leasing holder in the process of discussing the terms and preparation of the operating lease must be added to the carrying amount of the leased asset and recognized as expenses over the entire lease term using the same method as rental income.

Presentation of incentives provided by the leasing holder to the lessee for the conclusion of the contract should be carried out to reduce rental income throughout the term of the contract.

Lease payments are systematically recognized for each reporting period in the income statement (excluding the cost of services, such as insurance and maintenance, which are accounted for by the leasing holder).

Sale and leaseback is a sale of an asset and the lease of the same asset by the University. Usually the rental payment and the selling price are interdependent as they are discussed at a time. Accounting for such an operation depends on the type of lease.

In the case of a sale with a finance lease, any excess of the proceeds from the sale over the carrying amount of the asset cannot be recognized immediately as income in the University profit and loss statement, but is recognized as deferred income and charged to financial results evenly over the lease term.

A sale with a reverse operating lease is a sale of an asset if the transaction is carried out at fair value. Therefore, any gains or losses arising from such a transaction are recognized immediately in the statement of profit or loss.

If the selling price is higher than fair value, then such excess is recognized as deferred income and is written off to financial results during the lease term of the asset.

If the selling price is below fair value, any profit or loss should be recognized immediately, unless the loss is offset by future lease payments at a price lower than the market. In such a situation, losses from the sale are recognized as deferred expenses and subsequently, they are charged to expenses of the period together with lease payments, so that the sum of these costs becomes equivalent to the market rate.

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	**Credit**
1	Operating lease charge used for administration purposes	7210	3360
2	Payment of the current part of a long-term payable lease arrears and current lease payments	3360	1030
3	Debt forming for financial rental of fixed assets	2410	4150
4	Write-off of accounts payable accepted financial lease of fixed assets in connection with the return before the expiration of the contract	4150	2410

Disclosure in financial statements

If the University acts as a **Leasing holder**, the following information is disclosed in the financial statements:

financial lease:

• net book value of assets for each group of leased fixed assets at the beginning and end of the reporting period;

• useful lives of leased assets or depreciation rates used;

• the amount of minimum lease payments reconciled with the discounted cost of lease obligations for periods of up to one year, up to five years, over five years;

• discount rates (interest on lease agreements);

• the amount of future minimum sublease payments, the receipt of which is expected at the reporting date for non-canceled sublease agreements;

• a general description of significant lease relationships and material obligations under leases to make improvements to leased property;

• direct operating expenses (including repair and maintenance costs) related to leased property.

operating lease:

• a general description of significant lease relationships (off-balance sheet), as well as information similar to that for a finance lease;

• rental and sublease payments recognized as an expense (income) for the current period;

• future minimum payments for non-canceled rents according to the terms given in the classification;

• future minimum sublease payments receivable on non-canceled leases at the reporting date.

If the University acts as a Landlord, the following information is disclosed in the financial statements:

financial lease:

• all gross investment in the lease, reconciled with the present value of the minimum lease payments receivable (in terms of lease terms up to one year, up to five years, over five years);

• discount rates (interest on lease agreements);

• unearned financial income (interest receivable for the remaining lease term according to the lease agreement);

• accumulated allowance for uncollectible receivables;

• general description of significant leases

operating lease:

The leasing holder reflects the information in the financial statements taking into account the disclosure requirements set out in IAS 32 «Financial Instruments: Disclosure and Presentation», IAS 16 Property, Plant and Equipment, IAS 36 Impairment of Assets, IAS 38 Intangible Assets IAS 40 «Real estate investment». In addition, the following information is disclosed:

• future minimum lease payments under operating leases without the right to early termination in aggregate and separately for each of the following periods: no later than one year, after one year, but no later than five years, after five years;

• total contingent rent indicated in income;

• A general description of the material leases entered into by the l leasing holder.

3.15. Capital accounting

Capital - these are liabilities that are not subject to permanent repayment in the future (in contrast to obligations that will be settled sooner or later, i.e. will result in part of the property leaving the University). Capital reflects the value of the part of the University's property that is not burdened with obligations (the value of assets minus obligations).

The following classification is used for reporting purposes at the NJSC «West Kazakhstan Marat Ospanov Medical University», aggregating certain accounts at the level of financial reporting items, namely:

The authorized capital of the University is formed from property received from the owner in management for the implementation of the statutory activities.

Additional paid-in capital represents the value of assets transferred to the University by the founder, free of charge or transferred against a future increase in the authorized capital.

The revaluation reserve consists of revaluation of the fair value of investments and revaluation of property, plant and equipment.

University equity includes:

- ordinary shares,
- retained earnings (retained earnings).

In accordance with the Charter, the University issues only ordinary shares. The conditions and procedure for the issue, placement, circulation and redemption of University securities are determined by the legislation of the Republic of Kazakhstan.

The university does not accrue or pay dividends on its shares. The University uses the following accounts to account for equity:

- 5020 «Ordinary shares»;
- 5610 «Retained earnings (uncovered loss) of the reporting year»;
- 5620 «Retained earnings (uncovered loss) of previous years»;
- 5710 «Total profit (total loss)».

In accordance with the order of the Chairman of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan dated 07.02.2019 No. 161, the number of announced shares of the Company was set at 7,568,951 ordinary shares, with a nominal value of one share in the amount of 1,000 tenge. tenge.

Typical accounting entries for this section:

№	The content of business transactions	Correspondence acoounts	
		Debit	**Credit**
1	Realized earnings	6000, 6100 6200	5710
2	expenses incurred	5710	7010,7210
3	Forming reserve capital	5610	5510,5570
4	Use of reserve capital to cover losses of reporting year or previous years	5510,5570	5610,5520
5	Write-off of the uncovered loss of the reporting year due to retained earnings of previous years	5520	5610
6	The increase in the initial cost of fixed assets as a result of revaluation	2410	5520
7	Adjustment of accumulated depreciation based on the results of revaluation of fixed assets	5520	2420
8	Reduction of the initial cost of fixed assets as a result of revaluation within the revaluation amounts: - to reduce the cost - to reduce depreciation	 5520 2420	 2410 5520

Disclosure in financial statements

Capital in the balance sheet should be divided into subgroups. For example, such items as authorized capital, additional paid-in capital, revaluation reserve, reserve capital may be shown separately. Such a classification should satisfy the needs of users of financial statements at the decision-making stage.

In the main forms of financial reporting (in this case, the balance sheet) of the University, each category of equity capital is disclosed separately.

The statement of changes in equity reflects:

- linking between the book value at the beginning and the end of the reporting period with a separate disclosure of each change in articles of charter capital, share premium, additional contributed capital, reserve capital, other reserves, retained earnings (uncovered loss);
- the result of changes in accounting policies (cumulative total since the appearance of transactions for which the accounting procedure is changing);
- the result of recognition of material errors of past periods;
- net profit or loss for the period;
- profit distribution operations.

3.16. Provisions, contingent liabilities and contingent assets

This section of the accounting policy should be applied when accounting for all reserves, contingent liabilities and contingent assets, with the exception of:

• arising from contracts in progress, unless these contracts are burdensome;

• those covered by another international financial reporting standard and those covered in other sections of the accounting policy.

This section does not apply to financial instruments (including guarantees), which are covered in the section «Financial assets and liabilities».

An agreement in progress is an agreement under which neither of the parties has fulfilled any of its obligations or both parties have equally partially fulfilled their obligations. This section does not apply to contracts in progress, unless they are burdensome.

Reserve - represents the University's obligation arising from past events, the fulfillment of which is expected to result in the disposal of resources embodying economic benefits. In a general sense, all reserves are conditional, since their amounts and terms are uncertain.

A liability (for recognition in the financial statements) is an existing obligation of the University arising from past events, the settlement of which is expected to result in the disposal of resources containing economic benefits.

A binding event is an event that creates a legal obligation or an obligation arising from established practice, as a result of which the enterprise has no realistic alternative to resolving this obligation.

Legal obligation - an obligation arising from:

➢ agreement (from its express or implied terms);

➢ legislation;

➢ other legal provisions.

An obligation arising from established practice (a contingent liability) is an obligation arising as a result of an entity's actions in cases where:

➢ through established practice, a published policy or a sufficiently specific current statement, the company has demonstrated to other parties that it will assume certain obligations;

➢ as a result, the company created reasonable expectations among other parties that it would fulfill its obligations.

Onerous contract - a contract for which the unavoidable costs of fulfilling obligations under the contract exceed the expected economic benefits of the contract.

A contingent liability is a possible obligation that arises from past events, and the presence of which will be confirmed only by the occurrence or not the occurrence of one or more future events, the occurrence of which is uncertain and which are not wholly under the control of the University.

A contingent asset is a possible asset that arises from past events, and the presence of which will be confirmed only by the occurrence or not the occurrence of one or more future events, the occurrence of which is uncertain and which are not completely under the control of the University.

Other reserves of the University include:

reserves for securing vacation payments section «Employee Benefits»; reserves for doubtful receivables;

• section «Rent». However, operating leases that have become onerous fall within the scope of the section «Provisions, Contingent Capital, Contingent Liabilities and Contingent Assets»;

• section «Income taxes»;

• other reserves (other reserves include reserves for the fulfillment of obligations in litigation and tax proceedings recognized by the enterprise).

A university recognizes a reserve if:

✓ there is an existing obligation (legal or contingent) arising as a result of any past event;

✓ it seems likely that the settlement of the obligation will require the disposal of resources containing economic benefits;

✓ it is possible to provide a reliable estimate of the amount of the obligation.

If these conditions are not met, the provision should not be recognized.

Provisions are presented separately in the financial statements.

As reserves the University recognizes only those obligations that arose from past events and exist independently of future actions. A past event creates an existing obligation if, taking into account all available evidence, the probability of having an existing obligation at the end of the reporting period exceeds the probability of the absence of such an obligation.

The university estimates the liability reliable enough to recognize the reserve; if not, it is not recognized. Such a liability is disclosed in the financial statements as a contingent liability.

If the University has a contract that is onerous, the current obligation under that contract should be recognized and measured as a reserve.

The amount of the provision is determined as the best estimate of the expenses required to pay off the current obligation at the end of the reporting period.

Evaluation of the results and financial effect is determined using management's judgment, supplemented by the practice of similar operations and, in some cases, opinions of independent experts, as well as additional evidence obtained as a result of events after the end of the reporting period. Risks and uncertainties surrounding many events and circumstances should be considered in the best estimate of the amount of the obligation. A risk adjustment may increase the amount of the liability assessed. When making judgments in conditions of uncertainty, caution is necessary so as not to overstate income and assets and not to underestimate expenses or liabilities.

The best estimate of the costs necessary to pay off the current obligation is the amount that the organization would reasonably pay to pay off the obligation at the end of the reporting period or transferred to a third party at that date.

Reserve estimates are pre-tax.

Provisions for periods of more than 12 months are recorded at the end of each reporting period based on discounts using the market interest rate. Provisions for less than 12 months are not discounted. The discount rate should be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate should not reflect the risks for which future cash flows have been adjusted.

Future events that may affect the amount required to fulfill an obligation should be reflected in the amount of the reserve when there is sufficiently objective evidence that they will occur.

Profits from the expected disposal of assets should not be taken into account in determining the amount of the reserve, even if the expected disposal is closely related to the event leading to the obligation.

In case the University considers the third party to pay all or part of the costs necessary to pay off the estimated liability (for example, through an insurance contract, a reservation for damages or a guarantee of the supplier), the third party can either refund the amounts paid by the company or pay these amounts directly.

If the University is responsible for the entire amount under consideration and must pay the full amount if the third party does not pay for any reason, then the estimated liability is recognized for the full amount of the obligations, and a separate asset for the expected reimbursement is recognized when it is really determined that the reimbursement will be received if the entity repays the liability.

If the University is not liable for obligations that cannot be repaid by a third party, then such costs are not the obligation of the University and are not included in the estimated liability.

At the end of each reporting period, the amount of reserves created should be reviewed. If the outflow of resources embodying economic benefits for the fulfillment of obligations has already ceased to be probable, the reserve should be canceled. If discounting is applied, the carrying amount of the reserve increases in each period, reflecting the passage of time. This increase is recognized as a financial expense.

Reserves can only be used to cover the obligations for which they were created.

The university creates reserves for existing obligations associated with onerous contracts. Before creating a separate reserve for an onerous contract, the University recognizes impairment losses for any assets allocated for the execution of this contract.

The term «conditional» University applies to liabilities and assets that are not recognized due to the fact that their existence will be confirmed only when one or more uncertain future events occur or are not completely under the control of the University.

For example, service warranties.

The university does not recognize contingent liabilities in the financial statements.

Information on contingent liabilities is disclosed in cases where the University is jointly and severally liable for the obligation, that part of the obligation that other parties are expected to pay is considered a contingent liability. If it becomes probable that an item previously treated as a contingent liability will require the disposal of future economic benefits, the provision is recognized in the financial statements of the period in which the degree of probability changes (except in extremely rare circumstances when it is not possible to provide a reliable estimate).

Contingent assets, despite the presence of certain certainty, are not recognized in the financial statements, since, according to the accrual basis, actual income has not yet been received by the entity and therefore information about the contingent asset is disclosed in the financial statements.

When accounting for contingent assets and liabilities, the university is guided by the following procedure for taking into account the probability of occurrence of a contingent event used in preparing financial statements.

Level of probability	**Approximate percentage of probabilities**	**Presentation of asset**	**liabilities presentation**
Almost complete	More than 95%	Accrual is required	Reserve is created
High	More than 50%	In the notes to financial statements	Reserve is created
Average	10%-50%	Not disclosed	In the notes to financial statements
Low	Less than 10%	Not disclosed	Not disclosed

Disclosure in financial statements

The university should disclose the following information for each type of reserve:

• book value at the beginning and end of the reporting period;

• additional reserves recognized during the period, including an increase in existing reserves;

• sum used (that is, actually incurred and deducted from the reserve) during the period;

• non-used amounts recovered during the period;

• increment of the discounted amount for the reporting period over time and the result of changes in the discount rate.

Comparative information is not required.

For each class of reserves, the University also discloses the following information:

- a brief description of the nature of the obligation and the expected dates of disposal of the related economic benefits;

- an indication of signs of uncertainty regarding the magnitude and timing of their disposal;

- the amount of any expected consideration, indicating the amount of the asset that has been recognized in respect of that expected consideration.

The notes to the statements for each class of contingent liabilities at the reporting date disclose a brief description of the contingent liability, and if practicable:

- a calculated assessment of its impact on a financial indicator;

- an indication of signs of uncertainty regarding the amount and amount of a possible disposal of resources;

- the possibility of any refund.

When an inflow of economic benefits seems probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period and, if practicable, an estimate of their impact on financial performance determined in accordance with the valuation principles identified for reserves.

3.17. Cost accounting for loans

When accounting for loans, NJSC «West Kazakhstan Marat Ospanov Medical University» is guided by the international standard IAS 23 «Borrowing costs».

Borrowing costs directly attributable to the acquisition, construction or production of an asset that meets certain requirements are charged to the cost of the asset if it is probable that the University will receive future economic benefits and if such costs can be reliably estimated. The University recognizes other borrowing costs as expenses in the period in which they are incurred.

Borrowing costs - interest and other expenses incurred by the University in connection with obtaining borrowed funds.

Borrowing costs may include:

- interest expenses calculated using the effective interest method in accordance with IAS 39 «Financial Instruments - Recognition and Measurement»;

- payments in respect of a finance lease recognized in accordance with IAS 17 Leases;

- exchange differences arising from loans in foreign currency, to the extent that they are considered an adjustment to the cost of interest payments.

The university has the right to receive borrowed funds from banking organizations and uses two possible accounting methods:

main: borrowing costs are recognized as an expense in the current period and alternative: borrowing costs are capitalized and increase the cost of a qualified asset.

The basic procedure for accounting for borrowing costs

Borrowing costs are recognized as expenses of the period in which they are incurred, regardless of the conditions for obtaining and the purpose of the loan (loan).

Alternative procedure for recording borrowing costs

Borrowing costs permitted for capitalization that are directly related to the acquisition, construction or production of an asset that meets certain requirements are those borrowing costs that could have been avoided if the costs of the related asset had not been incurred.

Capitalization is possible only if the University can obtain future economic benefits from the use of a qualified asset, and provided that these economic benefits can be reliably measured. Other borrowing costs are recognized as expenses when they arise.

Borrowing costs permitted for capitalization

The amount of borrowing costs permitted for capitalization should be determined by applying the capitalization rate to the costs of the related asset.

Capitalization rate is the average weighted amount of expenses on University loans that remain outstanding during the period, with the exception of loans received specifically for the acquisition of a qualified asset;

The amount of borrowing costs capitalized during the period shall not exceed the amount of borrowing costs incurred during this period.

The initial capitalization date is the date on which the University first met all of the following conditions:

- incurred expenses for this asset;
- incurred loan costs;
- carried out the actions necessary to prepare the asset for its intended use or for sale, which includes not only the physical creation of the asset itself. This includes technical and administrative work preceding the start of the physical creation of an asset, for example, as an activity related to obtaining permits necessary to begin construction.

If vigorous activity on creation of objects is interrupted for a long time, then the capitalization of interest should be suspended for all this time. For example, waiting for the delivery of necessary building materials.

The university is obliged *to stop* capitalizing borrowing costs when almost all the work necessary to prepare a qualified asset for its intended use or sale is completed.

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	**Credit**
1	Long-term bank loans received	1030	4000
2	Transferred from the current account to repay loans	4000	1030
3	Accrued interest on loans received	7310	3390
4	Interest on loans received is listed	3390	1030

Disclosure in financial statements

Borrowing costs are recognized in the statement of operations in profit or loss, net of financial (interest) income.

The university is required to disclose the following information in its financial statements:

- the amount of borrowing costs capitalized during the period;
- the capitalization rate used to determine the amount of borrowing costs acceptable for capitalization.

3.18. Impairment of assets

This section of the Accounting Policy establishes the procedure for impairment of assets, as well as defines the requirements for the disclosure of relevant information in the financial statements of NJSC «West Kazakhstan Marat Ospanov Medical University».

The University checks for impairment of the following types of assets:

- fixed assets and construction in progress;
- real estate investment;
- other non-current assets.

This section does not define impairment accounting policies for:

- stocks;
- financial assets;
- deferred tax assets;
- assets arising from employee benefits;
- long-term assets (or disposal groups) classified as held for sale.

Active market - a market where all of the following conditions are met:

- marketed goods are homogeneous;

- as a rule, at any time you can find buyers and sellers who want to make a deal;
- pricing information is publicly available.

A cash-generating unit (cash-generating unit) is the smallest identifiable group of assets that generates cash inflows, largely independent of cash inflows from other assets or groups of assets.

Corporate assets - assets, other than goodwill, that contribute to future cash flows from both the generating unit in question and from other generating units.

Disposal costs are the incremental costs directly attributable to the disposal of an asset or cash-generating unit, net of finance costs and income tax expenses.

The recoverable amount of an asset or a cash-generating unit is the fair value less costs to sell or value in use, whichever is greater.

Service life is either:

- the estimated period of use of the asset by the University;

- the number of units of production or similar units that the University expects to receive as a result of using the asset.

Use value is the present value of future cash flows that are expected to be received from the asset or cash-generating unit.

Impairment of an asset is recognized only if the economic value of an asset or a separate group of an asset is lower than their carrying amount. The value of assets should not be overstated, but on the other hand, a deliberate understatement of the value of assets is not allowed.

The determination of the economic benefit of an asset is possible as a result of an assessment of the receipt of benefits from the intended use of the asset (value in use) or benefits from sale (fair value less costs to sell). The university needs to choose the maximum value from the possible benefits - to exploit or sell. The university must assess at the end of each reporting period whether there are any signs of impairment of assets. If any such indication exists, the University must evaluate the recoverable amount of the asset.

Signs of impairment of assets and cash-generating units

The University is considering signs of a possible impairment of assets if the following events occurred during the reporting period:

External sources of information:

- the market value of the asset has decreased much more than expected, based on the normal conditions of use of the asset, or after a certain time;
- significant changes in the technological, market, economic or legal conditions in which the University operates, have occurred during the period or are expected in the near future;
- market interest rates or other market indicators of investment profitability have increased, and these changes may affect the discount rate used in calculating the value of use of the asset and significantly reduce its recoverable amount.

Internal sources of information:

- there are signs of obsolescence or physical damage to the asset;
- significant changes in the degree or method of use of the asset in the present or in the future, adversely affecting the position of the University, occurring over time or expected in the near future.

For example: a simple asset, termination plans, plans for the disposal of an asset in the near future, a revision of the useful life of an asset - from unlimited to limited;

- based on internal reporting, evidence that the current or future results of using the asset are worse than expected;
- other indications of a possible reduction in the value of the asset:

1) the funds necessary for the acquisition of an asset or its operation and maintenance significantly exceed previously provided by the budget,

2) net cash flows are significantly lower than planned in the budget,

3) a net cash outflow is forecasted over the entire useful life of the asset.

In assessing these indicators, the principle of materiality must be applied. If the analysis shows that the recoverable amount of the asset is not sensitive to these indicators, then there is no need to estimate the recoverable amount.

The consequences of the above signs are a decrease in future cash inflows from assets compared to the originally expected. A situation that leads to a decrease in future cash inflows from an asset is a sign of a possible impairment of the asset and requires an impairment test.

Based on the collected information, documented, the University creates a reserve for the impairment of these objects.

If there are signs of a possible impairment of an asset, this may indicate that the remaining useful life, the depreciation method of a fixed asset or an intangible asset with a limited useful life should be reviewed and adjusted, even if no impairment loss is recognized for it.

Recoverable Amount Measurement

The book value of an asset should not exceed the economic benefit that the University is able to obtain from the asset, that is, checking the asset for impairment consists in choosing the minimum value — the book value of the asset or its recoverable amount.

If the carrying amount of an asset is greater than its recoverable amount, it is necessary:

- reduce the value of the asset in the balance sheet to its recoverable amount;
- recognize an impairment loss in the amount of the carrying amount of an asset minus its recoverable amount.

Fair value less costs to sell

The best basis for determining fair value less costs to sell is the price specified in a binding contract for the sale of an asset between knowledgeable parties wishing to make such a transaction, one of which is the University. The price specified in the contract should be adjusted to the amount of expenses directly related to the disposal of the asset. Such costs include the costs of dismantling and transporting the asset, legal services for processing the transaction, fees, taxes and other direct additional costs for the pre-sale preparation of the asset. The University's costs of engaging an appraiser to conduct an independent valuation of assets are not included in the calculation of fair value less costs to sell, and should be recognized as an expense in the reporting period.

If there is no sales contract but an active market exists, fair value can be defined as the market price (usually the current buyer's price), adjusted for transaction costs. The existence of an active market is determined by the following factors:

- those who want to sell or buy an asset can be found at any time;
- prices are publicly available, i.e. are announced openly.

In the absence of an active market or lack of organization, the following methods of valuation are used to determine fair value:

- the price of the last similar transaction, provided that from the moment of its implementation to the reporting date there have been no significant changes in economic conditions;
- comparison with the current market value of another very similar asset and etc.

Fair value measurements should be based on the best available information. It uses information about the results of recent operations with similar assets within the same industry, various external sources, such as: statistical data, price lists from other organizations, the Internet.

Fair value less costs to sell can be determined even if the asset is not traded in an active market. However, in some cases, due to the lack of a basis for reliable estimation of the amount that can be obtained from the sale of an asset, the University accepts the value of use for the recoverable amount of the asset.

Recognition and measurement of impairment losses

An impairment loss is the excess of the carrying amount of an asset over the recoverable amount of an asset. For all assets, this provision is the same, but loss accounting differs slightly depending on the type of asset and the approaches used.

An impairment loss should be recognized as an expense in the income statement. Once an impairment loss has been recognized, the future depreciation expense for the asset attributable to the expense should be reviewed and adjusted for the depreciation method and the remaining useful life, fixed asset or intangible asset.

At each reporting date, the University assesses the signs that the impairment loss recognized in previous periods (for example, for fixed assets or construction in progress) may no longer exist or have changed. These signs include the following events:

- decreased market interest rates;
- management reporting data prove that the current or future results of the use of the asset are much better than expected, etc.

If the above signs exist, then the University recalculates the recoverable amount of the asset.

The carrying amount of an asset that has increased as a result of the return of an impairment loss should not exceed the amount of the carrying amount that would have been determined (net of depreciation) if an impairment loss had not been recognized for the asset in previous years. Any increase in the carrying amount of an asset in excess of the amount of the recovery of an impairment loss for that asset is a revaluation.

The amount of reversal of an impairment loss on an asset should not exceed the amount that could have been received at that time as a result of amortization of the initial cost of the asset. Any increase beyond that value should be considered a revaluation of the asset. The University takes into account such a revaluation by applying the relevant IFRS to the asset.

An impairment loss should be recognized directly in the income statement.

An impairment loss for a revalued asset is credited directly to capital accounts as a result of the revaluation. However, to the same extent that an impairment loss on a revalued asset was previously recognized as an expense in the income statement, an impairment loss on that asset is recognized as income in the income statement.

Once an impairment loss has been recovered, the depreciation charge for the corresponding asset is adjusted for future periods in order to write off the adjusted carrying amount of the asset evenly less its residual value over the remaining useful life of the asset.

Typical accounting entries for this section:

№	The content of business operations	Correspondence accounts	
		Debit	**Credit**
1	Reduction of the initial cost of fixed assets as a result of revaluation: *within the limits of amounts previously revalued (revaluation)*: - adjustment of historical cost - adjustment of the amount of accumulated depreciation	5520 2420, 2740	2410,2730 5520
2	*in excess of amounts previously revalued (revaluation):* - adjustment of historical cost - - adjustment of the amount of accumulated depreciation	7420 2420,2740	2410,2730 7420
3	Note: - if as a result of the next revaluation, an increase in the value of fixed assets occurs, then the amount previously reflected on the debit of account 7420 is subject to recovery as income and is recorded - - if the revaluation surplus exceeds the amount previously allocated to the debit of account 7420 for this object, then the excess amount is recorded	2410,2730 2410,2730	6240 5520
4	Write-off of the revaluation surplus for retired principal means	5520	5610
5	Transfer of the revaluation amount of fixed assets in use for retained earnings	5520	5610
6	Disposal of revalued fixed assets in the amount of loss on disposal of an asset	7420	5520

7	Disposal of revalued fixed assets in the amount of asset disposal income	5520	6290
8	Impairment of revalued assets from provision for revaluation	5520	2410,2730
9	Recovery of impairment of assets previously recognized in revaluation reserve account	2410,2730	5520

Disclosure in financial statements

For each asset class and for each reportable segment, the following information should be disclosed in the financial statements:

The amount recognized in the statement of comprehensive income in respect of:

□ impairment losses;

□ recovery of impairment losses.

If the impairment loss for an individual asset (a group of cash generating assets) recognized or reversed in the reporting period is material for the financial statements, the following should be disclosed:

□ events or circumstances that led to the recognition or recovery of an impairment loss;

□ the amount of the recognized loss from impairment or recovery of such losses;

□ for an individual asset - a description of the asset and the reporting segment to which the asset belongs;

□ for a group of assets of units generating cash flows: a description of the unit generating cash flows (describe whether this object is a building or structure, production line or process, business operation, geographical region, reporting segment or something else);

□ the amount of loss from the reduction in value recognized or compensated:

□ by types of assets;

□ by operating segments;

□ if the grouping of assets in order to determine the unit generating cash flows has changed since the previous assessment of the recoverable amount of this group of assets, the University should describe the previous and present way of grouping assets and the reasons for such a change;

□ whether the recoverable amount is fair value less costs to sell (disposal) or value in use;

□ if the recoverable amount is fair value less costs to sell (disposal), the method for determining it (for example, whether it was determined based on market information or in some other way) should be disclosed;

□ if the recoverable amount is a value in use, the discount rates used in the current valuation and in the previous valuation (if any) of the value in use should be indicated.

For the total recognized and reversed impairment losses, the following information is required:

□ major types of assets that have been impaired (or for which a previously recognized impairment has been reversed);

□ major events and circumstances that led to the recognition (recovery) of impairment losses.

3.19. Events after the end of the reporting period

Events after the end of the reporting period are those events, both favorable and unfavorable, that occur between the reporting date and the date of approval of the financial statements for issue and which have or may have an impact on the financial condition, cash flow or the results of the University. In cases where the requirements of the legislation on the reporting deadlines oblige the University to submit reports to the tax and other state bodies before it was possible to approve the financial statements by the authorized body, then the financial statements are considered approved for release on the day of its initial release, and not on the day of its approval authorized body.

When reflecting events that occurred after the balance sheet date, it is necessary to be guided by the principle of materiality. That is, all events that can significantly affect the management decisions of users adopted on the basis of the financial statements should be reflected in the financial statements.

Materiality depends on the size of the article or error, evaluated in each case.

IAS 10 defines two types of events:

1) Events confirming conditions existing at the reporting date (corrective events after the reporting date).

Data on assets, liabilities, capital, income and expenses are reflected in the financial statements taking into account events that occurred after the reporting date.

Adjustments to the financial statements are made if events occurring between the date of the reporting period and the date of presentation of the financial statements provide additional information to clarify amounts relating to conditions that existed before the end of the reporting period.

The following are examples of events after the reporting date reflected in the statements, the consequences of which the University is obliged to take into account either by adjusting in the financial statements or by recognizing previously unrecognized accounting objects:

- a court decision made after the reporting date, the consequences of which the University is obliged to reflect either by adjusting the reserve already recognized in the statements, or by recognizing the reserve, and not simply by disclosing the contingent liability (since the resolution of the court dispute confirms the obligation existing at the reporting date). For example, financial statements are subject to adjustment if the events that prompted the lawsuit (such as an accident or patent infringement) occurred before the balance sheet date. And if the event took place after the balance sheet date, the adjustment is optional, but disclosure of this information is necessary;
- receipt of information after the reporting date, indicating either a significant decrease in the value of the asset determined as of the reporting date, or the need to adjust the previously recognized impairment loss for the asset. For example, customer bankruptcy occurring after the reporting date usually confirms the existence at the reporting date of a loss related to receivables and the need to adjust the carrying amount of receivables;
- sale of inventories after the reporting date may serve as a basis for determining the price of the possible sale of these inventories as of the reporting date;
- the change after the reporting date of the value of assets acquired before the reporting date, or the receipt of amounts from the sale of assets sold before the reporting date;
- detection of fraud or errors that lead to misrepresentation of financial statements.

2) Events evidencing conditions arising after the reporting date (non-corrective events after the reporting date). The events below reflect the conditions that arose in the subsequent period and are not related to the state of assets and liabilities of organizations at the balance sheet date. Examples of events after the balance sheet date that are not reflected in the statements are:

- decrease in the market value of financial assets between the balance sheet date and the date the financial statements are authorized for issue;
- large-scale acquisition and disposal of fixed assets and financial assets;
- fire or natural disaster, which destroyed a significant part of the assets.
- announcement of the impending large-scale restructuring or the beginning of its implementation;
- termination of a substantial part of the organization's core business, if this could not have been foreseen as of the balance sheet date;
- the beginning of a major lawsuit related solely to events after the balance sheet date.

In this case, the financial statements are not adjusted, information is disclosed in the explanatory note to the financial statements.

The financial statements are not prepared on the assumption of a going concern if, after the balance sheet date, management makes a statement about a sharp uncompensated deterioration in the financial results of the activity, about its intention to liquidate the enterprise, suspend its activity or it has no other alternative to such actions. For example, a negative forecast of money receipts, problems with solvency, insufficient capital, bankruptcy procedures, sales decreased and / or significant losses were received by the University.

From the moment that the assumption of business continuity is no longer acceptable, in accordance with IAS 10, it cannot just adjust the indicators reflected on the basis of the original accounting procedure, but must fundamentally change the accounting procedure itself.

Disclosure in financial statements

NJSC «West Kazakhstan Marat Ospanov Medical University» should disclose the date of approval of the financial statements for issue and the name of the governing body that approved the financial statements for issue. It is important to users to know the date of approval of the financial statements for issue, as events beyond this date are not reflected in the financial statements.

If after the reporting date the University receives new information about the economic conditions that existed at the reporting date, then data on these conditions should be updated taking into account the information received.

In some cases, it is necessary to update the information disclosed in the financial statements taking into account information received after the reporting date, even if the information received does not affect the data reflected in the financial statements. For example, data already disclosed in the financial statements must be updated when, after the reporting date, the University receives confirmation of the conditional obligation that existed at the reporting date. Considering the appropriateness of recognizing a reserve, the University at the same time updates information on a contingent liability taking into account new information received.

If events after the reporting date that are not reflected in the reporting are so significant that without knowledge of them users of financial statements are not able to make reliable estimates and make optimal decisions, the University should disclose the following information for each significant category of events after the reporting date that are not reflected in reporting:

- the nature of the event;
- an assessment of its financial consequences, or a statement of the impossibility of such an assessment.

The following are examples of events after the reporting date that are not reflected in the statements, which can be so significant that without knowledge of them, users of financial statements are not able to make reliable estimates and make optimal decisions:

- significant reorganization of an economic entity after the reporting date (in such cases, certain additional information must be disclosed) or the disposal of a large unit;
- adoption of a plan providing for the cessation of part of the core business: the sale of assets or repayment of obligations associated with the discontinued part of the core business, conclusion of agreements under which the University is obliged to sell the above assets or fulfill the corresponding obligations;
- major transactions related to the acquisition and disposal of assets, nationalization of a substantial part of the assets;
- destruction of a significant part of fixed assets as a result of natural disaster after the reporting date;
- announcement of the impending large-scale restructuring or the beginning of its implementation;
- conclusion of contracts related to the performance of material obligations or the occurrence of contingent liabilities, for example, when issuing large guarantees;
- the beginning of a major litigation related exclusively to events after the reporting date.

It is also necessary to satisfy the requirements of IAS 1 in relation to the disclosure of events after the reporting date that cast doubt on the continuity of the University. These include guidance in the notes to the financial statements that:

• financial statements are not prepared on a going concern basis;

• the management is aware of significant uncertainties in connection with the events that may raise serious doubts about the ability of the University to continue to ensure the continuity of its activities.

In the balance sheet items of the financial statements it is forbidden to reflect the consequences of non-corrective events. If the consequences of such events are material, they should be disclosed in the notes to the financial statements.

4. Organizational and technical part

4.1. Accounting records

Accounting records are made on the basis of primary documents fixing the fact of a business transaction. All business operations and other business events affecting assets, equity, liabilities, income and expenses should be reflected in accounting.

Primary documents at the University are compiled at the time of the operation, and if this is not possible, immediately after the operation.

In accounting of the NJSC «West Kazakhstan Medical University named after Marat Ospanov» the Standard forms of primary documents approved by the Ministry of Finance of the Republic of Kazakhstan and non-standard forms (developed by the University itself) are used.

Any primary document must have the following details:

- name of the document (form);
- date of compilation;
- name of the organization on behalf of which the document was drawn up;
- the contents of the operation or event;
- units of the operation or event (in quantitative and value terms);
- names of positions, surnames, initials and signatures of the persons responsible for the operation (confirmation of the event), and the correctness of its (its) execution;
- an identification number.

Depending on the nature of the operation or event, the requirements of regulatory legal acts of the Republic of Kazakhstan and the method of processing accounting information, additional details may be included in the primary documents.

For homogeneous business operations are compiled consolidated accounting documents. Consolidated accounting documents (inventories, statements and others) retain their evidentiary value if primary documents are attached to them.

All entries in the accounting system must comply with the classification of the Work Chart of Accounts. Business transactions are recorded in accounting registers in chronological sequence, and are grouped by the corresponding accounting accounts.

The correctness of the reflection of business transactions in the accounting registers is ensured by the persons who compiled and signed them.

Based on the data processed in accounting, financial, statistical and tax reporting is prepared for various users.

Corrections to cash and bank documents are not allowed. Corrections can be made to other primary documents only by agreement with the participants in business transactions, which must be confirmed by the signatures of the same persons who signed the document with the date of correction.

Corrections are made in the following ways:

1. By way of reversal recording;
2. By way of additional recording.

The movement of primary accounting documents (hereinafter referred to as primary documents) in accounting (creation or receipt from other entities, acceptance for accounting, processing, transfer to the archive - document flow) is regulated by a schedule approved by the University's management.

Responsibility for the observance of the workflow schedule, timely and benign creation of documents, timely transfer of them to the accounting department to reflect them in accounting and reporting, for the accuracy of the data contained in the documents is borne by the persons who created and signed these documents.

Controls the full and timely reflection of all documents in the accounting accountant.

The requirements of the chief accountant regarding the procedure for processing and submitting documents and information to the accounting department are mandatory for all employees of the University.

The University management determines the persons having the right to sign accounting documents, and establishes a hierarchy of the right to sign depending on the position held by the person, the scope and nature of the operation.

The right to first sign accounting documents belongs to the first Head of the University; the right to second sign is granted to the Chief Accountant and authorized persons of the University on the basis of an order.

Documents that serve as the basis for the acceptance and issue of money and inventory, as well as credit and settlement obligations are signed by the Head and the Chief Accountant or by persons authorized by them. Granting the right to sign documents to these persons is made out by order. The above documents without the signature of the Chief Accountant or persons authorized by him, are considered invalid and should not be accepted for execution by materially responsible persons and accountants of the University.

The chief accountant is prohibited from accepting for execution and execution of documents on operations that are contrary to the law and the established procedure for the acceptance, storage and spending of money, inventory and other values.

In case of disagreement between the Manager and the Chief Accountant on the implementation of certain business transactions, documents on them can be accepted for execution with the written order of the Manager, who bears full responsibility for the consequences of such transactions.

The issuance of any information to unauthorized persons regarding the financial and economic activities of the University is made only with the consent of the Head and Chief Accountant.

The content of primary documents and accounting registers is information constituting a trade secret, access to which is provided to the Head, employees of the accounting service and certain persons of the University, established by order, if necessary, of this access, as well as to officials of state bodies in accordance with the legislation of the Republic of Kazakhstan.

Persons with access to primary documents and accounting registers are required not to disclose the information they have without the consent of the Manager, and are not allowed to use it for personal interests.

These persons are responsible for disclosing trade secrets in accordance with internal rules and legislative acts of the Republic of Kazakhstan.

Accounting documents drawn up in foreign languages are subject to translation into the state and Russian languages.

To ensure the safety of fixed, intangible assets and inventories, by order of the Head, materially responsible persons are appointed, for whom fixed, intangible assets and inventories are assigned.

An agreement is concluded with materially responsible persons on the full individual liability of the University assets entrusted to him

The accounting system involves the mandatory documentation of all financial and business operations. All entries in the accounting registers require a document confirming the fact of the transaction (invoice, payment order, account, act, etc.), which are recognized as the basis for accounting if they have the date of preparation, name of the organization, content of the business transaction, name of officials responsible for the preparation of the document, signature.

To ensure the effectiveness of the control system, each business transaction must be appropriately authorized (authorized).

In the case of the use of electronic signatures, appropriate safeguards and controls should be established regarding the right to use and access to electronic signatures in accordance with the legislation of the Republic of Kazakhstan.

The documentation system is based on the following principles. Documents and notes:

- must have continuous and sequential numbering during the reporting period;

- must be drawn up at the time of the operation or immediately after;
- should be simple and easy to understand;
- should be unified for multipurpose use;
- must have a well-thought-out structure for their proper design.

Accounting policies and guidelines for it ensure consistency, uniformity and consistency in the application of accounting principles.

To ensure the protection of values and documents, the organization takes the following measures:

- the use of fireproof safes;
- fire and burglar alarm device in storage places;
- territory protection and access system;
- creation of backup copies of the database and program, as well as their storage on various media in protected places;
- periodic change of passwords;
- storage of duplicate keys and copies of passwords for a person who does not work in a computer system.

4.2. Shelf life of accounting documentation

NJSC «West Kazakhstan Marat Ospanov Medical University» stores primary documents, accounting registers on paper and electronic media, financial statements, accounting policies, programs for electronic processing of credentials for the period established by the legislation of the Republic of Kazakhstan.

The University has the following document storage periods:

№	Title of the document	Storage time
1	Financial statements and explanatory notes to it:	
	A) summary annual	Constantly
	B) annual	Constantly
	C) quarterly	5 years
	D) acts, statements of revaluation and calculation of depreciation of fixed assets	Constantly
2	Personal accounts:	
	A) workers and employees	75 years — «в»
	B) recipients of pensions and state benefits	75 years
3	Power of attorney to receive cash and material assets	5 years
4	Letters of guarantee, business accounting books, general ledger, magazines, statements, cash books	5 years
5	Information on spending loans	5 years
6	Inventory documents (inventories, acts, statements, protocols)	5 years
7	Documents on the payment of benefits, pensions, leaflets Disability	5 years
8	Certificates for obtaining tax benefits	5 years
9	Accounts receivable documents (certificates, acts, obligations, correspondence)	5 years
10	Passports of buildings, equipment after disposal	5 years

11	Inventory cards and basic accounting books after disposal of funds	5 years
12	Acts, statements of revaluation of fixed assets and after retirement determination	5 years
13	Audit acts and documents to them	5 years
14	Contracts, agreements, additions to them (economic, labor)	5 years after expiry of validity
15	Liability agreements	5 years after the dismissal of material of responsible persons

The calculation of the storage period of documents is made from January 1 of the year following the year of the end of their paperwork.

For documents with a storage period of 75 years – «in», the storage period is calculated taking into account the person's age at the time the case is completed.

All retention periods used in paperwork are valid for electronic archives. Electronic documents related to the composition of the National Archival Fund of the Republic of Kazakhstan, electronic documents on personnel are also stored on a paper basis (electronic counterparts are considered as paper copies of insurance documents upon receipt of state storage in the appropriate management and archive management body).

Paper-based documents must be with the necessary signatures and seals.

After the expiration of the storage period, the documents must be transferred to the state (city, regional) archive or stored on their own for 15 years. After such expiration of storage periods are destroyed, with the exception of payroll statements, which must be transferred to the state archive.

Destruction of documents with temporary storage with an expired storage period is drawn up by an act approved by the Head and chief accountant. The acts for the destruction of documents are drawn up in 2 copies.

The documents selected for destruction are transferred to organizations responsible for the procurement of secondary raw materials, or are destroyed on the ground by burning.

4.3. Accounting procedures

The main objectives of accounting of NJSC «West Kazakhstan Marat Ospanov Medical University» is the correct and rational organization of accounting, the formation of reliable information on the results of operations;

- control over property, rational use of material, labor and financial resources in accordance with approved standards;
- participation in annual and interim inventories of fixed assets, inventory, cash and settlements, the correct reflection of the results of the inventory on accounting accounts.

The head of the accounting service as a structural unit is a chief accountant, providing accounting, preparation and presentation of financial statements, the formation of accounting policies. In accordance with Article 9 of the Law of the Republic of Kazakhstan «On Accounting and Financial Reporting» a professional accountant is appointed to the position of the chief accountant of the University.

In his (her) work the chief accountant is guided by the Law of the Republic of Kazakhstan «On accounting and financial reporting», international accounting standards, the Charter of the University and other regulatory acts of the Republic of Kazakhstan.

The duties of accountants, including the chief accountant, are regulated by job descriptions.

When the chief accountant is relieved of his post, the affairs are handed over to the newly appointed chief accountant (and in his absence, to the employee appointed by order of the first head).

Reception and delivery of cases is carried out on the basis of the order of the head of the University, which indicates:

- deadlines for acceptance and delivery of accounting services (no more than two weeks);
- who is granted the right to sign documents for the period of acceptance-delivery of cases, it should be stipulated that prior to drawing up the signature right of the person receiving the case, the person signing the documents is signed by the person handing over the case.

In the process of filing cases, the state of accounting is checked, the accuracy of the accounting data is drawn up, an acceptance certificate is signed, signed by the receiving and handing over parties, approved by the head of the University. The act is drawn up in duplicate. One remains in the accounting service, the other at the transferring party.

Unsatisfactory state of accounting may be caused by force majeure circumstances, negligent attitude of the former chief accountant to his duties. In this case, the organization of the accounting restoration process is assigned to the head. Based on the analysis of the status of accounting, the existing workflow, the recovery period is determined.

Monetary and settlement documents, financial documents without the signature of the Head of the University are considered invalid and are not accepted for execution, unless otherwise provided by the legislation of the Republic of Kazakhstan on issues accounting and financial reporting. Accounting of property, liabilities of business transactions is carried out in national currency.

The general accounting system of the University is divided into:

1) Financial accounting is open to external users and is controlled by state bodies within their competence and by independent auditors by order of the owner;

2) Statistical accounting is based on financial accounting data and is established by the bodies of the National Statistical Agency;

3) Tax accounting is formed on the basis of the results of financial accounting in accordance with the tax legislation of the Republic of Kazakhstan and does not provide for alternative accounting methods. Tax accounting is recorded in tax reporting forms established by the legislation of the Republic of Kazakhstan.

4) Management accounting - a summary of information compiled on the instructions of the University management, based on financial, statistical and tax accounting. Management accounting is necessary to analyze current and future situations and make effective management decisions.

Accounting records are made on the basis of primary documents fixing the fact of a business transaction. All business operations and other business events of the University affecting assets, equity, liabilities, income and expenses should be reflected in accounting.

The University uses an automated way to record accounting information and primary documents at the time of business transactions.

The University develops and approves the Work Plan of Accounting Accounts in accordance with International Financial Reporting Standards (IFRS). Accounting specialists open synthetic accounts and analytical accounting codes depending on the type of business and financial transaction. All changes and offers on accounts and analytical accounting codes are made as necessary.

In accordance with the Law of the Republic of Kazakhstan «On Accounting and Financial Reporting», the head of the University approves the accounting policy and ensures the organization of accounting.

4.4. Inventory Procedure

An inventory of property and liabilities in the NJSC «West Kazakhstan Marat Ospanov Medical University» is carried out in accordance with the Accounting Rules approved by the Ministry of Finance of the Republic of Kazakhstan.

The main objectives of the inventory are:

• identification of the actual availability of assets, inventories, money by comparing the actual availability with accounting data, as well as control over their safety;

• identification of unused material assets;

• verification of compliance with the rules and conditions of storage of material assets and money;

• verification of the accuracy of accounting and the completeness of reflection in accounting of material assets, cash on hand, funds in current accounts, receivables and payables and other balance sheet items.

All property is subject to inventory, regardless of location, as well as not belonging to the University, but registered (property held in safe custody, leased under a lease agreement, received for processing), as well as property not accounted for any reason and all types of obligations.

Depending on the extent of verification of assets and liabilities, they distinguish:

- a complete inventory, which covers all assets and liabilities, without exception;
- partial inventory, which covers one or more types of assets and liabilities;
- selective inventory.

Depending on the timing of the inventory, they distinguish between planned (on time), unscheduled (as necessary), sudden (by order of higher authorities, at the request of state bodies in accordance with their competence, owners, university management).

Sudden inventories are carried out by order of the head of the University, regardless of the schedule for planned inventories. The decision to conduct an inventory is executed by order of the head.

The number of planned inventories in the reporting financial year, the list of property checked at each of them, is established by the Head of the University, but at least once a year, unless the inventory is required.

An inventory is required:

- before preparing the annual financial statements;
- in the terms established by the accounting policy;
- when changing materially responsible persons (on the day of reception and transfer);
- when establishing the fact of theft or abuse, as well as damage to inventories;
- in the event of natural disasters, fire, accidents or other emergency situations caused by extreme conditions;
- upon liquidation, reorganization (upon merger and accession) of the University before compiling a liquidation, separation balance sheet and in other cases provided for by the legislation of the Republic of Kazakhstan.

Unless otherwise established by the Head of the University, planned inventories are carried out at the following times, on:

• machinery and equipment, vehicles, tools, industrial and household equipment, intangible and other assets at least once a year no later than December 1 of the reporting year;

• money, monetary documents, valuables and strict reporting forms within the deadlines established by the Head of the University, but at least once a quarter;

• settlements with various debtors and creditors at least twice a year.

To conduct an inventory of assets and liabilities, an inventory commission is created, the composition of which is approved by order of the University's management.

The inventory commission is headed by the Head or his deputy. The order also establishes the procedure, the start and end dates for the inventory and reflecting its results in accounting.

Prior to the inventory, the commission members:

1) get acquainted with the materials of the latest inventory carried out under the items of expenditure, with the measures taken as a result of the latest inventory;

2) fill utility rooms, cellars and other places of storage of property with separate entrances and exits;

3) check the serviceability of the measuring instruments used for the commission's work

during the inventory process, and compliance with the established sealing dates;

4) receive the latest at the time of the inventory registers of income and expenditure documents or reports on the movement of property subject to inventory.

University Inventory Commission:

• carries out an inventory of material assets and money at the places of their storage and materially responsible persons;

• together with the accounting service, participates in determining the results of the inventory and develops proposals for capitalizing surpluses or writing off shortages;

• makes proposals on streamlining the reception, storage and dispensing of tangible assets, improving accounting and control over their safety, as well as on the implementation of identified unused tangible assets;

• responsible for:

✓ timeliness and compliance with the inventory procedure in accordance with the order of the University;

✓ completeness and accuracy of entering into the inventory lists (comparison lists) data on the actual balances of the audited assets, inventories, money and funds in the calculations;

✓ correctness and timeliness of registration of inventory materials in accordance with the current Instruction.

The members of the inventory commission for entering deliberately incorrect data on actual balances of material assets in the inventory in order to conceal shortages or their surpluses are liable in the manner prescribed by the legislation of the Republic of Kazakhstan.

At the same time, an accountable person is not a member of the inventory commission at his site.

On the day the inventory starts, the processing of all documents on the receipt and expenditure of values should be completed, the corresponding entries in the cards (books) of the analytical accounting should be made and the balances displayed.

The persons responsible for the preservation of values, before the start of the inventory, give a receipt that, by the beginning of the inventory, all documents related to the receipt and consumption of values were handed over to the accounting department and all the values received for their safekeeping were capitalized and the retired ones were written off to the expense. Similar receipts are given by persons who have accountable amounts for the acquisition or powers of attorney to receive valuables.

In case of sudden inventories, all material values are prepared for inventory in the presence of the inventory commission, in other cases - well in advance.

At the end of the inventory, the completed inventory acts and inventories, collation statements are transferred to the accounting department; the inventory protocol with the conclusions, proposals and decisions of the commission is transferred to the manager for approval.

Discrepancies in the actual availability of property with accounting data identified during the inventory are recognized:

□ surplus - income and are subject to capitalization;

□ shortages - by expense, if it is impossible to recover from the guilty persons;

□ assessment of unaccounted objects revealed by the inventory is carried out at fair value, but not lower than the prime cost;

□ shortage and spoilage of reserves in excess of the norms of natural loss in the presence of perpetrators is compensated by the perpetrators.

Protocol of the permanent inventory commission with proposals for the regulation of discrepancies identified during inventory the actual availability of property and accounting data is reviewed and approved by the manager no later than 10 days after the end of the inventory.

The results of the inventory in the accounting of the University are reflected in the following order:

- the surplus is subject to capitalization with the subsequent establishment of the causes of their occurrence and the perpetrators. In this case, asset accounts are debited, and the account of other income is credited, since capitalized surpluses are the University's income;

- losses from spoilage of stocks, as well as theft in the absence of specific culprits, and, in the event of a court refusing to recover a materially responsible person due to unjustified claims, are charged to the expenses of the period;
- shortages, losses, spoilage, theft of stocks, according to which the guilty parties were established, shall be exacted from the specific guilty parties (voluntarily by written consent for compensation by the guilty person, or by a court decision). The accounts receivable of a specific offender to the University are drawn up in accounting.

The grounds on which the results of the inventory may be declared invalid:

• absence of a materially responsible person during the inventory;
• the absence of at least one of the members of the commission during the inventory;
• Corrections in inventory records are not specified;
• inventory records are not drawn up in accordance with the requirements for these facilities.

The results of the inventory are reflected in the accounting and financial statements of the month in which the inventory was completed, and for the annual inventory - in the annual financial statements.

Inventory of fixed assets, inventories, property and liabilities

Inventories may be owned by the University, regardless of its location, as well as not belonging to it, but included in accounting (held in safe custody, rented, received for processing, accepted for commission), as well as property not accounted for any reason, and all kinds of obligations.

It is recommended that separate inventories be drawn up for property that does not belong to property, but is held by it.

An inventory of assets and inventory is carried out at their location and responsible persons in storage, in which these values are located. Check balances in kind is carried out by members of the inventory commission with the mandatory participation of materially responsible persons.

The presence of material assets during the inventory is determined by the obligatory calculation, weighing, measurement, etc., based on the established units of measurement. For materials and goods stored in the supplier's intact packaging, the amount of these values as an exception can be determined on the basis of documents with mandatory verification in kind of part of these values.

An inventory of settlements is carried out once a year, but for advances to employees, suppliers, receivables from buyers and customers, payables to suppliers and contractors, to employees on salaries, etc. monthly control is carried out to establish and take measures to collect and reduce this debt.

The names of the inventory values and objects, and their number are entered in the inventory records, the forms of which are approved by the Ministry of Finance of the Republic of Kazakhstan. Inventory lists are documents drawn up at the time of the inventory and confirming the actual availability of property on a specific date in at least two copies, which are signed by all members of the commission and the materially responsible person of the University. At the end of the inventory, the materially responsible person gives a receipt that the inventory was carried out in his presence and that there were no claims against the inventory commission.

Inventories can be filled both using computer technology and manually. No erasures or blots are allowed. On each page of the inventory, the number of serial numbers of material values is indicated in words and a total result of the number of values in physical indicators recorded on each page is given, regardless of the unit of measure (in units, kg, etc.) these values are shown. Corrections should be agreed and signed by all members of the inventory commission and materially responsible persons. In the inventory is not allowed to leave blank lines. On the last sheets of inventories, dashes are placed in blank lines.

In the event of a change in the materially responsible person in the inventories, the person who accepted the values shall sign their receipt, and the person who has handed over shall sign it.

At the end of the inventory, the executed inventories (acts) are handed over to the accounting service to check, identify and reflect the results of the inventory. At the same time, quantitative and value indicators according to accounting data are put down against the corresponding inventory data and by comparison, discrepancies between inventory data and accounting data are revealed.

If the inventory of material assets in warehouses or other enclosed spaces is not completed on the same day, the premises should be sealed when the inventory commission leaves. The seal for the time of the inventory is kept by the chairman of the inventory commission. During breaks in the work of the inventory commissions (at lunchtime, at night, for other reasons), inventories should be stored in the closed room where the inventory is carried out (in a closet, safe).

Control checks of the inventory should be carried out with the participation of members of the inventory commissions and materially responsible persons at the end of the inventory, but be sure to open the warehouse (pantry, sections, etc.) where the inventory was made. At the same time, the most expensive values listed in the inventory are checked.

If significant discrepancies between the data of the inventory and the data of the control check are identified, a new composition of the inventory commission is appointed to conduct a repeated continuous inventory of values.

The University management should immediately consider the responsibility of the first composition of the inventory commission that committed violations in the inventory of values.

The results of control inspections of inventories are documented in an act.

The work of the inventory commission is documented in a protocol that reflects the results of the inventory, as well as the results of checking the state of the warehouse and ensuring the safety of material assets.

A separate inventory is compiled for valuables that have fallen into disrepair. In the protocol of the commission they are noted separately, and the reasons for their damage and the perpetrators of this are indicated.

During the inventory, the commission without fail performs inspection of objects in kind and checks the conformity of technical documentation, records in the inventory the full name of these objects and their inventory numbers. In the absence of technical documentation, this is indicated in the labels in the «Note» column.

Machines, equipment, instruments, devices, etc. are checked by serial numbers and are entered in the inventory with the indication of the inventory number.

The same type of household equipment, tools, etc. of the same value, received at the same time and taken into account on a standard group accounting inventory card, in the inventory records are given by name indicating the number of these items and inventory numbers.

An object that has undergone restoration, reconstruction, expansion or conversion, as a result of which its main purpose has changed, is entered into the inventory under the name corresponding to the new purpose.

In cases where the performed capital work (building of floors, extension of new premises, etc.) or partial liquidation of buildings and structures (demolition of individual structural elements) are not reflected in accounting, the commission shall determine the amount of increase or decrease in the book value of the object and the corresponding documents provide data on changes made to the inventory.

Along with the inventory of own assets, the leased assets are also checked. Inventory lists of leased objects are compiled separately for each leaseholder. They indicate the name of the leaseholder and the lease term.

One copy of the inventory of leased assets is sent to the leaseholder.

Inventory of cash, cash documents and strict reporting forms.

During the inventory of the University cash desk, the actual availability of money and other valuables in the cash desk is checked. Cash availability is verified by a full leaf count of all cash. At the same time, monetary documents and values, strict reporting forms, stored at the cash desk by type, are indicated in the act, indicating the name, number, series and nominal price in the act. Keeping at the cash desk of non-capitalized cash and other valuables is prohibited.

When calculating the actual availability of money at the cash desk, only cash is taken into account. No documents or receipts are included in the cash balance of the cash desk. An inventory of the cash register is drawn up in a separate act. The act should indicate the composition of the commission that conducted the inventory and the location of the inventory of cash and other valuables. The act is drawn up in duplicate and signed by the inventory commission and the materially responsible person. One copy of the act is transferred to the accounting department of the University, the second remains with the materially responsible person.

When changing materially responsible persons, the act is drawn up in triplicate.

If there is a shortage or excess of cash and valuables at the cash desk, the act shall indicate the amounts of shortages or surpluses and the circumstances of their occurrence. Cash not justified by cash receipts is considered excess cash and is subject to contribution to income.

4.5. Internal control

In accordance with the Charter of the NJSC «West Kazakhstan Marat Ospanov Medical University», an Internal Audit Service was created to monitor the financial and economic activities of the University, evaluate internal control, risk management and counseling systems in order to improve the activities of the University.

The internal audit service reports directly to the Board of Directors and reports to it on its work. Tasks and functions, rights and responsibilities and the operating procedure of the University's Internal Audit Service is determined by the Regulation on the University Internal Audit Service, approved by the Board of Directors.

4.6. Off-balance accounts

On off-balance accounts, NJSC «West Kazakhstan Marat Ospanov Medical University» takes into account values temporarily located and not belonging to him, which cannot be recorded on balance accounts. For example:

- fixed assets received under the current lease;
- inventory held for safekeeping;
- strict reporting forms;
- collateral;
- decommissioned assets, but which are in operation due to production needs.

Accounting on off-balance accounts is carried out according to a simple system without the use of a double entry system, i.e. the receipt of the asset is recorded in the debit of the account, and the disposal in credit. If double recording control is provided in the software, then the posting is made between the off-balance sheet account and the corrective (transit) account.

Accounting on off-balance accounts is carried out in quantitative and total terms. All inventory items, as well as leased assets recorded on off-balance sheet accounts, are inventoried in the manner and at the time established for the values recorded on the balance sheet.

On the off-balance sheet account, the leased assets are taken into account, accepted from third parties under the lease agreement, in the cost stipulated by the lease agreement

Analytical accounting of leased assets is carried out by lease holder for each asset (according to the lease holder 's inventory numbers) on the cards.

Inventory taken for safekeeping is taken into account by the University by organization-owners, by type, variety and storage location, at contractual prices or purchase prices. Accounting is on cards.

Strict reporting forms kept in custody and issued under the report (cash, check and settlement checkbooks, letterheads, etc.) are kept under analytical accounting for each type of blanks and places of their storage in the book of account.

Work wear and tools issued are recorded on the off-balance sheet account over the life of the product. Analytical accounting is built on the name of the asset and surname, name and patronymic of the employee. At the end of the regulatory period, property is subject to return to the warehouse and liquidation in the presence of a commission.

The off-balance sheet account takes into account the debt of insolvent debtors for three years from the moment it was written off to monitor the possibility of collecting it in case of a change in the property status of debtors. Amounts received to pay off this debt are debited from this account and restored to income. Analytical accounting is conducted on cards indicating the surname, name and patronymic of the debtor or organization.

The university can independently add off-balance accounts to the work chart of accounts.

5. Financial Statements

5.1. Purpose and composition of financial statements

The financial statements of NJSC «West Kazakhstan Marat Ospanov Medical University» represents information on the financial position, results of operations and changes in the financial situation. Financial statements should objectively present the financial position, financial results and cash flows of the University.

The financial statements include:

- Balance sheet prepared in accordance with IAS 1 - 1 time per year,
- Profit and loss statement - in accordance with IAS 1 - 1 time per year,
- Statement of changes in equity - in accordance with IAS 1 - 1 time per year,
- Cash flow statement (direct method) - in accordance with IAS 7 - 1 time per year,
- Notes to the financial statements - in accordance with IAS 1–1 once a year.

Financial statements may also include additional tables and may be supplemented by other materials.

The preparation and presentation of financial statements is carried out in accordance with the forms and Rules for the preparation and presentation of financial statements approved by order of the Minister of Finance of the Republic of Kazakhstan.

For each indicator of financial statements data should be given for the previous period. If the data for the previous period are not comparable with the data for the reporting period, then they must be adjusted. Comparative information is provided in respect of a previous comparable period for all amounts presented in the financial statements and notes.

The presentation and classification of articles in financial statements should be maintained from one period to the next, unless, as a result of a significant change in the nature of the University's activities, another form of classification would be more appropriate, provided that the financial statements are more relevant and understandable to consumers when making economic decisions and has not lost its credibility.

When the classification of items is changed, the comparative amounts are reclassified, unless this is practically impracticable. When comparative amounts are reclassified, the financial statements disclose:

- its character;
- the value of each article that has been reclassified;
- and its reason.

If it is practically impossible to reclassify comparative amounts, then the following are disclosed:

- the reason the amounts have not been reclassified;
- the nature of the adjustments that should have been made if the amounts had been reclassified.

Users of financial statements should be able to compare the University's financial statements for different periods in order to determine trends in its financial position and performance.

An important condition for comparability is to inform users about accounting policy options that guided the preparation of financial statements, any changes in it and the results of these changes.

Conducting accounting is poor if the adopted policy does not provide such qualitative characteristics as significance and reliable representation, since users are not able to compare the financial position, results of operations and changes in the financial position of the company over time, it is important that the financial statements contain relevant information for previous periods. Information should truthfully present the financial and economic indicators of the University based on the content and economic nature, and not only with their legal form.

The purpose of financial statements is to present information about financial position, financial results, cash flow and assets.

The reports must indicate the name, location, reporting date and reporting period. It should also include: a brief description of the type of activity, legal form and unit of measure in which the financial statements are presented. The financial statements must be prepared in the currency of the Republic of Kazakhstan, and the unit of measurement is set in tenge.

The financial statements are signed by the Manager and the Chief Accountant, who are responsible for the timeliness of its presentation.

The reporting period for the University's annual financial statements is a calendar year, from January 1 to December 31. However, at the request of authorized bodies, a report may be submitted at other intervals. The main purpose of the report is to provide users with information on the receipt and expenditure of money allocated from the budget for the implementation of the state order.

5.2. Statement of financial condition

The statement of financial position (balance sheet) reflects the financial position of the University and contains information about its assets, equity and liabilities.

Based on the nature of business operations, assets and liabilities in the balance sheet are divided into short-term (current) and long-term (non-current), which allow you to disclose assets that are constantly circulating as working capital, separately from those used in long-term operations. Also disclose assets that are planned to be realized in the current operating cycle, and liabilities payable during the same cycle.

Regardless of the classification of assets and liabilities, the University discloses amounts whose repayment or reimbursement is expected before or after twelve months from the balance sheet date.

An asset should be classified as current when:

- it is supposed to be implemented, held for sale or used under normal operating cycle conditions;
- it is an asset in the form of cash or cash equivalents that do not have restrictions on use.

All other assets should be classified as non-current. Liabilities are classified as current when:

- they are supposed to be extinguished under normal operating cycle conditions;
- they are repayable within 12 months from the reporting date.

All other liabilities should be classified as non-current.

Long-term assets are investments for a longer period, and cannot be quickly converted to cash. This type of enterprise assets is recognized for a period of more than a year.

Examples of long-term assets include land, real estate, investments in other organizations, medical equipment and other fixed assets. Intangible assets, such as intellectual property, licenses, patents, etc. belong to the class of long-term assets.

Long-term liabilities are liabilities whose maturity exceeds 12 months. Long-term liabilities also include deferred tax liabilities and borrowed capital (loans, leasing, loans).

At the end of the reporting year, long-term debt is reviewed in order to highlight the short-term current portion of the debt. The amount of any liability that is excluded from current liabilities in accordance with the requirements of accounting policies should be disclosed in the explanatory note to the financial statements, together with information justifying such a presentation:

- classes of items of fixed assets;
- debt of buyers and customers, debt from related parties, prepayments and other amounts;
- stock classes such as materials, goods;
- estimated liabilities for the payment of employee benefits and other estimated liabilities;
- capital classes - such as: paid-in capital, retained earnings and items of income and expenses that, in accordance with the requirements of the Financial Reporting Rules, must be recognized directly in equity.

5.3. Statement of comprehensive income

Report on comprehensive income - a report that measures the results of the University. Profit and loss statement is presented using the method

«By purpose of costs», namely: it classifies expenses in accordance with their function as part of the cost of sales, sales and administrative activities.

An asset is a resource that is monitored as a result of past events and from which it is expected to receive an influx of future economic benefits. Three key points should be highlighted here: Past events, as a result of which the company had resources; future economic benefits borne by resources; control over resources.

The future economic benefit embodied in the asset is the ability to directly or indirectly facilitate the flow of cash and cash equivalents. Such an opportunity can be productive, as part of the organization's operations. It can also take the form of reversibility in cash or cash equivalents, or the ability to reduce cash outflows.

The university uses its assets to a greater extent to provide services that can satisfy the desires or needs of consumers of education and health services, since these services bring economic benefits to the enterprise.

The future economic benefits embodied in an asset may come in a variety of ways. An asset may be:

1) used separately or in combination with other assets in the provision of services, production of goods sold by the enterprise;

2) exchange for other assets;

3) used to repay the obligation;

4) distributed / redistributed by the owner.

Consider in more detail the recognition of an asset. A university can obtain resources for conducting its business activities in various ways. In most cases, the acquisition of resources involves costs - this is the purchase of equipment, goods and services of third-party organizations, etc. The presence of costs allows you to give the most adequate assessment of the initial cost of the acquired object. But the fact of incurring costs does not always mean the emergence of a resource that meets the full asset definition. An asset is recognized property that brings economic benefits to the enterprise. At the same time, the resource may arise as a result of such an event, which did not involve costs. The object can be obtained free of charge: as state aid, targeted financing, etc. There is a close relationship between the costs incurred and the assets created, but they will not necessarily coincide.

Profit and loss items are recognized in the period in which they are included in income. However, error correction and the effect of changes in accounting policies may be excluded from the income and expenses of the current period. The results of revaluation of fixed assets, investments available for sale, carried to equity are not included in the Report.

In accordance with IFRS, the Statement of Changes in Capital should disclose information on aggregate adjustments for each component of capital, separately reflecting the results of changes in accounting policies and correcting errors. Information on these adjustments shall be presented for each previous period at the beginning of the current reporting period.

An income and expense analysis is presented to the report using a classification based on the nature of income and expenses (for core and non-core activities). The university should disclose reclassification adjustments for components of other comprehensive income. Reclassification adjustment is included in the corresponding component of other comprehensive income in the period in which the adjustment is reclassified to profit or loss.

The notes to the report provide information on the disclosure of all articles of the income statement or an analysis of expenses using the classification of costs: «by the nature of costs» or «by cost functions».

According to the method according to the nature of costs, expenses are combined in the Profit or Loss Statement in accordance with their nature and are not redistributed between different functional areas within the University.

For example: depreciation; purchase of materials; fare; social support for workers; promotion program and advertising.

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The cost function method classifies expenses according to their function as part of the cost of sales, sales or administrative activities.

Full details are disclosed in the notes to the report. If the items of income and expenses are significant, then their nature and value are disclosed separately.

Circumstances in which the items of income and expenses are subject to separate disclosure include the following:

- reduction of inventory to the value of the net selling price or value of fixed assets to recoverable amount, as well as the reversal of such write-offs;
- restructuring of activities and the reversal of any estimated reserves for restructuring costs;
- disposal of investments;
- discontinued operations;
- settlement of litigation;
- other reverse entries in respect of reserves.

5.4. Statement of Changes in Equity

The statement of changes in equity includes the following information:

 the total amount of comprehensive profit for the period, broken down by the share of the University's profit (loss), accounted for using the equity method;

 the cumulative effect of retrospectively applied changes in accounting policies and error correction for each capital item;

 capital transactions with owners and (separately) distribution of profits to owners;

 for each component of capital, a reconciliation of the carrying amount at the beginning and end of the period, separately disclosing changes due to:

1) articles of profit or loss;
2) items of other comprehensive income; and
3) operations with owners acting in that capacity, separately reflecting contributions made by owners and distributions to owners.

Changes in equity between the beginning and the end of the reporting period reflect an increase or decrease in its net assets during the period.

The statement of changes in equity contains profit or loss, items of income and expenses recognized directly in equity, the effect of error adjustments and changes in accounting policies for the reporting period.

The retrospective translations and adjustments required by IAS 8 are carried out in relation to the retained earnings balance, unless a Standard requires retrospective adjustment of another component of equity. Retrospective adjustments and retrospective restatements do not represent changes in equity, but are adjustments to the opening balance of retained earnings. The statement of changes in equity should disclose information on the total amounts of adjustments for each component of equity separately as a result of changes in accounting policies and as a result of error correction. Such adjustments are subject to disclosure for each previous period and at the beginning of the current period.

5.5. Cash flow statement

A cash flow statement is presented using the direct calculation method, which provides for the separation of sources and directions of use of cash in the context of operating, investment and financial activities during the reporting period.

Operating activities - the main activity, and other activities.

Investment activity - the acquisition and sale of long-term assets (intangible assets, fixed assets), the issuance and receipt of repayable loans, as well as the acquisition and sale of equity or debt instruments of other companies and equity in joint ventures.

Financial activities - activities resulting in changes in the amount and composition of equity and borrowed funds.

The university reflects the receipt of funds from owners and payment of income to them on invested funds, as well as the return of these funds, the receipt and repayment of loans, fees for other resources received from lenders on a long-term loan.

The assignment of a particular article to a specific type of activity is based on the specific conditions of the organization.

The cash flow statement should not include non-cash transactions.

If material, information about such transactions should be disclosed in the notes to the financial statements.

Notes should:

• provide information on the basis for the preparation of financial statements and the accounting policies used;

• disclose information required by this accounting policy, which is not presented in any other financial statements; and

• provide information that is not presented in any other financial report, but is appropriate for the purpose of understanding any of these reports.

Cash includes cash on current accounts with banks and cash on hand.

5.6. Notes to the financial statements

Notes to the financial statements (explanatory note) are an integral part of it. IAS 1 and other IFRSs require this part of the financial statements.

Notes to the annual financial statements of the University presents:

□ information on the basis of preparation of financial statements and selected accounting policies;

□ disclosures that are required by IFRS but not presented in the financial statements;

□ additional information that is not presented in the financial statements themselves, but necessary for a fair presentation.

The explanatory note discloses in detail material information about the company, its financial position, comparability of data for the reporting and previous years, valuation methods and significant articles of the financial statements.

The notes to the financial statements should, as far as possible, be presented in an orderly manner. The University must make cross-references for each item in the Statement of Financial Position, a separate Profit and Loss Statement (if one is presented), as well as Reports on changes in equity and the Statement of cash flows to any information related to it in the notes.

In the notes to the financial statements, the following information should be disclosed: legal and actual address, legal form, description of the main type of activity, applicable measurement base, information on the basis of preparation of financial statements and selected accounting policies, decoding and analysis of articles presented in financial reporting forms in the sequence in which these articles are reflected, disclosures that are required by IFRS but are not presented in the financial statements, additional information It is not provided in the financial statements themselves, but is required for a fair presentation.

In the explanatory note to the annual report, it should be noted that the financial statements are prepared in accordance with IFRS. When deviating from the requirements of IFRS, the following information should be reflected in the explanatory note:

• an indication that management has concluded that the financial statements reliably represent the financial position and financial performance and cash flows;

• that the University deviated from the requirements of the standard (indicating specifically which requirement was not fulfilled, but replaced) in order to achieve a reliable presentation;

• in comparative indicators, provide data taking into account the accepted deviation.

6. Monitoring compliance with accounting policy

The accounting policy of the University is developed in accordance with the above legislative and regulatory legal acts of the Republic of Kazakhstan on accounting and financial reporting.

The requirements of the first head or his authorized person, as well as the chief accountant or a person who is entrusted with the organization and maintenance of accounting, are mandatory for all employees of the University within their official duties.

General accounting and control over the implementation of accounting policies rests with the chief accountant.

Issues not regulated by this accounting policy are regulated in accordance with IFRS and the current legislation of the Republic of Kazakhstan

II. TAX ACCOUNTING POLICY

1. General Provisions

The tax policy is a set of measures to establish new and cancel existing taxes and payments to the budget, change rates, objects of taxation and objects related to taxation, the tax base for taxes and payments to the budget in order to ensure the financial needs of the state based on a balance of economic interests of the state and taxpayers. Tax accounting policy - a document adopted by the taxpayer that establishes the procedure for tax accounting in compliance with the requirements of the Code of the Republic of Kazakhstan «On taxes and other obligatory payments to the budget».

The tax accounting policy of NJSC «West Kazakhstan Marat Ospanov Medical University» reflects the procedure for tax accounting, tax calculation, the rules for the preparation and submission of tax reporting.

Responsibility for the formation of accounting tax policy, tax accounting, timely submission of full and reliable tax reporting lies with the chief accountant of the University.

The University's tax accounting policy is developed in accordance with the Tax Code of the Republic of Kazakhstan, International Financial Reporting Standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The University's tax accounting is based on accounting data, which is carried out in accounting in accordance with the following regulatory documents:

- Code «On taxes and other obligatory payments to the budget»;
- Law of the Republic of Kazakhstan «On accounting and financial reporting»;
- Accounting rules approved by the Ministry of Finance of the Republic of Kazakhstan;
- A standard chart of accounts approved by the Ministry of Finance of the Republic of Kazakhstan;
- The University's working chart of accounts developed on the basis of the Standard Chart of Accounts approved by the Ministry of Finance of the Republic of Kazakhstan;
- Accounting policies of the University;
- Methodological recommendations, instructions and other regulatory acts on the organization of accounting.

Tax accounting is used to generate complete and reliable information on the accounting procedure for taxation of business transactions carried out by a taxpayer during the reporting (tax) period, as well as to provide internal and external users with the information necessary to control the correctness, completeness and timeliness of calculation and payment taxes to the budget.

The objects of tax accounting are property, liabilities and business operations of the University, the valuation of which determines the size of the tax base of the current reporting tax period or the tax base of subsequent periods

The University independently organizes tax accounting and determines the forms of generalization and systematization of information for tax purposes in the form of tax registers in such a way as to ensure:

- the formation of complete and reliable information on the accounting procedure for the purposes of taxation of transactions carried out during the tax period;
- decoding of each line of tax reporting forms;
- reliable preparation of tax reporting;
- providing information to tax authorities for tax control. Changes in tax accounting policies may be made in the following cases:

- when changes are made to the Tax Code of the Republic of Kazakhstan, which affect changes in tax accounting;
- when this change will lead to a more reliable representation of events and operations in the tax reporting of the University.

Each fiscal year begins on January 1 and ends on December 31. The tax period for each type of taxes and payments to the budget are the periods reflected in the Tax Code of the Republic of

Kazakhstan during the financial year.

2. General principles of tax accounting

The university maintains tax accounting on an accrual basis.

Accrual method - accounting method, according to which, regardless of the time of payment, income and expenses are taken into account from the moment of execution of work, provision of services, shipment of goods for the purpose of their sale and capitalization of property.

Based on the results of the tax period, the University determines the objects of taxation related to taxation on the basis of tax accounting and calculates taxes and other obligatory payments to the budget.

This tax accounting policy is developed on the basis of the Tax Code of the Republic of Kazakhstan with the aim of regulating tax accounting at the University on the principles of obligatoriness, certainty, fairness and uniformity with the current tax system.

The principle of binding stipulates that the University is obliged to calculate, withhold and transfer taxes and obligatory payments to the budget in strict accordance with the current tax legislation of the Republic of Kazakhstan, in full and on time.

The certainty principle provides that all taxes and payments to the budget of the Republic of Kazakhstan must be determined. The certainty of taxation means the establishment in the tax legislation of the Republic of Kazakhstan of all the bases and the procedure for the occurrence, fulfillment and termination of a taxpayer's tax obligation, the obligation to calculate, withhold and transfer taxes.

The principle of justice provides that the University enjoys tax benefits reflected in the Tax Code of the Republic of Kazakhstan, and no one can be re-taxed with the same type of tax, the same type of payment to the budget for the same taxable item for the same same period.

The principle of good faith provides:

1. conscientiousness of the taxpayer to carry out actions (inaction) to fulfill his tax obligation;

2. It is not allowed for the taxpayer to benefit from his illegal actions in order to obtain tax benefits (tax savings) and reduce tax payments;

3. if the tax obligation fulfilled by the taxpayer in accordance with the previously received individual written explanation of the tax authority, which was subsequently revoked, found to be erroneous or sent a new, different in meaning, clarification, the tax obligation is subject to adjustment (correction) when considering a complaint about notification of the results of the audit without accruing fines and penalties to the taxpayer;

4. violation of the tax legislation of the Republic of Kazakhstan made by a taxpayer should be described during tax audits. The substantiation of the arguments and the disclosure of the circumstances testifying to the fact of violation of the tax legislation of the Republic of Kazakhstan are assigned to the tax authorities;

5. When considering a complaint about a notification of the results of the audit, all uncertainties and unresolved issues of the tax legislation of the Republic of Kazakhstan shall be interpreted in favor of the taxpayer.

The principle of unity - the tax system of the Republic of Kazakhstan is uniform throughout the territory of the Republic of Kazakhstan in relation to all taxpayers.

The principle of publicity - regulatory legal acts regulating taxation issues are subject to mandatory official publication.

3. Tax accounting and records

Tax accounting NJSC «West Kazakhstan Marat Ospanov Medical University» is a system of registration and generalization of information about all business operations of the taxpayer, leading to the occurrence of income or expenses taken into account when calculating the tax base of the reporting period.

Tax accounting is based on accounting data. The procedure for maintaining accounting documentation is established by the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The generation of tax accounting data is carried out by reflecting the information used for tax purposes, in chronological order and ensuring the continuity of tax accounting data between tax periods. In accordance with the requirements of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget", the University is the payer of the following taxes and obligatory payments:

- individual income tax;
- social tax;
- tax on vehicles;
- property tax;
- land tax;
- fees for emissions into the environment.

Accounting records for tax purposes includes:

• accounting documentation;

• tax forms;

• tax accounting policies;

• accounting registers and other documents that are the basis for determining taxable items related to taxation, as well as for calculating tax liability.

Tax forms are prepared in paper and electronic form, and include tax reporting, tax statements and tax registers. Tax forms shall be kept during the limitation period established by Article 48 of this Code, but not less than five years.

Tax reporting is a document submitted to the tax authorities in accordance with the procedure established by the Tax Code of the Republic of Kazakhstan, which contains information about the University, about taxable items related to taxation, as well as on the calculation of tax obligations, mandatory pension contributions, social contributions.

Tax reporting includes tax returns, calculations, their annexes to be prepared and submitted by the association by type of tax, other mandatory payments to the budget, mandatory pension contributions and social contributions.

According to clause 3 of Article 206 of the Tax Code of the Republic of Kazakhstan, tax reporting is divided into the following types:

• initial - tax reporting submitted for the tax period in which the registration of the taxpayer was made or for the first time a tax obligation arose for certain types of taxes and other obligatory payments to the budget;

• next - tax reporting submitted for subsequent tax periods after the submission of the initial tax reporting;

• supplementary - tax reporting submitted when amendments or additions are made to the previously submitted tax reporting for the tax period to which these changes and (or) additions relate;

• additional by notification - tax reporting submitted by a person when making changes or additions to the previously submitted tax reporting for the tax period in which the tax authority revealed violations according to the results of cameral control

• liquidation - tax reporting submitted upon termination of activity, liquidation or reorganization of a taxpayer, as well as upon deregistration of value added tax.

Tax reporting is submitted to the tax authorities in the manner and terms established by the Tax Code of the Republic of Kazakhstan.

In the tax reporting, in accordance with Article 211 of the Code, changes are made by drawing up additional tax reporting for the tax period to which these changes and additions relate. In the additional tax reporting, the relevant lines shall indicate:

1) the difference between the amounts indicated in the previously submitted tax statements

and the actual tax liability for the tax period - when the amounts change;

2) a new value - when the remaining data changes.

In case of errors made during the preparation of tax reports of previous periods, the amount of error correction is reflected in additional forms of tax reporting, which are accompanied by accounting statements explaining the causes of errors. The accounting certificate is signed by the head and chief accountant. Additional forms of tax reports are prepared in accordance with the general requirements for filling out and submitting tax reports.

The revocation of tax reporting in accordance with Article 210 of the Tax Code of the Republic of Kazakhstan is carried out on the basis of a taxpayer's tax statement on the revocation of tax reports submitted to the tax authority at the place of registration.

Tax registers in accordance with Article 215 of the Tax Code of the Republic of Kazakhstan are documents containing the necessary information about the objects of taxation related to taxation, as well as on the money and (or) property received from foreign states, international and foreign organizations, foreigners, stateless persons, as well as on the expenditure of the indicated money and (or) other property. Tax registers include forms and rules for their completion, approved by the University. Tax registers are filled in simultaneously with the tax reporting form for the tax period for which the tax reporting form is submitted. In the absence of indicators, tax registers are not completed.

4. The procedure for calculating and paying taxes.

Personal Income Tax (PIT)

The object of individual income tax is taken into account not only accrued wages with bonuses and bonuses, but also the expenses incurred by the University to provide material and social benefits, material benefits to employees.

In accordance with paragraph 2 of Article 319 of the Tax Code of the Republic of Kazakhstan, the income of an individual is not, and on this basis are not subject to individual income tax:

- compensation during business trips, including for the purpose of training, professional development or retraining of an employee in accordance with the legislation of the Republic of Kazakhstan;
- reimbursement of documented expenses for travel, transportation of property, rent (rental) of housing for a period of not more than thirty calendar days when transferring an employee to work in another locality or moving to another locality with the employer;
- expenses of the employer, not related to the implementation of activities aimed at generating income, and not attributable to deductions that are not allocated to specific individuals;
- the cost of the issued special clothing, special shoes, including their repair, personal protective equipment, detergents and disinfectants, preventive treatment, medical kit, milk or other equivalent food products and (or) specialized products for dietary (medical and preventive) food according to the norms established by the legislation of the Republic of Kazakhstan;
- the amount of interest charged for untimely calculation, withholding, transfer of social payments in the amounts established by the legislation of the Republic of Kazakhstan;
- income received by an individual when providing him with medical care in the system of compulsory social health insurance in accordance with the legislation of the Republic of Kazakhstan on compulsory social health insurance;
- other payments not reflected in this accounting policy.

The University has organized accounting of all costs for each employee, to determine the total amount of his income, and the correct calculation of individual income tax and attributing these costs to deductions as expenses for labor.

For calculating IIT, the University determines the base of calculation, from which the amount of mandatory pension contributions is excluded, the minimum wage, according to the submitted application of the employee, and a fixed rate of 10 percent is applied to the base of calculation. In the absence of an employee's application, deduction in the amount of the minimum wage is not made.

The university is a tax agent for the payment of PIT to the budget. The obligation under the PIT to the budget arises only for the amount of income paid to individuals for the tax period, since, according to paragraph 2 of Article 351 of the Tax Code of the Republic of Kazakhstan, the PIT is withheld by the University no later than the day of payment of the income taxed at the source of payment.

The transfer of PIT on paid income is made no later than 25 calendar days after the end of the month in which the payment of income was made.

The personal income tax and social tax declaration is submitted by the University to the tax authorities at the location on a quarterly basis no later than the 15th day of the second month following the reporting period:

- for the 1st quarter - until May 15;
- for the 2nd quarter - until August 15th;
- for the 3rd quarter - until November 15;
- for the 4th quarter - until February 15th.

The primary documents confirming the amount of accruals in favor of employees are the staffing table, time sheets, orders of the head of the organization, references and accounting, a set of payroll statements, etc.

Entries in the tax accounting register for PIT are made monthly on the basis of a set of settlement and payment statements. Accruals not subject to individual income tax, and the amount of tax benefits are allocated in separate columns. The amount of accrued tax is determined for the month and cumulative.

The University maintains tax accounting in the electronic version of the 1C program with a printout on paper, which ensures the simultaneous preparation of the register and declaration.

Social tax

According to Article 482 of the Tax Code of the Republic of Kazakhstan, NJSC «West Kazakhstan Marat Ospanov Medical University» is a payer of social tax. Social taxation is regulated by Articles 482-489 of the Tax Code of the Republic of Kazakhstan. The object of social taxation is recognized as payments and other remuneration accrued in favor of employees on all grounds.

To calculate the social tax, the University determines the calculation base from which the amount of mandatory pension contributions is excluded and a fixed rate of 9.5 percent is applied to the calculation base.

The amount of social tax payable to the budget is determined as the difference between the calculated social tax and the amount of social contributions calculated in accordance with the Law of the Republic of Kazakhstan «On Compulsory Social Insurance».

If the amount of the calculated social contributions to the State Social Insurance Fund exceeds the amount of the calculated social tax or the equality of their amounts, the amount of social tax payable to the budget is considered equal to zero.

If the total amount of income accrued to an employee for a calendar month is from one tenge to the minimum wage established by the law on the republican budget and valid on the first day of this calendar month, then the taxable item is determined on the basis of such a minimum wage.

The primary documents confirming the amount of accruals in favor of employees are the staffing table, time sheets, orders of the head of the organization, references and accounting, a set of payroll statements, etc.

Entries in the register of tax accounting for social tax are made monthly on the basis of primary accounting documents. The amount of accrued tax is determined for the month and cumulative.

Social tax is paid monthly no later than the 25th day of the second month following the month of payment.

The personal income tax and social tax return is submitted quarterly no later than the 15th day of the second month following the reporting period.

The tax base is defined as the sum of payments for labor remuneration and other remuneration accrued for the tax period in favor of employees.

The tax period is a calendar month, and the reporting quarter. The appendix to the social tax declaration is compiled based on the results of the year and is submitted with the declaration for the fourth quarter of the reporting year.

The university maintains tax records in the electronic version of the 1C program, which ensures the simultaneous compilation of a register and a social tax declaration?

Social contributions

NJSC «West Kazakhstan Marat Ospanov Medical University» is a payer of social contributions. Social contributions are made according to the income of employees subject to compulsory social insurance, in accordance with the Law of the Republic of Kazakhstan «On Compulsory Social Insurance», which are subject to social tax.

The monthly income accepted for calculating social contributions should not exceed 10 times the minimum wage established for the current financial year by the law on the republican budget.

The object of calculating social contributions is the employer's expenses paid to the employee in the form of income for work performed, services rendered.

Social contributions are mandatory payments by the employer, for the employee, and who is entitled to receive social payments from the funds of the State Social Insurance Fund in connection with:

- disability;
- loss of work;
- loss of the breadwinner;
- payment of sick leave in connection with pregnancy and childbirth;
- allowance for the care of the child until he reaches one year.

In order for an employee to have the right to receive social payments from the State Social Insurance Fund under certain circumstances, social contributions are made by the University in relation to employees, indicating the full name, date of birth, amount of social contributions, year and month for which contributions are paid

Compulsory social insurance at the University is not applied to employees - held pensioners in accordance with the Law of the Republic of Kazakhstan «On Compulsory Social Insurance», with amendments and additions.

According to the Law of the Republic of Kazakhstan «On Compulsory Social Insurance», from social payments for cases of disability and (or) loss of work, as well as loss of income due to pregnancy and childbirth, adoption of a newborn child (s) and childcare upon reaching him The mandatory pension contributions are withheld at the age of one year and sent to the unified accumulative pension fund in accordance with the legislation of the Republic of Kazakhstan on pension provision.

Social contributions payable to the Fund for participants in the mandatory social insurance system are set at 3.5 percent of the object for calculating social contributions.

Property tax

According to Article 517 of the Tax Code of the Republic of Kazakhstan, NJSC «West Kazakhstan Medical University named after Marat Ospanov» is a payer of tax on property for taxable items on its balance sheet. Property taxation is regulated by articles 517-525 of the Tax Code of the Republic of Kazakhstan.

In accordance with Clause 1, Article 519 of the Code, the object of taxation is buildings, structures, residential buildings, premises, as well as other structures firmly connected with land located on the territory of the Republic of Kazakhstan, which are fixed assets or investments in real estate.

The University calculates the tax independently by applying the appropriate tax rate to the tax base.

According to Clause 1, Article 521 of the Tax Code of the Republic of Kazakhstan, property tax is calculated at a rate of 1.5 percent of the tax base.

Tax is paid to the budget at the location of taxable items.

Taxpayers shall pay the amounts of current tax payments in equal installments no later than February 25, May 25, August 25 and November 25 of the tax period.

If property tax liabilities are changed during the tax period, current payments are adjusted for the amount of tax liabilities changes in equal installments for the upcoming tax payment periods.

In the event tax objects are received during the tax period, current payments on property tax are increased by the amount determined by applying the tax rate to 1/13 of the initial value of tax objects received, determined according to the accounting data as of the date of receipt multiplied by the number of months of the current tax period starting from the month in which the objects of taxation arrived, until the end of the tax period.

In the event tax objects are taxed out during the tax period, current payments are reduced by the amount determined by applying the tax rate to 1/13 of the value of tax objects disposed of, multiplied by the number of months of the current tax period, starting from the month in which tax objects are disposed of until the end of the tax period.

At the same time, the value of retired taxable items is:

- initial cost according to accounting data at the date of receipt - for taxable items received in the current tax period;
- book value according to accounting data at the beginning of the tax period - for other taxable items.

The amount by which current payments are to be reduced is distributed in equal shares for the remaining terms of payment of current payments.

Taxpayers make the final calculation for calculating property tax and pay no later than ten calendar days after the deadline for submitting a tax return.

The tax period for calculating property tax is a calendar year from January 1 to December 31.

A tax return is submitted to the tax authorities at the location of the objects of taxation no later than March 31 of the year following the reporting tax period.

If property tax liabilities are changed during the tax period, current payments are adjusted for the amount of tax liabilities changes in equal installments for the upcoming tax payment periods.

In case tax objects are received during the tax period, current payments on property tax are increased by the amount determined by applying the tax rate to 1/13 of the initial value of tax objects received, determined according to the accounting data as of the date of receipt multiplied by the number of months of the current tax period starting from the month in which the objects of taxation arrived, until the end of the tax period.

In case tax objects are taxed out during the tax period, current payments are reduced by the amount determined by applying the tax rate to 1/13 of the value of tax objects disposed of, multiplied by the number of months of the current tax period, starting from the month in which tax objects are disposed of until the end of the tax period.

At the same time, the value of retired taxable items is:

- initial cost according to accounting data at the date of receipt - for taxable items received in the current tax period;
- book value according to accounting data at the beginning of the tax period - for other taxable items.

The amount by which current payments are to be reduced is distributed in equal shares for the remaining terms of payment of current payments.

Taxpayers make the final calculation for calculating property tax and pay no later than ten calendar days after the deadline for submitting a tax return.

The tax period for calculating property tax is a calendar year from January 1 to December 31.

A tax return is submitted to the tax authorities at the location of the objects of taxation no later than March 31 of the year following the reporting tax period.

Land tax

According to clause 4 of article 498 of the Tax Code of the Republic of Kazakhstan, NJSC «West Kazakhstan Medical University named after Marat Ospanov» is a payer of land tax. Land taxation is regulated by articles 497-516 of the Tax Code of the Republic of Kazakhstan.

Articles 503-509 of the Tax Code of the Republic of Kazakhstan provide basic and tax rates for determining the amount of land tax for the current year, per one square meter of area. The tax base for determining the land tax is the area of the land and (or) the land share.

Land tax is calculated on the basis of:

1) identification documents: an act on the right of ownership, an act on the right to permanent land use, an act on the right to temporary free land use;

2) data of state quantitative and qualitative land accounting as of January 1 of each year, provided by the central authorized body for land management.

The tax period for calculating land tax is a calendar year from January 1 to December 31.

The size of current payments is determined by applying the appropriate tax rates to the tax base for taxable items available at the beginning of the tax period.

The university submits to the tax authority at the location of the land plots the calculation of current payments of land tax no later than February 15 of the current tax period for tax liabilities determined at the beginning of the tax period.

A land tax declaration is submitted to the tax authorities at the location of the land plots no later than March 31 of the year following the reporting tax period.

In accordance with Articles 510-512, the amount of the calculated land tax is adjusted.

If the land tax liability is changed during the tax period, current payments are adjusted by the amount of the change in tax obligations in equal installments for the forthcoming deadlines for the land tax.

Amounts of current tax payments shall be paid in equal installments no later than February 25, May 25, August 25 and November 25 of the current year of the tax period.

The tax register at the University is maintained in electronic form.

Compulsory pension contributions

According to the Law of the Republic of Kazakhstan «On pension provision in the Republic of Kazakhstan», the object of assessing mandatory pension contributions is payments and other remuneration accrued in favor of employees on all grounds.

NJSC «West Kazakhstan Marat Ospanov Medical University» is an agent in favor of depositors on mandatory pension contributions.

Individuals are recognized as payers of mandatory pension contributions, and the responsible person for the timely calculation and transfer is assigned to the legal entity-agent making payments to employees. The University is an agent in favor of depositors on mandatory pension contributions.

According to the Law of the Republic of Kazakhstan «On pension provision in the Republic of Kazakhstan», the tax base is defined as the amount of payments for labor remuneration and other remuneration accrued for the tax period in favor of employees.

The University is the primary account of the calculated, withheld and transferred mandatory pension contributions for each employee in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

The tax period is a calendar month, and the financial quarter.

According to the Law of the Republic of Kazakhstan «On pension provision in the Republic of Kazakhstan», mandatory pension contributions payable are established in the amount of 10 percent of the monthly income of employees accepted for calculating pension contributions. In this case, the monthly income accepted for calculating pension contributions should not exceed 75 times the minimum wage fees established by the law on the republican budget for the corresponding financial year.

The University pays mandatory pension contributions on a monthly basis no later than the 25th day of the second month following the month of payment.

Persons who have reached retirement age, as well as persons with a disability of groups 1 and 2 are exempted from compulsory pension contributions if disability is established indefinitely.

According to the Law of the Republic of Kazakhstan «On Pension Insurance in the Republic of Kazakhstan», the University quarterly, before the 15th day of the second month following the reporting quarter, submit to the tax authorities a calculation of the calculated withheld and transferred amounts of mandatory pension contributions:

- for the 1st quarter - until May 15;
- for the 2nd quarter - until August 15th;
- for the 3rd quarter - until November 15;
- for the 4th quarter - until February 15th.

Entries in the tax accounting register for mandatory pension contributions are made monthly on the basis of a set of settlement and payment statements. The amount of accrued tax is determined for the month and cumulative.

The University maintains tax records in the electronic version of the 1C program, which ensures the simultaneous preparation of the register and declaration.

Compulsory Social Health Insurance (OSHS)

NJSC «West Kazakhstan Marat Ospanov Medical University» is a payer of deductions for compulsory social health insurance in accordance with the Law of the Republic of Kazakhstan «On Compulsory Social Health Insurance».

The object of calculating OSMS is the employer's expenses paid to the employee in the form of income in accordance with Article 29 of the Law.

Employer deductions in accordance with Article 27 of the Law are established in the amount of:

from January 1, 2018 - 1.5 percent of the object of calculating deductions; from January 1, 2020 - 2 percent of the object of calculating deductions;

from January 1, 2022 - 3 percent of the object of calculating deductions.

Calculation and transfer of employee deductions is made by the employer every month in accordance with Article 30 of the Law.

The payer who is the employer, within the time periods established by the tax legislation of the Republic of Kazakhstan, submits a declaration of individual income and social tax, which reflects information on accrued deductions.

The employer is obliged to keep an initial record of the calculated (withheld) and transferred deductions for each employee in accordance with the procedure determined by the authorized body.

Taxes on vehicles

NJSC «West Kazakhstan Marat Ospanov Medical University Marat Ospanov» is a payer of vehicle tax, where taxation is regulated by articles 490-496 of the Tax Code of the Republic of Kazakhstan.

All legal entities having objects of taxation on the basis of ownership, economic management or operational management are recognized as taxpayers for vehicle taxes.

Legal entities that have branches, representative offices, pay tax at their location and at the rates applicable in the territory where these branches or representative offices are located.

The object of taxation is the types of vehicles of the University, depending on the power of their engine, with the exception of trailers.

The following are not objects of taxation:

1) mining dump trucks with a carrying capacity of 40 tons and above;
2) specialized medical vehicles;
3) sea vessels registered in the international ship registry of the Republic of Kazakhstan;
4) special vehicles that are subject to property tax.

The University calculates the amount of transport tax for the tax period independently by applying tax rates to the object of taxation in accordance with Article 492 of the Code.

The tax period is a calendar year from January 1 to December 31.

Not later than July 5 of the tax period, the tax authority at the place of registration of the vehicle is presented with the calculation of current payments for vehicle tax, as well as the declaration no later than March 31 of the year following the reporting one.

Payment of amounts of current payments at the place of registration of objects of taxation is made by making current payments no later than July 5 of the tax period.

In case of acquisition of the right of ownership, the right of economic management or the right of operational management of a vehicle after July 1 of the tax period, the University will pay tax on the specified vehicle no later than ten calendar days after the deadline for the submission of a declaration for the tax period.

The tax register is maintained at the University in electronic form.

Fee for emissions into the environment

According to Article 573 of the Tax Code of the Republic of Kazakhstan, the NJSC «West Kazakhstan Marat Ospanov Medical University» is a payer of charges for emissions into the environment by pollution sources and emissions, in the special nature management procedure using mobile pollution sources.

Payment for emissions into the environment is regulated by the provisions of Articles 573-579 of the Tax Code of the Republic of Kazakhstan.

The object of taxation of the payment for emissions into the environment is the actual amount within the established standards:

- emissions of pollutants;
- discharges of pollutants;
- disposed production and consumption waste;

Rates of fees are determined on the basis of the month calculation indicator established by the law on the republican budget on the first day of the tax period.

The calculation of the payment for environmental emissions by the University is made upon the use of fuels and lubricants and solid waste.

The current amounts of payment for emissions into the environment from mobile sources of pollution are paid to the budget at the place of their state registration by the authorized state body no later than the 25th day of the second month following the reporting quarter of the current year:

- for the first quarter - until May 25;
- for the second quarter - until August 25;
- for the third quarter - until November 25;
- for the fourth quarter - until February 25.

The tax period is a calendar year from January 1 to December 31.

On a quarterly basis, no later than the 15th day of the second month following the reporting quarter of the current year, a Declaration on payment for emissions into the environment is submitted:

- for the first quarter - until May 15;
- for the second quarter - until August 15;
- for the third quarter - until November 15;
- for the fourth quarter - until February 15.

The Declaration on mobile pollution sources is submitted to the authorized body at the place of state registration of the pollution source.

Copies of the Declaration with the mark of the authorized body that adopted the Declaration on payment for emissions into the environment are submitted on paper to the tax authority at the location of the sources of pollution.

«The University tax register for environmental emissions charges for the year» is compiled on the basis of accounting data.

The tax register is maintained at the University in electronic form.

Corporate Tax (CT)

Corporate taxation is regulated by Articles 222-241 of the Tax Code of the Republic of Kazakhstan.

According to the Charter, the main goal of the activity of the NJSC «West Kazakhstan Marat Ospanov Medical University» is higher education, the activities of general hospitals, specialized hospitals and other medical institutions with hospitals and general medical practice.

In accordance with Article 290 of the Tax Code of the Republic of Kazakhstan, organizations operating in the social sphere, when determining the amount of corporate income tax payable to the budget, reduce the amount calculated in accordance with Article 302 of the Corporate Income Tax Code by 100 percent.

The activities in *the social sphere* include the following activities:

1) provision of services in the form of medical care in accordance with the legislation of the Republic of Kazakhstan (including in the implementation of medical activities not subject to licensing) by a healthcare subject licensed to carry out medical activities;

2) provision of services for primary, basic secondary, general secondary education, technical and vocational, post-secondary, higher and postgraduate education, carried out under the relevant licenses for the right to conduct educational activities, as well as additional education, pre-school education and training.

The incomes of organizations provided for by this clause are not taxable when they are directed to carry out these types of activities.

The tax period for CT is the calendar year from January 1 to December 31. A CT declaration is submitted to the tax authority no later than March 31 of the year following the reporting year. Corporate income tax is paid at the location of the University no later than 10 calendar days after the deadline for submitting a declaration. The university has the right to make advance payments to the budget under CT for the current tax period no later than the 25th day of a current month

5. Tax control

Tax control is the state control exercised by the tax authorities over the implementation of the norms of the tax legislation of the Republic of Kazakhstan, other legislation of the Republic of Kazakhstan, the control of which is entrusted to the tax authorities.

Tax control related to the activities of NJSC «West Kazakhstan Marat Ospanov Medical University» is carried out in the following forms (according to Article 69 of the Tax Code of the Republic of Kazakhstan):

• within the *framework of tax control forms*:

- accounting for the fulfillment of tax obligations, obligations for calculating, withholding and transferring social payments;
- monitoring compliance with the use of cash registers;
- monitoring compliance with the accounting, storage, assessment, further use and sale of property converted (received) into state ownership;
- control over the activities of authorized state and local executive bodies regarding the performance of tasks related to the implementation of functions aimed at the implementation of the tax legislation of the Republic of Kazakhstan;

• in the framework of *other forms of state control*, it is also carried out:

- registration of the University with the tax authorities,
- acceptance of tax forms,
- desk audit,
- tax monitoring;
- tax inspection.

Desk audit - control exercised by the tax authorities on the basis of the study and analysis of the submitted tax reports, information from authorized bodies, as well as other documents and information about the activities of the University.

The purpose of desk audit is to provide the taxpayer with the right to independently eliminate violations in tax reporting revealed by tax authorities based on the results of desk audit by registering with the tax authorities and (or) submitting tax reports in accordance with Article 96 of the Code and (or) paying taxes and payments to the budget.

Personal responsibility for the fullness of deductions, timely transfer of mandatory and voluntary pension contributions and social contributions, elimination of errors and shortcomings in the deduction and transfer of mandatory and voluntary pension contributions and social contributions identified during desk audit should be assigned to officials in accordance with the official duties of the University.

The tax inspection is carried out by the tax authorities in order to establish the correspondence of the actual address of the University with the registration data (legal address indicated in the registration documents).

Tax audits are carried out by tax authorities in order to control the completeness, timeliness of a taxpayer's fulfillment of his obligations to implement tax legislation and are regulated by Articles 138-164 of the Tax Code of the Republic of Kazakhstan.

On the basis of Article 147 of the Tax Code of the Republic of Kazakhstan, tax authorities at least 30 calendar days before the start of a tax audit carried out according to a special rule on the basis of an assessment of the degree of risk, they send or give notice of the tax audit.

When carrying out monetary operations, which according to the requirements of the Tax Code of the Republic of Kazakhstan should be carried out using cash registers, personal responsibility for fulfilling the duties of a taxpayer regulated by Articles 165-171 of the Tax Code of the Republic of Kazakhstan is assigned to officials, in accordance with the official duties of the University.

Violation of the requirements imposed by the provisions of the Tax Code of the Republic of Kazakhstan on tax control is an administrative offense which provides for liability in accordance with the Code of the Republic of Kazakhstan «On Administrative Offenses».

The tax service authorities consider cases of administrative offenses and impose administrative penalties for offenses provided for by the Code of the Republic of Kazakhstan «On Administrative Offenses».

6. Monitoring compliance with tax accounting policy

Tax accounting policy is mandatory for all employees of the University within their official duties.

Control over the implementation of accounting tax policy is assigned to the chief accountant of the University.