

REGISTERED NUMBER: 00145140

Russo-British Chamber of Commerce

Report of the Directors

and

**Unaudited Financial Statements
for the year ended 31 December 2018**

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Russo-British Chamber of Commerce

Report of the Directors

and

**Unaudited Financial Statements
for the year ended 31 December 2018**

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Russo-British Chamber of Commerce

Company Information for the Year Ended 31 December 2018

PATRON:	HRH Prince Michael of Kent KCVO
DIRECTORS:	Sir Tony Brenton Peter Charow Denis Yurievich Ivanov Viacheslav Kopiev Stuart Lawson Yevgeny Merkel Roger Munnings (Chairman) Olga Podoinitsyna Dr Alya Samokhvalova Paul Shale (Treasurer) Yana Smelyansky Alfonso Torrents (Executive Director)
SECRETARY:	Alfonso Torrents
REGISTERED OFFICE:	11 Belgrave Road Victoria London SW1V 1RB
REGISTERED NUMBER:	00145140
ACCOUNTANTS:	Hawksford UK Services Limited 3rd Floor, Fairgate House 78 New Oxford Street London WC1A 1HB
BANKERS:	Barclays Southwark Business Centre 29 Borough High Street London SE1 1LY

Russo-British Chamber of Commerce

Report of the Directors for the Year Ended 31 December 2018

The Directors present their report with the financial statements of the Russo-British Chamber of Commerce ("RBCC" or "company") for the year ended 31 December 2018. These financial statements have not been audited. Those for 2017 were audited.

PRINCIPAL ACTIVITY

The principal activity of the RBCC is to promote, facilitate and support business, trade and investment in both directions between the Russian Federation and the UK on behalf of its members.

REVIEW OF BUSINESS

Throughout 2018 the challenging political environment continued to impact RBCC's activities and its financial performance. The Skripal poisonings in March and June and the subsequent expulsion of Russian and UK diplomats resulted in a significant downturn in Russo-British diplomatic engagement. British businesses became more reluctant to consider Russia as a potential market.

Despite this adverse operating environment, 2018 saw some notable successes for RBCC. It was another good year in terms of the delivery of services to members, effective liaison with the UK Embassy and Consulates in Russia, the Russian Embassy in the UK and other governmental and non-governmental agencies focussed on trade and investment between the UK and Russia. Successful networking events and seminars were held regularly in both countries.

In April, after a 3-year hiatus, the RBCC ran a Trade Mission to Kazan. It included representatives from four sectors and cemented the Chamber's good relationship with the government of Tatarstan.

In June, in partnership with Wilton Park, RBCC secured a £80,000 grant to run a high-level residential conference which brought leading Russian and British business people together to discuss emerging issues for each country, in what is expected to be a continuing series of such gatherings.

The main events of the year for the company - the RBCC Business Forum in London in June and the RBCC's "RussiaTalk" in Moscow in the Autumn – proved worthwhile conferences and produced good financial results. The RussiaTalk event in Moscow was especially successful exceeding its budgeted target by a factor of 2.5.

The year finished with a well-attended Christmas Cocktail event in London.

FINANCIAL RESULTS

The financial results for 2018 and the financial position of RBCC at the end of that year are shown in the attached financial statements.

The operations of the RBCC resulted in a deficit in 2018 of £56,704 (2017: £151,024) after interest received of £5,470 (2017: £10,611), a foreign exchange loss of £13,791 (2017: £5,913) and taxation in

the Russian Federation of £4,218 (2017: £3,879).

Income of £429,181 (2017: £403,132) comprised Members' Subscriptions of £271,488 up 15% from £235,575 in 2017 and Sponsorship and Events Income of £157,693 down 6% from £167,556 in 2017. Direct Costs of £58,826 (2017 £103,359) represent primarily the costs of Events and Members' Services.

Administrative expenses of £412,476 were down 8% from £449,750 in 2017. A comprehensive costs and efficiencies savings review was conducted in mid 2018. As a result, approximately £100k of costs and efficiencies were identified and a delivery programme initiated. The remainder of the delivery programme will be completed by June 2019.

Other than the Executive Director, Mr Alfonso Torrents and, during 2018 and 2017, Stuart Lawson, the Director with executive responsibility for RBCC in the Russian Federation, no director received any remuneration or recompense from RBCC. Directors' time is given free of charge and without any reimbursement of expenses.

In May 2018, to meet funding requirements in the UK, RR 3 million was transferred from RBCC in Russia to RBCC in the UK, having been converted into Sterling in the amount of £35,000. No funds were converted or transferred in 2017.

RBCC's substance and activities are in the UK and in the Russian Federation. Its financial statements are presented in Pounds Sterling, requiring the Rouble-based Russian activities and substance, to be translated into Sterling. The translation results in foreign exchange translation differences, which can be significant depending on the extent of the fluctuations of the Sterling / Rouble exchange rate. Funds are not often transferred between RBCC in Russia and RBCC in the UK (or vice versa) so foreign exchange translation differences are rarely crystallized to result in a realised surplus or deficit.

The Board of RBCC regularly assesses risks affecting its activities in the two countries, in which it operates and the impact these risks may have on its activities and its financial position. Such assessment is taken into account in reaching decisions on how the role and responsibilities of the business are carried out.

DIRECTORS

The directors shown below held office during the period from 1 January 2018 to the date of this report unless otherwise stated.

Roger Munnings, CBE, *Chairman of the Board of Directors, RBCC; former Senior Partner, Russia/CIS, KPMG; Independent Director, PJSSC Sistema, PJSC LUKoil and PJSC MMK Norilsk Nickel*

Viacheslav Kopiev, *former Vice Chairman, AFK Sistema*

Paul Shale, *Honorary Treasurer, RBCC*

Sir Tony Brenton, *formerly HM Ambassador to the Russian Federation*

Yana Smelyansky, *CEO, World Villas Real Estate*

Dr Alya Samokhvalova, *Deputy CEO Petropavlovsk*

Olga Podoinitsyna, *Member of the Board, VTB Capital*

Peter Charow, *Vice President, BP Russia*

Stuart Lawson, *Senior Advisor EY Russia; former CEO HSBC Russia*

Yevgeny Merkel, *Senior Partner, Excelion Partners International Limited*
Denis Ivanov, *Chairman of the Board, International Bank for Economic Cooperation*
Alfonso Torrents, *Executive Director and Company Secretary RBCC*

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

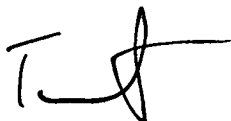
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records which are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Alfonso Torrents - Director

Date: 7th June 2015

Russo-British Chamber of Commerce

Report of the Accountants to the Directors of Russo-British Chamber of Commerce

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2018 set out on pages six to eleven and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Hawksford

Hawksford UK Services Limited
3rd Floor, Fairgate House
78 New Oxford Street
London
WC1A 1HB

Date: 7/6/19

Russo-British Chamber of Commerce

**Income Statement
for the Year Ended 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
TURNOVER		429,181	403,132
Cost of sales		<u>(58,826)</u>	<u>(103,359)</u>
GROSS PROFIT		370,355	299,773
Administrative expenses		<u>(414,520)</u>	<u>(451,616)</u>
OPERATING LOSS	3	(44,165)	(151,843)
Interest receivable and similar income		<u>5,470</u>	<u>10,611</u>
		(38,695)	(141,232)
Foreign exchange differences		<u>(13,791)</u>	<u>(5,913)</u>
LOSS BEFORE TAXATION		(52,486)	(147,145)
Taxation		<u>(4,218)</u>	<u>(3,879)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(56,704)</u></u>	<u><u>(151,024)</u></u>

Russo-British Chamber of Commerce (Registered number: 00145140)

**Balance Sheet
31 December 2018**

	Notes	31.12.18 £	31.12.17 £
FIXED ASSETS			
Tangible assets	5	943	1,533
CURRENT ASSETS			
Debtors	6	23,737	38,885
Cash at bank		<u>132,535</u>	<u>197,832</u>
		156,272	236,717
CREDITORS			
Amounts falling due within one year	7	<u>(117,963)</u>	<u>(142,294)</u>
NET CURRENT ASSETS		<u>38,309</u>	<u>94,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,252</u>	<u>95,956</u>
RESERVES			
Retained earnings		<u>39,252</u>	<u>95,956</u>
		<u>39,252</u>	<u>95,956</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 7th June 2019 and were signed on its behalf by:

Paul Shale - Director

Alfonso Torrents - Director

Russo-British Chamber of Commerce

Notes to the Financial Statements for the Year Ended 31 December 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

Income represents members' subscriptions and invoiced sales of services, excluding value added tax.

Subscriptions received in advance are credited to a deferred income account and released to the income and expenditure account during the period to which they relate.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property - over lease term

Computer equipment - 33% on cost

Cost includes the purchase cost and all other costs necessary to bring the asset in its present location and condition.

Taxation

Taxation for the year relates to Russian tax on activity in the Russian Federation. There is no UK tax liability.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Income and expenditure in foreign currencies are translated into sterling at an average rate of exchange.

All foreign exchange translation and conversion differences are shown in the Income Statement

Operating lease commitments

Rentals payments under operating leases are charged in the income and expenditure account on an accruals basis.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed estimated projected cash flow forecasts for the period to 30th June 2020 and, based on that review, consider that the Company will be able to meet its commitments as they fall due and is a going concern.

2018 and 2019 to date have been difficult years in terms of income and the long term viability of the RBCC requires that income from membership fees and from sponsorship and advertising is increased and that other sources of income are identified.

At the year end, the company had net assets of £39,252, having made a net loss of £56,704 in 2018. £96,673 of creditors at 31 December 2018 represented deferred income which is released to the Income Statement during 2019

Expenditure during 2018 and 2019 to date has been tightly monitored and controlled and strong financial discipline will continue.

2. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 12 (2017 - 14).

3. **OPERATING LOSS**

The operating loss is stated after charging:

	31.12.18	31.12.17
	£	£
Depreciation - owned assets	<u>590</u>	<u>747</u>

4.	EXCEPTIONAL ITEMS	31.12.18	31.12.17
		£	£
	Foreign exchange differences	<u>(13,791)</u>	<u>(5,913)</u>
5.	TANGIBLE FIXED ASSETS		
			Plant and machinery etc £
	COST		
	At 1 January 2018 and 31 December 2018		<u>22,402</u>
	DEPRECIATION		
	At 1 January 2018 Charge for year		20,869 <u>590</u>
	At 31 December 2018		<u>21,459</u>
	NET BOOK VALUE		
	At 31 December 2018		<u>943</u>
	At 31 December 2017		<u>1,533</u>
6.	DEBTORS	31.12.18	31.12.17
		£	£
	Amounts falling due within one year:		
	Trade debtors	6,320	14,756
	Other debtors	<u>12,127</u>	<u>17,078</u>
		<u>18,447</u>	<u>31,834</u>
	Amounts falling due after more than one year:		
	Other debtors	<u>5,290</u>	<u>7,051</u>
	Aggregate amounts	<u>23,737</u>	<u>38,885</u>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.18	31.12.17
		£	£
	Trade creditors	2,688	3,889
	Taxation and social security	9,494	7,077
	Other creditors	<u>105,781</u>	<u>131,328</u>
		<u>117,963</u>	<u>142,294</u>

Included in Other Creditors is deferred income of £96,673 (2017: £118,972).

RBCC's premises in London were subject to a rent review on 20 November 2017. Although official notice of the results has not yet been received, the property manager has indicated a likely amount and the Board has considered it prudent to accrue that sum in Other creditors

8. ULTIMATE CONTROLLING PARTY AND COMPANY LIMITED BY GUARANTEE

No one individual party has ultimate control of RBCC. The company is operated by its executive management team who report, through the Executive Director, to the Board of Directors.

The Russo-British Chamber of Commerce is a company limited by guarantee and not having a share capital.

Every member of the Chamber has undertaken to contribute to the assets of the Chamber an amount not exceeding £3, in the event of it being wound up during the period of their membership or up to one year after their membership ceases.