

**Report of the Directors and**  
**Financial Statements for the Year Ended 31 December 2017**  
**for**  
**Russo-British Chamber of Commerce**

THURSDAY



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**for the Year Ended 31 December 2017**

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**Russo-British Chamber of Commerce**

**Company Information**  
**for the Year Ended 31 December 2017**

**DIRECTORS:**

Sir Tony Brenton  
Peter Charow  
Denis Yurievich Ivanov  
Viacheslav Kopiev  
Stuart Lawson  
Yevgeny Merkel  
Roger Munnings  
Olga Podoinitsyna  
Dr Alya Samokhvalova  
Paul Shale  
Yana Smelyansky  
Alfonso Torrents

**SECRETARY:**

Alfonso Torrents

**REGISTERED OFFICE:**

11 Belgrave Road  
Victoria  
London  
SW1V 1RB

**REGISTERED NUMBER:**

00145140

**AUDITORS:**

S H Landes LLP  
Statutory Auditors  
3rd Floor Fairgate House  
78 New Oxford Street  
London  
WC1A 1HB

**BANKERS:**

Barclays  
Southwark Business Centre  
29 Bourough High Street  
London  
SE1 1LY

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

### **Report of the Directors** **for the Year Ended 31 December 2017**

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 2017.

#### **PRINCIPAL ACTIVITY**

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

#### **FINANCIAL RESULTS**

The financial results for 2017 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 2017 of £151,024 (2016 surplus of £64,989) after interest received of £10,611 (2016 £12,959), foreign exchange translation loss of £5,913 (2016 translation profit of £66,041) and taxation in the Russian Federation of £3,879 (2016 £7,520). Income of £403,132 (2016 £566,144) comprised Members' subscriptions of £235,576 (up 1% from £232,047 in 2016) and Sponsorship and Events Income of £167,556 down some 50% from £334,097 in 2016. Direct Costs of £103,359 (2016 £171,140) represent primarily the costs of Events and Members' Services and the year on year decrease was broadly in line with the falling income from Events and Sponsorship. Administrative expenses increased to £451,616 (2016 £401,495) largely as a result of costs associated with the retirement of the Executive Director, the recruitment of a new Executive Director and some staff changes; no accrual was made at the end of 2016 for such costs.

Although RBCC presents the financial results of its activities in Pounds Sterling its substance and activities are in both the UK and in the Russian Federation. Presenting the Russian activities and substance, which are transacted in Roubles, in Sterling 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 only rarely transferred between RBCC in Russia and RBCC in the UK (or vice versa) so the Foreign Exchange translation differences are rarely crystallised to result in a realised surplus or deficit. No funds transfers took place in 2017 or 2016.

RBCC regularly assesses risks affecting the countries, in which it operates, the impact these may have on its financial position and on its activities and takes these into account in reaching decisions on the direction of its business.

#### **REVIEW OF BUSINESS**

Increasingly adverse political headwinds in 2017 have impacted the RBCC's activities and its financial results in 2017 and this situation continues. The position has been exacerbated by the continuation of sanctions on trade (put in place by the EU, USA and Russia). Economic factors have also played their part; a soft oil price and the fall in value of the Russian Rouble have weakened Russian demand for UK goods and hence the desire of UK companies to trade with and invest in Russia. This situation has worsened during 2018 with the "Skripal Affair". The ensuing "chilling" of Russo-British political relations and additional US sanctions have had a material effect on the RBCC's ability to recruit and retain members and is a significant constraint on its activities and its potential.

Despite this adverse operating environment, 2017 was another good year for the RBCC 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 the UK and Russia. In Russia shared events have become more commonplace and are proving an effective way of raising the RBCC's profile to a wider audience whilst decreasing any financial risk. The main events of the year - the RBCC Business Forum in London in June and the RBCC's "RussiaTalk" in Moscow in the autumn - again produced contrasting results from a financial perspective. The RBCC Business Forum in London was a success in terms of format, content and an acceptable financial result was achieved. The "Gala Dinner" was well attended but only attracted one major sponsor and consequently missed its budgetary target by a significant margin. The RBCC's RussiaTalk event in Moscow in the autumn was successful and well received. Financially however it was again a disappointment, with substantially less than the budgeted net income being achieved.

A new Executive Director, Mr Alfonso Torrents, took charge in October on the retirement from the RBCC of Mr Trevor Barton. In London there was a requirement to recruit in quick succession a new manager with responsibility for events planning and a new manager with responsibility for membership. These changes had some effect on the smooth running of the RBCC.

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

**Report of the Directors**  
**for the Year Ended 31 December 2017**

Other than the Executive Director, Mr Alfonso Torrents and the Director responsible for the RBCC in the Russian Federation, directors do not receive any remuneration or recompense and donate their time.

The year finished with well-attended Christmas Cocktails in London and St Petersburg.

**DIRECTORS**

The directors shown below held office during the period from 1 January 2017 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, PJSC Sistema and PJSC LUKoil

Trevor Barton, Executive Director and Company Secretary RBCC - resigned 8 October 2017

Viacheslav Kopiev, former Vice Chairman, AFK Sistema

Paul Shale, Hon Treasurer, RBCC

Sir Tony Brenton, formerly HM Ambassador to the Russian Federation

Yana Smelyansky, CEO, World Villas Real Estate

Dr Alya Samokhvalova, Group Head of External Communications, Petropavlovsk PLC

Olga Podoinitsyna, Member of the Board, VTB Capital

Peter Charow, Vice President, BP Russia

Stuart Lawson, Senior advisor EY Russia and CIS; former CEO HSBC Russia

Yevgeny Merkel, Senior Partner, Excelion Partners International Limited

Denis Ivanov, Deputy Chairman, International Investment Bank

Alfonso Torrents, Executive Director and Company Secretary RBCC - appointed 9 October 2017

**PATRON**

HRH Prince Michael of Kent KCVO

**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 profit or loss 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 that 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

**Report of the Directors**  
**for the Year Ended 31 December 2017**

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: 19 June 2018  
.....

**Report of the Independent Auditors to the Members of  
Russo-British Chamber of Commerce**

**Opinion**

We have audited the financial statements of Russo-British Chamber of Commerce (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Russo-British Chamber of Commerce**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

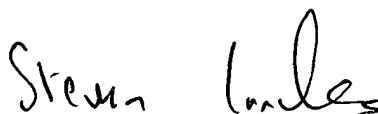
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

Steven Landes (Senior Statutory Auditor)  
for and on behalf of S H Landes LLP  
Statutory Auditors  
3rd Floor Fairgate House  
78 New Oxford Street  
London  
WC1A 1HB



Date: 25 / 6 / 18



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

**Income Statement**  
**for the Year Ended 31 December 2017**

	Notes	31.12.17 £	31.12.16 £
<b>INCOME</b>		403,132	566,144
Direct costs		<u>103,359</u>	<u>171,140</u>
<b>SURPLUS</b>		299,773	395,004
Administrative expenses		<u>451,616</u>	<u>401,495</u>
<b>OPERATING SHORTFALL</b>	3	(151,843)	(6,491)
Interest receivable and similar income		<u>10,611</u>	<u>12,959</u>
		(141,232)	6,468
Foreign exchange differences		<u>5,913</u>	<u>(66,041)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(147,145)	72,509
Tax on (loss)/profit		<u>3,879</u>	<u>7,520</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(151,024)</u>	<u>64,989</u>

The notes form part of these financial statements

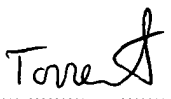
**Russo-British Chamber of Commerce (Registered number: 00145140)**

**Balance Sheet**  
**31 December 2017**

	Notes	31.12.17 £	£	31.12.16 £	£
<b>FIXED ASSETS</b>					
Tangible assets	5		1,533		2,280
<b>CURRENT ASSETS</b>					
Debtors	6	38,885		42,805	
Cash at bank		<u>197,832</u>		<u>314,263</u>	
		236,717		357,068	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>142,294</u>		<u>112,368</u>	
<b>NET CURRENT ASSETS</b>			<u>94,423</u>		<u>244,700</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>95,956</u>		<u>246,980</u>
<b>RESERVES</b>					
Retained surpluses			<u>95,956</u>		<u>246,980</u>
			<u>95,956</u>		<u>246,980</u>

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

The financial statements were approved by the Board of Directors on 19 June 2018 and were signed on its behalf by:

  
.....  
Alfonso Torrents - Director

  
.....  
Paul Shale - Director

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2017**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Income**

Income represents members' subscriptions and net invoice 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.

**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. At the year end, the company had net assets of £95,956 and made a net loss of £151,024. However, £118,972 of creditors is deferred income which is released in 2018. The Directors have reviewed estimated projected cash flow forecasts for the period to 30th June 2019 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. 2017 and 2018 to date have been difficult years in terms of income and the longer 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. Expenditure during 2017 and 2018 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 14 (2016 - 13).

**3. OPERATING LOSS**

The operating loss is stated after charging:

	31.12.17	31.12.16
	£	£
Depreciation - owned assets	<u>747</u>	<u>1,154</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2017**

4.	<b>EXCEPTIONAL ITEMS</b>	31.12.17	31.12.16
		£	£
	Foreign exchange differences	<u>(5,913)</u>	<u>66,041</u>
5.	<b>TANGIBLE FIXED ASSETS</b>		
			Plant and machinery etc £
	<b>COST</b>		
	At 1 January 2017		
	and 31 December 2017		<u>22,402</u>
	<b>DEPRECIATION</b>		
	At 1 January 2017		20,122
	Charge for year		<u>747</u>
	At 31 December 2017		<u>20,869</u>
	<b>NET BOOK VALUE</b>		
	At 31 December 2017		<u>1,533</u>
	At 31 December 2016		<u>2,280</u>
6.	<b>DEBTORS</b>	31.12.17	31.12.16
		£	£
	Amounts falling due within one year:		
	Trade debtors	14,756	13,122
	Other debtors	<u>17,078</u>	<u>24,393</u>
		<u>31,834</u>	<u>37,515</u>
	Amounts falling due after more than one year:		
	Other debtors	<u>7,051</u>	<u>5,290</u>
	Aggregate amounts	<u>38,885</u>	<u>42,805</u>
7.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	31.12.17	31.12.16
		£	£
	Trade creditors	3,889	2,780
	Taxation and social security	7,077	11,200
	Other creditors	<u>131,328</u>	<u>98,388</u>
		<u>142,294</u>	<u>112,368</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2017**

Included in other creditors there is deferred income of £118,972 (2016: £86,828)

**8. ULTIMATE CONTROLLING PARTY AND COMPANY LIMITED BY GUARANTEE**

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, in the event of it being wound up during the period of membership or up to one year after membership ceases, an amount not exceeding £3.

No one individual member has ultimate control. The company is operated by its management team who report to the board of directors.