

Report of the Directors
and
Unaudited Financial Statements for the Year Ended 31 December 2021
for
Russo-British Chamber of Commerce



Russo-British Chamber of Commerce

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for the Year Ended 31 December 2021

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Russo-British Chamber of Commerce

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

Munnings, Roger (Chairman)
Shale, Paul (Honorary Treasurer)
Torrents, Alfonso (Executive Director)
Campbell, David
Charow, Peter
Ivanov, Denis
Kopiev, Vyacheslav
Lawson, Stuart
Merkel, Yevgeny
Olson, Emily
Podoinitsyna, Olga
Samokhvalova, Alfiya
Weafer, Christopher
Willner, Guy

SECRETARY:

Torrents, Alfonso

REGISTERED OFFICE:

184 Shepherds Bush Road
London
W6 7NL

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 2021**

The Directors present their report with the financial statements of Russo-British Chamber of Commerce ("RBCC" or "Chamber" or "company") for the year ended 31 December 2021.

PRINCIPAL ACTIVITY AND EVENTS SINCE 31ST DECEMBER 2021

During 2021 and throughout its existence, RBCC has operated to facilitate, promote and support trade and investment between the UK and the Russian Federation on behalf of its Members. The agreement of the governments of both countries to this role has been fundamental and has been regularly checked by the Chamber.

That agreement was, in effect, withdrawn following the start of the military operation being carried out by Russia in Ukraine on 24 February 2022 and, as at the date of this report, continuing.

Accordingly, RBCC has ceased promoting and facilitating trade and investment between the two countries and is limiting its activities to assisting its Members affected by the Russia/Ukraine situation where such assistance is possible, permissible and within its competency.

Operations have been wound down until the agreement and support for bridge-building activities from the governments of both countries are restored.

RBCC's Board of Directors, continues in situ to guide the organisation through its current challenges with the aim of preserving it intact until it can again undertake its full role. The positions of Patron, Honorary Presidents and the Advisory Council are, as at the date of this report, in abeyance.

FUNDING

RBCC has not been, and is not, funded by the governments of either the UK or the Russian Federation and has, historically, relied on Members subscriptions and event sponsorship to carry out its role of support and facilitation. The Chamber has assets and liabilities in both Russia and the UK. The consolidated position of the Chamber remains sound but the inability to access liquid assets in one country to support liabilities in another complicates the Chamber's financial management even in their minimal, wound down, format.

As at the date of this report, certain Members have paid or agreed to pay Membership fees for 2022 and 2023 allowing the activities of RBCC to continue in their wound down format.

Based on current expectations and forecasts, the Board of Directors of RBCC considers that, in the new restricted circumstances, the Chamber remains a going concern.

Ongoing Member support will be crucial in the future for the Chamber to be able to meet all liabilities when and where they fall due.

REVIEW OF OPERATIONS IN 2021

The economic, business and political environments had remained challenging in 2021. The coronavirus pandemic continued to affect economic activity and business progress and the continuing difficult and concerning political position between the Russian Federation and, amongst others, the UK worsened towards the end of the year as enhanced concerns about Russia and Ukraine emerged.

During the year, the London Office of RBCC experienced a significant outflow of Members. The most common reasons given for leaving was the lack of offline networking events for the best part of two years due to the impossibility of organising such events during the Covid pandemic together with the generally challenging economic environment for companies. The financial consequences of this outflow in the UK were partially offset by the recruitment of a new Gold member. The Moscow Office performance was more buoyant with fewer Members leaving and new members being recruited. This positive result was further bolstered by the recruitment of two new Gold members in Russia.

2021 did see a gradual transition from online to face-to-face ("offline") events as the business community and wider society found ways to co-exist with the consequence of the pandemic. After an almost two year enforced hiatus, the much-anticipated return to offline for RBCC finally took place in August. Events in the first half of the year had been entirely online. RBCC was able to hold its two annual blue-ribbon events.

Russo-British Chamber of Commerce

Report of the Directors **for the Year Ended 31 December 2021**

The London Business Forum took place online in June and the RussiaTalk Investment Forum in October in Moscow was the first time the Chamber organised a hybrid forum. This format allowed increased participation and collaboration between the UK and Russia business communities. Both events were financially successful with sponsorship revenue surpassing pre-Covid levels. Once again a planned Trade Mission to Russia in 2021 was postponed due to coronavirus travel restrictions.

In summary, event sponsorship and new Gold membership categories saw good financial results with tight cost control while the outflow of membership from the London Office remained a concern

RBCC continued to provide liaison with the UK Embassy and Consulate and the UK Department of International Trade in Russia, the Russian Embassy and the Russia Trade Delegation in the UK and other governmental and non-governmental agents focused on trade and investments between the two countries.

FINANCIAL RESULTS

The financial results for 2021 and the financial position of RBCC at the end of that year are shown in the attached financial statements. For more detailed information, a Trading and Surplus and Shortfall Account is attached at page 13. That account does not form part of the statements required by UK company legislation.

The operations of RBCC resulted in a surplus of £41,873 (a deficit in 2020 of £24,799) after interest received of £6,699 (2020 £6,230), foreign exchange losses of £2,087 (in 2020 foreign exchange losses of £30,649) and taxation in the Russian Federation of £6,040 (2020 £3,956).

Income of £346,894 (2020 £394,217) comprised Members' subscriptions of £185,034 down 16% from £221,238 in 2020 and Sponsorship and Events Income of £161,860 down 6% from £172,979 in 2020. Direct Costs of £47,994 (2020 £69,801) represent primarily the costs of Events and Members' Services.

Administrative expenses of £254,686 were down 20% from £320,117 in 2020.

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 have seldom been transferred between RBCC in Russia and RBCC in the UK (or vice versa) so foreign exchange conversion differences have rarely crystallized to result in a realised surplus or deficit. Conversions between Rouble and Sterling funds are not possible as at the date of this report.

DIRECTORS

The directors shown below held office during the period from 1 January 2021 to the date of this report unless otherwise stated -

Munnings, Roger, CBE, Chairman of the Board of Directors, RBCC;
former Independent Director, PJSFC Sistema, PJSC LUKoil and PJSC MMK Norilsk Nickel
Shale, Paul, Honorary Treasurer, RBCC
Torrents, Alfonso, Executive Director and Company Secretary RBCC
Campbell, David, President BP Russia
Charow, Peter, former Vice President, BP Russia
Ivanov, Denis, Chairman of the Board, International Bank for Economic Cooperation, Russia
Kopiev, Vyacheslav, former Vice Chairman, AFK Sistema
Lawson, Stuart, Senior Advisor EY Russia;
Merkel, Yevgeny, Senior Partner, Excelion Partners International Limited
Olson, Emily - Vice President, Freeport-McMoRan
Podoinitsyna, Olga, former Member of the Board, VTB Capital
Samokhvalova, Alfiya, former Deputy CEO Petropavlovsk
Weafer, Christopher, CEO and General Director at Macro-Advisory
Wilner, Guy, Chairman of the Board of IXcellerate - elected to the RBCC Board 27 Sep 21

Other than the Executive Director, Mr Alfonso Torrents, no director received any remuneration or recompense from RBCC. Directors' time is given free of charge and without any reimbursement of expenses.

Russo-British Chamber of Commerce

Report of the Directors
for the Year Ended 31 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of RBCC regularly assesses risks affecting its activities in and between 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 RBCC's role and responsibilities are carried out.

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

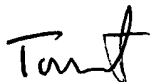
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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: 22 July 2022

Russo-British Chamber of Commerce

Report of the Accountants
for the Year Ended 31 December 2021

As described on the Balance Sheet you as Directors of RBCC, are responsible for the preparation of the financial statements for the year ended 31 December 2021 set out on pages six to twelve 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 UK Services Limited
3rd Floor, Fairgate House
78 New Oxford Street
London
WC1A 1HB

Hawksford

Date: 26/1/22

Russo-British Chamber of Commerce

Income Statement
for the Year Ended 31 December 2021

	Notes	31.12.21 £	31.12.20 £
TURNOVER		346,894	394,217
Cost of sales		<u>(47,994)</u>	<u>(69,801)</u>
GROSS SURPLUS		298,900	324,416
Administrative expenses		<u>(254,686)</u>	<u>(320,117)</u>
OPERATING SURPLUS	3	44,214	4,299
Interest receivable and similar income		<u>6,699</u>	<u>6,230</u>
		50,913	10,529
Interest payable and similar expenses		(913)	(723)
Foreign exchange differences		<u>(2,087)</u>	<u>(30,649)</u>
SURPLUS/(SHORTFALL) BEFORE TAXATION		47,913	(20,843)
Tax on surplus/(shortfall)		<u>(6,040)</u>	<u>(3,956)</u>
SURPLUS/(SHORTFALL) FOR THE FINANCIAL YEAR		<u>41,873</u>	<u>(24,799)</u>

The notes form part of these financial statements

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

Balance Sheet
31 December 2021

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Tangible assets	5	375	609
CURRENT ASSETS			
Debtors	6	13,032	31,327
Cash at bank	7	<u>274,010</u>	<u>178,798</u>
		287,042	210,125
CREDITORS			
Amounts falling due within one year	8	<u>(117,402)</u>	<u>(125,402)</u>
NET CURRENT ASSETS		<u>169,640</u>	<u>84,723</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		170,015	85,332
CREDITORS			
Amounts falling due after more than one year	9	<u>(77,250)</u>	<u>(34,440)</u>
NET ASSETS		<u>92,765</u>	<u>50,892</u>
RESERVES			
Retained earnings		<u>92,765</u>	<u>50,892</u>
		<u>92,765</u>	<u>50,892</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

At the 2020 AGM the members approved a resolution not to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006. This will be reviewed annually within the AGM.

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.

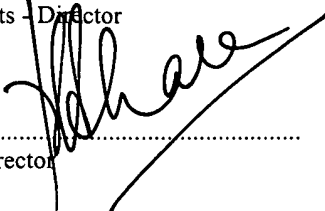
The notes form part of these financial statements

Balance Sheet - continued
31 December 2021

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 22 July 2022 and were signed on its behalf by:


.....
Alfonso Torrents - Director


.....
Paul Shale - Director

Russo-British Chamber of Commerce

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

RBCC has operations in the UK and in the Russian Federation. It is incorporated in the UK. 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.

The financial statements are presented in pounds sterling, which is considered to be the functional currency of the company.

Income

Income represents members' subscriptions and sponsorship revenue, excluding value added tax.

Subscriptions received in advance are credited to Deferred Income and released to Income during the period to which they relate.

Tangible fixed assets

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

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

Computer Equipment	- 33% on cost
Plant and Machinery	- 25% 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.

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Russo-British Chamber of Commerce

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Foreign currencies

Monetary 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. Conversion differences arise if Roubles are converted into Sterling and vice versa.

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

As at 21 July 2022 it was not possible to convert and transfer Rouble funds in the Russian Federation to Sterling funds in the UK.

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 Chamber has assets and liabilities in both Russia and the UK. The consolidated position of the Chamber remains sound but the inability to access liquid assets in one country to support liabilities in another complicates the Chamber's financial management even in its minimal, wound down, format.

Certain Members have paid or agreed to pay Membership fees for 2022 and 2023 allowing the activities of RBCC to continue in their wound down format.

Based on current expectations and forecasts, the Board of Directors of RBCC considers that, in the new restricted circumstances, the Chamber remains a going concern.

Ongoing Member support will be crucial in the future for the Chamber to be able to meet all liabilities when and where they fall due.

Expenditure is tightly monitored and controlled. In response to the Russian/Ukrainian conflict and the COVID-19 pandemic, the Board met frequently and took such actions as it considered necessary to ensure that RBCC and its members of staff were able deal with the challenges posed.

At the end of 2021, the company had net assets of £92,765, having made a net surplus of £41,873 in 2021. £85,753 of Creditors at 31 December 2021 represent Deferred Income which is released to the Income Statement during 2022.

2. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2020 - 11).

3. OPERATING SURPLUS

The operating surplus is stated after charging:

	31.12.21	31.12.20
	£	£
Depreciation - owned assets	<u>234</u>	<u>594</u>

4. FOREIGN EXCHANGE

	31.12.21	31.12.20
	£	£
Foreign exchange differences amounted to:	<u>(2,087)</u>	<u>(30,649)</u>

Russo-British Chamber of Commerce

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

5. TANGIBLE FIXED ASSETS

	IT equipment £
COST	
At 1 January 2021	23,339
Additions	<u>-</u>
At 31 December 2021	<u>23,339</u>
DEPRECIATION	
At 1 January 2021	22,730
Charge for year	<u>234</u>
At 31 December 2021	<u>22,964</u>
NET BOOK VALUE	
At 31 December 2021	<u>375</u>
At 31 December 2020	<u>609</u>

6. DEBTORS

	31.12.21 £	31.12.20 £
Amounts falling due within one year:		
Trade debtors	6,940	14,600
Other debtors	<u>3,692</u>	<u>11,437</u>
	<u>10,632</u>	<u>26,037</u>
Amounts falling due after more than one year:		
Other debtors	<u>2,400</u>	<u>5,290</u>
Aggregate amounts	<u>13,032</u>	<u>31,327</u>

7. CASH BALANCES

At 31st December 2021, cash balances were made up as follows

	£
UK (in Sterling)	72,109
Russian Federation (in Roubles translated at 101.537)	194,743
(in US Dollars translated at 1.353)	7,158
Total	<u>274,010</u>

As at the date of approval of these financial statements, it had become not possible to convert Rouble funds to Sterling and transfer such funds to the UK.

Russo-British Chamber of Commerce

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	6,670	30,331
Social security and other taxes	2,239	3,455
VAT	13,816	9,148
Deferred income	85,753	75,434
Accrued expenses	<u>8,924</u>	<u>7,034</u>
	<u>117,402</u>	<u>125,402</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.21	31.12.20
	£	£
Other creditors	<u>77,250</u>	<u>34,440</u>

Included within other creditors is a bank loan amounting to £50,000. This loan was fully repaid in May 2022.

10. 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.

11. POST BALANCE SHEET EVENTS

As a result of the events in February 2022, the Board reassessed the Chambers future liabilities, resulting in a change in approach to two items.

UK Government supported 'COVID' loan

In 2021, the Chamber entered into an agreement with Barclays Bank UK to draw down a UK government supported loan for £50,000 to help cash flow in the post-COVID period. The loan was interest and repayment-free for a period of 12 months, after which it would start to accrue interest and be repayable in equal instalments over five years.

The Board intended regularly to weigh up the benefit of holding liquidity against interest costs, once the interest-free period had ended. Given the change in circumstances and the diminished cash flow for the foreseeable future, the Board has concluded that it no longer makes sense to hold an interest bearing loan when the Chamber had cash in current account which does not earn interest. Accordingly, the Chamber repaid the loan in full without penalty at the end of the interest-free period in May 2022 on the first anniversary of draw-down.

The Board has considered it prudent to include the items as 'due for repayment within 12 months' rather than as 'for repayment after 12 months', which is how it would have appeared in normal business circumstances.

Rental deposit

In 2021, the Chamber entered into a rental agreement with Wework, renting office space for an initial commitment term of 12 months, placing a rental deposit of £2,400. In March the Chamber decided not to have a physical UK office and entered into negotiations with Wework to terminate the agreement early. As a result the rental deposit was set off against future rent.

Both events occurred in 2022.

Russo-British Chamber of Commerce**Trading and Surplus and Shortfall Account**
for the Year Ended 31 December 2021

	31.12.21		31.12.20	
	£	£	£	£
Turnover				
Members' subscriptions	185,034		221,238	
Members' services	<u>161,860</u>		<u>172,979</u>	
		346,894		394,217
Cost of sales				
Other direct costs		<u>47,994</u>		<u>69,801</u>
GROSS SURPLUS		298,900		324,416
Other income				
Bank interest	6,682		6,206	
Bank interest	<u>17</u>		<u>24</u>	
		<u>6,699</u>		<u>6,230</u>
		305,599		330,646
Expenditure				
Director's salaries	45,067		64,508	
Director's social security	6,475		6,790	
Staff costs	139,990		157,933	
Telephone	2,493		3,624	
Printing, postage & stationery	1,235		1,584	
Travelling & motor expenses	1,301		1,751	
Rent, rates & office expenses	23,933		50,985	
Irrecoverable Russian VAT	381		379	
Sundry expenses	-		112	
Entertainment	960		381	
Website maintenance costs	9,222		7,893	
Accountancy	13,695		15,071	
Subscriptions	1,152		1,540	
Legal & professional fees	8,548		6,971	
Depreciation of tangible fixed assets	<u>234</u>		<u>595</u>	
		<u>254,686</u>		<u>320,117</u>
		50,913		10,529
Finance				
Bank charges & interest	913		723	
Foreign exchange differences	<u>2,087</u>		<u>30,649</u>	
		<u>3,000</u>		<u>31,372</u>
NET SURPLUS/(SHORTFALL) BEFORE TAXATION		<u><u>47,913</u></u>		<u><u>(20,843)</u></u>

This page does not form part of the statutory financial statements