

Report of the Directors
and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Russo-British Chamber of Commerce



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Russo-British Chamber of Commerce

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for the Year Ended 31 December 2020

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Russo-British Chamber of Commerce

Company Information
for the Year Ended 31 December 2020

DIRECTORS:

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

SECRETARY:

Alfonso Torrents

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 2020

The Directors present their report with the financial statements of Russo-British Chamber of Commerce ("RBCC" or "company") for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of 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 2020 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 deficit of £24,799 (a surplus in 2019 of £36,439) after interest received of £6,230 (2019 £7,208), foreign exchange losses of £30,649 (in 2019 foreign exchange gains of £4,259) and taxation in the Russian Federation of £3,956 (2019 £7,153).

Income of £394,217 (2019 £428,557) comprised Members' subscriptions of £221,238 down 5% from £233,597 in 2019 and Sponsorship and Events Income of £172,979 down 11% from £194,960 in 2019. Direct Costs of £69,801 (2019 £58,544) represent primarily the costs of Events and Members' Services with £22,782 of the total being in respect of the fresh initiative of a conference at Cambridge University in partnership with the Skolkovo Foundation. Funding for this conference exceeded its cost and is included in Income.

Administrative expenses of £320,117 were down 5% from £336,950 in 2019.

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.

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 seldom 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 conversion 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 RBCC's role and responsibilities are carried out.

REVIEW OF BUSINESS

2020 was dominated by the onset of the Coronavirus pandemic in February and its impact on the RBCC over the course of the rest of the year. The pandemic coupled with the continually politically challenging environment meant that 2020 was a difficult year financially.

Q1 began well. The Executive Director relocated to Moscow from London and RBCC achieved a strong financial performance, although exchange rate movements resulted in an accounting loss being shown. One major event took place before the series of lockdowns was implemented. This occurred in February 2020 at Cambridge University in partnership with the Skolkovo Foundation during which an exchange of ideas and business opportunities took place on Digital Health and Smart City technology.

The pandemic resulted in the cancellation of all planned face to face events from March 2020. Notable cancellations were the London Business Forum in June, one of the two blue-riband events that the Chamber holds annually, and a Trade Mission to Tyumen which had been planned for September. These cancellations inevitably had a significant adverse impact on revenue, as events and membership subscriptions constitute the majority of the Chamber's income. An online programme was implemented which aimed to support the Chamber's members by providing timely information about the pandemic as well as continuing to provide a platform on which businesses could promote themselves. Although the online programme was necessary given the circumstances, the Chamber's principal method of operating is person-to-person networking events. Online events constitute only a partial substitute.

Russo-British Chamber of Commerce

Report of the Directors **for the Year Ended 31 December 2020**

In 2020 and 2021 to date, RBCC once again continued to provide effective liaison with the UK Embassy and Consulate in Russia, the Russian Embassy in the UK and other governmental and non-governmental agents focused on trade and investments between the UK and Russia. Of particular note was an online outreach programme established with the British Embassy in Moscow during the pandemic. This forum allowed the UK-Russian business community to receive regular updates on the course of the pandemic from British Embassy officials.

DIRECTORS

The directors shown below held office during the period from 1 January 2020 to the date of this report unless otherwise stated.

Munnings, Roger, CBE, Chairman of the Board of Directors, RBCC;
Independent Director, PJSC Sistema, PJSC LUKoil and PJSC MMK Norilsk Nickel
Shale, Paul, Honorary Treasurer, RBCC
Torrens, Alfonso, Executive Director and Company Secretary RBCC
Brenton, Anthony, Sir, former British Ambassador to the Russian Federation - retired 11 December 2020
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 - Senior Vice President BP Russia - appointed 11 December 2020
Podoinitsyna, Olga, former Member of the Board, VTB Capital
Samokhvalova, Alfiya, former Deputy CEO Petropavlovsk
Weafer, Christopher, CEO and General Director at Macro-Advisory

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;
- 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.

Russo-British Chamber of Commerce

Report of the Directors
for the Year Ended 31 December 2020

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: 03 - 03 - 2021

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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 as Directors of RBCC, are responsible for the preparation of the financial statements for the year ended 31 December 2020 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

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

Date: 03-09-2021

Russo-British Chamber of Commerce

Income Statement
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
TURNOVER		394,217	428,557
Cost of sales		<u>(69,801)</u>	<u>(58,544)</u>
GROSS SURPLUS		324,416	370,013
Administrative expenses		<u>(320,117)</u>	<u>(336,950)</u>
OPERATING SURPLUS/(SHORTFALL) 3		4,299	33,063
Interest receivable and similar income		<u>6,230</u>	<u>7,208</u>
		10,529	40,271
Interest payable and similar expenses		(723)	(938)
Foreign exchange differences		<u>(30,649)</u>	<u>4,259</u>
SURPLUS/(SHORTFALL) BEFORE TAXATION		(20,843)	43,592
Tax on surplus/(shortfall)		<u>(3,956)</u>	<u>(7,153)</u>
SURPLUS/(SHORTFALL) FOR THE FINANCIAL YEAR		<u>(24,799)</u>	<u>36,439</u>

The notes form part of these financial statements

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Balance Sheet
31 December 2020

	Notes	31.12.20 £	31.12.19 £
FIXED ASSETS			
Tangible assets	5	609	968
CURRENT ASSETS			
Debtors	6	31,327	42,293
Cash at bank		<u>178,798</u>	<u>208,641</u>
		210,125	250,934
CREDITORS			
Amounts falling due within one year	7	<u>(125,402)</u>	<u>(156,095)</u>
NET CURRENT ASSETS		<u>84,723</u>	<u>94,839</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		85,332	95,807
CREDITORS			
Amounts falling due after more than one year	8	<u>(34,440)</u>	<u>(20,116)</u>
NET ASSETS		<u>50,892</u>	<u>75,691</u>
RESERVES			
Retained earnings		<u>50,892</u>	<u>75,691</u>
		<u>50,892</u>	<u>75,691</u>


The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

At the 2019 AGM the members approved a resolution not to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006. This will be reviewed annually within the AGM.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- 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

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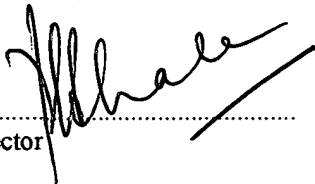
Balance Sheet - continued
31 December 2020

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 03.03.2021 and were signed on its behalf by:



.....
Alfonso Torrents - Director



.....
Paul Shale - Director

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Russo-British Chamber of Commerce

Notes to the Financial Statements
for the Year Ended 31 December 2020

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
Improvements to property	- over the lease term

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.

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Russo-British Chamber of Commerce

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

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 when Roubles are converted into Sterling and vice versa. 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 income and expenditure for the period to 31 December 2022 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.

The COVID-19 epidemic has had a significant impact on the Chamber's activity in 2020. The projections for the year to December 2021 and 2022 take full account of the Chamber's experience in 2020 and they are based on reasonable assumptions about the continuing impact of the pandemic and about the ability to generate income in these years. The projections do not anticipate any significant further deterioration in the environment; if there were a significant deterioration, it would have a material impact on the Chamber's ability to continue its activity.

At the end of 2020, the company had net assets of £50,892, having made a net shortfall of £24,799 in 2020 of which £30,649 arose from Foreign Exchange translation differences. £75,434 of Creditors at 31 December 2020 represent Deferred Income which is released to the Income Statement during 2021.

Expenditure during 2019, 2020 and 2021 to date has been tightly monitored and controlled. In response to the COVID-19 pandemic, the Board met frequently and promptly took such actions as it considered necessary to ensure that RBCC and its members of staff were able deal with the threats posed by the pandemic.

2. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 11 (2019 - 11).

3. OPERATING SURPLUS/(SHORTFALL)

The operating shortfall (2019 – operating surplus) is stated after charging:

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	<u>594</u>	<u>677</u>

4. FOREIGN EXCHANGE

	31.12.20	31.12.19
	£	£
Foreign exchange differences amounted to:	<u>(30,649)</u>	<u>4,259</u>

Russo-British Chamber of Commerce

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. TANGIBLE FIXED ASSETS

	IT equipment £
<u>COST</u>	
At 1 January 2020	23,104
Additions	<u>235</u>
At 31 December 2020	<u>23,339</u>
<u>DEPRECIATION</u>	
At 1 January 2020	22,136
Charge for year	<u>594</u>
At 31 December 2020	<u>22,730</u>
<u>NET BOOK VALUE</u>	
At 31 December 2020	<u>609</u>
At 31 December 2019	<u>968</u>

6. DEBTORS

	31.12.20 £	31.12.19 £
Amounts falling due within one year:		
Trade debtors	11,820	20,743
Other debtors	<u>11,437</u>	<u>16,260</u>
	<u>23,257</u>	<u>37,003</u>
Amounts falling due after more than one year:		
Other debtors	<u>5,290</u>	<u>5,290</u>
Aggregate amounts	<u>28,547</u>	<u>42,293</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade creditors	30,331	14,793
Social security and other taxes	3,455	4,322
VAT	9,148	8,756
Deferred income	72,654	118,392
Accrued expenses	<u>7,034</u>	<u>9,832</u>
	<u>122,621</u>	<u>156,095</u>

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

	31.12.20 £	31.12.19 £
Other creditors	<u>34,440</u>	<u>20,116</u>

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Russo-British Chamber of Commerce

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

9. **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.

Russo-British Chamber of Commerce**Trading and Surplus and Shortfall Account**
for the Year Ended 31 December 2020

	31.12.20		31.12.19	
	£	£	£	£
Turnover				
Members' subscriptions	221,238		233,597	
Members' services	<u>172,979</u>		<u>194,960</u>	
		394,217		428,557
Cost of sales				
Other direct costs		<u>69,801</u>		<u>58,544</u>
GROSS SURPLUS		324,416		370,013
Other income				
Bank interest	6,206		7,172	
Bank interest	<u>24</u>		<u>36</u>	
		<u>6,230</u>		<u>7,208</u>
		330,646		377,221
Expenditure				
Director's salaries	64,508		62,000	
Director's social security	6,790		5,933	
Staff costs	157,933		167,296	
Telephone	3,624		4,149	
Printing, postage & stationery	1,584		3,846	
Travelling & motor expenses	1,751		4,679	
Rent, rates & office expenses	50,985		53,806	
Irrecoverable Russian VAT	379		944	
Sundry expenses	112		37	
Entertainment	381		975	
Website maintenance costs	7,893		8,434	
Accountancy	<u>15,071</u>		<u>14,000</u>	
Subscriptions	1,540		692	
Legal & professional fees	6,971		9,482	
Depreciation of tangible fixed assets	<u>595</u>		<u>677</u>	
		<u>320,117</u>		<u>336,950</u>
		10,529		40,271
Finance				
Bank charges & interest	723		938	
Foreign exchange differences	<u>30,649</u>		<u>(4,259)</u>	
		<u>31,372</u>		<u>(3,321)</u>
NET SURPLUS/(SHORTFALL) BEFORE TAXATION		<u>(20,843)</u>		<u>43,592</u>

This page does not form part of the statutory financial statements

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