

Report of the Directors
and
Unaudited Financial Statements for the Year Ended 31 December 2022
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 2022**

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Russo-British Chamber of Commerce

**Company information
for the Year Ended 31 December 2022**

DIRECTORS:

As at the date of this report

Munnings, Roger (Chairman)
Shale, Paul (Honorary Treasurer)
Torrents, Alfonso
Charow, Peter
Ivanov, Denis
Podoinitsyna, Olga
Weafer, Christopher

Resigned on 16 September 2022

Campbell, David
Kopiev, Vyacheslav
Lawson, Stuart
Merkel, Yevgeny
Olson, Emily
Samokhvalova, Alfiya

Resigned on 18 August 2022

Willner, Guy

SECRETARY

Alfonso Torrents

REGISTERED OFFICE

85 Great Portland Street (1st Floor)
London
W1W 7LT
United Kingdom

REGISTERED NUMBER

00145140

BANKERS

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

Russo-British Chamber of Commerce

Report of Directors for the Year Ended 31 December 2022

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 2022.

PRINCIPAL ACTIVITY AND EVENTS SINCE 31ST DECEMBER 2021

As at the date of this report, RBCC is in a state of virtual dormancy. Virtual dormancy, as used in this report and the attached Financial Statements, is explained in Note 2 to the Financial Statements.

Historically, 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.

Such agreement was, in effect, withdrawn following the start of the military operation being carried out by Russia in Ukraine from 24 February 2022 and continuing as at 31 December 2022 and as at the date of this report.

Accordingly, following the events of 24th February 2022, RBCC ceased promoting and facilitating trade and investment between the two countries and limited its activities to assisting its Members affected by the Russia/Ukraine situation where such assistance was possible, permissible and within its competency.

As the role of assisting Members and facilitating communications has diminished, during the last three quarters of 2022 and through 2023, RBCC's restricted activities have been gradually wound down.

At this stage, RBCC is not being wound up. It continues in existence to maintain its assets and brand reputation pending the possibility of any future mandate to operate. RBCC's Board of Directors consider that the Chamber has sufficient funds to remain in this state of virtual dormancy for at least two to three years from the date of this report.

The Board of Directors has been reduced in number of members. It remains in situ to guide the organisation through its current challenges with the aim of preserving it intact to meet any future resumption of its mandate to facilitate, promote and support trade and investment between Russia and the UK from the governments of both countries.

The positions of Patron, Honorary Presidents and the Advisory Council were in abeyance as at 31st December 2022 and as at the date of this report.

REVIEW OF BUSINESS AND OPERATION IN 2022 AND TO DATE

A comprehensive programme of events had been organised for 2022.

In the event, the conflict between Russia and Ukraine has led to the cancellation of planned for events and to a severe reduction in RBCC's membership and revenue, which necessitated a re-organisation of RBCC's operations in Moscow and in London.

The financial consequences of this outflow of membership and curtailment of operations in the UK and Russia meant that RBCC was no longer sustainable in its operating format. Much of 2022 was, therefore, spent reorganising RBCC so that it would be in a position to re-establish its operations if and when the economic and political situation allows.

This has necessitated the following actions:

- RBCC London Office: All staff have been made redundant and the physical office closed.
- RBCC Moscow Office: Legislation in Russia has been passed to make it difficult for foreign companies to close without forfeiture of assets. Consequently, the Moscow office has wound down to one member of staff in a physical office. One full-time and one-part time member of staff were made redundant.

Russo-British Chamber of Commerce

Report of Directors for the Year Ended 31 December 2022

In summary, RBCC has ceased functioning as a traditional Chamber of Commerce and will not restart its full range of activities until the conflict between Russia and Ukraine has been resolved. RBCC has sufficient funds to continue in a wound down format for at least two to three years.

FINANCIAL RESULTS

The events of 2022 render the comparison of the financial performance of RBCC with earlier years meaningless. Turnover for the year of £207,892 and the Income Account benefitted from a release of Income deferred at the end of 2021 of £85,753 without a corresponding deferral at the end of 2022.

The cancellation of events resulted in the cost of sales of such events being £nil.

There were significant fluctuations in the foreign exchange rate between Rouble and Sterling during the year resulting in an overall foreign exchange gain of £24,116.

RBCC's substance and activities have been 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 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 have not been possible since mid-2022 and remain not possible as at the date of this report.

DIRECTORS

The directors shown below were directors at 1 January 2022 and continue in office:

Munnings, Roger, CBE, Chairman of the Board of Directors, RBCC;
Shale, Paul, Honorary Treasurer
Torrents, Alfonso, Company Secretary and former Executive Director
Charow, Peter
Ivanov, Denis
Podoinitsyna, Olga
Weafer, Christopher

The following were directors at 1 January 2022 and resigned on 16 September 2022:

Campbell, David
Kopiev, Vyacheslav
Lawson, Stuart
Merkel, Yevgeny
Olson, Emily
Samokhvalova, Alfiya

Guy Wilner was a director at 1 January 2022 and resigned on 18 August 2022.

Other than the Executive Director, Mr Alfonso Torrents, no director received any remuneration or recompense from RBCC. Mr Torrents received remuneration as Executive Director until 16 April 2022. A bonus due to him was paid on 31 March 2023. He has not received remuneration for any period subsequent to 16 April 2022.

Directors' time is given free of charge and without any reimbursement of expenses.

**Report of Directors
for the Year Ended 31 December 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Risk Monitoring and Management

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.

Safeguarding Assets and Keeping Accounting Records

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also 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.

Directors' Report

The directors are responsible for preparing the Report of the Directors. This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Financial Reporting

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

UK 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 that 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 shortfall of the company for the period to the balance sheet date. 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 acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- compiling 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 surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 of the Companies Act 2006 and otherwise comply with the requirements of that act relating to financial statements, so far as are applicable to the company.

AUDIT AND INDEPENDENT REVIEW

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022. At the 2021 AGM, as required by the Articles of Association of the company, the Members approved a resolution not to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

Russo-British Chamber of Commerce

This resolution will be reviewed annually within the AGM.

In order to conserve funds, the financial statements of the company for the year ended 31 December 2022 have not been subject to review independent of the Board of Directors.

ON BEHALF OF THE BOARD:



.....
Alfonso Torrents - Director

Date: 1 December 2023

Russo-British Chamber of Commerce

**Income Statement
for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
TURNOVER		207,892	346,894
Cost of sales		<u>nil</u>	<u>(47,994)</u>
GROSS SURPLUS		207,892	298,900
Administrative expenses		<u>(184,675)</u>	<u>(254,686)</u>
OPERATING SURPLUS/(DEFICIT)	6	23,217	44,214
Interest receivable and similar income		<u>13,223</u>	<u>6,699</u>
		36,440	50,913
Interest payable		<u>nil</u>	<u>(913)</u>
Foreign exchange difference		<u>24,116</u>	<u>(2,087)</u>
SURPLUS/(DEFICIT) BEFORE TAXATION		60,556	47,913
Tax on surplus/(deficit)		<u>(3,471)</u>	<u>(6,040)</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u>57,085</u>	<u>41,873</u>

These notes form part of these financial statements

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**Balance Sheet
for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
FIXED ASSETS			
Tangible Assets	8	-	375
CURRENT ASSETS			
Debtors	9	3,793	13,032
Cash at bank	10	174,387	274,010
		178,180	287,042
CREDITORS			
Amounts falling due within one year	11	(28,330)	(117,402)
NET CURRENT ASSETS		149,850	169,640
TOTAL ASSETS LESS CURRENT LIABILITIES		149,850	170,015
CREDITORS			
Amounts falling due after more than one year		-	(77,250)
NET ASSETS		149,850	92,765
RESERVES			
Retained earnings		149,850	92,765
		149,850	92,765

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

At the 2021 AGM the members approved a resolution not to obtain an audit of its financial statements for the year ended 31 December 2022 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 financial statements were approved by the Board of Directors and authorised for issue on 1st December 2023 and were signed on its behalf by:

These notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

1. PRINCIPAL ACTIVITIES

RBCC has existed 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. Such agreement was, in effect, withdrawn following the start of the military operation being carried out by Russia in Ukraine on 24 February 2022 and continuing as at 31st December 2022 and at the date of this report.

Accordingly, following the 24 February 2022, RBCC ceased facilitating and promoting trade and investment between the two countries and limited its activities to assisting its Members affected by the Russia/Ukraine situation where such assistance was possible, permissible and within its competency.

Following that period of assistance, operations have been wound down during 2022 and 2023 to date to virtual dormancy pending the possibility of any future mandate to operate.

The Financial Statements set out the expenditure and income of RBCC during the changing activities of 2022 and its state of affairs at 31 December 2022, and include information on subsequent events to date in the notes.

2. VIRTUAL DORMANCY

During 2022 and 2023, RBCC has been wound down. It has not been wound up and its assets are retained pending the possibility of any future mandate to operate.

Virtual dormancy, as used in the Financial Statements, means:

- RBCC has ceased to facilitate, promote and support trade and investment between the UK and the Russian Federation on behalf of its Members. It continues in existence to maintain its assets and brand reputation.
- No events are being held and no Sponsorship Revenue is sought or received, Costs are minimised with only the continuing costs of compliance with relevant laws and regulations being met.
- Most 2021 Members who had not renewed their Membership by the beginning of March 2022 have not renewed subsequently. A small number of Members, mainly in the Russian Federation, settled Membership Fees during the last three quarters of 2022 and in 2023 to date to allow RBCC successfully to wind down its operations and continue in existence.
- RBCC's Executive Management Team has been disbanded with the Executive Director becoming a non-executive member of the Board of Directors. The Head of the Moscow office of the RBCC has agreed to work on a "part-time" basis to ensure the compliance of the company with the relevant laws and regulations of the Russian Federation.
- The membership of the Board of Directors has reduced to seven from 14 and will act, essentially, as custodian for the assets and brand reputation of the RBCC.
- The roles of Patron, Honorary Presidents, and the Advisory Council are in abeyance.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The company is incorporated in the UK and 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;
- under the historical cost convention; and
- on a "going concern" basis,

and are presented in pounds Sterling, which is considered to be the functional currency of the RBCC.

Income and expenditure and assets and liabilities in the Russian Federation have been included in the financial statements. From mid 2022, funds were not remittable from the Russian Federation to the UK.

The “going concern” basis has been used as the Directors of RBCC have reviewed the estimated expenditure to maintain the Chamber in its wound down format and, based on that review consider that the Chamber be able to meet the cost of compliance requirements in the UK and the Russian Federation and any other commitments as they fall due for at least two years from the date of this report.

4. ACCOUNTING POLICIES

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.

Amounts received in 2022 to support the wind down of RBCC and to facilitate its ongoing existence have been taken directly to Income.

No Deferred Income is carried forward as at 31 December 2022.

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.

Additional depreciation is provided in 2022 to write the depreciated cost of all assets to £nil as the assets have no current value in use for RBCC and have very low resale value.

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.

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 average rates 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.

Operating lease commitment

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

5. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2021: 10). At 31 December 2022 the company employed 2 people and as at the date of this report it employed 1.

6. OPERATING SURPLUS

The operating surplus of £23,217 (2021: surplus £44,214) is stated after charging depreciation of £375. It includes the release of income of £85,753 deferred as at 1 January 2022. No income has been deferred as at 31 December 2022.

The surplus also includes foreign exchange translation gain of £24,116 arising because of significant turbulence in the Rouble to Sterling exchange rate during 2022. At 1 January 2022, the rate used for translation was Rb 101.53 to £1 and at 31 December 2022, it was Rb 86.96 to £1.

A significant part of RBCC's assets is held in the Russian Federation and, therefore, will continue to be subject to exchange rate fluctuations for Sterling reporting.

The surplus and net assets of the London and Moscow offices have been aggregated to provide information on the surplus and net assets of RBCC as a whole, as required by accounting convention in the UK. From July 2022 it was not possible to convert and transfer Rouble funds in the Russian Federation to Sterling funds in the UK.

7. FOREIGN EXCHANGE

Foreign exchange translation differences amounted to a surplus of £24,116 (2021: £2,087 deficit).

There was no foreign exchange conversion.

8. TANGIBLE FIXED ASSETS

	IT equipment £
COST	
At 1 January 2022	23,339
Disposals	<u>(20,873)</u>
At 31 December 2022	<u>2,466</u>
DEPRECIATION	
At 1 January 2022	22,964
Disposals	<u>(20,873)</u>
Charge for the year	<u>375</u>
At 31 December 2022	<u>2,466</u>
NET BOOK VALUE	
At 31 December 2021	<u>375</u>
At 31 December 2022	<u>nil</u>

Total depreciation for the year amounted to £375 (2021: £234). Fully depreciated assets consisting of fully depreciated fixtures and fittings and IT equipment at cost of £20,873 were disposed of during the year for no consideration.

9. DEBTORS

	31.12.22 £	31.12.21 £
Amounts falling due within one year:		
Trade debtors	nil	6,940
Other debtors	<u>3,793</u>	<u>3,692</u>
	<u>3,793</u>	<u>10,632</u>
Amounts falling due after more than one year:		
Other debtors	<u>nil</u>	<u>2,400</u>
Aggregate amounts	<u>3,793</u>	<u>13,032</u>

10. CASH BALANCES

At 31st December 2022, cash balance were made up as follows:

	31.12.22 £	31.12.21 £
UK (in Sterling)	26,286	72,115
Russian Federation (in Roubles translated at Rb86.96/£1 (2021: Rb101.536/£1))	140,054	194,737
(in US Dollars translated at \$1.20/£1 (2021: 1.35: £1))	8,047	7,158
Total	<u>174,387</u>	<u>274,010</u>

As at 31 December 2022 and 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.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade creditors	631	6,670
Social security and other taxes	-	2,239
VAT	-	13,816
Deferred income	-	85,753
Accrued expenses	<u>27,699</u>	<u>8,924</u>
	<u>28,330</u>	<u>117,402</u>

Accrued expenses include an amount of £27,250 due to the former Executive Director. The amount was paid on 31 March 2023.

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	31.12.22	31.12.21
	£	£
Other creditors	<u>nil</u>	<u>77,250</u>

13. COMPANY LIMITED BY GUARANTEE

The Russo-British Chamber of Commerce is a company not having a share capital and limited by guarantee of its Members. Members of the Chamber undertake to contribute, to the company's assets, 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.

14. ULTIMATE CONTROLLING PARTY AND

No one individual party has ultimate control of RBCC.

The company was operated by its Executive Management Team, who have reported, through the Executive Director, to the Board of Directors.

In the state of virtual dormancy, the RBCC Board of Directors will act as custodians of RBCC's assets, using administrative arrangements for regulatory compliance.

15. POST BALANCE SHEET EVENTS

As at 31 December 2022 and the date of this report, RBCC has been wound down to virtual dormancy. It is not being wound up.