



Danish Business Club
МОСКВА



Annual Report for FY2018

For the Danish Business Club in Moscow

February 2019, Moscow

*Danish Business Club - Moscow c/o DIBD, H.C. Andersens Boulevard 18,
1553 København V Phone: +7 495 424 95 59 E-Mail: secretary@dbc.club
Web: www.dbc.club*



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1. The Board of the Danish Business Club in Moscow



Henrik Dueholm
Chairman



Aage V. Nielsen
Economic and Commercial Events



Ulrik Andersen
Treasurer



René Enemark
Vice-Chairman



Maxim Poletaev
Special Economic Events

2. Auditor



Christian Riegels Hjorth
General Director of Berendsen Russia

3. The Board's Statement

The Board has today considered and adopted the Annual Report of the Danish Business Club in Moscow for the year ended 31 December 2018.

The Annual Report is prepared in accordance with the accounting principles described in section 7.

In our opinion, the Annual Report gives a true and fair view of the financial position as at 31 December 2018 of the business club and of the results of the club's operations and cash flows for 2018 as well as a description of the most significant events, activities and expenditures.

We recommend that the Annual Report will be approved at the Annual General Assembly.

Moscow, 18 February 2019

Henrik Dueholm
Chairman

Aage V. Nielsen

Ulrik Andersen
Treasurer

René Enemark

Maxim Poletaev

4. Auditor's Statement

The Board of Danish Business Club ("the Board") has prepared the accompanying Annual Report for 2018. The Board is responsible for the preparation of the Annual Report. As requested by the Board, I have performed the following procedures for the 2018 financial statements:

- Verified that the Profit & Loss and Balance Sheet statements and related Notes are prepared based on underlying accounting records/bookkeeping as well as the presentation of the Annual Report is in accordance with these accounting records/bookkeeping.
- Tested on a sample basis that the accounting records/bookkeeping are supported by underlying supporting documents, i.e. invoices, contracts, etc.
- Physically counted the cash to confirm the cash balance as at 31 December 2018.
- Reconciled the bank balances to confirmations from the banks as at 1 January and 31 December 2018, including verified the exchange rates applied during 2018 and the Profit & Loss impact of the exchange rate differences for the period.

The procedures performed have not resulted in any significant observations, and I believe that the Annual Report is a fair reflection of the activities undertaken in 2018.

Moscow, 18 February 2019

Christian Riegels Hjorth
Auditor

5. The Board's Annual Report

Memberships

The Danish Business Club in Moscow (hereafter called "DBC") was during 2018 consisting of approximately 110 registered members, whereof around half was registered through corporate memberships of Danish origin. The number of members has slightly declined in 2018 mainly as a result of a number of members having left Russia during the past year. A complete list of members is available for any member through login on the DBC website.

Board constitution

A constitutional board meeting for the year kicked off 2018; Maxim Poletaev from Danske Bank Russia joined the Board in 2018 and took the Special Economical Events position. Niels Juhl responsible for Sponsor Relation & Service will leave the country and move to Poland in March 2019. Alex Jensen responsible for Social Events left Russia in 2018.

Chairman:	Henrik Dueholm
Vice-Chairman:	René Enemark
Sponsor Relation&Service:	tbc
Social Events:	tbc
Treasury:	Ulrik Andersen
Economic&commercial events:	Aage V. Nielsen
Special Economical events:	Maxim Poletaev
Secretary:	Dilyara Mukatova

Financial state of the club

The club has a strong financial position as at 31 December 2018 largely resulting from continuous support of our sponsors and a keen focus on keeping the costs under control. This provides a strong basis for the club's activities in 2019. At the Annual General Assembly in March 2018 the Board presented a break-even budget for 2018. The key reasons why the actual result for 2018 is better than budget are as follows: 1) increased sponsor income from new sponsor Danske Bank and receipt of 2019 sponsorships in the end of 2018 ahead of schedule, as well as sponsorships paid only in 2018 that were expected in 2017; 2) foreign currency exchange gains; and 3) deferral of payments of certain expenses into 2019 relating to Christmas dinner and fourth quarter 2018 Secretary expenses.

Events, activities & member interest

We continue to benefit from a high level of interest from our members, which resulted in a record high number of participant for the Mid-summer party, and a solid interest in our business events and pop-up arrangements in association with the football championship.

We tested two new arrangements in 2018, The New Year Reception and a cooking class for team building. The New-year Reception has already been repeated and is likely to become a new fix point in our event calendar.

The calendar for 2019 has many good new offers in a good mix with our three solid contributors (Mid-summer, Welcome back Boat trip and Christmas dinner). In the April and May we will invite for an economical presentation and a session on cryptocurrency w. Wayne Walker.

6. Profit & Loss and Balance Sheet

PROFIT & LOSS		All figures are in Russian RUB			
		2015	2016	2017	2018
Income					
Memberships	(Note 1)	453,951	452,593	320,013	249,912
Events Payments	(Note 2)	463,993	474,400	454,966	477,606
Sponsorships	(Note 3)	1,708,197	1,651,970	1,086,636	2,646,776
Other Income	(Note 4)	329,965	0	233,982	392,138
Total Income		2,956,106	2,578,963	2,095,597	3,766,431
Expenses					
Activities & Events	(Note 2)	1,370,104	1,573,197	1,666,180	1,916,155
Secretary		280,086	300,187	306,759	255,416
Bank/Service Fee		16,241	16,815	25,174	22,625
Homepage		54,927	58,363	54,483	76,824
Other expenses	(Note 4)	6,078	530,493	9,685	19,525
Board and AGA meetings		87,204	70,603	61,805	109,463
Total Expenses		1,814,640	2,549,658	2,124,086	2,400,008
Result for the year		1,141,466	29,305	-28,489	1,366,423

BALANCE SHEET		All figures are in Russian RUB			
		2015	2016	2017	2018
Assets					
Cash	(Note 5)	449,371	336,029	288,660	385,916
Danske Bank	(Note 5)	2,361,440	2,507,660	2,519,284	3,865,274
Total Assets		2,810,811	2,843,689	2,807,944	4,251,190
Liabilities					
Debt to Board		3,683	7,256	0	76,824
Total Liabilities		3,683	7,256	0	76,824
Equity					
Previous Results		1,665,662	2,807,128	2,836,433	2,807,944
Result of year		1,141,466	29,305	-28,489	1,366,423
Total Equity		2,807,128	2,836,433	2,807,944	4,174,367

7. Accounting Principles

General accounting principle

DBC's main accounting principles are cash-based accounting, which has been consistently applied in 2018 and for comparative years 2015-2017.

Income

DBC recognizes income from memberships, event payments and sponsorships when DBC receives the money from the members. This aligns with the by-laws where people and organizations become members only when they have paid. Income is fully recognized at the time of receiving the money, which is in line with the cash principle of accounting as well as refunds are not provided.

Expenses

Most DBC expenses are directly related to events where activities, expenses and payments are incurred in the same period. As such we do not perform any periodization or make any accruals, except to keep track of debt to/from Board members where they for example have paid for DBC expenses out of their own funds. Such outlays by the Board Members on behalf of DBC are considered paid by DBC itself in the period the payment to the supplier is made.

Currencies and exchange rates

The Annual Report has been presented in RUB as it has been done in previous years.

Monthly ultimo exchange rates have been used to calculate the RUB value of DKK/EUR/USD transactions for any given month (see table 1.1). The bank account in Danske Bank is maintained in DKK. The balance as at 31 December 2018 is converted to RUB using the exchange rate as at 31 December 2018. Exchange rate gains/losses net for the year are presented in Other Income/Expenses (misc.), as applicable.

Table 1.1

Ultimo	RUB/DKK
31/12/2017	9.32
31/01/2018	9.42
28/02/2018	9.23
31/03/2018	9.57
30/04/2018	10.19
31/05/2018	9.75
30/06/2018	9.81
31/07/2018	9.82
31/08/2018	10.60
30/09/2018	10.21
31/10/2018	9.97
30/11/2018	10.19
31/12/2018	10.65

8. Notes to the Profit & Loss and Balance Sheet

1. Income from memberships

In table 1.2 incomes from memberships are shown for corporate and individual memberships respectively. All the income below is received in 2018. The line "2019" shows those who in 2018 paid early for their 2019 membership e.g. at the Christmas lunch.

Table 1.2

NOTE 1 - INCOME FROM MEMBERSHIPS		Russian RUB	
Paid in 2018, but for the year...	Corporate	Individual	Total
2018	101,493	35,449	136,942
2019	60,000	52,970	112,970
Total Income Memberships	161,493	88,419	249,912

2. Events income received and expenses paid for Activities & Events

In table 1.3 both the income and expenses per major event are presented. A couple of relevant explanations to the major events follow below:

Other Events: Includes various events and their related expenses i.e. gratitude presents, catering, other representations, etc. for events such as company visits, Cooking class, NY reception, Economy and Agriculture events.

Table 1.3

NOTE 2 - INCOME AND EXPENSES FROM EVENTS					Russian RUB
	Midsummer Party	Boat trip	Christmas dinner	Other Events	Total
Income	151,500	157,000	137,606	31,500	477,606
Expenses	-1,038,578	-568,066	-51,749	-257,762	-1,916,155
Result pr. Event	-887,078	-411,066	85,857	-226,262	-1,438,549

3. Sponsorships

DBC received 9 financial sponsorship payments in 2018. 7 sponsorships were general sponsorships, 1 related to Boat trip, and 1 related to the Midsummer Party.

4. Other income/ expenses (misc.)

DBC's bank account in Danske Bank is kept in DKK. This Annual Report is presented in RUB; hence, the DKK amounts have been converted to RUB during the year. Other income/expenses (misc.) consist predominantly of foreign currency adjustments as a result of the RUB's significant volatility in the periods.

5. Assets

Assets consist mainly of cash in the bank as well as a minimum of money in RUB kept physically for short-term cash needs. See the auditor's statement regarding the verification of the assets.

9. Sponsors

