



Danish Business Club  
MOCKBA



# Annual Report for FY2019

For the Danish Business Club in Moscow

February 2020, Moscow

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## 1. The Board of the Danish Business Club in Moscow



Henrik Dueholm  
Chairman



Aage V. Nielsen  
Economical and Commercial Events



Ulrik Andersen  
Treasurer



René Enemark  
Vice-Chairman



Maxim Poletaev  
Special Economical Events



Rune Andersen  
Sponsor relation and -service



Olga Kostina  
Social events

## 2. Auditor



Gokce Hosgit  
Finance, Logistics and IT Director  
Russia FLIT Novo Nordisk LLC

### 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 2019.

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 2019 of the business club and of the results of the club's operations and cash flows for 2019 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, 13 February 2020

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Henrik Dueholm  
Chairman

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Aage V. Nielsen

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Ulrik Andersen  
Treasurer

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René Enemark

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Maxim Poletaev

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Olga Kostina

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Rune Andersen

### 4. Auditor's Statement

The Board of Danish Business Club ("the Board") has prepared the accompanying Annual Report for 2019. The Board is responsible for the preparation of the Annual Report. As requested by the Board, I have performed the following procedures for the 2019 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 2019.
- Reconciled the bank balances to confirmations from the banks as at 1 January and 31 December 2019, including verified the exchange rates applied during 2019 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 2019.

Moscow, 13 February 2020

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Gokce Hosgit  
Auditor

## 5. The Board's Annual Report

### Memberships

The Danish Business Club in Moscow (hereafter called "DBC") was during 2019 consisting of approximately 120 registered members, whereof around half was registered through corporate memberships of Danish origin. The number of members has slightly increased in 2019. 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 2019. Rune E. Andersen from Lundbeck and Olga Kostina from Danish Farm Concept joined the Board in 2019.

Chairman:	Henrik Dueholm
Vice-Chairman:	René Enemark
Sponsor Relation&Service:	Rune E. Andersen
Social Events:	Olga Kostina
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 2019 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 2020. At the Annual General Assembly in March 2019 the Board presented a budgeted loss for 2019 of RUB 260 thousand. The key reasons why the actual result for 2019 is slightly worse than budget are as follows: 1) foreign currency exchange loss; and 2) early payment of first quarter 2020 Secretary expense.

### Events, activities & member interest

After the booming year of 2018 with a lot of activities in DBC and a very high participation rate we have suffered a minor setback in 2019. We are still very strong on our main events and have with an increased focus on company visit and presentation offered and good mix of arrangements.

On the company/business part let's remember the presentation done by Novo Nordisk of HQ perspectives and good insights offered during the company visit at Hempel's office premises in Moscow. We offered two economic presentation both focusing on what is to come in view of the trade sanctions and the associated limitation on business and economic growth.

On the social cultural part, the visit to Gagarin research and test cosmonaut training centre stands follow by a cosy dacha visit stands out as very successful day.

The Stambord evening we tried to revitalize during 2019 to turn the declining participation numbers, but in vain, as we have for now put this repeating event on hold.

## 6. Profit & Loss and Balance Sheet

<b>PROFIT &amp; LOSS</b>		<b>All figures are in Russian RUB</b>			
		<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Income</b>					
Memberships	(Note 1)	452,593	320,013	249,912	287,289
Events Payments	(Note 2)	474,400	454,966	477,606	505,206
Sponsorships	(Note 3)	1,651,970	1,086,636	2,646,776	2,017,845
Other Income	(Note 4)	0	233,982	392,138	0
<b>Total Income</b>		<b>2,578,963</b>	<b>2,095,597</b>	<b>3,766,431</b>	<b>2,810,340</b>
<b>Expenses</b>					
Activities & Events	(Note 2)	1,573,197	1,666,180	1,916,155	2,390,443
Secretary		300,187	306,759	255,416	498,859
Bank/Service Fee		16,815	25,174	22,625	17,514
Homepage		58,363	54,483	76,824	75,728
Other expenses	(Note 4)	530,493	9,685	19,525	462,306
Board and AGA meetings		70,603	61,805	109,463	96,577
<b>Total Expenses</b>		<b>2,549,658</b>	<b>2,124,086</b>	<b>2,400,008</b>	<b>3,541,427</b>
<b>Result for the year</b>		<b>29,305</b>	<b>-28,489</b>	<b>1,366,423</b>	<b>-731,087</b>

<b>BALANCE SHEET</b>		<b>All figures are in Russian RUB</b>			
		<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Assets</b>					
Cash	(Note 5)	336,029	288,660	385,916	650,205
Danske Bank	(Note 5)	2,507,660	2,519,284	3,865,274	2,793,075
<b>Total Assets</b>		<b>2,843,689</b>	<b>2,807,944</b>	<b>4,251,190</b>	<b>3,443,280</b>
<b>Liabilities</b>					
Debt to Board		7,256	0	76,824	0
<b>Total Liabilities</b>		<b>7,256</b>	<b>0</b>	<b>76,824</b>	<b>0</b>
<b>Equity</b>					
Previous Results		2,807,128	2,836,433	2,807,944	4,174,367
Result of year		29,305	-28,489	1,366,423	-731,087
<b>Total Equity</b>		<b>2,836,433</b>	<b>2,807,944</b>	<b>4,174,367</b>	<b>3,443,280</b>

## 7. Accounting Principles

### General accounting principle

DBC's main accounting principles are cash-based accounting, which has been consistently applied in 2019 and for comparative years 2016-2018.

### 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 2019 is converted to RUB using the exchange rate as at 31 December 2019. Exchange rate gains/losses net for the year are presented in Other Income/Expenses, as applicable.

Table 1.1

Ultimo	RUB/DKK
31.12.2018	10,65
31.01.2019	10,09
28.02.2019	10,06
31.03.2019	9,76
30.04.2019	9,67
31.05.2019	9,75
30.06.2019	9,60
31.07.2019	9,45
31.08.2019	9,84
30.09.2019	9,48
31.10.2019	9,55
30.11.2019	9,44
31.12.2019	9,28

## 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 2019. The line "2020" shows those who in 2019 paid early for their 2020 membership e.g. at the Christmas dinner.

Table 1.2

<b>NOTE 1 - INCOME FROM MEMBERSHIPS</b>		<b>Russian RUB</b>	
<b>Paid in 2019, but for the year...</b>	<b>Corporate</b>	<b>Individual</b>	<b>Total</b>
2019	71,207	52,425	123,632
2020	79,738	83,919	163,657
<b>Total Income Memberships</b>	<b>150,945</b>	<b>136,344</b>	<b>287,289</b>

### 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, NY reception, Gagarin Center, Curling, as well as various economical and political events.

Table 1.3

<b>NOTE 2 - INCOME AND EXPENSES FROM EVENTS</b>					<b>Russian RUB</b>
	<b>Midsummer Party</b>	<b>Boat trip</b>	<b>Christmas dinner</b>	<b>Other Events</b>	<b>Total</b>
Income	113,458	178,322	170,327	43,098	505,206
Expenses	-1,024,665	-581,267	-161,049	-623,462	-2,390,443
<b>Result pr. Event</b>	<b>-911,207</b>	<b>-402,946</b>	<b>9,278</b>	<b>-580,363</b>	<b>-1 885,237</b>

### 3. Sponsorships

DBC received 10 financial sponsorship payments in 2019. 8 sponsorships were general sponsorships, 1 related to Boat trip, and 1 related to the Midsummer Party.

### 4. Other income/ expenses

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 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



Confederation of Danish Industry