



Danish Business Club
MOCKBA



Annual Report for FY2016

For the Danish Business Club in Moscow

February 2017, 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



Helena Drewes
Board Member



Kristian Lyhne
Board Member



Aage V. Nielsen
Board Member

Alex Jensen
Board Member



Kasper Ditlevsen
Chairman



Henrik Dueholm
Vice-Chairman



Ulrik Andersen
Treasurer

2. Auditor



Christian Riegels Hjort
Country manager of Berendsen Russia

3. The Board's Statement

The Board have today considered and adopted the Annual Report of the Danish Business Club in Moscow for the year ended 31 December 2016.

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 of 31 December 2016 of the business club and of the results of the club's operations and cash flows for 2016 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, February 2017
Executive Board


Kasper Ditlevsen
Chairman


Henrik Dueholm
Vice-Chairman


Kristian Lyhne
Board Member


Helena Drewes
Board Member


Ulrik Andersen
Treasurer


Alex Jensen
Board Member

4. Auditor's Statement

The Board of Danish Business Club ("the Board") has prepared the accompanying Annual Report for 2016. The Board is responsible for the preparation of the Annual Report. As requested by the Board, I have performed the following procedures for the 2016 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 agrees to 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 2016.
- Reconciled the bank balances to confirmations from the banks as at 31 December 2015 and 31 December 2016, including verified the exchange rates applied during 2016 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 2016.

Moscow, February 2017


Christian Riegels Hjort
Auditor

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LAW FIRM



5. The Board's Annual Report

Memberships

The Danish Business Club in Moscow (hereafter called DBC) was at the closing of 2016 consisting of approximately 150 registered members, whereof around half was registered through corporate memberships of Danish origin. The number of members has, in spite of turbulent economic and political environment, been stable in 2016. A complete list of members are available for any member through login on the DBC website.

Board constitution

A constitutional board meeting for the year kicked off 2016; Henrik Dueholm from Haldor Topsoe and Alex Jensen from Ghelamco LLC joined the board. Ulrik Andersen was re-elected at the Annual General Assembly in 2016 and entered another 2 years term. Kristian Lyhne, Helena Drewes and Kasper Ditlevsen continued in 2016 their second and last year of the term. Henrik Bendix Dahl from Novo Nordisk left Russia to pursue new challenges in Kuala Lumpur and our Alternate Board Member Aage V. Nielsen stepped in his place.

Chairman:	Kasper Ditlevsen
Vice-Chairman:	Henrik Dueholm
Membership Relations:	Kristian Lyhne
Social Events:	Alex Jensen
Events:	Helena Drewes
Treasury:	Ulrik Andersen
Board Member:	Aage V. Nielsen
Secretary:	Nadezda Petukhova

Financial state of the club 2016

The club's equity position and total assets are at the same level as in the previous year. This is broadly in line with our 2016 budget, which we presented at the Annual General Assembly for 2016. During the past few years, our goal has been to increase the assets of the club to a level, where we would be in a financially stable position. This objective was achieved up till the end of 2015. Therefore, our goal for 2016 was not to accumulate significant additional cash but to reach a break-even result where our financial reserves would remain at the level we had at the beginning of the year.

Events, activities & member interest

A combination of hard efforts from the board and strong support in sponsorships resulted in a continuation of the previous year's good financial state of the club and allowed for hosting & co-hosting a similar level of events as the past year 2016. DBC hosted, co-hosted and invited to 28 events in 2016. Hereof were 9 business events and 19 social & cultural events.

A repetition of an event dedicated sponsorship ensured that our traditional Midsummer party again this year had a great level of participation among members and families. "Welcome back boat trip", was very popular with more than 50 participants spending the afternoon and evening on the Moscow river.

Another good indicator of the healthy member interest and commitment was shown at the very end of the year, being fully booked for the annual Christmas dinner in the Ambassador's residence.

Profit & Loss statement and Balance Sheet

PROFIT & LOSS		All figures are in Russian RUB			
Income	2013	2014	2015	2016	
Memberships (Note 1)	291 023	343 293	453 951	452 593	
Events Payments (Note 2)	256 588	371 163	463 993	474 400	
Sponsorships (Note 3)	914 422	1 213 784	1 708 197	1 651 970	
Other Income (Note 4)	26 739	411 271	329 965	0	
Total Income	1 488 772	2 339 511	2 956 106	2 578 963	
Expenses	2013	2014	2015	2016	
Activities & Event (Note 2)	540 135	1 218 396	1 370 104	1 573 197	
Secretary	102 011	217 748	280 086	300 187	
Bank/Service Fee	3 840	6 187	16 241	16 815	
Homepage	19 605	44 570	54 927	58 363	
Survey	1 652	0	0	0	
Other expenses (Note 4)	2 794	8 442	6 078	530 493	
Board and AGA meetings	31 462	55 207	87 204	70 603	
Total Expenses	701 499	1 550 550	1 814 640	2 549 658	
Result for the year	787 273	788 961	1 141 466	29 305	
BALANCE SHEET		All figures are in Russian RUB			
Assets	2013	2014	2015	2016	
Cash (Note 5)	189 500	163 350	449 371	336 029	
Bank Nordea (Note 5)	0	0	0	0	
Bank Danske (Note 5)	687 201	1 502 312	2 361 440	2 507 660	
Total Assets	876 701	1 665 662	2 810 811	2 843 689	
Liabilities	2013	2014	2015	2016	
Debt to board	0	0	3 683	7 256	
Total Liabilities	0	0	3 683	7 256	
Equity	2013	2014	2015	2016	
Previous Results	89 428	876 701	1 665 662	2 807 128	
Result of year	787 273	788 961	1 141 466	29 305	
Total Equity	876 701	1 665 662	2 807 128	2 836 433	

7. Accounting Principles

General accounting principle

DBC's main accounting principles are cash based accounting, which has been consistently applied in 2016 and for comparative years 2013-2015.

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 do 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 finances. Such outlays by the Board Members on behalf of DBC are considered paid by DBC itself in the period the payments 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 2016 is converted to RUB using the exchange rate as at 31 December 2016. Exchange rate gains/losses net for the year are presented in Other Income/Expenses, as applicable.

Table 1.1

Ultimo	RUB / DKK
31.12.2015	10,68
31.01.2016	11,10
29.02.2016	11,07
31.03.2016	10,24
30.04.2016	9,83
31.05.2016	9,88
30.06.2016	9,62
31.07.2016	10,02
31.08.2016	9,77
30.09.2016	9,46
31.10.2016	9,31
30.11.2016	9,20
31.12.2016	8,65

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 2016. The line "2017" shows those who in 2016 paid early for their 2017 membership e.g. at the Christmas lunch.

Table 1.2

NOTE 1 - INCOME FROM MEMBERSHIPS			Russian RUB
Paid in 2016, but for the year...	Corporate	Individual	Total
2016	165 788	98 830	264 618
2017	108 033	79 942	187 975
Total Income Memberships	273 821	178 772	452 593

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:

Midsummer Party: The income excludes event sponsorship in the amount of EUR 5,000, which was received in 2015 and presented as part of sponsorship income for that year.

Boat Trip: DBC did not find an event sponsor.

Other Events: Includes various events and their related expenses i.e. gratitude presents, catering, other representations, etc. for company visits, Anders Samuelson event, Chris Weafer event, brewery visit, etc.

Table 1.3

NOTE 2 - INCOME AND EXPENSES FROM EVENTS					Russian RUB
	Midsummer Party	Christmas Lunch	Boat trip	Other Events	Total
Income	142 000	120 000	147 000	65 400	474 400
Expenses	-617 404	-124 736	-532 841	-298 216	-1 573 197
Result pr. Event	-475 404	-4 736	-385 841	-232 816	-1 098 797

3. Sponsorships

DBC received 7 financial sponsorship payments in 2016. All sponsorships were general sponsorships.

4. Other income/ expenses

DBC's bank account in Danske Bank is kept in DKK. These Annual Accounts are 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.