

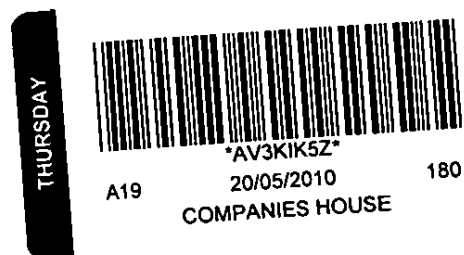
**KHODORKOVSKY FOUNDATION**  
**ACCOUNTS FOR THE YEAR**  
**ENDED 31 DECEMBER 2009**

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Company No 4988238

Charity No 1106885



**KHODORKOVSKY FOUNDATION**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

The Trustees submit their annual report and audited accounts for the year ended 31 December 2009

**REFERENCE AND ADMINISTRATIVE DETAILS**

|                             |   |
|-----------------------------|---|
| Trustees                    | A Tulloch<br>A Smith<br>B Saltykov<br>A Dalton  |
| Company secretary           | D Forsdick  |
| Registered office           | 4 Hill Street<br>London<br>W1J 5NE  |
| Company registration number | 4988238   |
| Charity number              | 1106885   |
| Bankers                     | Lloyds TSB Bank Plc<br>Berkeley Square Branch<br>London<br>W1J 6AF  |
| Investment managers         | Morgan Stanley & Co International Limited<br>25 Cabot Square<br>Canary Wharf<br>London<br>E14 4QA<br><br>Black Rock<br>33 King William St<br>London<br>EC4R 9AS |
| Auditors                    | Critchleys<br>Greyfriars Court<br>Paradise Square<br>Oxford<br>OX1 1BE  |

**KHODORKOVSKY FOUNDATION****TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)****STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is governed by its Memorandum and Articles of Association

No new trustees were appointed in the year to 31 December 2009. Existing trustees were selected on the basis of the skills and experience they were able to contribute in the fields of education in Russia and the UK, investment management and charity administration and have been drawn from persons known to the trustees as supportive of the charity's work. New trustees were inducted into their role as trustees in a series of briefings on the work of the charity.

**Organisational structure**

The charity is managed by its Board of Trustees

The charity supports the work in Russia of the Oxford Russia Fund, another UK Charity, the majority of whose trustees are also trustees of the charity. The Oxford Russia Fund focuses on grants to Russian universities for the provision of scholarships, the distribution of English language academic books to Russian universities.

**Risk management**

The trustees conduct the overall supervision and monitoring of the financial position of the charity. There are risks to income as a result of fluctuations in world equity and bond markets but the charity's investment policy adapted should minimise the risks to an acceptable level.

Internal Risks are mitigated by the implementation of procedures for the authorisation of all transactions by at least two of the trustees.

**OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The main objects of the charity are to advance education in the Russian Federation through the provision of scholarships to students and the making of donations to educational establishments.

Other than the support of the Oxford Russia Fund, the charity supports the Podmoskovny Lyceum, a boarding school for 185 socially deprived children, situated outside of Moscow.

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission.

**Grant-making policy**

The Foundation was endowed with \$500 million for the purpose of advancing education in Russia and thus supporting the development of a robust and active civil society in Russia.

The Trustees consider that these objects would be advanced by

- a) the provision of scholarships for students (of Russian nationality) attending Russian universities in the Humanities,

The Foundation will not entertain individual applications for scholarships and will only provide scholarships through other UK Charities and Russian universities that are willing to administer the scholarships.

## KHODORKOVSKY FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

#### Grant-making policy (continued)

- b) the support of Russian educational institutions and non-profit organisations focused on education,
- c) the support of educational institutions in the UK, which indirectly advance education in Russia through the provision of training, research programmes, student/teacher exchange programmes and cultural activities, and
- d) the support of conferences, wheresoever held, on topics related to Russian education and other initiatives which might advance education in Russia

The Trustees are of the view that the majority of their grant making will lie in the provision of scholarships to Russian students and the support of educational institutions in Russia

The Trustees' current policy is normally to accept grant proposals which have been initiated by the Foundation

These policies will be annually reviewed in the light of the growing understanding of the needs of Russia and the Trustees intend to respond flexibly to the newly identified needs of succeeding generations of Russian citizens

#### ACHIEVMENTS AND PERFORMANCE

Through the grant making activities of the Oxford Russia Fund which is supported by the charity,

3,126 undergraduate students at 20 Russian Universities were in 2009 awarded scholarship of approximately USD1,000 (USD2,000, Moscow) each. The scholarships are awarded on merit and are designed to encourage the study of the humanities in Russian Universities. In 2010 the number of undergraduates at 20 Russian Universities who will hold ORF Scholarships is forecast to be 3,600

Over 2,000 English Language academic books across the humanities have been distributed to each of the 20 Russian Universities

In 2010 an ebook library has been established with 457 titles from the ORF recommended core library (as well as other titles) which is accessible by students from the 20 Russian Universities participating in the ORF programmes

#### Podmoskovny Lyceum

As a result of the support of the Podmoskovny Lyceum, a boarding school outside of Moscow for socially deprived children, 185 children now receive a secondary school education of the highest quality in a caring environment

Apart from Financial constraints and the need to expand the work of the charity and that of the Oxford Russia Fund in a prudent manner so as to ensure that the grants are used in the most effective manner, the trustees do not feel that there are factors inside or outside of the charity constraining the work of the charity in the above areas

**KHODORKOVSKY FOUNDATION**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

**FINANCIAL REVIEW**

***Funding Sources***

The charity was provided in December 2003 with an expendable endowment of USD500m and the funds for the work of the charity is derived from the income and capital gains generated by the endowment

***Investment policy***

The charity has adopted as its long term current target return for its investment portfolio 4% over increases in the US Consumer Price Index and it is recognised that this policy envisages fluctuations in investment returns over the business cycle

Two international investment banks manage the bulk of the charity's funds, with certain specialist managers managing smaller portfolios

***Currency***

There is an inherent mismatch between the majority of the charity's expenditure being directly or indirectly to Russian institutions (the needs of which are Russian Rouble based) and using as the charity's reference currency the US dollar. However for prudent investment management, the USD has been chosen as the reference currency

***Anticipated Disbursements***

The long term aim of the charity is to make annual grants of at least 3% of the charity's funds. The above spending rate is designed to preserve the real value of the charity's funds over the long term

***Risk***

The investment policy has a conservative attitude to risk

***Administration***

The monitoring of the performance of the charity's investment portfolio has been delegated by the Trustees to an investment committee whose members include experienced investment management practitioners. The investment committee also reviews performance of the managers and the allocation between all classes of assets from time to time to ensure that the total portfolio is prudently invested

***Performance***

Over the year, the aggregate value of the Foundation's investments recovered some of the losses incurred in 2008 to end the year at USD482m (2008: USD424m). The average annual expenditure for the past two years as a percentage of invested assets (as at end of the financial year) is about 3%.

**KHODORKOVSKY FOUNDATION****TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)****Reserves policy**

Having regard to the charity's endowment based income, the reserves to cover fluctuations in donations are not required. Instead the charity's investment policy plans for fluctuations in income and capital growth and the need for funds to meet on-going commitments of the charity during periods of low dividend yield and nil or negative capital growth.

**Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for that period. In preparing these accounts, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a director in order to make themselves aware of relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 27 April 2010

 Trustee (A TULLOCH)

**KHODORKOVSKY FOUNDATION**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KHODORKOVSKY FOUNDATION**

We have audited the accounts of Khodorkovsky Foundation for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of Khodorkovsky Foundation or the purposes of company law) responsibilities for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's accounts give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with those accounts.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

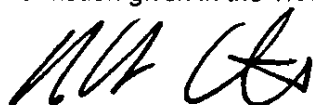
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**KHODORKOVSKY FOUNDATION**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KHODORKOVSKY FOUNDATION**  
**(CONTINUED)**

**Opinion**

In our opinion

- the accounts give a true and fair view of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the accounts have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the accounts



Robert Kirtland  
Senior Statutory Auditor  
For and on behalf of Critchleys, Statutory Auditor  
Oxford

4/5/2010



**KHODORKOVSKY FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

|   | Note | Unrestricted<br>Funds<br>\$ | Endowment<br>Funds<br>\$ | Total<br>2009<br>\$ | Total<br>2008<br>\$  |
|---|------|-----------------------------|--------------------------|---------------------|----------------------|
| <b>Incoming Resources</b>                 |      |                             |                          |                     |                      |
| Incoming resources from generated funds   |      |                             |                          |                     |                      |
| Investment income                         | 2    | <u>6,209,300</u>            | <u>-</u>                 | <u>6,209,300</u>    | <u>5,515,480</u>     |
| Total incoming resources                  |      | <u>6,209,300</u>            | <u>-</u>                 | <u>6,209,300</u>    | <u>5,515,480</u>     |
| <b>Resources Expended</b>                 |      |                             |                          |                     |                      |
| Costs of generating funds                 |      |                             |                          |                     |                      |
| Investment management costs               | 3    | -                           | 48,490                   | 48,490              | 555,113              |
| Charitable activities                     | 4    | 10,614,441                  | -                        | 10,614,441          | 15,548,989           |
| Governance costs                          | 6    | <u>65,221</u>               | <u>-</u>                 | <u>65,221</u>       | <u>69,374</u>        |
| Total resources expended                  |      | <u>10,679,662</u>           | <u>48,490</u>            | <u>10,728,152</u>   | <u>16,173,476</u>    |
| Net (outgoing) resources before transfers |      | (4,470,362)                 | (48,490)                 | (4,518,852)         | (10,657,996)         |
| Transfers                                 | 1b   | <u>4,470,362</u>            | <u>(4,470,362)</u>       | <u>-</u>            | <u>-</u>             |
| Net (outgoing) resources                  |      | -                           | (4,518,852)              | (4,518,852)         | (10,657,996)         |
| Gains/(losses) on investment assets       | 7    | <u>-</u>                    | <u>61,682,901</u>        | <u>61,682,901</u>   | <u>(195,554,477)</u> |
| Net movement in funds                     |      | -                           | 57,164,049               | 57,164,049          | (206,212,473)        |
| Total funds brought forward               |      | <u>-</u>                    | <u>423,145,242</u>       | <u>423,145,242</u>  | <u>629,357,715</u>   |
| Total funds carried forward               |      | <u>-</u>                    | <u>480,309,291</u>       | <u>480,309,291</u>  | <u>423,145,242</u>   |

All activities are continuing

## KHODORKOVSKY FOUNDATION

BALANCE SHEET  
AT 31 DECEMBER 2009

|   | Note | 2009<br>\$         | 2008<br>\$         |
|---|------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                    |                    |
| Investments   | 7    | <u>481,811,757</u> | <u>424,417,368</u> |
| <b>Current assets</b>                                 |      |                    |                    |
| Cash at bank and in hand                              |      | 170,070            | 586,155            |
| <b>Creditors, amounts falling due within one year</b> | 8    | <u>(1,672,536)</u> | <u>(1,858,281)</u> |
| <b>Net current liabilities</b>                        |      | <u>(1,502,466)</u> | <u>(1,272,126)</u> |
| <b>Net assets</b>                                     |      | <u>480,309,291</u> | <u>423,145,242</u> |
| <b>Funds</b>  |      |                    |                    |
| Endowment funds (expendable)                          | 10   | 480,309,291        | 423,145,242        |
| Unrestricted income funds                             |      | <u>-</u>           | <u>-</u>           |
| <b>Total charity funds</b>                            |      | <u>480,309,291</u> | <u>423,145,242</u> |

These accounts are prepared in United States Dollars

The rate of exchange at 31 December 2009 is £1 = \$1 5928 (2008 £1 = \$1 4479)

These accounts were approved and authorised for issue by the Trustees on 27 April 2010



Trustee (A SMITH)

**KHODORKOVSKY FOUNDATION**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

|  | Note | 2009<br>\$          | 2008<br>\$         |
|--|------|---------------------|--------------------|
| Net cash (outflow) from operating activities | A    | (4,704,597)         | (12,334,628)       |
| Financial investment                         |      |                     |                    |
| Purchase of investments                      |      | (510,517,259)       | (738,624,047)      |
| Proceeds from sales of investments           |      | <u>487,200,488</u>  | <u>748,057,672</u> |
|  |      | <u>(23,316,771)</u> | <u>9,433,625</u>   |
| (Decrease) in cash in the year               | B    | <u>(28,021,368)</u> | <u>(2,901,003)</u> |

**NOTES TO THE CASH FLOW STATEMENT**

**A RECONCILIATION OF NET OUTGOING RESOURCES  
TO NET CASHFLOW FROM OPERATING ACTIVITIES**

|  | \$                 | \$                  |
|--|--------------------|---------------------|
| Net (outgoing) resources                     | (4,518,852)        | (10,657,996)        |
| (Decrease) in creditors                      | <u>(185,745)</u>   | <u>(1,676,632)</u>  |
| Net cash (outflow) from operating activities | <u>(4,704,597)</u> | <u>(12,334,628)</u> |

**B ANALYSIS OF NET FUNDS**

|                                  | 31 December<br>2008<br>\$ | Cash flow<br>\$     | 31 December<br>2009<br>\$ |
|----------------------------------|---------------------------|---------------------|---------------------------|
| Cash at bank                     | 586,155                   | (416,085)           | 170,070                   |
| Cash within investment portfolio | <u>33,489,075</u>         | <u>(27,605,283)</u> | <u>5,883,792</u>          |
|                                  | <u>34,075,230</u>         | <u>(28,021,368)</u> | <u>6,053,862</u>          |

# KHODORKOVSKY FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 1 ACCOUNTING POLICES

#### a) **Basis of preparation**

The accounts have been prepared under the historical cost convention (as modified by the revaluation of investments) and in accordance with the Charities (Accounts and Reports) Regulations and Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, the Companies Act 2006 and with applicable United Kingdom accounting standards

#### b) **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the objects of the charity and which have not been designated for other purposes

Expendable endowment funds represent assets where the intention is for the assets to be held long term for the benefit of the charity. However, as it is an expendable endowment, assets can be utilised to cover resources expended that exceed the balance on unrestricted funds

Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management costs are charged against the fund

#### c) **Incoming resources**

Voluntary and investment income are included in the Statement of Financial Activities when they are received

#### d) **Grants payable**

Grants are included in resources expended when they are approved by the Trustees and the commitment has been communicated to the beneficiaries. Any such grants not paid by the year end are included in creditors

#### e) **Resources expended**

All expenditure is accounted for on an accruals basis under the appropriate expense category. Expenditure includes irrecoverable VAT where appropriate. Any support costs specific to one of the activities is allocated wholly to the activity. The remaining support costs are allocated to that activity in proportion to the combined costs of activities undertaken directly and grants. All costs are classified as charitable activities apart from those attributable to generating funds (investment management costs) and those attributable to the governance of the charity which are shown separately

#### f) **Investments**

Investments are stated at market value at the balance sheet date. Market value includes accrued interest where applicable. If an investment does not have a readily available market price it is valued by the relevant Investment Manager. The Statement of Financial Activities includes net gains and losses arising on revaluations and disposals throughout the year. Due to the number of investment transactions in the year it is not possible, easily and accurately to split the investment gains between realised and unrealised and hence this split has not been shown on the face of the Statement of Financial Activities

## KHODORKOVSKY FOUNDATION

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

**1 ACCOUNTING POLICES (continued)****g) Foreign currencies**

Transaction in foreign currencies are recorded at the rate ruling at the date of the transaction  
Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance  
sheet date All differences are taken to the Statement of Financial Activities

| <b>2 INVESTMENT INCOME</b> | <b>2009</b>      | <b>2008</b>      |
|----------------------------|------------------|------------------|
|                            | <b>\$</b>        | <b>\$</b>        |
| Interest receivable        | 1,155,605        | 1,654,074        |
| Other investment income    | <u>5,053,695</u> | <u>3,861,406</u> |
|                            | <u>6,209,300</u> | <u>5,515,480</u> |

| <b>3 INVESTMENT MANAGEMENT COSTS</b> | <b>2009</b>   | <b>2008</b>    |
|--------------------------------------|---------------|----------------|
|                                      | <b>\$</b>     | <b>\$</b>      |
| Investment management fees           | 39,964        | 498,196        |
| Professional fees                    | <u>8,526</u>  | <u>56,917</u>  |
|                                      | <u>48,490</u> | <u>555,113</u> |

| <b>4 CHARITABLE ACTIVITIES</b>             | <b>Grant<br/>funding of<br/>activities<br/>\$</b> | <b>Support<br/>costs<br/>(Note 5)<br/>\$</b> | <b>Total<br/>2009<br/>\$</b> | <b>Total<br/>2008<br/>\$</b> |
|--|---|--|------------------------------|------------------------------|
| Advancement of Education in Russia         |   |  |                              |                              |
| - Oxford Russia Fund                       | 5,025,637   | 37,161                                       | 5,062,798                    | 8,611,826                    |
| - Cross Industrial Institute of Technology |   |  |                              |                              |
| Podmoskovny Lyceum                         | 5,366,509   | 81,035                                       | 5,447,544                    | 6,894,656                    |
| - Other specific projects and grants       | <u>103,335</u>                                    | <u>764</u>                                   | <u>104,099</u>               | <u>42,507</u>                |
|  | <u>10,495,481</u>                                 | <u>118,960</u>                               | <u>10,614,441</u>            | <u>15,548,989</u>            |

| <b>5 SUPPORT COSTS</b>                              | <b>2009</b>    | <b>2008</b>     |
|---|----------------|-----------------|
|   | <b>\$</b>      | <b>\$</b>       |
| Charity administration and monitoring of activities | 106,072        | 138,169         |
| Other expenses, including exchange differences      | <u>12,888</u>  | <u>(21,008)</u> |
|   | <u>118,960</u> | <u>117,161</u>  |

## KHODORKOVSKY FOUNDATION

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

|          |  |                    |                      |
|----------|--|--------------------|----------------------|
| <b>6</b> | <b>GOVERNANCE COSTS</b>  | <b>2009</b>        | <b>2008</b>          |
|          |  | <b>\$</b>          | <b>\$</b>            |
|          | Auditors' remuneration - audit and accountancy   | 13,289             | 12,080               |
|          | - other services   | 1,560              | 11,503               |
|          | Professional services  | <u>50,372</u>      | <u>45,791</u>        |
|          |  | <u>65,221</u>      | <u>69,374</u>        |
|          | No Trustee received any remuneration or reimbursement of expenses in the year other than disclosed in note 9 |                    |                      |
| <b>7</b> | <b>INVESTMENTS (AT VALUATION)</b>  | <b>2009</b>        | <b>2008</b>          |
|          |  | <b>\$</b>          | <b>\$</b>            |
|          | Short term instruments   | 1,429,871          | 37,141,054           |
|          | Debt instruments   | 94,864,023         | 120,718,148          |
|          | Equities and similar funds   | 304,841,761        | 196,121,890          |
|          | Hedge and similar funds  | <u>74,792,310</u>  | <u>36,947,201</u>    |
|          |  | 475,927,965        | 390,928,293          |
|          | Cash within investment portfolio   | <u>5,883,792</u>   | <u>33,489,075</u>    |
|          |  | <u>481,811,757</u> | <u>424,417,368</u>   |
|          | Investment assets in UK  | 28,880,268         | 17,166,358           |
|          | Investment assets outside UK   | <u>452,931,489</u> | <u>407,251,010</u>   |
|          |  | <u>481,811,757</u> | <u>424,417,368</u>   |
|          | Analysis of movement in investments (excluding cash)   | <b>\$</b>          | <b>\$</b>            |
|          | Value at 1 January 2009  | 390,928,293        | 595,916,395          |
|          | Additions at cost  | 510,517,259        | 738,624,047          |
|          | Sale proceeds  | (487,200,488)      | (748,057,672)        |
|          | Net gain/(loss) on revaluation   | <u>61,682,901</u>  | <u>(195,554,477)</u> |
|          |  | <u>475,927,965</u> | <u>390,928,293</u>   |

## KHODORKOVSKY FOUNDATION

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

| 8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR | 2009<br>\$       | 2008<br>\$       |
|---|------------------|------------------|
| Accruals  | 170,425          | 284,465          |
| Grants payable                                  | <u>1,502,111</u> | <u>1,573,816</u> |
|   | <u>1,672,536</u> | <u>1,858,281</u> |

## 9 RELATED PARTIES

A solicitor's practice of which A Tulloch (a Trustee) is the principal provided professional services in connection with the charity's administration. For this work Tulloch & Co charged the charity a VAT inclusive amount of \$115,090 (£72,256) (2008 \$123,104 (£85,021)), of which disbursements and VAT amounted to £17,256 (2008 £30,021).

The charity is related to Oxford Russia Fund by virtue of Trustees being common to both charities. Grants of \$5,025,637 (2008 \$8,580,518) were payable to Oxford Russia Fund in the year.

## 10 ENDOWMENT FUNDS (EXPENDABLE)

The fund balance represents the original donation of \$500,000,000, which the donor specified was to be treated as an expendable endowment, together with movements on the funds since that date.

## 11 ANALYSIS OF NET ASSETS BY FUND

|                         | Unrestricted<br>Funds<br>\$ | Endowment<br>Fund<br>\$ | Total<br>\$        |
|-------------------------|-----------------------------|-------------------------|--------------------|
| Investments             | 1,502,466                   | 480,309,291             | 481,811,757        |
| Net current liabilities | <u>(1,502,466)</u>          | <u>-</u>                | <u>(1,502,466)</u> |
|                         | <u>-</u>                    | <u>480,309,291</u>      | <u>480,309,291</u> |