

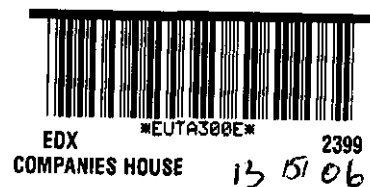
OXFORD RUSSIA FUND
ACCOUNTS FOR THE PERIOD
ENDED 31 DECEMBER 2005

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Company No: 5341971

Charity No: 1108957



OXFORD RUSSIA FUND

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2005

The Trustees submit their annual report and audited accounts for the period ended 31 December 2005.

The charity is a charitable company limited by guarantee (no: 5341971) and was incorporated on 25 January 2005. The charity is governed by its Memorandum and Articles of Association.

Charitable status was obtained on 11 April 2005 with the charity's registration number being 1108957.

Legal and Administrative Details

Trustees	A Tulloch	(appointed 14 April 2005)
	A Smith	(appointed 14 April 2005)
	A Dalton	(appointed 5 December 2005)
	C Young	(appointed 14 April 2005; resigned 5 December 2005)
Company secretary	A Tulloch	
Registered office	4 Hill Street London W1J 5NE	
Bankers	Lloyds TSB Bank Plc Berkeley Square Branch London W1J 6AF	
Auditors	Critchleys Greyfriars Court Paradise Square Oxford OX1 1BE	

Objectives

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

Organisational structure

The charity is managed by its Board of Trustees.

Review of activities of the charity and future developments

The charity makes grants primarily to educational institutions in Russia for the provision of scholarships to Russian students studying at Russian universities. For a full description of the various educational programmes supported by the charity please see the Fund's website at <http://www.oxfordrussiafund.org>.

OXFORD RUSSIA FUND**TRUSTEES' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2005****Relationship between the charity and related parties**

The Khodorkovsky Foundation, a charity with Trustees in common provides the vast majority of Oxford Russia Fund's income.

Reserves policy

As at 31 December 2005 free reserves (represented by unrestricted funds) were \$nil. This is because the charity currently receives restricted funds for specific projects.

Grant-making policy

The Trustees seek to advance education in Russia 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 Russian Universities which are willing to administer the scholarships.

- 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 will avoid too hasty a disbursement of income derived from its endowment in the Fund's early years whilst it builds up expertise and experience.

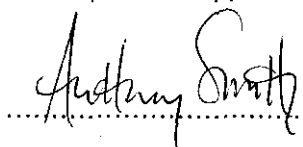
The Trustees' current policy is normally to accept grant proposals which have been initiated by the Fund.

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.

Risk management

The major risks, as identified by the Trustees, have been reviewed and systems established to mitigate those risks.

This report was approved by the Trustees on 24 April 2006.

 Trustee

OXFORD RUSSIA FUND**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Trustees are required to prepare accounts for each financial year, which 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 the year. In preparing those 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. 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.

OXFORD RUSSIA FUND
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXFORD RUSSIA FUND

We have audited the accounts of Oxford Russia Fund for the period ended 31 December 2005 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the Trustees (who are also the directors of Oxford Russia Fund the purposes of company law) are responsible for the preparation of the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. The other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

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.

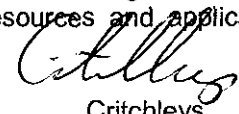
We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Smaller Entities, in the circumstances set out in note 1(a) to the accounts.

Opinion

In our opinion the accounts:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2005, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Oxford
 24 April 2006


 Critchleys
 Chartered Accountants
 Registered Auditors

OXFORD RUSSIA FUND

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2005

	Note	Restricted \$
Incoming Resources		
Grants receivable		770,580
Donations		1,715
Interest receivable		<u>506</u>
Total incoming resources		<u>772,801</u>
Resources Expended		
Charitable expenditure		
Grants payable in furtherance of the charity's objects	2	728,750
Costs of activities in furtherance of the charity's objects	3	20,580
Management and administration	4	<u>6,693</u>
Total resources expended		<u>756,023</u>
Net incoming resources		16,778
Funds at 31 December 2005		<u>16,778</u>

All activities are continuing.

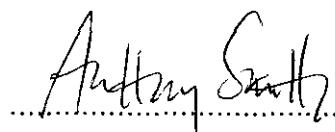
2005 represents the period 25 January 2005 to 31 December 2005.

OXFORD RUSSIA FUND
BALANCE SHEET AT 31 DECEMBER 2005

	Note	2005 \$
Current assets		
Cash at bank and in hand		<u>20,778</u>
		20,778
Creditors: amounts falling due within one year	5	<u>(4,000)</u>
Net assets		<u>16,778</u>
Funds		
Restricted funds	6	<u>16,778</u>

These accounts are prepared in United States Dollars.
The rate of exchange at 31 December 2005 is £1=\$1.715

These accounts were approved by the Trustees on 24 April 2006.

..... Trustee

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2005

1 ACCOUNTING POLICES

a) **Basis of preparation**

The accounts have been prepared in accordance with the historical cost convention (with exception of investments that are included at market value) and applicable accounting standards. The accounts have also been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and the Companies Act 1985.

In common with many charities of our size and nature, we use our auditors to assist with the preparation of the accounts.

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. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised by the charity for a specific purpose.

c) **Incoming resources**

Donations and grants are included in the Statement of Financial Activities when they are receivable.

d) **Resources expended**

Grants are included in resources expended when there is a liability to make the payment. All other expenditure is accounted for on an accruals basis under the appropriate expense category. Expenditure includes irrecoverable VAT where appropriate.

e) **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.

2 GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTS

2005
\$

Institutions:

Tomsk State University, Russian Federation	174,900
Higher School of Economics, Moscow	291,500
Ural State University, Russian Federation	58,300
Perm State University, Russian Federation	87,450
Novgorod State University, Russian Federation	<u>116,600</u>
	<u>728,750</u>

3 COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

2005
\$

Seminar held in the Russian Federation on Contemporary English Literature	<u>20,580</u>
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OXFORD RUSSIA FUND

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2005

4	MANAGEMENT AND ADMINISTRATION	2005
		\$
	Auditors' remuneration	4,000
	Bank charges	503
	Professional fees	<u>2,190</u>
		<u>6,693</u>

No Trustee received any remuneration or reimbursement of expenses in the period.

5	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005
		\$
	Accruals	<u>4,000</u>

6 RESTRICTED FUNDS

	Incoming Resources	Resources Expended	Balance at 31 December 2005
	\$	\$	\$
Russian Scholarship Programme	752,221	735,443	16,778
Other specific projects	<u>20,580</u>	<u>20,580</u>	<u>-</u>
	<u>772,801</u>	<u>756,023</u>	<u>16,778</u>

The Russian Scholarship Programme is to fund scholarships initially at five Russian Universities.

7 RELATED PARTIES

A Tulloch, A Smith and A Dalton are also the Trustees of the Khodorkovsky Foundation. The Khodorkovsky Foundation made grants to Oxford Russia Fund of \$770,580 during the year.