

KHODORKOVSKY FOUNDATION

England & Wales · Charity number 1106885

Details

Status Registered

Legal form Charitable company

Company number [04988238](#)

Registered 2004-11-19

Register [View on the Charity Commission register](#)

Contact

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London
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Activities

Objects: TO ADVANCE EDUCATION IN THE RUSSIAN FEDERATION THROUGH, INTER ALIA, THE PROVISION OF SCHOLARSHIPS TO STUDENTS AND THE MAKING OF DONATIONS TO EDUCATIONAL ESTABLISHMENTS AND TO PROMOTE SUCH OTHER PURPOSES AS ARE NOW OR MAY HEREAFTER BE DEEMED BY ENGLISH LAW TO BE CHARITABLE.

Activities: FOLLOWING THE DESIGNATION OF THE FOUNDATION AS AN UNDESIRABLE ORGANISATION BY THE RUSSIAN GOVERNMENT IN JULY 2021, THE TRUSTEES HAVE SOUGHT TO REFOCUS THE FOUNDATION'S GRANT MAKING POLICY (WHICH HAD HISTORICALLY FOCUSED ON THE SUPPORT OF EDUCATION IN RUSSIA) TO SUPPORT INSTITUTIONS OUTSIDE OF RUSSIA ENGAGED IN ADVANCING EDUCATION AND SUPPORTING CIVIL SOCIETY AND HUMAN RIGHTS.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Lithuania
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£9,673,533	£11,038,893	£689,676,508	0
2024-12-31	£12,170,128	£13,488,818	£671,066,294	0
2023-12-31	£13,127,798	£14,320,163	£602,787,684	0
2022-12-31	£3,592,089	£14,902,996	£565,015,662	0
2021-12-31	£2,875,591	£5,078,061	£627,176,894	0

Trustees

Name	Role	Appointed
ALASTAIR ROBERT CLIFFORD TULLOCH		2003-12-08
Anton Drel		2015-05-01
Maria Petina Logan		2020-09-14
Pavel Khodorkovskiy		2022-05-16
RUPERT MARK CALDECOTT		2011-08-24

Accounts

Company registration number 4988238 (England and Wales)

Charity registration number 1106885 (England and Wales)

KHODORKOVSKY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

KHODORKOVSKY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A R C Tulloch R M Caldecott A Drel M Logan P Khodorkovsky
Secretary	D A Forsdick
Charity number	1106885
Company number	4988238
Registered office	4 Hill Street London W1J 5NE
Auditor	Gravita Audit Oxford LLP First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Bankers	Schroder & Co 31 Gresham St. London EC2V 7QA
Solicitors	TGW Law 4 Hill Street London W13 5NE
Investment advisors	Morgan Stanley & Co. International Limited 25 Cabot Square Canary Wharf London E14 4QA Blackrock 33 King William St London EC4R 9AS Goldman Sachs International 133 Fleet Street London EC4A 2BB

KHODORKOVSKY FOUNDATION

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KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The 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, as well as to promote other charitable objects recognised by English Law.

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Grant-making policy

The Foundation was endowed in December 2003 with \$500 million for the main purpose of advancing education in Russia and thus supporting the development of a robust and active civil society in Russia.

Prior to being designated (along with its related charity, Oxford Russia Fund) an 'undesirable organisation' by the Russian Government in July 2021 (see below under 'Activities and Performance'), the Charity supported the Podmoskovny Lyceum, a boarding school for 168 socially deprived children, situated outside of Moscow.

Following the designation of the Charity as an 'undesirable organisation' by the Russian Government in July 2021, the trustees have sought to refocus the Charity's grant making policy to support institutions outside of Russia engaged in advancing education and supporting Civil Society and Human Rights and to support 'think tank' organisations that focus on research on Russia and the forces shaping Russia's long term future.

Achievements and performance

The grant giving activity of the Oxford Russia Fund in Russia ceased on account of its inclusion by the Russian Ministry of Justice of the Oxford Russia Fund in the list of undesirable organizations (Order No. 732-r dated 9th July 2021, list number 37, pursuant to the Federal Law of 28.12.2012 No 272 -FZ (as amended by the Federal Law of 23.5.2015 N 129-FZ (the "**Undesirable Organizations Law**").

Following the designation of the Foundation as an 'undesirable organisation' by the Russian Government in July 2021, the trustees have sought to refocus Foundation's grant making policy to support institutions outside of Russia engaged in advancing education and supporting Civil Society and Human Rights.

Grant-making

The Foundation awards grants, directly or indirectly, to a diverse range of organisations including:

- educational institutions providing funding to Russian academics and scholars;
- charitable organisations including those that seek to strengthen civil society, promote social inclusion, community development and the advocacy for human rights
- Media organisations providing grants to media workers and media organisations which (i) support journalists in challenging environments and (ii) promote the publication of independent and free information, the promotion of human rights (including the freedom of opinion and expression) and monitor human rights abuses;
- Think tank organisations that focus on research on Russia and the forces shaping Russia's long term future.

Financial review

Funding Sources

The charity was provided in December 2003 with an expendable endowment of \$500m and the funds for the work of the charity are derived from the income and capital gains generated by the endowment. The financial deficit before investment gains and losses amounted to \$9,493,000 (2024: \$11,634,000) detailed on page 8.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2025**

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. There are no unrestricted reserves but there is a significant expendable endowment which can be drawn upon to cover the costs of charitable activities in excess of the investment income earned.

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.

Three international investment banks manage the charity's funds.

Risk

The investment policy has a conservative attitude to risk.

Anticipated Disbursements

The long term aim of the charity is to make annual grants of at least 2.5% 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.

Monitoring of performance

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 (2025: \$928M; 2024: \$842M; 2023: \$766M) increased after the grants. The average annual charitable expenditure for the past three years as a percentage of invested assets (as at the end of the financial year) is approx. 1.87% (2024: 2.13%).

Principal risks and uncertainties

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 adopted 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.

Plans for future periods

The Charity is unable, for the time being, to support education in Russia (for which purpose the Charity was primarily established) in view of the inclusion of the Charity in the list of undesirable organizations pursuant to the Undesirable Organizations Law and has refocused its efforts on supporting charitable organisations outside of Russia, pending the ability to support education in Russia again.

Structure, governance and management

The Charity is a company limited by guarantee governed by its Memorandum and Articles of Association.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2025**

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A R C Tulloch

R M Caldecott

A Drel

M Logan

P Khodorkovsky

Recruitment and appointment of trustees

Trustees are selected on the basis of the skills and experience they were able to contribute in the fields of education and human rights, investment management and charity administration and have been drawn from persons known to the trustees, as supportive of the charity's work.. The Trustees have been selected for their skills and professionalism and come with many years of experience in different walks of life.

Organisational structure and relationship with related parties

The charity is managed by its Board of Trustees. Day-to-day management is delegated to A Tulloch.

Statement of trustees' responsibilities

The Trustees, who are also the directors of Khodorkovsky Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements 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.

Auditor

In accordance with the company's articles, a resolution proposing that Gravita Audit Oxford LLP be reappointed as auditor of the company will be put at a General Meeting.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company exemptions

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



Mr A R C Tulloch

Trustee

Date: 13th March 2026

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Opinion

We have audited the financial statements of Khodorkovsky Foundation (the 'Charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the terms of grant agreements and Charity Commission regulation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with the Charity Commission and the company's legal advisers; and
- reviewing the terms of grant agreements

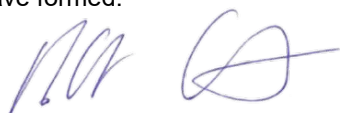
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of Gravita Audit Oxford LLP, Statutory Auditor
Chartered Accountants
First Floor, Park Central
40-41 Park End Street
Oxford
OX1 1JD
Date: 16/3/2026.....

KHODORKOVSKY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

		Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	Notes	2025 \$000	2025 \$000	2025 \$000	2024 \$000	2024 \$000	2024 \$000
Income from:							
Investments	3	5,351	-	5,351	5,254	-	5,254
Total income		5,351	-	5,351	5,254	-	5,254
Expenditure on:							
<u>Raising funds</u>							
Investment management	4	-	1,836	1,836	-	1,651	1,651
Charitable activities	5	13,008	-	13,008	15,237	-	15,237
Total expenditure		13,008	1,836	14,844	15,237	1,651	16,888
Net gains/(losses) on investments		-	96,726	96,726	-	84,400	84,400
Net income/(expenditure)		(7,657)	94,890	87,233	(9,983)	82,749	72,766
Transfers between funds		7,657	(7,657)	-	9,983	(9,983)	-
Net movement in funds	8	-	87,233	87,233	-	72,766	72,766
Reconciliation of funds:							
Fund balances at 1 January 2025		-	840,175	840,175	-	767,409	767,409
Fund balances at 31 December 2025		-	927,408	927,408	-	840,175	840,175

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

KHODORKOVSKY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2025

	All income funds	
	2025	2024
	\$000	\$000
Gross income	5,351	5,254
Transfer from endowment funds	7,657	9,983
Total income in the reporting period	13,008	15,237
Total expenditure from income funds	13,008	15,237
Net expenditure for the year	-	-

KHODORKOVSKY FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2025

		2025		2024	
	Notes	\$000	\$000	\$000	\$000
Fixed assets					
Investments	12		927,772		841,707
Current assets					
Cash at bank and in hand		5,311		290	
Creditors: amounts falling due within one year	13	(3,657)		(1,614)	
Net current assets/(liabilities)			1,654		(1,324)
Total assets less current liabilities			929,426		840,383
Creditors: amounts falling due after more than one year	14		(2,018)		(208)
Net assets			927,408		840,175
The funds of the Charity					
Endowment funds	15		927,408		840,175
			927,408		840,175

These financial statements are prepared in United States Dollars.

The rate of exchange at 31 December 2025 is £1=\$1.3447 (2024: £1 =\$1.2520)

The financial statements were approved and authorised for issue by the Trustees on 13th March 2026



Mr A R C Tulloch
Trustee

Company registration number 4988238 (England and Wales)

KHODORKOVSKY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025		2024	
	Notes	\$000	\$000	\$000	\$000
Cash flows from operating activities					
Cash absorbed by operations	18		(10,991)		(18,473)
Investing activities					
Purchase of investments		(317,153)		(152,901)	
Proceeds from disposal of investments		331,302		157,009	
Investment income received		5,351		5,254	
Net cash generated from investing activities			19,500		9,362
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			8,509		(9,111)
Cash and cash equivalents at beginning of year			2,110		11,221
Cash and cash equivalents at end of year			10,619		2,110
Relating to:					
Cash at bank and in hand			5,311		290
Short term deposits included in current asset investments			5,308		1,820

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

Khodorkovsky Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is TGW Law, 4 Hill Street, London, W1J 5NE.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) and the Companies Act 2006. The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in United States dollars, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

The financial statements have been prepared under the historical cost convention, modified to include fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 expenditure that exceeds 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.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.5 Expenditure

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 raising funds (investment management costs).

Grants payable

Grants are included in expenditure under charitable activities 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.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Fair 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.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The main judgement is the valuation of unquoted investments.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3 Income from investments

	Unrestricted funds 2025 \$000	Unrestricted funds 2024 \$000
Income from listed investments	4,809	4,712
Interest receivable	542	542
	<u>5,351</u>	<u>5,254</u>

4 Raising funds

	Endowment funds general 2025 \$000	Endowment funds general 2024 \$000
Investment management	1,836	1,651
	<u>1,836</u>	<u>1,651</u>

5 Expenditure on charitable activities

	Advance- ment of Education 2025 \$000	Support for Human Rights/Civil Society 2025 \$000	Total 2025 \$000	Advance- ment of Education 2024 \$000	Support for Human Rights/Civil Society 2024 \$000	Total 2024 \$000
Direct costs						
Grant funding of activities (see note 6)	6,684	6,019	12,703	1,487	13,456	14,943
Share of support and governance costs (see note 7)						
Support	98	88	186	18	165	183
Governance	63	56	119	11	100	111
	<u>6,845</u>	<u>6,163</u>	<u>13,008</u>	<u>1,516</u>	<u>13,721</u>	<u>15,237</u>
Analysis by fund						
Unrestricted funds	<u>6,845</u>	<u>6,163</u>	<u>13,008</u>	<u>1,516</u>	<u>13,721</u>	<u>15,237</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6 Grants payable

	Advance- ment of Education	Support for Human Rights/Civil Society	Total 2025	Advance- ment of Education	Support for Human Rights/Civil Society	Total 2024
	2025 \$000	2025 \$000	\$000	2024 \$000	2024 \$000	\$000
Grants to institutions:						
VSI New Research Centre	-	4,938	4,938	-	2,144	2,144
New Generation Europe Foundation	-	-	-	-	10,000	10,000
Foundation for Democratic Development	-	150	150	-	-	-
Justice for Journalists Foundation	-	-	-	-	500	500
Pushkin House	160	-	160	-	31	31
The Eastern Europe Research Foundation	3,006	-	3,006	378	-	378
Centre for Liberal Modernity	-	63	63	-	631	631
Zukunft Memorial	-	205	205	-	-	-
Lantos Foundation	-	75	75	-	150	150
New Eurasia Strategies Centre	-	629	629	-	-	-
Other - exempt from disclosure	3,518	-	3,518	1,109	-	1,109
Adjustments	-	(41)	(41)	-	-	-
	<u>6,684</u>	<u>6,019</u>	<u>12,703</u>	<u>1,487</u>	<u>13,456</u>	<u>14,943</u>

'Other - exempt from disclosure' grants above comprises wholly of grants made to 2 (2024: 4) institutions. The grants are in support of education in line with the charity's objectives but are exempt from disclosure on the basis of serious prejudice and therefore no further detail has been given.

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KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

7 Support costs

	Support costs \$000	Governance costs \$000	2025 Support costs \$000	Governance costs \$000	2024 \$000
Charity administration and monitoring of activities	126	-	126	120	120
Other expenses, including exchange differences	60	-	60	63	63
Audit fees	-	23	23	-	21
Tax compliance fees (to audit firm)	-	3	3	-	4
Legal and professional	-	93	93	-	86
	<u>186</u>	<u>119</u>	<u>305</u>	<u>183</u>	<u>294</u>
Analysed between Charitable activities	<u>186</u>	<u>119</u>	<u>305</u>	<u>183</u>	<u>294</u>

8 Net movement in funds

	2025 \$000	2024 \$000
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>23</u>	<u>21</u>

9 Trustees

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 TGW Law charged the charity a VAT inclusive amount of \$186,625 (£138,703) (2024: \$174,674 (£139,521)) of which disbursements and VAT amounted to £23,703 (2024: £23,865). Some of the disbursements are travel expenses for Trustees.

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than \$60,000.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 Fixed asset investments

	Equities	Alternative investments	Fixed income	Commodity and property funds	Cash within investment portfolio	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation						
At 1 January 2025	446,272	294,199	89,077	10,339	1,820	841,707
Additions	277,990	34,441	-	4,722	-	317,153
Valuation changes	58,543	29,135	8,154	894	-	96,726
Movement in cash held	-	-	-	-	3,488	3,488
Disposals	(301,516)	(29,237)	(549)	-	-	(331,302)
At 31 December 2025	481,289	328,538	96,682	15,955	5,308	927,772
Carrying amount						
At 31 December 2025	481,289	328,538	96,682	15,955	5,308	927,772
At 31 December 2024	446,272	294,199	89,077	10,339	1,820	841,707

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

13 Creditors: amounts falling due within one year

	2025 \$000	2024 \$000
Grants payable	2,735	727
Accruals and deferred income	922	887
	<u>3,657</u>	<u>1,614</u>

14 Creditors: amounts falling due after more than one year

	2025 \$000	2024 \$000
Grants payable	<u>2,018</u>	<u>208</u>

15 Endowment funds

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.

	At 1 January 2025 \$000	Expenditure \$000	Transfers \$000	Gains and losses \$000	At 31 December 2025 \$000
Expendable endowments					
Endowment funds (expendable)	<u>840,175</u>	<u>(1,836)</u>	<u>(7,657)</u>	<u>96,726</u>	<u>927,408</u>
Previous year:					
	At 1 January 2024 \$000	Expenditure \$000	Transfers \$000	Gains and losses \$000	At 31 December 2024 \$000
Expendable endowments					
Endowment funds (expendable)	<u>767,409</u>	<u>(1,651)</u>	<u>(9,983)</u>	<u>84,400</u>	<u>840,175</u>

Transfers represent amounts transferred to unrestricted funds to cover the deficit on unrestricted funds.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

16 Analysis of net assets between funds

	Unrestricted funds 2025 \$000	Endowment funds 2025 \$000	Total 2025 \$000
At 31 December 2025:			
Investments	-	927,772	927,772
Current assets/(liabilities)	2,018	(364)	1,654
Long term liabilities	(2,018)	-	(2,018)
	<u>-</u>	<u>927,408</u>	<u>927,408</u>
	<u><u>-</u></u>	<u><u>927,408</u></u>	<u><u>927,408</u></u>
	Unrestricted funds 2024 \$000	Endowment funds 2024 \$000	Total 2024 \$000
At 31 December 2024:			
Investments	-	841,707	841,707
Current assets/(liabilities)	208	(1,532)	(1,324)
Long term liabilities	(208)	-	(208)
	<u>-</u>	<u>840,175</u>	<u>840,175</u>
	<u><u>-</u></u>	<u><u>840,175</u></u>	<u><u>840,175</u></u>

17 Related party transactions

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

The charity is related to New Eurasian Strategic Centre as the organisations have Trustees in common directly and as connected persons. Funding was provided to the New Eurasian Strategic Centre of \$292k (2024: nil) during the year. In addition an expense/liability of \$336k (2024: nil) has been included in these financial statements for future payments.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

18	Cash absorbed by operations	2025	2024
		\$000	\$000
	Surplus for the year	87,233	72,766
	Adjustments for:		
	Investment income recognised in statement of financial activities	(5,351)	(5,254)
	Fair value gains and losses on investments	(96,726)	(84,400)
	Movements in working capital:		
	Increase/(decrease) in creditors	3,853	(1,585)
		<u> </u>	<u> </u>
	Cash absorbed by operations	(10,991)	(18,473)
		<u> </u>	<u> </u>

19 Analysis of changes in net funds

The Charity had no material debt during the year.

Accounts

Charity registration number 1106885 (England and Wales)

Company registration number 4988238

KHODORKOVSKY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

KHODORKOVSKY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A R Tulloch R M Caldecott A Drel M Logan P Khodorkovsky
Secretary	D A Forsdick
Charity number	1106885
Company number	4988238
Registered office	4 Hill Street London W1J 5NE
Auditor	Gravita Audit Oxford LLP First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Bankers	Schroder & Co 31 Gresham St. London EC2V 7QA
Solicitors	TGW Law 4 Hill Street London W1J 5NE
Investment advisors	Morgan Stanley & Co. International Limited 25 Cabot Square Canary Wharf London E14 4QA Blackrock 33 King William St London EC4R 9AS Goldman Sachs International 133 Fleet Street London EC4A 2BB

KHODORKOVSKY FOUNDATION

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KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The 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, as well as to promote other charitable objects recognised by English Law.

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Grant-making policy

The Foundation was endowed in December 2003 with \$500 million for the main purpose of advancing education in Russia and thus supporting the development of a robust and active civil society in Russia.

Prior to being designated (along with its related charity, Oxford Russia Fund) an 'undesirable organisation' by the Russian Government in July 2021 (see below under 'Activities and Performance'), the Charity supported the Podmoskovny Lyceum, a boarding school for 168 socially deprived children, situated outside of Moscow and the Oxford Russia Fund

Following the designation of the Foundation as an 'undesirable organisation' by the Russian Government in July 2021, the trustees have sought to refocus Foundation's grant making policy to support institutions outside of Russia engaged in advancing education and supporting Civil Society and Human Rights.

Achievements and performance

Through the grant making activities of the Oxford Russia Fund, which was supported by the Charity, 22,794 specialist students, 10,288 undergraduate students, 7,698 graduate and 995 postgraduate students at Russian Universities were, in the period 2005- 2021, awarded monthly scholarships of approximately USD110 (192 for students at Higher School of Economics) (using an average dollar rate of USD1=RUR52).

Further, Oxford Russia Fund, during the period 2005-2021, sponsored 43 summer and winter schools and provided English language humanities libraries to 20 Russian Universities.

In addition, the Oxford Russia Fund, provided in 2019-2021, 30 graduate scholarships at USD 4,834 each and 26 fellowships at approximately USD 14,772 each.

The Scholarships were awarded on merit and were designed to encourage the study of the humanities in Russian State Universities.

The grant giving activity of the Oxford Russia Fund in Russia ceased on account of its inclusion by the Russian Ministry of Justice of the Oxford Russia Fund in the list of undesirable organizations (Order No. 732-r dated 9th July 2021, list number 37, pursuant to the Federal Law of 28.12.2012 No 272 -FZ (as amended by the Federal Law of 23.5.2015 N 129-FZ (the "Undesirable Organizations Law").

Following the designation of the Foundation as an 'undesirable organisation' by the Russian Government in July 2021, the trustees have sought to refocus Foundation's grant making policy to support institutions outside of Russia engaged in advancing education and supporting Civil Society and Human Rights.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Podmoskovny Lyceum

As a result of the support by the Khodorkovsky Foundation (prior to the Russian Government's designation of the Foundation as an undesirable organisation), over the period 2006-2021 of the Podmoskovny Lyceum, a boarding school outside of Moscow for socially deprived children, 2,945 pupils received a secondary school education of the highest quality in a caring environment.

Grant-making

The Foundation awards grants, directly or indirectly, to a diverse range of organisations including:

- educational institutions providing funding to Russian academics and scholars;
- charitable organisations including those that seek to strengthen civil society, promote social inclusion, community development and the advocacy for human rights
- Media organisations providing grants to media workers and media organisations which (i) support journalists in challenging environments and (ii) promote the publication of independent and free information, the promotion of human rights (including the freedom of opinion and expression) and monitor human rights abuses;
- Think tank organisations that focus on research on Russia and the forces shaping Russia's long term future.

Financial review

Funding Sources

The charity was provided in December 2003 with an expendable endowment of \$500m and the funds for the work of the charity are derived from the income and capital gains generated by the endowment. The financial deficit before investment gains and losses amounted to \$11,634,000 (2023: \$13,417,000) detailed on page 8.

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. There are no unrestricted reserves but there is a significant expendable endowment which can be drawn upon to cover the costs of charitable activities in excess of the investment income earned.

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.

Three international investment banks manage the charity's funds.

Risk

The investment policy has a conservative attitude to risk.

Anticipated Disbursements

The long term aim of the charity is to make annual grants of at least 2.5% 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.

Monitoring of performance

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 (2024: \$842M; 2023: \$766M; 2022:\$683M) increased after the grants. This was mainly due to equity and debt markets stabilising after 2022 volatility. The average annual charitable expenditure for the past three years as a percentage of invested assets (as at the end of the financial year) is approx. 2.13% (2023: 1.74%).

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

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 adopted 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.

Plans for future periods

The Charity is unable, for the time being, to support education in Russia (for which purpose the Charity was primarily established) in view of the inclusion of the Charity in the list of undesirable organizations pursuant to the Undesirable Organizations Law and has refocused its efforts on supporting charitable organisations outside of Russia, pending the ability to support education in Russia again.

Structure, governance and management

The Charity is a company limited by guarantee governed by its Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A R Tulloch
R M Caldecott
A Drel
M Logan
P Khodorkovsky

Recruitment and appointment of trustees

Trustees are selected on the basis of the skills and experience they were able to contribute in the fields of education and human rights, investment management and charity administration and have been drawn from persons known to the trustees, as supportive of the charity's work.. The Trustees have been selected for their skills and professionalism and come with many years of experience in different walks of life.

Organisational structure and relationship with related parties

The charity is managed by its Board of Trustees. Day-to-day management is delegated to A Tulloch.

Statement of trustees' responsibilities

The Trustees, who are also the directors of Khodorkovsky Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements 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.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company exemptions

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



A R Tulloch

Trustee

Date: 31st March 2025

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Opinion

We have audited the financial statements of Khodorkovsky Foundation (the 'Charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the terms of grant agreements and Charity Commission regulation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with the Charity Commission and the company's legal advisers; and
- reviewing the terms of grant agreements

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of Gravita Audit Oxford LLP, Statutory Auditor

Chartered Accountants

First Floor, Park Central

40-41 Park End Street

Oxford

OX1 1JD

Date: 3/4/2025.....

KHODORKOVSKY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
		2024	2024	2024	2023	2023	2023
	Notes	\$000	\$000	\$000	\$000	\$000	\$000
Income from:							
Investments	3	5,254	-	5,254	4,814	-	4,814
Total income		<u>5,254</u>	<u>-</u>	<u>5,254</u>	<u>4,814</u>	<u>-</u>	<u>4,814</u>
Expenditure on:							
<u>Raising funds</u>							
Investment management	4	-	1,651	1,651	-	1,518	1,518
Charitable activities	5	15,237	-	15,237	16,713	-	16,713
Total expenditure		<u>15,237</u>	<u>1,651</u>	<u>16,888</u>	<u>16,713</u>	<u>1,518</u>	<u>18,231</u>
Net gains/(losses) on investments		<u>-</u>	<u>84,400</u>	<u>84,400</u>	<u>-</u>	<u>97,067</u>	<u>97,067</u>
Net income/(expenditure)		(9,983)	82,749	72,766	(11,899)	95,549	83,650
Transfers between funds		<u>9,983</u>	<u>(9,983)</u>	<u>-</u>	<u>11,899</u>	<u>(11,899)</u>	<u>-</u>
Net movement in funds	8	-	72,766	72,766	-	83,650	83,650
Reconciliation of funds:							
Fund balances at 1 January 2024		<u>-</u>	<u>767,409</u>	<u>767,409</u>	<u>-</u>	<u>683,759</u>	<u>683,759</u>
Fund balances at 31 December 2024		<u>-</u>	<u>840,175</u>	<u>840,175</u>	<u>-</u>	<u>767,409</u>	<u>767,409</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

KHODORKOVSKY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

	All income funds	
	2024	2023
	\$000	\$000
Gross income	5,254	4,814
Transfer from endowment funds	9,983	11,899
Total income in the reporting period	15,237	16,713
Total expenditure from income funds	15,237	16,713
Net expenditure for the year	-	-

KHODORKOVSKY FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	\$000	\$000	\$000	\$000
Fixed assets					
Investments	12		841,707		766,606
Current assets					
Cash at bank and in hand		290		4,210	
Creditors: amounts falling due within one year	13	(1,614)		(3,407)	
Net current (liabilities)/assets			(1,324)		803
Total assets less current liabilities			840,383		767,409
Creditors: amounts falling due after more than one year	14		(208)		-
Net assets			840,175		767,409
The funds of the Charity					
Endowment funds	15		840,175		767,409
			840,175		767,409

These financial statements are prepared in United States Dollars.

The rate of exchange at 31 December 2024 is £1=\$1.2520 (2023: £1 =\$1.2731)

The financial statements were approved and authorised for issue by the Trustees on 31st March 2025



A R Tulloch
Trustee

Company registration number 4988238 (England and Wales)

KHODORKOVSKY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 \$000	\$000	2023 \$000	\$000
Cash flows from operating activities					
Cash absorbed by operations	18		(18,473)		(16,970)
Investing activities					
Purchase of investments		(152,901)		(149,885)	
Proceeds from disposal of investments		157,009		167,182	
Investment income received		5,254		4,814	
Net cash generated from investing activities			9,362		22,111
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(9,111)		5,141
Cash and cash equivalents at beginning of year			11,221		6,080
Cash and cash equivalents at end of year			2,110		11,221
Relating to:					
Cash at bank and in hand			290		4,210
Cash within investment portfolio			1,820		7,011

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Khodorkovsky Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is TGW Law, 4 Hill Street, London, W1J 5NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) and the Companies Act 2006. The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in dollars, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

The financial statements have been prepared under the historical cost convention, modified to include fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 expenditure that exceeds 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.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

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 raising funds (investment management costs).

Grants payable

Grants are included in expenditure under charitable activities 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.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Fair 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.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The main judgement is the valuation of unquoted investments.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from investments

	Unrestricted funds 2024 \$000	Unrestricted funds 2023 \$000
Income from listed investments	4,712	4,225
Other income	542	589
	<u>5,254</u>	<u>4,814</u>

4 Raising funds

	Endowment funds general 2024 \$000	Endowment funds general 2023 \$000
Investment management	1,651	1,518
	<u>1,651</u>	<u>1,518</u>

5 Expenditure on charitable activities

	Advance- ment of Education 2024 \$000	Support for Human Rights/Civil Society 2024 \$000	Total 2024 \$000	Advance- ment of Education 2023 \$000	Support for Human Rights/Civil Society 2023 \$000	Total 2023 \$000
Direct costs						
Grant funding of activities (see note 6)	1,487	13,456	14,943	3,822	12,555	16,377
Share of support and governance costs (see note 7)						
Support	18	165	183	53	174	227
Governance	11	100	111	25	84	109
	<u>1,516</u>	<u>13,721</u>	<u>15,237</u>	<u>3,900</u>	<u>12,813</u>	<u>16,713</u>
Analysis by fund						
Unrestricted funds	<u>1,516</u>	<u>13,721</u>	<u>15,237</u>	<u>3,900</u>	<u>12,813</u>	<u>16,713</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Grants payable

	Advance- ment of Education	Support for Human Rights/Civil Society	Total 2024	Advance- ment of Education	Support for Human Rights/Civil Society	Total 2023
	2024 \$000	2024 \$000	\$000	2023 \$000	2023 \$000	\$000
Grants to institutions:						
Oxford Russia Fund	-	-	-	2	-	2
VSI New Research Centre	-	2,144	2,144	-	-	-
New Generation Europe Foundation	-	10,000	10,000	-	-	-
Save and Rebuild	-	-	-	-	11,750	11,750
Justice for Journalists Foundation	-	500	500	-	780	780
New Horizons Vienna	-	31	31	-	-	-
The Eastern Europe Research Foundation	378	-	378	2,855	-	2,855
Centre for Liberal Modernity	-	631	631	-	-	-
Lantos Foundation	-	150	150	-	-	-
Drachim-Merkaz	-	-	-	-	13	13
The Big Issue Foundation	-	-	-	-	12	12
Other - exempt from disclosure	1,109	-	1,109	840	-	840
The Ohio University Foundation	-	-	-	125	-	125
	<u>1,487</u>	<u>13,456</u>	<u>14,943</u>	<u>3,822</u>	<u>12,555</u>	<u>16,377</u>

'Other' grants above comprises wholly of grants made to 4 institutions. The grants are in support of education in line with the charity's objectives but are exempt from disclosure on the basis of serious prejudice and therefore no further detail has been given.

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KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Support costs

	Support costs \$000	Governance costs \$000	2024 Support costs \$000	Governance costs \$000	2023 \$000
Charity administration and monitoring of activities	120	-	120	155	155
Other expenses, including exchange differences	63	-	63	72	72
Audit fees	-	21	21	-	20
Tax compliance fees (to audit firm)	-	4	4	-	4
Legal and professional	-	86	86	-	85
	<u>183</u>	<u>111</u>	<u>294</u>	<u>227</u>	<u>336</u>
Analysed between Charitable activities	<u>183</u>	<u>111</u>	<u>294</u>	<u>227</u>	<u>336</u>

8 Net movement in funds

	2024 \$000	2023 \$000
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>21</u>	<u>20</u>

9 Trustees

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 TGW Law charged the charity a VAT inclusive amount of \$174,674 (£139,521) (2023: \$169,233 (£132,938)) of which disbursements and VAT amounted to £23,865 (2023: £22,938). Some of the disbursements are travel expenses for Trustees.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than \$60,000.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

12 Fixed asset investments

	Equities	Alternative investments	Fixed income	Commodity and property funds	Cash within investment portfolio	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation						
At 1 January 2024	412,889	253,437	84,932	8,337	7,011	766,606
Additions	104,772	45,770	-	2,359	-	152,901
Valuation changes	50,755	29,222	4,780	(357)	-	84,400
Movement in cash held	-	-	-	-	(5,191)	(5,191)
Disposals	(122,144)	(34,230)	(635)	-	-	(157,009)
At 31 December 2024	446,272	294,199	89,077	10,339	1,820	841,707
Carrying amount						
At 31 December 2024	446,272	294,199	89,077	10,339	1,820	841,707
At 31 December 2023	412,889	253,437	84,932	8,337	7,011	766,606

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Creditors: amounts falling due within one year

	2024 \$000	2023 \$000
Grants payable	727	2,511
Accruals and deferred income	887	896
	<u>1,614</u>	<u>3,407</u>

14 Creditors: amounts falling due after more than one year

	2024 \$000	2023 \$000
Grants payable	<u>208</u>	<u>-</u>

15 Endowment funds

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.

	At 1 January 2024 \$000	Expenditure \$000	Transfers \$000	Gains and losses \$000	At 31 December 2024 \$000
Expendable endowments					
Endowment funds (expendable)	<u>767,409</u>	<u>(1,651)</u>	<u>(9,983)</u>	<u>84,400</u>	<u>840,175</u>
Previous year:	At 1 January 2023 \$000	Expenditure \$000	Transfers \$000	Gains and losses \$000	At 31 December 2023 \$000
Expendable endowments					
Endowment funds (expendable)	<u>683,759</u>	<u>(1,518)</u>	<u>(11,899)</u>	<u>97,067</u>	<u>767,409</u>

Transfers represent amounts transferred to unrestricted funds to cover the deficit on unrestricted funds.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

16 Analysis of net assets between funds

	Unrestricted funds 2024 \$000	Endowment funds 2024 \$000	Total 2024 \$000
At 31 December 2024:			
Investments	-	841,707	841,707
Current assets/(liabilities)	208	(1,532)	(1,324)
Long term liabilities	(208)	-	(208)
	<u>-</u>	<u>840,175</u>	<u>840,175</u>
	Unrestricted funds 2023 \$000	Endowment funds 2023 \$000	Total 2023 \$000
At 31 December 2023:			
Investments	-	766,606	766,606
Current assets/(liabilities)	-	803	803
	<u>-</u>	<u>767,409</u>	<u>767,409</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

18 Cash absorbed by operations	2024 \$000	2023 \$000
Surplus for the year	72,766	83,650
Adjustments for:		
Investment income recognised in statement of financial activities	(5,254)	(4,814)
Fair value gains and losses on investments	(84,400)	(97,067)
Movements in working capital:		
(Decrease)/increase in creditors	(1,585)	1,261
Cash absorbed by operations	<u>(18,473)</u>	<u>(16,970)</u>

19 Analysis of changes in net funds

The Charity had no material debt during the year.

Accounts

Charity registration number 1106885

Company registration number 4988238 (England and Wales)

KHODORKOVSKY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

KHODORKOVSKY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A R Tulloch R M Caldecott A Drel M Logan P Khodorkovsky
Secretary	D A Forsdick
Charity number	1106885
Company number	4988238
Registered office	4 Hill Street London W1J 5NE
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	Schroder & Co 31 Gresham St. London EC2V 7QA
Solicitors	TGW Law 4 Hill Street London W13 5NE
Investment advisors	Morgan Stanley & Co. International Limited 25 Cabot Square Canary Wharf London E14 4QA Blackrock 33 King William St London EC4R 9AS Goldman Sachs International 133 Fleet Street London EC4A 2BB

KHODORKOVSKY FOUNDATION

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Summary income and expenditure account	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 20

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The 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, as well as to promote other charitable objects recognised by English Law.

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Grant-making policy

The Foundation was endowed in December 2003 with \$500 million for the main purpose of advancing education in Russia and thus supporting the development of a robust and active civil society in Russia.

Prior to being designated (along with its related charity, Oxford Russia Fund) an 'undesirable organisation' by the Russian Government in July 2021 (see below under 'Activities and Performance'), the Charity supported the Podmoskovny Lyceum, a boarding school for 168 socially deprived children, situated outside of Moscow and the Oxford Russia Fund

Following the designation of the Foundation as an 'undesirable organisation' by the Russian Government in July 2021, the trustees have sought to refocus Foundation's grant making policy to support institutions outside of Russia engaged in advancing education and supporting Civil Society and Human Rights.

Achievements and performance

Through the grant making activities of the Oxford Russia Fund, which was supported by the Charity, 22,794 specialist students, 10,288 undergraduate students, 7,698 graduate and 995 postgraduate students at Russian Universities were, in the period 2005- 2021, awarded monthly scholarships of approximately USD110 (192 for students at Higher School of Economics) (using an average dollar rate of USD1=RUR52).

Further, Oxford Russia Fund, during the period 2005-2021, sponsored 43 summer and winter schools and provided English language humanities libraries to 20 Russian Universities.

In addition, the Oxford Russia Fund, provided in 2019-2021, 30 graduate scholarships at USD 4,834 each and 26 fellowships at approximately USD 14,772 each.

The Scholarships were awarded on merit and were designed to encourage the study of the humanities in Russian State Universities.

The grant giving activity of the Oxford Russia Fund in Russia ceased on account of its inclusion by the Russian Ministry of Justice of the Oxford Russia Fund in the list of undesirable organizations (Order No. 732-r dated 9th July 2021, list number 37, pursuant to the Federal Law of 28.12.2012 No 272 -FZ (as amended by the Federal Law of 23.5.2015 N 129-FZ (the "**Undesirable Organizations Law**").

Following the designation of the Foundation as an 'undesirable organisation' by the Russian Government in July 2021, the trustees have sought to refocus Foundation's grant making policy to support institutions outside of Russia engaged in advancing education and supporting Civil Society and Human Rights.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Podmoskovny Lyceum

As a result of the support by the Khodorkovsky Foundation (prior to the Russian Government's designation of the Foundation as an undesirable organisation) , over the period 2006-2021 of the Podmoskovny Lyceum, a boarding school outside of Moscow for socially deprived children, 2,945 pupils received a secondary school education of the highest quality in a caring environment.

Financial review

Funding Sources

The charity was provided in December 2003 with an expendable endowment of \$500m and the funds for the work of the charity are derived from the income and capital gains generated by the endowment. The financial deficit before investment gains and losses amounted to \$13,417,000 (2022: \$13,688,000) detailed on page 9.

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. There are no unrestricted reserves but there is a significant expendable endowment which can be drawn upon to cover the costs of charitable activities in excess of the investment income earned.

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.

Three international investment banks manage the charity's funds.

Risk

The investment policy has a conservative attitude to risk.

Anticipated Disbursements

The long term aim of the charity is to make annual grants of at least 2.5% 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.

Monitoring of performance

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 (2023: \$766M; 2022:\$683M; 2021: \$840M) increased after the grants. This was mainly due to equity and debt markets stabilising after 2022 volatility. The average annual charitable expenditure for the past three years as a percentage of invested assets (as at the end of the financial year) is approx. 1.74% (2022: 1.65%).

Principal risks and uncertainties

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 adopted 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.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2023**

Plans for future periods

The Charity is unable, for the time being, to support education in Russia (for which purpose the Charity was primarily established) in view of the inclusion of the Charity in the list of undesirable organizations pursuant to the Undesirable Organizations Law and has refocused its efforts on supporting charitable organisations outside of Russia, pending the ability to support education in Russia again.

Structure, governance and management

The Charity is a company limited by guarantee governed by its Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A R Tulloch

R M Caldecott

A Drel

M Logan

P Khodorkovsky

Trustees are selected on the basis of the skills and experience they were able to contribute in the fields of education and human rights, investment management and charity administration and have been drawn from persons known to the trustees, as supportive of the charity's work.. The Trustees have been selected for their skills and professionalism and come with many years of experience in different walks of life.

Organisational structure and relationship with related parties

The charity is managed by its Board of Trustees. Day-to-day management is delegated to A Tulloch.

Statement of trustees' responsibilities

The Trustees, who are also the directors of Khodorkovsky Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements 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.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

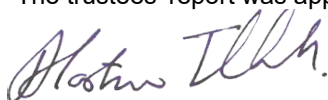
Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company exemptions

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



.....
A R Tulloch

Trustee

Date: 25th March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Opinion

We have audited the financial statements of Khodorkovsky Foundation (the 'Charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the terms of grant agreements and Charity Commission regulation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with the Charity Commission and the company's legal advisers; and
- reviewing the terms of grant agreements

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

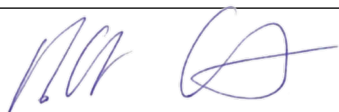
Use of our report

This report is made solely to the charitable 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 charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION



Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP

27/3/2024
.....

Chartered Accountants
Statutory Auditor

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

KHODORKOVSKY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	Notes	2023 \$000	2023 \$000	2023 \$000	2022 \$000	2022 \$000	2022 \$000
Income from:							
Investments	3	4,814	-	4,814	4,347	-	4,347
Expenditure on:							
<u>Raising funds</u>							
Investment management	4	-	1,518	1,518	-	1,553	1,553
Charitable activities	5	16,713	-	16,713	16,482	-	16,482
Total expenditure		16,713	1,518	18,231	16,482	1,553	18,035
Net gains/(losses) on investments	11	-	97,067	97,067	-	(148,577)	(148,577)
Net income/(expenditure)		(11,899)	95,549	83,650	(12,135)	(150,130)	(162,265)
Transfers between funds	13	11,899	(11,899)	-	12,135	(12,135)	-
Net movement in funds		-	83,650	83,650	-	(162,265)	(162,265)
Reconciliation of funds:							
Fund balances at 1 January 2023		-	683,759	683,759	-	846,024	846,024
Fund balances at 31 December 2023		-	767,409	767,409	-	683,759	683,759

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

KHODORKOVSKY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	All income funds 2023 \$000	All income funds 2022 \$000
Gross income	4,814	4,347
Transfer from endowment funds	11,899	12,135
Total income in the reporting period	16,713	16,482
Total expenditure from income funds	16,713	16,482
Net expenditure for the year	-	-

KHODORKOVSKY FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 \$000	\$000	2022 \$000	\$000
Fixed assets					
Investments	11		766,606		683,602
Current assets					
Cash at bank and in hand		4,210		2,303	
Creditors: amounts falling due within one year	12	(3,407)		(2,146)	
Net current assets			803		157
Total assets less current liabilities			767,409		683,759
Capital funds					
<u>Endowment funds - general</u>					
Expendable endowment	13		767,409		683,759
Income funds					
Unrestricted funds			-		-
			767,409		683,759

These financial statements are prepared in United States Dollars.
The rate of exchange at 31 December 2023 is £1=\$1.2731 (2022: £1 =\$1.2090)

The financial statements were approved and authorised for issue by the Trustees on 25th March 2024



A R Tulloch
Trustee

Company Registration No. 4988238

KHODORKOVSKY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	\$000	\$000	\$000	\$000
Cash flows from operating activities					
Cash absorbed by operations	16		(16,970)		(17,201)
Investing activities					
Purchase of investments		(149,885)		(133,088)	
Proceeds on disposal of investments		167,182		125,868	
Investment income received		4,814		4,347	
Net cash generated from/(used in) investing activities			22,111		(2,873)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			5,141		(20,074)
Cash and cash equivalents at beginning of year			6,080		26,154
Cash and cash equivalents at end of year			11,221		6,080
Relating to:					
Cash at bank and in hand			4,210		2,303
Cash within investment portfolio			7,011		3,777

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Khodorkovsky Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is TGW Law, 4 Hill Street, London, W1J 5NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) and the Companies Act 2006. The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in dollars, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

The financial statements have been prepared under the historical cost convention, modified to include fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 expenditure that exceeds 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.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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 raising funds (investment management costs).

Grants payable

Grants are included in expenditure under charitable activities 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.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Fair 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.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The main judgement is the valuation of unquoted investments.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

3 Income from investments

	Unrestricted funds 2023 \$000	Unrestricted funds 2022 \$000
Income from listed investments	4,225	4,240
Interest receivable	589	107
	<u>4,814</u>	<u>4,347</u>

4 Raising funds

	Endowment funds general 2023 \$000	Endowment funds general 2022 \$000
Investment management	1,518	1,553
	<u>1,518</u>	<u>1,553</u>

5 Charitable activities

	Advance- ment of Education 2023 \$000	Support for Human Rights/Civil Society 2023 \$000	Total 2023 \$000	Advance- ment of Education 2022 \$000	Support for Human Rights/Civil Society 2022 \$000	Total 2022 \$000
Grant funding of activities (see note 6)	3,822	12,555	16,377	5,367	10,931	16,298
Share of support costs (see note 7)	53	174	227	31	63	94
Share of governance costs (see note 7)	25	84	109	30	60	90
	<u>3,900</u>	<u>12,813</u>	<u>16,713</u>	<u>5,428</u>	<u>11,054</u>	<u>16,482</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Grants payable

	Advance- ment of Education	Support for Human Rights/Civil Society	Total 2023	Advance- ment of Education	Support for Human Rights/Civil Society	Total 2022
	2023 \$000	2023 \$000	\$000	2022 \$000	2022 \$000	\$000
Grants to institutions:						
Oxford Russia Fund	2	-	2	8	-	8
Merkel Films Ltd	-	-	-	259	-	259
Snowstorm Productions Ltd	-	-	-	62	-	62
Save and Rebuild	-	11,750	11,750	-	450	450
Justice for Journalists Foundation	-	780	780	-	-	-
New Generation Europe Foundation	-	-	-	-	10,000	10,000
The Eastern Europe Research Foundation	2,855	-	2,855	2,339	-	2,339
Centre for Liberal Modernity	-	-	-	-	431	431
Einbahnstrasse Productions	-	-	-	62	-	62
Lantos Foundation	-	-	-	-	50	50
Drachim-Merkaz	-	13	13	-	-	-
The Big Issue Foundation	-	12	12	-	-	-
Other - exempt from disclosure	840	-	840	2,637	-	2,637
The Ohio University Foundation	125	-	125	-	-	-
	<u>3,822</u>	<u>12,555</u>	<u>16,377</u>	<u>5,367</u>	<u>10,931</u>	<u>16,298</u>

'Other' grants above comprises wholly of grants made to 3 institutions. The grants are in support of education in line with the charity's objectives but are exempt from disclosure on the basis of serious prejudice and therefore no further detail has been given.

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KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Support costs

	Support costs \$000	Governance costs \$000	2023 Support costs \$000	Governance costs \$000	2022 \$000
Charity administration and monitoring of activities	155	-	155	87	87
Other expenses, including exchange differences	72	-	72	7	7
Audit fees	-	20	20	-	17
Tax compliance fees (to audit firm)	-	4	4	-	3
Legal and professional	-	85	85	-	70
	<u>227</u>	<u>109</u>	<u>336</u>	<u>94</u>	<u>184</u>
Analysed between Charitable activities	<u>227</u>	<u>109</u>	<u>336</u>	<u>94</u>	<u>184</u>

8 Trustees

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 TGW Law charged the charity a VAT inclusive amount of \$169,233 (£132,938) (2022: \$138,199 (£114,308)) of which disbursements and VAT amounted to £22,938 (2022: £19,047). Some of the disbursements are travel expenses for Trustees.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than \$60,000.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Fixed asset investments

	Equities	Alternative investments	Fixed income	Commodity and property funds	Cash within investment portfolio	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation						
At 1 January 2023	358,517	233,833	79,177	8,298	3,777	683,602
Additions	114,102	35,209	74	500	-	149,885
Valuation changes	71,667	19,695	6,166	(461)	-	97,067
Movement in cash held	-	-	-	-	3,234	3,234
Disposals	(131,397)	(35,300)	(485)	-	-	(167,182)
	<u>412,889</u>	<u>253,437</u>	<u>84,932</u>	<u>8,337</u>	<u>7,011</u>	<u>766,606</u>
At 31 December 2023	412,889	253,437	84,932	8,337	7,011	766,606
Carrying amount						
At 31 December 2023	<u>412,889</u>	<u>253,437</u>	<u>84,932</u>	<u>8,337</u>	<u>7,011</u>	<u>766,606</u>
At 31 December 2022	<u>358,517</u>	<u>233,833</u>	<u>79,177</u>	<u>8,298</u>	<u>3,777</u>	<u>683,602</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Creditors: amounts falling due within one year

	2023 \$000	2022 \$000
Grants payable	2,511	1,405
Accruals and deferred income	896	741
	<u>3,407</u>	<u>2,146</u>

13 Endowment funds

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.

	At 1 January 2023 \$000	Resources expended \$000	Transfers \$000	Gains and losses \$000	At 31 December 2023 \$000
Expendable endowments					
Endowment funds (expendable)	<u>683,759</u>	<u>(1,518)</u>	<u>(11,899)</u>	<u>97,067</u>	<u>767,409</u>
Previous year:					
	At 1 January 2022 \$000	Resources expended \$000	Transfers \$000	Gains and losses \$000	At 31 December 2022 \$000
Expendable endowments					
Endowment funds (expendable)	<u>846,024</u>	<u>(1,553)</u>	<u>(12,135)</u>	<u>(148,577)</u>	<u>683,759</u>

Transfers represent amounts transferred to unrestricted funds to cover the deficit on unrestricted funds.

14 Analysis of net assets between funds

	Endowment funds 2023 \$000
Fund balances at 31 December 2023 are represented by:	
Investments	766,606
Current assets/(liabilities)	803
	<u>767,409</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Analysis of net assets between funds

(Continued)

Endowment
funds
2022
\$000

Fund balances at 31 December 2022 are represented by:

Investments	683,602
Current assets/(liabilities)	157
	<u>683,759</u>

15 Related party transactions

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

The charity is related to Oxford Russia Fund by virtue of Trustees being common to both charities. Grants of \$2,000 (2022: \$8,000) were payable to Oxford Russia Fund in the year, \$nil of this was included in creditors at the year end (2022: \$nil).

16 Cash generated from operations

2023
\$000

2022
\$000

Surplus/(deficit) for the year	83,650	(162,265)
Adjustments for:		
Investment income recognised in statement of financial activities	(4,814)	(4,347)
Fair value gains and losses on investments	(97,067)	148,577
Movements in working capital:		
Increase in creditors	1,261	834
Cash absorbed by operations	<u>(16,970)</u>	<u>(17,201)</u>

17 Analysis of changes in net funds

The Charity had no material debt during the year.

Accounts

Charity registration number 1106885

Company registration number 4988238 (England and Wales)

KHODORKOVSKY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

KHODORKOVSKY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A R Tulloch R M Caldecott A Drel M Logan P Khodorkovsky	(Appointed 16 May 2022)
Secretary	D A Forsdick	
Charity number	1106885	
Company number	4988238	
Registered office	4 Hill Street London W1J 5NE	
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
Bankers	Schroder & Co 31 Gresham St. London EC2V 7QA	
Solicitors	TGW Law 4 Hill Street London W13 5NE	
Investment advisors	Morgan Stanley & Co. International Limited 25 Cabot Square Canary Wharf London E14 4QA	
	Blackrock 33 King William St London EC4R 9AS	
	Goldman Sachs International 133 Fleet Street London EC4A 2BB	

KHODORKOVSKY FOUNDATION

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KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The 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, as well as to promote other charitable objects recognised by English Law.

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Grant-making policy

The Foundation was endowed in December 2003 with \$500 million for the main purpose of advancing education in Russia and thus supporting the development of a robust and active civil society in Russia.

Prior to being designated an 'undesirable organisation' by the Russian Government in July 2021 (see below under 'Activities and Performance'), the Charity supported the Podmoskovny Lyceum, a boarding school for 168 socially deprived children, situated outside of Moscow and the Oxford Russia Fund

Following the designation of the Foundation as an 'undesirable organisation' by the Russian Government in July 2021, the trustees have sought to refocus Foundation's grant making policy to support institutions outside of Russia and are supporting other UK Charities engaged in advancing education; Civil Society Organizations; and the production of documentaries.

Achievements and performance

Through the grant making activities of the Oxford Russia Fund, which was supported by the Charity, 22,794 specialist students, 10,288 undergraduate students, 7,698 graduate and 995 postgraduate students at Russian Universities were, in the period 2005- 2021, awarded monthly scholarships of approximately USD110 (192 for students at Higher School of Economics) (using an average dollar rate of USD1=RUR52).

Further, Oxford Russia Fund, during the period 2005-2021, sponsored 43 summer and winter schools and provided English language humanities libraries to 20 Russian Universities.

In addition, the Oxford Russia Fund, provided in 2019-2021, 30 graduate scholarships at USD 4,834 each and 26 fellowships at approximately USD 14,772 each.

The Scholarships were awarded on merit and were designed to encourage the study of the humanities in Russian State Universities.

The grant giving activity of the Oxford Russia Fund in Russia ceased on account of the inclusion by the Russian Ministry of Justice of the Oxford Russia Fund in the list of undesirable organizations (Order No. 732-r dated 9th July 2021, list number 37, pursuant to the Federal Law of 28.12.2012 No 272 -FZ (as amended by the Federal Law of 23.5.2015 N 129-FZ (the "Undesirable Organizations Law").

2022

In 2022, the Charity has redirected its grant giving activity away from Russia in view of being designated as an 'Undesirable Organization' as referred to above. The majority of the grants giving has been to institutions working in the field of Human Rights/Civil Society though we continue to provide grants, in the sphere of education, to UK educational institutions and have started to support the makers of documentary films.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Podmoskovny Lyceum

As a result of the support by the Khodorkovsky Foundation (prior to the Russian Government's designation of the Foundation as an undesirable organisation) , over the period 2006-2021 of the Podmoskovny Lyceum, a boarding school outside of Moscow for socially deprived children, 2,945 pupils received a secondary school education of the highest quality in a caring environment.

Financial review

Funding Sources

The charity was provided in December 2003 with an expendable endowment of \$500m and the funds for the work of the charity are derived from the income and capital gains generated by the endowment. The financial deficit before investment gains and losses amounted to \$13,688,000 (2021:\$2,921,000) detailed on page [9].

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. There are no unrestricted reserves but there is a significant expendable endowment which can be drawn upon to cover the costs of charitable activities in excess of the investment income earned.

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.

Three international investment banks manage the charity's funds.

Risk

The investment policy has a conservative attitude to risk.

Anticipated Disbursements

The long term aim of the charity is to make annual grants of at least 2.5% 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.

Monitoring of performance

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 (\$683M – 2021 :\$840M; 2020:\$729M) decreased significantly after the grants. This was mainly due to equity and debt markets volatility following the 2021 increase in value. The average annual charitable expenditure for the past three years as a percentage of invested assets (as at the end of the financial year) is approx. 1.65% (2021: 1.44%).

Principal risks and uncertainties

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 adopted 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.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for future periods

The Charity is unable, for the time being, to support education in Russia (for which purpose the Charity was primarily established) in view of the inclusion of the Charity in the list of undesirable organizations pursuant to the Undesirable Organizations Law and has refocused its efforts on supporting charitable organisations outside of Russia.

Structure, governance and management

The Charity is a company limited by guarantee governed by its Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A R Tulloch

R M Caldecott

A Drel

M Logan

P Khodorkovsky

(Appointed 16 May 2022)

Trustees are selected on the basis of the skills and experience they were able to contribute in the fields of education and human rights, 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. The Trustees have been selected for their skills and professionalism and come with many years of experience in different walks of life and additional training is provided on the Foundation's projects..

Organisational structure and relationship with related parties

The charity is managed by its Board of Trustees. Day-to-day management is delegated to A Tulloch.

Statement of trustees' responsibilities

The Trustees, who are also the directors of Khodorkovsky Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements 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.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

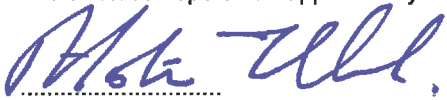
Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company exemptions

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



A R Tulloch

Trustee

Date: 3rd April 2023

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Opinion

We have audited the financial statements of Khodorkovsky Foundation (the 'Charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the terms of grant agreements and Charity Commission regulation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with the Charity Commission and the company's legal advisers; and
- reviewing the terms of grant agreements

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KHODORKOVSKY FOUNDATION

Use of our report

This report is made solely to the charitable 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 charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP

19/4/2023
.....

Chartered Accountants
Statutory Auditor

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

KHODORKOVSKY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

		Unrestricted funds 2022 \$000	Endowment funds 2022 \$000	Total 2022 \$000	Total 2021 \$000
	Notes				
Income from:					
Investments	3	4,347	-	4,347	3,879
Expenditure on:					
Raising funds					
Investment management	4	-	1,553	1,553	1,621
Charitable activities	5	16,482	-	16,482	5,229
Total expenditure		16,482	1,553	18,035	6,850
Net gains/(losses) on investments		-	(148,577)	(148,577)	118,525
Net (outgoing)/incoming resources before transfers		(12,135)	(150,130)	(162,265)	115,554
Gross transfers between funds		12,135	(12,135)	-	-
Net movement in funds		-	(162,265)	(162,265)	115,554
Fund balances at 1 January 2022		-	846,024	846,024	730,470
Fund balances at 31 December 2022		-	683,759	683,759	846,024

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

KHODORKOVSKY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

		Unrestricted funds 2021 \$000	Endowment funds 2021 \$000	Total 2021 \$000
	Notes			
<u>Income from:</u>				
Investments	3	3,879	-	3,879
<u>Expenditure on:</u>				
<u>Raising funds</u>				
Investment management	4	-	1,621	1,621
Charitable activities	5	5,229	-	5,229
Total expenditure		5,229	1,621	6,850
Net gains/(losses) on investments		-	118,525	118,525
Net (outgoing)/incoming resources before transfers		(1,350)	116,904	115,554
Gross transfers between funds		1,350	(1,350)	-
Net movement in funds		-	115,554	115,554
Fund balances at 1 January 2021		-	730,470	730,470
Fund balances at 31 December 2021		-	846,024	846,024

KHODORKOVSKY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	All income funds 2022 \$000	All income funds 2021 \$000
Gross income	4,347	3,879
Transfer from endowment funds	12,135	1,350
Total income in the reporting period	16,482	5,229
Total expenditure from income funds	16,482	5,229
Net expenditure for the year	-	-

KHODORKOVSKY FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2022

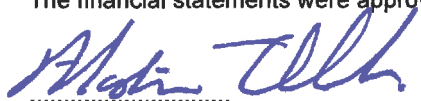
	Notes	2022 \$000	2021 \$000
Fixed assets			
Investments	10	683,602	839,815
Current assets			
Cash at bank and in hand		2,303	7,521
Creditors: amounts falling due within one year	11	(2,146)	(1,312)
Net current assets		157	6,209
Total assets less current liabilities		683,759	846,024
Capital funds			
<u>Endowment funds - general</u>			
Expendable endowment	12	683,759	846,024
Income funds			
Unrestricted funds		-	-
		683,759	846,024

These financial statements are prepared in United States Dollars.

The rate of exchange at 31 December 2022 is £1=\$1.2090 (2021: £1=\$1.34894)

The financial statements were approved and authorised for issue by the Trustees on

3rd April 2023



A R Tulloch
Trustee

Company Registration No. 4988238

KHODORKOVSKY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$000	\$000	2021 \$000	\$000
Cash flows from operating activities					
Cash absorbed by operations	15		(17,201)		(9,144)
Investing activities					
Purchase of investments		(133,088)		(127,659)	
Proceeds on disposal of investments		125,868		148,289	
Investment income received		4,347		3,879	
Net cash (used in)/generated from investing activities			(2,873)		24,509
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(20,074)		15,365
Cash and cash equivalents at beginning of year			26,154		10,789
Cash and cash equivalents at end of year			6,080		26,154
Relating to:					
Cash at bank and in hand			2,303		7,521
Cash within investment portfolio			3,777		18,633

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Khodorkovsky Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is TGW Law, 4 Hill Street, London, W1J 5NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) and the Companies Act 2006. The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in dollars, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

The financial statements have been prepared under the historical cost convention, modified to include fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 expenditure that exceeds 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.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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 raising funds (investment management costs).

Grants payable

Grants are included in expenditure under charitable activities 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.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Fair 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.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	\$000	\$000
Income from listed investments	4,240	3,879
Interest receivable	107	-
	<u>4,347</u>	<u>3,879</u>

4 Raising funds

	Endowment funds general	Endowment funds general
	2022	2021
	\$000	\$000
Investment management	1,553	1,621
	<u>1,553</u>	<u>1,621</u>

5 Charitable activities

	Advance- ment of Education	Support for Human Rights/Civil Society	Total 2022	Advance- ment of Education
	2022	2022		2021
	\$000	\$000	\$000	\$000
Grant funding of activities (see note 6)	5,367	10,931	16,298	4,999
Share of support costs (see note 7)	31	63	94	133
Share of governance costs (see note 7)	30	60	90	97
	<u>5,428</u>	<u>11,054</u>	<u>16,482</u>	<u>5,229</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Grants payable

	Advance- ment of Education	Support for Human Rights/Civil Society	Advance- ment of Education
	2022 \$000	2022 \$000	2021 \$000
Grants to institutions:			
Oxford Russia Fund	8	-	251
Merkel Films Ltd	259	-	-
Snowstorm Productions Ltd	62	-	-
The Institute of Modern Russia	-	450	-
Atlantic College	-	-	198
New Generation Europe Foundation	-	10,000	-
The Eastern Europe Research Foundation	2,339	-	-
Centre for Liberal Modernity	-	431	-
Einbahnstrasse Productions	62	-	-
Lantos Foundation	-	50	-
Other - exempt from disclosure	2,637	-	-
Cambridge Commonwealth, European and International Trust	-	-	(1,833)
Royal Academy of Music	-	-	(75)
Imperial College London	-	-	56
Podmoskovny Lyceum - Boarding School	-	-	6,402
	<u>5,367</u>	<u>10,931</u>	<u>4,999</u>

'Other' grants above comprises wholly of grants made to 3 institutions. The grants are in support of education in line with the charity's objectives but are exempt from disclosure on the basis of serious prejudice and therefore no further detail has been given.

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KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Support costs

	Support costs \$000	Governance costs \$000	2022 Support costs \$000	Governance costs \$000	2021 \$000
Charity administration and monitoring of activities	87	-	87	115	115
Other expenses, including exchange differences	7	-	7	18	18
Audit fees	-	17	17	-	17
Tax compliance fees (to audit firm)	-	3	3	-	3
Legal and professional	-	70	70	-	77
	<u>94</u>	<u>90</u>	<u>184</u>	<u>133</u>	<u>230</u>
Analysed between Charitable activities	<u>94</u>	<u>90</u>	<u>184</u>	<u>133</u>	<u>230</u>

8 Trustees

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 \$138,199 (£114,308) (2021: \$154,964 (£114,878)) of which disbursements and VAT amounted to £19,047 (2021: £19,146). Some of the disbursements are travel expenses for Trustees.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than \$60,000.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Fixed asset investments

	Equities	Alternative investments	Fixed income	Commodity and property funds	Cash within investment portfolio	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation						
At 1 January 2022	512,382	196,198	102,785	9,817	18,633	839,815
Additions	97,467	35,351	-	270	-	133,088
Valuation changes	(155,694)	21,677	(12,771)	(1,789)	-	(148,577)
Movement in cash held	-	-	-	-	(14,856)	(14,856)
Disposals	(95,638)	(19,393)	(10,837)	-	-	(125,868)
At 31 December 2022	358,517	233,833	79,177	8,298	3,777	683,602
Carrying amount						
At 31 December 2022	358,517	233,833	79,177	8,298	3,777	683,602
At 31 December 2021	512,382	196,198	102,785	9,817	18,633	839,815

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Creditors: amounts falling due within one year

	2022	2021
	\$000	\$000
Grants payable	1,405	96
Accruals and deferred income	741	1,216
	<u>2,146</u>	<u>1,312</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Endowment funds

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.

	Balance at 1 January 2021 \$000	Expenditure \$000	Transfers \$000	Revaluations gains and losses \$000	Balance at 1 January 2022 \$000	Expenditure \$000	Transfers \$000	Revaluations gains and losses \$000	Balance at 31 December 2022 \$000
Expendable endowments									
Endowment funds (expendable)	730,470	(1,621)	(1,350)	118,525	846,024	(1,553)	(12,135)	(148,577)	683,759
	<u>730,470</u>	<u>(1,621)</u>	<u>(1,350)</u>	<u>118,525</u>	<u>846,024</u>	<u>(1,553)</u>	<u>(12,135)</u>	<u>(148,577)</u>	<u>683,759</u>

Transfers represent amounts transferred to unrestricted funds to cover the deficit on unrestricted funds.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Analysis of net assets between funds

	Unrestricted funds 2022 \$000	Endowment funds 2022 \$000	Total 2022 \$000	Unrestricted funds 2021 \$000	Endowment funds 2021 \$000	Total 2021 \$000
Fund balances at 31 December 2022 are represented by:						
Investments	-	683,602	683,602	-	839,815	839,815
Current assets/(liabilities)	-	157	157	-	6,209	6,209
	-	683,759	683,759	-	846,024	846,024

14 Related party transactions

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

The charity is related to Oxford Russia Fund by virtue of Trustees being common to both charities. Grants of \$8,000 (2021: \$251,000) were payable to Oxford Russia Fund in the year, \$nil of this was included in creditors at the year end (2021: \$nil).

15 Cash generated from operations

	2022 \$000	2021 \$000
(Deficit)/surplus for the year	(162,265)	115,554
Adjustments for:		
Investment income recognised in statement of financial activities	(4,347)	(3,879)
Fair value gains and losses on investments	148,577	(118,525)
Movements in working capital:		
Increase/(decrease) in creditors	834	(2,294)
Cash absorbed by operations	(17,201)	(9,144)

16 Analysis of changes in net funds

The Charity had no debt during the year.

Accounts

Charity Registration No. 1106885

Company Registration No. 4988238 (England and Wales)

KHODORKOVSKY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

KHODORKOVSKY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Tulloch R Caldecott A Drel M Logan
Secretary	D A Forsdick
Charity number	1106885
Company number	4988238
Registered office	4 Hill Street London W1J 5NE
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford Oxfordshire OX1 2EP
Bankers	Schroder & Co 31 Gresham St. London EC2V 7QA
Solicitors	Tulloch & Co 4 Hill Street London W13 5NE
Investment advisors	Morgan Stanley & Co. International Limited 25 Cabot Square Canary Wharf London E14 4QA Black Rock 33 King William St London EC4R 9AS Goldman Sachs International 133 Fleet Street London EC4A 2BB

KHODORKOVSKY FOUNDATION

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KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

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.

Prior to being designated an 'undesirable organisation' by the Russian Government in July 2021 (see below under 'Activities and Performance'), the Charity supported the Podmoskovny Lyceum, a boarding school for 168 socially deprived children, situated outside of Moscow and the Oxford Russia Fund.

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 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 had sought to advance education in Russia by:

- the provision of scholarships for students (of Russian nationality) attending Russian universities in the Humanities;
- the support of Russian educational institutions and non-profit organisations focused on education;
- 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
- the support of conferences, whosoever held, on topics related to Russian education and other initiatives which might advance education in Russia.

The designation of the Charity as an 'undesirable organisation' by the Russian Government has caused the trustees to put a halt to the activities of the Charity in Russia for an indefinite period and to consider how else it can achieve its objects.

Achievements and performance

Through the grant making activities of the Oxford Russia Fund, which is supported by the Charity, 22,794 specialist students, 10,288 undergraduate students, 7,698 graduate and 995 postgraduate students at Russian Universities were, in the period 2005- 2021, awarded monthly scholarships of approximately USD110 (192 for students at Higher School of Economics) (using an average dollar rate of USD1=RUR52).

Further, Oxford Russia Fund, during the period 2005-2021, sponsored 43 summer and winter schools and provided English language humanities libraries to 20 Russian Universities.

In addition, the Oxford Russia Fund, provided in 2019-2021, 30 graduate scholarships at USD 4,834 each and 26 fellowships at approximately USD 14,772 each.

The Scholarships were awarded on merit and were designed to encourage the study of the humanities in Russian State Universities.

The grant giving activity of the Oxford Russia Fund in Russia has ceased on account of the inclusion by the Russian Ministry of Justice of the Oxford Russia Fund in the list of undesirable organizations (Order No. 732-r dated 9th July 2021, the list number 38) pursuant to the Federal Law of 28.12.2012 No 272 -FZ (as amended by the Federal Law of 23.5.2015 N 129-FZ (the "Undesirable Organizations Law").

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

A review of the last 16 years

In the 16 years up to July 2021, the late Anthony Smith CBE, ex president of Magdalen College Oxford, John Nightingale, Fellow of Magdalen College, and Alastair Tulloch, a graduate of Magdalen College, as trustees of the Oxford Russia Fund ("ORF"), travelled to Russian universities to meet with Rectors, staff and the students. These visits were abruptly brought to a halt when the ORF was designated an 'undesirable organisation' by the Russian Government.

The effect of such designation is to prohibit the organisation from transferring funds to Russia and prohibit any Russian national inside or outside of Russia from being involved in its activities. The designation is made under Russia's Foreign Agents/ Undesirable Organizations Law and applies to organizations which the Russian Government thinks could have an adverse political influence on Russians.

ORF was established by the trustees of the Khodorkovsky Foundation in 2005 with the aim of providing scholarships to Russian university students. The name Oxford Russia Fund was chosen to avoid any obstacle to its work in Russia that the name of Khodorkovsky Foundation could have created, in view of Mikhail Khodorkovsky being in jail until his release in 2013, though of course the fact of the funding from the Khodorkovsky Foundation was clearly laid out in the public financial statements of the ORF and Khodorkovsky Foundation, both of which are registered English charities.

The ORF's Scholarship programme was rolled out at 20 regional State Universities throughout Russia from Novgorod in the West to Vladivostok in the East and from Petrozavod in the North to Krasnodar in the South. The scholarships were open to students studying the humanities (often undervalued subjects in Russia). The students were shortlisted by the local state universities with a final selection being made by an independent Moscow group of academics. The amount of the scholarships was approx. USD1,000 p.a which in the early years of the scholarships was just sufficient to live on. In later years and as result of inflation, the scholarships were a welcome supplement to state student grants and family support. A perennial question put to scholarship holders on the trustees' visits to Russian Universities was 'should we increase the Rouble amount of the scholarship and reduce the number of scholarships? The students' vote was always in favour of allowing as many students as possible to secure the coveted prize of a ORF scholarship and not increasing the Rouble amount of the scholarship.

The Scholarships became an integral part of the academic programme of the 20 state universities and stimulated independent research (as scholarships were awarded for activity beyond the minimum effort required by the university). Above all, the scholarships made the scholars proud to be students in the humanities. Many a student would say, at last I can tell my parents, that I am doing something worthwhile and recognised by others.

Over 41,000 students (and never less than 2,000 students a year) received scholarships during the 16 years of the scholarship programme's existence. Over the years, ORF adapted the programme, seeking to listen to what the Rectors said as to how the funding could be used most effectively. ORF supported primarily undergraduate students starting from their 3rd year of study, but also graduate students, post graduates and young teachers.

In addition to the Scholarships, ORF supported the universities by providing English language text academic libraries for the humanities in hard copy and electronically and supported 43 summer and winter schools, giving an opportunity to students to meet students from other universities and discuss multidisciplinary topics. Perhaps the most notable of those summer schools was the Perm English Language Conference which brought over modern English writers to talk to university lecturers from across Russia.

In addition to these programmes, ORF provided a Rector's discretionary grant equal to 10% of the cost of the scholarships, for the rectors to spend as they choose – whether on travel grants, more books, seminars, journals or otherwise, on the basis that the rectors would better placed than the trustees to judge what were the more urgent areas for financial support.

Whilst there had been occasional rumblings in the Russian press that Mikhail Khodorkovsky was trying to adversely influence the youth of Russia through ORF's work, ORF was allowed to continue its work until 2021. The trustees were scrupulous to avoid any type of activity which might be interpreted as having a political element.

However the Russian Government eventually decided that ORF should be shut down in July 2021. The trustees left behind many friends in Russia that shared the passion to support humanities in Russia and have many happy memories of the visits to Russian universities over the 16 years of ORF's work. Wherever the trustees went in Russia, the trustees were greeted with warm hospitality and a shared interest to assist students to discover the delights of studying the humanities.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Podmoskovny Lyceum

As a result of the support by the Khodorkovsky Foundation, over the period 2006-2021 of the Podmoskovny Lyceum, a boarding school outside of Moscow for socially deprived children, 2,945 pupils (including 168 during the last academic year) received a secondary school education of the highest quality in a caring environment.

The support by the Charity of the Podmoskovny Lyceum has ceased on account of the inclusion by the Russian Ministry of Justice of the Charity in the list of undesirable organizations (Order No. 731-r dated 9th July 2021, the list number 37) pursuant to the Undesirable Organizations Law.

Financial review

Funding Sources

The charity was provided in December 2003 with an expendable endowment of \$500m and the funds for the work of the charity are derived from the income and capital gains generated by the endowment. The financial deficit before investment gains and losses amounted to \$2,921,000 (2020: \$11,791,000) detailed on page 9.

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. There are no unrestricted reserves but there is a significant expendable endowment which can be drawn upon to cover the costs of charitable activities in excess of the investment income earned.

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.

Three international investment banks manage the charity's funds.

Risk

The investment policy has a conservative attitude to risk.

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.

Monitoring of performance

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 (\$840M, 2020: \$729M) increased significantly after the grants. This was mainly due to rises in US equity markets. The average annual charitable expenditure for the past three years as a percentage of invested assets (as at the end of the financial year) is approx. 1.44% (2020: 1.98%).

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

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 adopted 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.

Plans for future periods

The Charity is unable, for the time being, to support education in Russia (for which purpose the Charity was established) in view of the inclusion of the Charity in the list of undesirable organizations pursuant to the Undesirable Organizations Law.

Structure, governance and management

The Charity is a company limited by guarantee governed by its Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A Tulloch

A Smith

(Deceased 28 November 2021)

R Caldecott

A Drel

M Logan

Trustees are 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 in to their role as trustees in a series of briefings on the work of the charity. The Trustees have been selected for their skills and professionalism and come with many years of experience in different walks of life and additional training is provided through working together on joint visits to Russian universities and on the Foundation's projects.

Organisational structure and relationship with related parties

The charity is managed by its Board of Trustees. Day-to-day management is delegated to A Tulloch. The charity supported the work in Russia of the Oxford Russia Fund, another UK Charity, and the majority of whose trustees are also trustees of the charity. The Oxford Russia Fund focused on grants to Russian universities for the provision of scholarships, and the distribution of English language academic books to Russian universities.

KHODORKOVSKY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of trustees' responsibilities

The Trustees, who are also the directors of Khodorkovsky Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements 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.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company exemptions

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



Alastair Tulloch
Trustee

Date: 23rd March 2022

INDEPENDENT AUDITOR'S REPORT**TO THE TRUSTEES OF KHODORKOVSKY FOUNDATION**

Opinion

We have audited the financial statements of Khodorkovsky Foundation (the 'Charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF KHODORKOVSKY FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF KHODORKOVSKY FOUNDATION

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the terms of grant agreements and Charity Commission regulation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with the Charity Commission and the company's legal advisers; and
- reviewing the terms of grant agreements

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KHODORKOVSKY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF KHODORKOVSKY FOUNDATION

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Critchleys Audit LLP**


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**Chartered Accountants
Statutory Auditor**

4 April 2022

**Beaver House
23-38 Hythe Bridge Street
Oxford
Oxfordshire
OX1 2EP**

KHODORKOVSKY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds	Endowment funds	Total	Total
	Notes	2021 \$000	2021 \$000	2021 \$000	2020 \$000
<u>Income from:</u>					
Investments	3	3,879	-	3,879	4,243
<u>Expenditure on:</u>					
<u>Raising funds</u>					
Investment management	4	-	1,621	1,621	1,954
Charitable activities	5	5,229	-	5,229	14,080
Total resources expended		5,229	1,621	6,850	16,034
Net gains/(losses) on investments	10	-	118,525	118,525	116,706
Net (outgoing)/incoming resources before transfers		(1,350)	116,904	115,554	104,915
Gross transfers between funds		1,350	(1,350)	-	-
Net movement in funds		-	115,554	115,554	104,915
Fund balances at 1 January 2021		-	730,470	730,470	625,555
Fund balances at 31 December 2021		-	846,024	846,024	730,470

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

KHODORKOVSKY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds	Endowment funds	Total
	Notes	2020 \$000	2020 \$000	2020 \$000
<u>Income from:</u>				
Investments	3	4,243	-	4,243
<u>Expenditure on:</u>				
<u>Raising funds</u>				
Investment management	4	-	1,954	1,954
Charitable activities	5	14,080	-	14,080
Total resources expended		14,080	1,954	16,034
Net gains/(losses) on investments		-	116,706	116,706
Net (outgoing)/incoming resources before transfers		(9,837)	114,752	104,915
Gross transfers between funds		9,837	(9,837)	-
Net movement in funds		-	104,915	104,915
Fund balances at 1 January 2020		-	625,555	625,555
Fund balances at 31 December 2020		-	730,470	730,470

KHODORKOVSKY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	All income funds 2021 \$000	All income funds 2020 \$000
Gross income	3,879	4,243
Transfer from endowment funds	1,350	9,837
Total income in the reporting period	5,229	14,080
Total expenditure from income funds	5,229	14,080
Net expenditure for the year	-	-

KHODORKOVSKY FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 \$000	\$000	2020 \$000	\$000
Fixed assets					
Investments	10		839,815		728,870
Current assets					
Cash at bank and in hand		7,521		5,206	
Creditors: amounts falling due within one year	11	(1,312)		(3,606)	
Net current assets			6,209		1,600
Total assets less current liabilities			846,024		730,470
Capital funds					
Endowment funds - general					
Expendable endowment	12		846,024		730,470
Income funds					
Unrestricted funds			-		-
			846,024		730,470

These financial statements are prepared in United States Dollars.

The rate of exchange at 31 December 2021 is £1=\$1.34894 (2020: £1=\$1.35772)

The financial statements were approved and authorised for issue by the Trustees on 23rd March 2022



Alastair Tulloch
Trustee

Company Registration No. 4988238

KHODORKOVSKY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	\$000	\$000
Cash flows from operating activities			
Cash absorbed by operations	15	(9,144)	(13,372)
Investing activities			
Purchase of investments		(127,659)	(234,662)
Proceeds on disposal of investments		148,289	243,630
Investment income received		3,879	4,243
Net cash generated from investing activities		24,509	13,211
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		15,365	(161)
Cash and cash equivalents at beginning of year		10,789	10,950
Cash and cash equivalents at end of year		26,154	10,789
Relating to:			
Cash at bank and in hand		7,521	5,206
Cash within investment portfolio		18,633	5,583

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Khodorkovsky Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Tulloch & Co, 4 Hill Street, London, W1J 5NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) and the Companies Act 2006. The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in dollars, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

The financial statements have been prepared under the historical cost convention, modified to include fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 expenditure that exceeds 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.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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 raising funds (investment management costs).

Grants payable

Grants are included in expenditure under charitable activities 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.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Fair 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.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	\$000	\$000
Income from listed investments	3,879	4,239
Interest receivable	-	4
	<u>3,879</u>	<u>4,243</u>

4 Raising funds

	Endowment funds general	Endowment funds general
	2021	2020
	\$000	\$000
Investment management	1,621	1,954
	<u>1,621</u>	<u>1,954</u>

5 Charitable activities

	Advance- ment of Education in Russia	Advance- ment of Education in Russia
	2021	2020
	\$000	\$000
Grant funding of activities (see note 6)	4,999	13,848
Share of support costs (see note 7)	133	135
Share of governance costs (see note 7)	97	97
	<u>5,229</u>	<u>14,080</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Grants payable

	Advance- ment of Education in Russia 2021 \$000	Advance- ment of Education in Russia 2020 \$000
Grants to institutions:		
Oxford Russia Fund	251	3,789
Podmoskovny Lyceum - Boarding School	6,402	6,474
Hill Foundation	-	1,423
Cambridge Commonwealth, European and International Trust	(1,833)	1,833
Atlantic College	198	182
Royal Academy of Music	(75)	147
Imperial College London	56	-
	<u>4,999</u>	<u>13,848</u>

-

7 Support costs

	Support costs \$000	Governance costs \$000	2021 \$000	Support costs \$000	Governance costs \$000	2020 \$000
Charity administration and monitoring of activities	115	-	115	122	-	122
Other expenses, including exchange differences	18	-	18	13	-	13
Audit fees	-	17	17	-	17	17
Tax compliance fees (to audit firm)	-	3	3	-	3	3
Legal and professional	-	77	77	-	77	77
	<u>133</u>	<u>97</u>	<u>230</u>	<u>135</u>	<u>97</u>	<u>232</u>
Analysed between Charitable activities	<u>133</u>	<u>97</u>	<u>230</u>	<u>135</u>	<u>97</u>	<u>232</u>

8 Trustees

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 \$154,964 (£114,878) (2020: \$165,474 (£121,876)) of which disbursements and VAT amounted to £19,146 (2020: £26,876). Some of the disbursements are travel expenses for Trustees.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-
	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than \$60,000.

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Fixed asset investments

	Equities	Alternative investments	Fixed Income	Commodity and property funds	Cash within investment portfolio	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation						
At 1 January 2021	450,745	154,625	109,162	8,755	5,583	728,870
Additions	87,814	39,532	313	-	-	127,659
Valuation changes	79,073	44,687	(6,319)	1,084	-	118,525
Movement in cash held	-	-	-	-	13,050	13,050
Disposals	(105,250)	(42,646)	(371)	(22)	-	(148,289)
At 31 December 2021	512,382	196,198	102,785	9,817	18,633	839,815
Carrying amount						
At 31 December 2021	512,382	196,198	102,785	9,817	18,633	839,815
At 31 December 2020	450,745	154,625	109,162	8,755	5,583	728,870

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Creditors: amounts falling due within one year

	2021	2020
	\$000	\$000
Grants payable	96	2,537
Accruals and deferred income	1,216	1,069
	<u>1,312</u>	<u>3,606</u>

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2021**

12 Endowment funds

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.

	Balance at 1 January 2020	Movement in funds					Movement in funds					Balance at 31 December 2021
		Income	Expenditure	Transfers	Revaluations gains and losses	Balance at 1 January 2021	Income	Expenditure	Transfers	Revaluations gains and losses		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expendable endowments												
Endowment funds (expendable)	625,555	-	(1,954)	(9,837)	116,706	730,470	-	(1,621)	(1,350)	118,525	846,024	
	625,555	-	(1,954)	(9,837)	116,706	730,470	-	(1,621)	(1,350)	118,525	846,024	

KHODORKOVSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2021	2021	2021	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000
Fund balances at 31 December 2021 are represented by:						
Investments	-	839,815	839,815	-	728,870	728,870
Current assets/ (liabilities)	-	6,209	6,209	-	1,600	1,600
	-	846,024	846,024	-	730,470	730,470

14 Related party transactions

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

The charity is related to Oxford Russia Fund by virtue of Trustees being common to both charities. Grants of \$251,000 (2020: \$3,789,000) were payable to Oxford Russia Fund in the year, \$nil of this was included in creditors at the year end (2020: \$535,000).

During the previous year ended 31 December 2020 the charity also made a grant of \$1,423,000 to The Hill Foundation. There was no creditor at the year end. The Hill Foundation is a related party as the majority of its Trustees are also Trustees of the Khodorkovsky Foundation.

15 Cash generated from operations	2021 \$000	2020 \$000
Surplus for the year	115,554	104,915
Adjustments for:		
Investment income recognised in statement of financial activities	(3,879)	(4,243)
Fair value gains and losses on investments	(118,525)	(116,706)
Movements in working capital:		
(Decrease)/increase in creditors	(2,294)	2,662
Cash absorbed by operations	(9,144)	(13,372)

16 Analysis of changes in net funds

The Charity had no debt during the year.