

**INDEPENDENT AUDITORS' REPORT**

To the Management of "KIMEP" JSC

We have audited the attached financial statements of «KIMEP» JSC, consisting of the report on the financial statements as of December 31, 2009 and the report on aggregate income, report on changes in equity, report on cash flows for the year ended as of such date, and review of main items of accounting policy and other explanatory notes.

*Management Responsibility for Attached Financial Statements*

The Management shall be responsible for preparation and fair representation of the attached financial statements and compliance thereof with the International Financial Reporting Standards (IFRS). This responsibility shall include: development, implementation and maintenance of internal control connected with preparation and fair representation of the financial statements, ensuring that it does not contain any material misstatements resulting from fraud or errors; selection and application of the appropriate accounting policy; and accounting estimations corresponding to circumstances.

*Auditors Responsibility*

We are responsible for expression of the opinion on the attached consolidated financial statements on the basis of conducted audit. We have carried out audit in accordance with International Audit Standards. These standards oblige us to meet ethic requirements, as well as to conduct audit in the manner to acquire reasonable confidence that the financial statements contain no material distortions.

Audit comprises the procedures required for obtaining of audit evidences with respect to the amounts and disclosures made in the notes to the financial statements. The selected procedures depend on the auditor's professional opinion, including assessment of risks of material distortions in the financial statements caused by fraud or mistake. Assessment of such risks includes consideration of the system of internal control of preparation and fair representation of the consolidated financial statements in order to develop auditing procedures corresponding to the actual circumstances, but not for expression of the opinion on the efficiency of internal control of the Company. Audit also includes assessment of the applied accounting policy and reasonableness of design estimates made by the management, and evaluation of general representation of the financial statements.

We consider the audit evidences obtained by us are sufficient and appropriate to become the basis for expression of our opinion on the attached financial statements.

Тел. 258 59 39 | 258 17 52 | 258 17 53 | 274 73 55 | 274 95 78 | Факс 258 59 50

ТОО "PKF Сапа-Аудит" | ул. Ауэзова, 112 | Алматы | Казахстан | 050057

mail@sapa-audit.kz | www.sapa-audit.kz





M.H. Rahman, Ph.D.  
Executive Vice President

### CONFIRMATION OF THE EXECUTIVES ON LIABILITY FOR PREPARATION AND APPROVAL OF FINANCIAL STATEMENT

The Executives of the JSC "KIMEP" is responsible for preparation of the financial statement, reliably reflecting in all essential aspects the financial status of the JSC "KIMEP (hereinafter – the Company) as of December 31, 2009, and also the results of operations of the Company, cash flows and changes of own equity for the year, ending on the indicated date, in accordance with the International Financial Reporting Standards (IFRS).

At preparation of the financial statement of the JSC "KIMEP", the executives of the Company bear responsibility for:

- Selection of the appropriate principles of accounting and their consecutive application;
- Application of justified estimations and calculations;
- Observation of the requirements of the IFRS and disclosure of all essential deviations from IFRS in the notes to the financial statement;
- Preparation of the financial statement of the Company based on the assumption that it will continue its operations in the foreseeable future, except the cases, when such assumption is unlawful.

Executives of the Company also bear responsibility for:

- Development, implementation and ensuring the functioning of the efficient and reliable system of internal control of the Company;
- Maintenance of accounting system, allowing at any moment to prepare with a sufficient degree of exactness the information on financial status of the Company and to ensure the compliance of the financial statement to the requirements of IFRS and to the legislation of the Republic of Kazakhstan;
- Taking measures in the limits of their competence for ensuring safety of the assets of the Company; and
- Revelation and prevention of the facts of fraud, errors, and other abuses.

The attached financial statement for the year, ended on December 31, 2009 was approved by the executives of the Company on April 12, 2010.

Chief Executive Officer

  
signature

HABIBUR RAHMAN  
full name

Chief Accountant

\_\_\_\_\_  
signature

YELENA DANILOVA  
full name

April 12, 2010



JSC KIMEP

ҚМЭБИ АҚ

АО КИМЭП

2, Abay Ave., #105, 050010,  
Almaty, Republic of Kazakhstan  
Tel.: (7-727) 2704205  
Fax: (7-727) 2704482  
e-mail: rahman@kimep.kz  
www.kimep.kz

Қазақстан Республикасы, 050010,  
Алматы қаласы, Абай даңғылы 2, #105  
Тел.: (7-727) 2704205  
Факс: (7-727) 2704482  
e-mail: rahman@kimep.kz  
www.kimep.kz

Республика Казахстан, 050010,  
Алматы, пр. Абая 2, #105  
Тел.: (7-727) 2704205  
Факс: (7-727) 2704482  
e-mail: rahman@kimep.kz  
www.kimep.kz

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#### **1. DESCRIPTION OF THE BUSINESS OF THE COMPANY**

The not-for-profit Joint-Stock Company «Kazakhstan Institute of Management, Economics and Strategic Research» (hereinafter the JSC "KIMEP") is established in order to provide educational services in the field of higher professional education and post-graduate professional education, and conducting research in the related fields of study in accordance with the Decree of the President of the Republic of Kazakhstan #1178 dated August 28, 2003 and the Resolution of the Government of the Republic of Kazakhstan № 1148 dated November 14, 2003 by means of reorganization of a state institution "Kazakhstan Institute of Management, Economics and Strategic Research under the President of the Republic of Kazakhstan".

Founders:

Republic of Kazakhstan, represented by the Committee of state property and privatization of the Ministry of Finance of the RK - 40 % portion in the shareholding equity;

Dr. Chan Young Bang, citizen of the USA 60 % portion in the shareholding equity.

Organizational and legal structure - non-profit organization created in the form of the joint-stock company.

Full legal address – 050010, Republic of Kazakhstan, Almaty city, Abai ave 4.

Registered in the Department of Justice of Almaty city. Date and number of initial state registration of the Company – September 29, 1993, #13553-1910-SI date and number of the last state re-registration of the Company – July 7, 2004, # 64250-1910-JSC IU.

Main kind of operations – higher and graduate education, code 80300, all revenue is used for development of the material and technical base of the Institute. Average listed number of employees - 831 persons.

The current management of the company is executed by the Executive Committee.

Certificate of registration of the taxpayer series 60 # 0034907, issued on July 19, 2004, TRN 600900063381.

Certificate of registration of the payer of the value added tax series 60305 # 0006585, issued on July 20, 2004.

Certificate of registering for the record of the value added tax dated on November 9, 2009.

State license for the right of conducting the educational activity in the sphere of higher and graduate professional education, series AA #0000221 dated on September 7, 2004 (general).

The company has no structural subdivisions;

The company has no subsidiaries;

The company has no dependant legal entities;

The company has no jointly controlled entities.

#### **2. BASICS OF PRESENTING THE FINANCIAL STATEMENT**

This financial statement is prepared in accordance with the International Financial Reporting Standards, published by the IFRS Committee Foundation of the Republic of Kazakhstan.

This financial statement is composed in kazakhstani tenge – a national currency of the Republic of Kazakhstan.

The company is guided by the following main assumptions and main principles of accounting, which form the basis for this accounting policy, and shall form the grounds for reflecting the economical operations of the company:

Financial statement of the Company is composed according the principle of accrual, except the information on cash flow. According to this principle the results of operations and of other events are recognized when they take place, not upon in-coming or paying out the cash and equivalents. They are reflected in the accounting records and included into the financial statement in the period to which they relate. Expenses in the revenues and expenses statement are recognized on the grounds of the principle of correlation, i.e. on the grounds of the direct relation between the incurred expenses and incomings on the specific items of revenue.

This financial statement is composed on the grounds of the principle of continuity, which stipulates realization of the assets and settlement of liabilities in the process of normal activity. Ability of the Company to realize its assets and also its activity in the future may be a subject to significant influence of current and future economic

conditions in Kazakhstan. The attached financial statement does not contain corrections, necessary in case if the Company could not continue its operations on the grounds of the principle of continuity.

### **3. ESSENTIAL ASPECTS OF THE ACCOUNTING POLICY OF THE COMPANY**

*The Company, at preparation of the financial statement for the year 2009 consistently, as during the previous years, applied in regards of all kinds of assets, liabilities and equity the following principles of the Accounting policy:*

*Reflection of all economical operations in accordance with the method of accrual;*

*Understandability, relevance, credibility and comparability of reflection of economical operations;*

*Truthful presentation, dominance of essence over the form, neutrality, circumspection and fullness in reflection of all economical operations.*

*Accounting policy covers the accounting principles, essential for preparation of the financial statement of the Company.*

*Accounting policy is developed in accordance with the current legislation of the Republic of Kazakhstan, and also with the internal documents, regulating the operations of the Company.*

*Calendar year is recognized as the reporting period.*

*Financial statement of the company is composed in thousands of tenge.*

#### **Fixed assets**

##### **Own fixed assets. Initial recognition**

*Fixed assets are accepted to the accounting according to the initial value. Formation of the initial value depends on the option of incoming of FA.*

*Own fixed assets at the moment of incoming are reflected in balance according to the initial value. Which includes all factually executed necessary expenses for acquisition of fixed assets.*

*Fixed assets, received free of charge are reflected according to the value, defined by the independent expert, or by the commission.*

##### **Rented fixed assets**

*Fixed assets that will be received as a long-term rent shall be reflected in the balance according to the value, conformed with the renter.*

##### **Amortization**

*Amortization shall be accrued to the own fixed assets and to fixed assets received as a long-term rent.*

*Amortization shall not be accrued to the short-term rented assets.*

*Amortization shall use the method of straight-line writing off the value up to the liquidation value throughout the evaluated useful life.*

*Liquidation value of assets and their useful life shall be reviewed and in case of necessity corrected as of each reporting date.*

*Accrual of amortization to the fixed assets, put back into operations, shall be executed from the first day of the month, following the month of putting into operations, and in regards of the retired fixed assets shall terminate from the first day of the month, following the month of retirement.*

##### **Expenses and investments, executed after putting the fixed assets into operations**

*Subsequent expenses made into the own and long-term rented fixed assets shall be included into the balance value of the asset or recognized as a separate asset in case, when there is a probability of receiving the future economical benefits related to this asset by the Company and of the credible evaluation the value of this asset. All other expenses on renovation and technical maintenance shall be reflected in the incomes and losses statement within the financial period in which they were incurred.*

*Subsequent expenses into the short-term rented or temporarily used free of charge fixed assets shall be recognized as expense in the period when they were incurred, regardless of the nature of the expenses incurred.*

##### **Subsequent valuation**

After the initial recognition the fixed assets shall be valued according to the revaluated value with deduction of the amortization accumulated and any accumulated loss from depreciation. Revaluation of the fixed assets shall be done with bringing in the professional valuator.

#### *Intangible assets*

##### *Initial recognition*

Intangible asset (hereinafter - IA) is initially valued according to prime cost. Prime cost of IA shall include its buying price, including the importing fees and a non-refundable buying tax, and also the directly related expenses for preparation of an asset to the supposed use.

##### *Amortization*

The company shall use the method of straight-line accrual of amortization. Accrual of amortization shall start from the first day of the month following the month of incoming (putting into operations) and shall end at the earliest of two dates: date of its classification as designed for sale or date of ending of its recognition.

Liquidation value of IA shall be accepted as equal to zero. Useful lives of IAs shall be reviewed and in case of necessity corrected as of each reporting date .

##### *Subsequent expenses*

Subsequent expenses for IA after buying or completing them shall be recognized as the expenses at incurring except separate cases, when:

There is a probability that those expenses will allow the asset to create future economical benefits over the initially defined norms, and such expenses may be credibly valued and related to the asset. At implementation of these conditions capitalization of the subsequent costs shall be executed.

##### *Devaluation*

In accordance with the requirements of IAS 36 "Devaluation of Assets" KIMEP tests IA as of each reporting date.

#### *Accounts payable*

Accounts payable represents the accounts of the Company payable to other legal entities and individuals - creditors. The creditors are understood as suppliers and contractors in regards of the inventories received from them, services rendered or works accomplished before paying for them.

##### *Recognition, valuation, settlement*

Accounts payable shall be recognized at the moment of the factual receiving of goods (works, services) by the Company and shall be valued in the amount, equal to the cost of obtaining the inventories, accepted services and works in accordance with the contract. Settlement of accounts payable on the goods, services and works obtained shall happen at the moment of execution of payment in the amount of the executed payment.

##### *Credits and loans obtained*

Credit (loan) – relations between the creditor and borrower, in which the former shall transmit to the latter cash or goods on the condition of refundability, and, as a rule, with paying the interest payments.

##### *Estimated liabilities*

Estimated liabilities are the liabilities with an indefinite period or amount.

Estimated liabilities are recognized in the accounting only when as a result of the past event the Company has a legal or imputed liability. Imputed liability occurs in case, when other parties have reasonable expectations related to the traditional practice, that the Company will execute such liability.

The amount, recognized as the estimated liability shall represent the best estimate of costs, necessary for settlement of the current liability as of the reporting date.

The Company shall use the estimated liability only for those expenses, in regards of which it was initially recognized (reserve for vacations, not used by the employees, in particular).

##### *Own equity*

Own equity is the portion in the assets of the Company, remaining after deduction of its all liabilities. The shareholding equity of the Company shall form at the expense of shares emission.

##### *Revenues*

Revenues are the gross incomings of the economical benefits for the period, occurring in the process of the usual operations of the Company, when their result is the growth of the own equity, different from the growth of own equity at the expense of shares emission.

Revenue shall be recognized according to fair value of the obtained or expected compensation.

The operational revenues of the Company include the revenues from rendering services in the sphere of higher and graduate professional education.

The non-operational revenues include:

- revenues from realization of fixed and intangible assets;

- revenues from leasing the property;
- positive exchange rate and value differences;
- revenues from writing off the accounts payable;
- revenues in the form of fines;
- revenues on compensations;
- property received free of charge;
- other revenues not related to the operational activity.

**Expenses**

Expenses are decrease of the economical resources due to spending or reducing of the asset, or occurrence of the liabilities as the result of the usual operations of the Company on obtaining revenues.

**Classification of costs of the company:**

- expenses, included into the prime cost of the services rendered;
- expenses of the period; expenses of realization, administrative-managerial expenses, compensational expenses;
- other non-operational expenses.

The Company shall recognize the expenses only on the grounds of the initial documents. At factual incurrence of the expenses, but at absence of the initial documents as of the date of composing the reporting due to various reasons (did not come from the supplier or buyer), the Company shall recognize the revenues in the financial statement in accordance with the principles of accrual and compliance (reserves).

**4. DISCLOSURE OF THE ITEMS OF THE FINANCIAL STATEMENT**

2008

Account	Title	Balance as of the end of the period		Balance for comparison	Account
		Debt	Credit		
101	License agreements	3 284 533,43		14 005 940,56	2730
102	Software	10 721 407,13			
111	Amortization of the fixed assets - license agreements		1 309 020,12	10 887 627,89	2740
112	Amortization of the fixed assets - software		9 578 607,77		
121	land	1 545 742 142,00		5 325 945 466,43	2410
122	Buildings and constructions	2 811 401 237,35			
123	Machinery and equipment	441 078 667,53			
124	Transportation vehicles	22 647 118,80			
125	others	505 076 300,75			
131	derpeciation of buildings and constructions		49 134 870,43	391 994 748,24	2420
132	Depreciation of machinery, equipment and transmitting devices		204 556 267,03		
133	Depreciation of transportation vehicles		11 898 479,82		
134	Depreciation - others		126 405 130,96		
201	Raw and other materials	14 695 278,68		121 041 805,94	1310
203	Fuel	844 569,12			
205	Supplementary parts	302 042,00			
206	Other materials	97 926 581,40			

*Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.*

208	Copnstruction and other materials	7 273 334,74			
207	Reserve on materials		968 149,86	968 149,86	1361
222	Acquired goods	483 378,75		483 378,75	1330
301	Bills receivable		721 736 744,76	721 736 744,76	1211
302	Bills of preparatory courses		8 945 106,82	8 945 106,82	1212
304	Bills receivable - rent	9 705 298,20		9 705 298,20	1260
305	Career and employment center	481 603,82		481 603,82	1214
306	Utility services	1 580 858,42		1 580 858,42	1215
307	Services (advertisement, consulting and others)	6 250,00		6 250,00	1216
308	Negotiation of lessees	323 700,65		323 700,65	1217
309	Residence in the hotel		16 018 825,95	16 018 825,95	1218
311	Reserves on doubtful debts for study		21 376 474,15	21 376 474,15	1291
312	Reserve on doubtful debts on rent		330 068,29	330 068,29	1294
316	Bills of others	2 997 479,83		2 997 479,83	1219
317	Resrrves on doubtful debts for perparatory courses		428 143,00	428 143,00	1292
324	Unrevealed payments on students		16 555,00	16 555,00	3393
333	Indebtedness of employees and of other persons	1 072 770,80		1 072 770,80	1251
336	Reserves on paid leaves		152 379 491,02	152 379 491,02	3430
341	Insurance policy		4 514 386,18	4 514 386,18	1621
343	Expenses of future periods (periodicals)	1 033 748,95		1 033 748,95	1623
411	Cash transfer in a way				1021
431	Cash on foreign currency account inside of the country	18 100 244,05		228 061 800,02	1030
441	Cash on settlement account	209 961 555,97			
451	Cash in cashier's office in national currency	7 972 941,09			1010
501	Ordinary shares		537 146 000,00	537 146 000,00	5020
541	Additional unpaid capital from revaluation of FA		2 730 390 004,63	2 730 390 004,63	5420



*Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.*

561	Undistributed Revenue (uncovered loss) of the reporting year		242 036 872,79	242 036 872,79	5510
562	Undistributed Revenue (uncovered loss) of the previous years		852 769 933,12	852 769 933,12	5520
603	Others		24 000 000,00	24 000 000,00	4030
631	Corporate Income Tax from legal entities - residents 101101)	5 208 888,55		4 937 335,99	3110
651	КорпорПодНалогСЮрЛицНеРезидентовУд ержУИсточВыплаты(101103)		271 552,56		3110
633	НДС	11 750 793,63		11 750 793,63	3130
634	Individual income tax from revenues, taken at the source of payment (101201)		21 495 146,43	21 495 146,43	3120
652	PF 10%(901101)		9 625 739,00	9 625 739,00	3220
653	Social Tax(103101)		11 116 188,38	11 116 188,38	3150
655	Environmental pollution payment (105316)	229 800,04		229 800,04	3190
656	Social Insurance (902101)		1 797 497,02	1 797 497,02	3210
657	land tax (104308)	233 140,78		233 140,78	3160
658	Property tax(104101)	5 866 700,50		5 866 700,50	3180
659	Transport tax from legal entities(104401)	16 570,90		16 570,90	3170
					3513
671	Settlements with suppliers	36 357 456,54		36 357 456,54	3310
672	avance payments given	68 370 000,00		17 779 299,00	2910
673	Discopunt to 672		50 590 701,00		
681	Settlements with personnel on labor comensation		5 569 029,63	5 569 029,63	3350
682	Laon to employees	1 870 661,00		1 870 661,00	1253
687	Grants		49 455 945,93	49 455 945,93	3411
690	Insurance for employees	21 243 876,25		21 243 876,25	3413
		5 865 860 931,65	5 865 860 931,65		

2009

Account		Balance as of the beginning of the prriod	Difference with balance as of the end of 2008 of the amount of library
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Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.

	Title	Debt	Credit	Debt	Credit
2730	Other intangivable assets	14 005 940,56			
2740	Amortization of other intangible assets		10 887 627,89		
2410	Fixed assets	5 325 945 466,43			
2420	Amortization of fixed assets		391 994 748,24		
1310	Raw and other materials	121 041 805,94			
1361	Reserve on writing off raw and other materials		968 149,86		
1330	Goods	483 378,75			
1211	Short-term accounts receivable of buyers and customers (tuition payemnt of students)	-669 061 696,12		<b>52 675 048,64</b>	
1212	Short-term accounts receivable of buyers and customers (payment for preparatory courses)	-8 945 106,82			
1260	Short-term accounts receivable on rent	9 705 298,20			
1214	Short-term accounts receivable of buyers and customers (Career and employment center)	481 603,82			
1215	Short-term accounts receivable of buyers and customers (utility services)	1 580 858,42			
1216	Short-term accounts receivable of buyers and customers (advertisement and consultations)	6 250,00			
1217	Short-term accounts receivable of buyers and customers (negotiations of lessees)	323 700,65			
1218	Short-term accounts receivable of buyers and customers (residence in the hotel)	-16 018 825,95			
1291	Reserve on doubtful requests for study		21 376 474,15		
1294	Reserve on doubtful requests for rent		330 068,29		

*Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.*

1219	Short-term accounts receivable of buyers and customers (others)	2 997 479,83		
1292	Reserve on doubtful requests for preparatory courses		428 143,00	
3393	Indebtedness on mistakenly accounted amounts on banking accounts		16 555,00	
1251	Short term receivables of subordinate persons	1 072 770,80		
3430	Short-term estimated liabilities on comensation for employees		152 379 491,02	
1621	Short-term expenses of future periods (Insurance policy)	-4 514 386,18		
1623	Short-term expenses of future periods (periodicals)	1 033 748,95		
1021	Cash in a way	16 000,00		<b>16 000,00</b>
1030	Cash at current banking accounts	241 947 796,14		<b>13 885 996,12</b>
1010	casdh at cashiers office	12 632 286,47		<b>4659345,38</b>
5020	Ordinary shares		537 146 000,00	
5420	Resrve for revaluation of fixed assets		2 730 390 004,63	
5510	Undistributed income (uncivered loss) of the reporting year		242 036 872,79	
5520	Undistributed income (uncivered loss) of the previous years		852 769 933,12	
4030	Other long-term financial liabilities		24 000 000,00	
3110	Corporate income tax to be paid		-4 937 335,99	
3130	Value added tax		-11 750 793,63	
3120	Individual income tax		21 495 146,43	
3220	Liabilities on pension deductions		9 625 739,00	
3150	Social tax		11 116 188,38	
3190	Other taxes		-229 800,04	
3210	Liabilities on social insurance		1 797 497,02	
3160	land tax		-233 140,78	
3180	Property tax		-5 866 700,50	
3170	transportaion vehicles tax		-16 570,90	
3513	Liabrary deposit		71 236 390,14	<b>71 236 390,14</b>
3310	Short term indebtedness to suppliers and contractors		-36 357 456,54	
2910	Given long-term advance payments	17 779 299,00		
3350	Short-term indebtedness on labor compensation		5 569 029,63	
1253	Short-term indebtedness on loans given to the employees	1 870 661,00		
3411	Short-term warranty liabilities,		49 455 945,93	

*Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.*

	grants				
3413	Short-term warranty liabilities, insurance for employees		-21 243 876,25		
		<b>4 628 399 118,46</b>	<b>4 628 399 118,46</b>	<b>71236390,14</b>	<b>71236390,14</b>

*The main characteristics of the items of financial statement are provided in thousands of tenge.*

*Indicators of financial statement as of January 1, 2009 not comply with the indicators of the financial statement as of December 31, 2008. The essential reason for that is re-classification of the items of the financial statement in accordance with their economical nature. Also correction of the liabilities on deposits for textbook rents, etc has been done.*

Sections of reporting	Notes	Thousand tenge		
		As of January 1, 2009	As of December 31, 2008	
<b>ASSETS</b>				
<b>Long-term assets</b>				<b>Off.</b>
<i>Fixed assets</i>	1	4 933 951,0	4 933 951,0	
<i>Investment real estate</i>	2			
<i>Intangible assets</i>	3	3 118,0	3 118,0	
<i>Business reputation</i>	4			
<i>Financial investments, withheld until repayment</i>	5			
<i>Investments accounted by the method of equity participation</i>	6			
<i>Financial Investments available for sale</i>	7			
<i>Long-term accounts receivable</i>	8			
<i>Biological assets</i>	9			
<i>Exploratory and valuation assets</i>	10			
<i>Deferred tax assets</i>	11			
<i>Other long-term assets</i>	12	17 779,0	17 779,0	
<b>Total long-term assets</b>		<b>4 954 848,0</b>	<b>4 954 848,0</b>	
<b>Short-term assets</b>				
<i>Reserves</i>	13	120 557,0	120 557,0	
<i>Trading accounts receivable</i>	14	130 468,0	Wrapped balance	
<i>Financial investments, designed for trade</i>	15	1 871,0	0	

Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.

Short-term loans	16			
Accounts receivable on current tax	17	23 306,0		
Long-term assets designed for sale (IFRS 5)	18			
Other short-term assets	19	80 118,0		
Cash and equivalents	20	376 335,0		
Total short-term assets		732 655,0		
<b>TOTAL ASSETS</b>		<b>5 687 503,0</b>		

Thousand  
tenge

Sections of the reporting	Notes	As of the beginning of the reporting period		
<b>OWN EQUITY AND LIABILITIES</b>				
<b>Own equity related to the owners of parent company</b>				
Shareholding capital	21	537 146,0	537 146,0	
Undistributed income	22	1 094 807,0	1 094 807,0	
Reserves	23	2 730 390,0	2 730 390,0	
Total own equity related to the owners of parent company		4 362 343,0	4 362 343,0	
Non-controlling stake	24			
Total own equity		4 362 343,0	4 362 343,0	
<b>Long-term liabilities</b>				
Long-term financial liabilities	25			
Long-term accounts payable	26			
Deferred tax liabilities	27			
Long-term estimated liabilities	28			
Other long-term liabilities	29			
Total long-term liabilities		0,0		
<b>Short term liabilities</b>				
Trading accounts payable	30			
Other accounts payable	31	20 603,0		
Short-term financial liabilities	32	24 000,0		
Short-term part of long-term loans	33			

Liabilities on current tax	34	44 306,0		
Short-term estimated liabilities	35	152 379,0		
Other short-term liabilities	36	1 083 872,0		
Total short-term liabilities		1 325 160,0		
TOTAL LIABILITIES		1 325 160,0		
TOTAL LIABILITIES TOTAL OWN EQUITY AND LIABILITIES		5 687 503,0		

Note 1

Fixed assets

Balance value as of the beginning of the year 4 933 951 thousand tenge and as of the end of the reporting period 4 732 424 thousand tenge on each kind of fixed assets with consideration of their movement (input, retirement, change of the initial value, reasons for change)

Applied useful life periods or norms of amortization:

Useful life periods are determined based on the kind of fixed assets. Kind of amortization accrual – straight-line method.

Buildings 2%

Buildings of industrial purpose 7%

Machinery and equipment 25%

Transport 20%

Furniture 10 %

Other fixed assets 25%

The Company annually executes testing for devaluation of the fixed assets only at presence of the signs of devaluation, such as:

Essential drop of market value of the asset,

Essential changes of technology of production and services rendering,

Essential changes of interest rates or of other factors, influencing the discount rate, used at calculation of the value from the use of the asset,

Presence of evidence of ageing or physical damaging of the asset,

Changes of the scheme of obtaining benefits from use of the asset, periods and conditions of its usage,

other.

Fair value as of the reporting date of the fixed assets was not disclosed, although such disclosure is required by the clause 31 of the IAS "Fixed assets"

Inventory of Fixed Assets

According to the approved accounting policy the inventory of fixed assets has to be executed as of November 1 of the reporting year (before the date of the financial statement)

Factually, inventory of FA, which started on October 2, 2009 was completed in March 2010.

Upon the results of the inventory the deficiency of the fixed assets in the amount of 1 245 815.32 was revealed at the materially responsible person I.V. Shiliipko (inventory was executed from October 2, 2009 to January 31, 2010).

**As of the date of ending of the audit the results of the inventory are not reflected in the accounting. The faulty persons are not determined. Decision on writing off the deficiency is not yet made by the Executives. In accounting the depreciation is being accrued on those fixed assets, and correction of the VAT is not done.**

Table for disclosure of information on availability and movement of the fixed assets (thousand tenge)

	Land in thousands	Buildings and constructions in thousands	Machinery and equipment in thousands	Transportation vehicles in thousands	Other fixed assets in thousands	Total in thousands
Initial value:						
Balance as of January 1, 2009 in thousands	1 545 742	2 811 401	441 079	22 647	505 077	5 325 945
Acquired		-	-	-	39 649	39 649
Assets received free of charge	-	-	--	-	225	225
Total incoming	-	-	-	-	39 875	39 875
Devaluation of assets	-	-	-	-	115	115
Transferred to the composition of the materials	-	-	13 431	-	12 129	25 560
Other retirements	-	-	-	-	10513	10 513
Total retired					22 747	36 188
Balance as of December 31, 2009	1 545 742	2 811 401	427 648	22 648	522 194	5 329 632
2. Amortization						
Balance as of January 1, 2009	0	49 135	204 556	11 899	126 406	391 994
Amortization, accrued within the reporting period	0,00	64487	82039	2 369	81 989	230 882
Total amortization accrued	0,00	64487	82039	2 369	81989	230882

**Note 12**

*Other long-term assets*

*In accordance with the contract # 379 dated on October 19, 2007 for connection of the additional powers, concluded with the JSC "Almaty Power Consolidated", the Company has transferred 68 370 thousand tenge to the energy supplying organization as a payment for connection of the additional powers. Payment is refundable.*

*According to the letter, received by the Company (#211-955 dated on February 16, 2009) from the JSC "Almaty Power Consolidated", the refund will be executed within 20 years, starting from the 37 month, i.e. from November 11, 2010. Due to this circumstance the amount of the accounts receivable was reviewed with consideration of the time value of cash.*

*As of the reporting date the amount of discount is 48 061 thousand tenge. Net balance value of the accounts receivable – 20 309 thousand tenge.*

**Note 13**

*Reserves*

*The Total balance value of separate classes of reserves in accordance with the classification, adopted by the Company 121 563 thousand tenge.*

*Amount of reserves fro non-liquid inventories is 955 thousand tenge.*

*Main data on availability and movement of inventories are presented in the form of the table.*

*Table for disclosure of information on inventories*

*Thousand tenge*

	<i>Total materials</i>	<i>Incomplete production</i>	<i>including: acquired goods</i>	<i>Including: Other reserves</i>
<i>Balance as of January 1, 2009</i>	121 041		483	
<i>Reserve on non-liquid materials</i>	(968)			
<i>Total as of January 1, 2009</i>	120 073		483	
<i>Acquired</i>	65 052		7 439	
<i>Transfer from the composition of long-term assets</i>	25			
<i>Remainders at inventory</i>	1 164			
<i>Total incoming</i>	66 241		7 439	
<i>Spent</i>	64 764		5 701	
<i>Total retirement</i>	64 764		5 701	
<i>Balance as of December 31, 2009</i>	122 518		2 221	
<i>Reserve on non-liquid materials</i>	(955)			
<i>Balance as of December 31, 2009</i>	121 563		2 221	

**Note 14**



Trade accounts receivable

Disclosure of information on trade accounts receivable

Title	Balance as of December 31, 200_	Balance as of January 1, 200_
	Total	Total
<i>Bills receivable</i>	50 260	152 603
Reserve on doubtful debts	(19 674)	(22 135)
Total accounts receivable (net)	30 586	130 468

The most essential debtors are disclosed in the table

Disclosure of information on accounts receivable on bills receivable

Title of the debtor	Balance as of December 31, 2009	Balance as of January 1, 2009
<i>Account 1211 Students</i>	35 002	131 123
Account 1212 Attendees of the preparatory courses	6 795	3 930
Account 1214 Employment center	0	482
Others	8 463	17 068
Total	59 260	152 603
Amount of indebtedness recognized as doubtful	19 674	22 135
Net amount of the accounts receivable on bills receivable	30 586	130 468

Disclosure of information on doubtful debts

Title of the debtor	Amount of reserve on doubtful debts as of January 1, 2009	Corrected in the current period	Amount of the created reserve in the current period	Period of payment delay (days)	Amount of reserve on doubtful debts as of December 31, 2009
Reserve for study	21 376	4 870	2 716		19 222
Reserve for preparatory courses	428	320	- 108		0
Reserve on other requests	331	- 47	75		452
Total:	22 135	5 143	2 68375		19 674

Note 15

Amount of 1871,0 is settled within a year and as of the end of the reporting period balance equals to 0.00.

Short-term loans represent the loans provided by the company to its employees free of charge.

Note 17

Accounts receivable on current assets

Kinds of taxes	Balance as of December 31, 2009	Balance as of January 1, 2009
<i>CIT</i>	7 481	5 208
<i>VAT</i>	284	11 750
Land payment	94	
Land tax	144	233
Property tax	3 125	5 867
Transport tax	299	17
Others	12	0
Total	11 439	23 306

Note 19

Other short-term assets

64 678 80 118

Accounts	Title of the account	Balance as of December 31, 2009	Balance as of January 1, 2009
1611	Advance payments given for inventories	19 683	56 961
1612	Advance payments given for services	48 761	26 637
1620	Expenses of the future periods	- 3 766	- 3 480
	Total	64 678	80 118

Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.

Disclosure of information on the account 1611 "Advance payments given for inventories"

Thousand tenge

Title of the company	Balance as of December 31, 2009	Balance as of January 1, 2009
A. Profile	0	3 463
Almatyenergobyt	3 300	6 942
Polygon International	6 028	8 047
Pro Line TOO	6 540	0
Business Media Group	1 252	0
Plasma	2 375	0
Print Com Int.	2 338	0
Others	7 178	38 509
<b>Total</b>	<b>19 683</b>	<b>56 961</b>

Disclosure of information on the account 1612 « Advance payments given for services »

Thousand tenge

Title of the company	Balance as of December 31, 2009	Balance as of January 1, 2009
IFIUS (International Federation Interuniversity Sport)	1 240	1 240
IT Group Service TOO	1 509	1 509
Success LTD	1 777	5 706
ALMATYENERGOSBYT	3 300	3 000
Dauys	1 133	1 133
EDUCATIONAL INSTITUTION KAZAKHSTANI INTELLECTUAL SCHOOL	5 550	3 000
Others	32 324	9 121
KURYLYSSHY LLP	1 928	1 928
<b>Total</b>	<b>48 761</b>	<b>26 637</b>

**Table for disclosure of information on accounts receivable of the related parties**

Title of the debtor	Balance as of December 31, 2009 in thousands	Balance as of January 1, 2009 in thousands
USKO (on furniture)	2 229	766
USKO construction department (bank account in BTA)	1 728	4 565
<b>Total</b>	<b>3 957</b>	<b>5 331</b>

Note 20

Other cash and equivalents

Composition of cash - cash on the current accounts in the banks, cash in cashier's office and deposits to be called for.

Amount of significant remainders of cash and equivalents, inaccessible for using – deposits at the accounts (to be called for and for the non-resident employees).

Expected deficit of cash is not planned, although there is a risk of reduction of the number of applicants and students of the JSC "KIMEP".

Table for disclosure of information on cash and equivalents

Description	Balance on December 31, 2009	Balance on December 31, 2008
<i>Cash at special accounts in the bank</i>		
- deposit in the JSC DB RBS (Kazakhstan) (tenge)	-	6,714.13
- deposit in the JSC DB RBS (Kazakhstan) (tenge)	-	4,082.61
- deposit in the JSC ACB of Bank Center Credit (tenge)	-	180.14
- deposit in the JSC ACB of Bank Center Credit (tenge)	-	238,204.84
- deposit in the JSC ACB of Bank Center Credit (tenge)	450,000.00	-
- deposit in the JSC ACB of Bank Center Credit (tenge)	300,000.00	-
- deposit in the JSC ACB of Bank Center Credit (tenge)	2,626.40	-
- deposit in the JSC ACB of Bank Center Credit (US dollars)	296,719.93	-
<i>Cash at foreign currency accounts within the country</i>	-	-
- Foreign currency account at DB RBS (Kazakhstan)	22,177.74	17,290.26
- Foreign currency account at JSC ACB of Bank Center Credit (CHF)	286.02	228.86
- Foreign currency account at JSC ACB of Bank Center Credit (USD)	31,894.92	513.27
- Foreign currency account at "CitiBank Kazakhstan"	83.35	67.85
- Foreign currency account at JSC ACB of Bank Center Credit (Euro)	173.26	-
<i>Cash on bank account</i>	-	-
- Bank account in JSC DB RBS (Kazakhstan)	7,905.31	18,351.02
- Bank account in JSC ACB Bank Center Credit	236,740.09	62,485.80
- Bank account in JSC Citibank Kazakhstan	5.07	771.87
- Bank account in JSC Citibank Kazakhstan (Dr. Chang Young Bang)	542.09	481.28
- Bank account in JSC Citibank Kazakhstan (Dr. Habibur Rahman)	16.63	409.45
- Bank account in JSC ACB Bank Center Credit (Dr. Habibur Rahman)	54.81	-
- Bank account in JSC ACB Bank Center Credit (Library account)	9,842.61	13,921.54
- Cash in national currency (library)	2,667.77	4,659.35
- Cash in national currency	4,391.06	7,972.94
<b>TOTAL</b>	<b>1,366,127.07</b>	<b>376,335.21</b>

Note 21

Shareholding capital

Information on Shareholding capital is disclosed in the following volume:

Shareholding capital amounts to 537 146 tenge

date of initial state registration of shares emissions – September 8, 2004

date of the last state registration of shares emission – July 11, 2005

number of initial state registration of shares emissions -A5170

number of the last state registration of shares emission -A5170

number of shares, including:-585 000 ORDINARY SHARES

ordinary shares:

350 988 shares or 60% portion in the Charter Capital –Chan Young Bang

(paid for in full),

234 012 shares or 40% portion in the Charter Capital – Government of the Republic of Kazakhstan (paid for in full).

State portion of shares -234 012 shares.

Data on registrar of the last emission of shares – Registrar company JSC "Fund center", license # 0406200386.

Note 22

Undistributed revenue

As of January 1, 2009 the undistributed revenue of the Company amounted to 1 094 807 thousand tenge, as of December 31, 2008 - 1 940 681 thousand tenge.

Revenue for the reporting period – 847 837 thousand tenge.

And decrease at the expense of transfer of the part of the reserve equity to the account of the undistributed revenue due to the retirement of the fixed assets - 939 546 thousand tenge and correction of depreciation on fixed assets for the previous periods.

Note 23

Reserve equity

Kinds and size of the reserve equity stipulated by the legislation of the Republic of Kazakhstan, Charter and internal documents of the Company;

Kinds And size of the reserve equity, factually formed by the Company;

Reasons for changes of the amount of the reserve equity.

Reserve equity reflects the formed equity from the revaluation of the fixed assets starting from January 1, 2005, in 2008 the adjustment of the price of land was done in accordance with the report by "Nak-Paida" – the company which undertook the revaluation of FA at transition to IFRS in 2006.

Table for disclosure of information on the reserve equity

Kind (purpose)of the reserve equity	Balance as of January 1, 2009 in thousands	Increase in thousands	Decrease in thousands	Balance as of December 31, 2009 in thousands
Reserve equity in revaluation of FA	2 730 390		940	2 729 451
Total	2 730 239	0	940	2 729 450

Decrease of the reserve equity occurred due to retirement of fixed assets

Note 31

Other accounts payable

Table for disclosure of information on accounts payable.

Title of the supplier	Balance as of December 31, 2009	Balance as of January 1, 2009
Almaty heating networks	1 556	2 446
Burgan	0	1 668
Sa telecom	0	2 260
SOS Kazakhstan	0	1 505
USKO	0	1 728
Others	19 843	10 734
SEAL INVEST TOO	1 072	0
Kazakhtelecom ATF	1 000	262
Total	23 471	20 603

Note 32

Short-term financial liabilities

Short-term credits and loans:

In 2008 the Company has received interest-free loans from Dr. Chan Young Bang, the President of the Company in amount of 37 000 thousand tenge and 24 000 thousand tenge.

As of the reporting date the loan in amount of 24 000 thousand tenge has not been settled.

The loan was brought in for short-term purposes, current payments coverage. Settlement of the loan is done on February 6, 2009.

Note 34

Liabilities on taxes

Table for disclosure of information on liabilities on taxes.

Kind of taxes	Balance as of December 31, 2009	Balance as of January 1, 2009
CIT	2 109	- 4 937
IIT	9 323	21 495
VAT	0	- 11 751
Social tax	12 149	11 116
Land tax	95	0
Transport tax	0	-17
Property tax	0	230
Social deductions	2 424	1 797
PF	10 043	9 626

*Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.*

Total	36 037	44 306
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Note 35

Short-term estimated liabilities

*In accordance with IFRS 37 the Company recognizes estimated liabilities on unused paid leaves. The order of providing paid leaves is regulated by the Labor Code of the Republic of Kazakhstan.*

*As of December 31, 2009 reserve amounts to 117 877 thousand tenge, as of January 1, 2009 152 379 thousand tenge.*

*Decrease of the reserve is related to the decrease of the number of employees.*

Note 36

Other short-term liabilities

*Table for disclosure of information on other accounts payable*

<i>Title of creditor/liability</i>	<i>Balance as of December 31, 2008</i>	<i>Balance as of January 1, 2009</i>
<i>Students (advance payments from students)</i>	798 789	884 224
<i>Library deposit</i>	69 195	140 300
<i>Received short-term advance payments Краткосрочные авансы полученные</i>	58 824	50 292
<i>salary</i>	0	5 570
<i>Others</i>	39 505	3 481
<i>Total</i>	966 313	1 083 872

*Grants in amount of 62 918 thousand tenge are included in the short-term estimated liabilities..*

*Short-term estimated liabilities on scholarships 733 thousand tenge.*

*Other estimated liabilities – 24 147 thousand tenge insurance for employees.*

Note 37

Report on aggregate revenue

<b>Account</b>	<b>Titles of indicators</b>	<b>For the reporting period</b>	<b>Specific weight</b>
			<b>In %</b>
	<b>Items of revenues</b>		
<b>6010</b>	<b>Operational Revenue from educational activity</b>	<b>3 327 921</b>	<b>76</b>
	Including the revenue from education	3 587 992	

*Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.*

	Minus discounts	260 071	
<b>6200</b>	<b>Other revenues</b>	<b>1 082 351</b>	<b>24</b>
6210	Revenue from asset retirement	3 131	
6220	Revenues from the assets received free of charge	225	
6240	Revenues from revaluation of the retired fixed assets	50	
6250	Positive exchange rate difference	697 448	65
6280	Other revenues	381 497	35
	<i>Including:</i>		
	<i>Indirect revenues of the employees on insurance</i>	4 120	
	<i>Input of the remainder cash, staying at the settlement accounts on library through 00 account at transition to the new software version 8.1</i>	121 720	
	<i>Revenues of the previous periods</i>	8 450	
	<b>Total revenues</b>	<b>4 410 272</b>	<b>100</b>
	<b>Items of expenses</b>		
7110	Expenses on realization of production and services	13 635	
7210	Administrative expenses	961 725	
7410	Expenses on asset retirement	8 399	
7420	Expenses from asset devaluation	115	
7430	Expenses on exchange rate difference	657 518	
7440	Reserve of hopeless requests	- 30 219	
7470	Other expenses	9 634	
	<b>Total expenses</b>	<b>1 620 807</b>	<b>46</b>
	<b>Items of operational activity</b>		
7010	Prime cost of the services rendered	399	
8110	Operational expenses	1 693 001	
8310	Supportive operations	139 106	
8410	Overhead expenses	109 122	
	Total operational expenses	<b>1 941 628</b>	<b>54</b>
	<b>Total expenses</b>	<b>3 562 435</b>	<b>100</b>
	<b>REVENUE FOR THE YEAR</b>	<b>847 837,0</b>	

Disclosure of information on revenues and expenses in thousand tenge:

Financial result of the current period: 847 837

Operational Revenue from education – 3 327 921

Prime cost of realized goods (works, services) on education – 1 941 628

Other revenues – 1 082 351



Expenses for realization of production and rendering of services – 13 635

General and administrative expenses (with breakdown to items of costs) – 961 725

Funding expenses;

Other expenses – 645 447

Total aggregate annual revenue – 847 837

Note 38

Disclosure of information on revenues and expenses from realization of production (works, services) of the operational activity

Kind of activity	Revenue		Rime cost of sales	
	<i>For the reporting period</i>	<i>For the previous period</i>		<i>For the reporting period</i>
<i>Kinds of activity</i>	<i>3 327 921</i>	<i>3 108 327</i>	<i>1 941 628</i>	<i>1 809 724</i>
<i>Education</i>				
<i>Total</i>	<i>3 327 921</i>	<i>3 108 327</i>	<i>1 941 628</i>	<i>1 809 724</i>

Note 39

Disclosure of information on other revenues

	For the reporting period	For the previous period
Other revenues		
<i>Revenues from asset retirement, including:</i>	<i>3 131</i>	<i>....</i>
Revenues from intangible assets retirement	225	....
Revenues from fixed assets retirement	50	
Revenues from financial investment retirement		
Revenues on exchange rate differences	697 448	.....
Other revenues including:		
Revenues from accrued fines, penalties, forfeits for breach of contractual conditions		
Revenues from the written off accounts payable, on which the limitation period has expired		
Incomings as compensation of inflicted damage		
Other similar revenues	381	.....
Total	1 082 351	199 895

Note 40

Disclosure of information on expenses for realization of production and rendering of services

	For the reporting period	For the previous period
expenses for realization of production and rendering of services		
<i>Amortization deductions and expenses on maintenance of fixed assets, used at realization of inventories</i>	..	...
<i>Expenses on loading, transportation and storage</i>	..	
<i>Services of suppliers</i>	..	480
<i>Acquisition of materials</i>		462
<i>Other expenses</i>	..	9 768
<b>Total</b>	<b>13 635</b>	<b>25 552</b>

Note 41

Table for disclosure of information on administrative expenses

	For the reporting period in thousands	For the previous period in thousands
Administrative expenses		
Labor compensation for employees	539 205	423 519
<b>Payments stipulated by the legislation in favor of employees</b>	6 177	16 141
<b>Social payments</b>	6 177	16 141
<b>Deductions from the alary of employees</b>	41 950	297 054
<b>Amortization of fixed assets</b>	230 882	102 511
<b>Amortization of intangible assets</b>	91	593
<b>Maintenance and renovation of fixed and intangible assets</b>	8 501	28 554
<b>Raw and other materials</b>	58 718	28665.36
<b>Stationery and printhouse expenses</b>	11 758	12375
<b>Communication services</b>	12 263	14 531
<b>Utility expenses related to supporting the administrative and managerial staff</b>	120	120
<b>Business trip expenses</b>	1659	230

<b>Representative expenses</b>	117.00	40
<b>Professional development expenses</b>	1 350	385
<b>Consulting (auditor) and informational services</b>	4 957	11 054
<b>Legal services</b>	3 000	1 395
<b>Payment for banking services</b>	10 767	10 119
Expenses for creation of reserves on doubtful debts	2 791	
Others		114 540
<b>Total</b>	<b>961 725</b>	<b>906 961</b>

Note 42

Disclosure of information on other expenses

Table for disclosure of information on other expenses

Thousand tenge

	For the reporting period in	For the previous period
Other expenses		
Expenses on fixed assets retirement	8 399	10 006
Expenses on financial investments retirement		146 244
Expenses on other assets retirement		168 565
Expenses on asset devaluation	115	
Expenses on exchange rate difference	657 518	
Reserve of hopeless requests	- 30 219	
Other expenses	9 634	
<b>Total</b>	<b>645 447</b>	<b>324 815</b>

Note 43

Disclosure of information on expenses on income tax

The Company is not a payer of CIT in accordance with the article 135 of the Tax Code of the RK

Note 44

Disclosure of information to the report on movement of cash

**IFRS (IAS) 7**

The enterprise shall disclose components of cash and equivalents and present reconciliation of amounts, contained in the report of cash movement with similar items, presented in the balance.

The enterprise shall disclose the policy, adopted by it for determination of the structure of cash and equivalents.

In majority of cases the following information is disclosed additionally:

- analysis of cash and equivalents;
- main operations of unreliable nature; - Your mutual settlements with Rymzhanova and others.
- cash and equivalents, inaccessible for use by the Group;
- presentation of data on futures, options and swaps

Note 45

*Disclosure of information of the Report on changes in the own equity*

*Revenue for the year amounted to 847 837 thousand tenge.*

*Within the reporting period 1 963 thousand tenge is related to the undistributed income (correction of depreciation of NA for the year 2008. Total aggregate annual revenue amounted to 845 874 thousand tenge В течении отчетного периода отнесено на нераспределенную прибыль тысячи тенге (корректировка износа по НА за 2008 год. Суммарный совокупный годовой доход составил тенге.*

OTHER ISSUES

Table for disclosure of information on character of operations with the related parties

Title of the transaction	Titles of the related parties	Other (if available) in thousands	Total in thousands
Expenses	USKO (on furniture)	2 228	2 228
	USKO (other)	6 293,50	6 293,50
Total		6 521	6 521

Managing the risks of insufficiency of capital – the Company manages the risk of insufficiency of capital, to make sure, that the Company will be able to continue its operations as the continuously operating enterprise at maximum increase of the revenue for the founder by means of optimization of debt and of own equity.

Structure of capital of company includes charter capital, undistributed revenue and reserves.

Main principles of the accounting policy – data on the main principles of the accounting policy and adopted methods, including the criteria of recognition, grounds for valuation and grounds on which the expenses and revenues are recognized, in regards of each class of financial assets and financial liabilities are disclosed in the section 3 Essential aspects of the accounting policy of the financial statement.

Categories of the financial instruments - as of December 31 of the reporting and previous years the financial instruments are represented as follows:

	Balance as of December 31, 2009	Balance as of January 1, 2009
Financial assets	1 594 393	732 655
Cash and equivalents	1 366 127	376 335
Accounts receivable of the related party	294	0
Trading accounts receivable	26 441	129 395

*Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.*

Other current assets	201 531	226 925
Financial liabilities		
Trading accounts payable		
Other accounts payable	0	24 000

Purposes of financial risks management – Risk management is an important element of the operations of the Company. The Company controls and manages the financial risks relating to the operations of the Company through the internal reports on risks, in which the exposure to the risks by the degree and amounts of risks is analyzed. These risks include market risk (including the currency risk) and liquidity risk.

Currency risk management – the Company undertakes some operations, expressed in foreign currency. Due to this the risk of currencies exchange rates changing occurs. The Company also undertakes some operations on acquisition, expressed in foreign currency, and also has assets and liabilities, denominated in foreign currency.

The Company limits currency risk by means of monitoring changes of the exchange rates of foreign currencies, in which the cash and equivalents and also the amount of indebtedness are expressed.

Balance value of the financial assets and financial liabilities of the Company, expressed in foreign currency as of the reporting date is presented as follows. This disclosure does not include the items of assets and liabilities, expressed in other foreign currencies, due to the fact, that amounts of them in aggregate do not stress any significant influence to the financial statement of the Company:

	US dollars	
	Balance as of December 31, 2009, thousand tenge	Balance as of January 1, 2009, thousand tenge
Assets		
Cash in USD		
Trading accounts receivable from the related parties		
Total		
Liabilities		
Trading accounts payable		
Total		
Open currency position		

Managing the liquidity risk – The final responsibility for managing the liquidity risk is taken by the Founders of the Company, who created the necessary system of liquidity risk management for the executives of the company according to the requirements of liquidity management. The Company manages the risk of liquidity by means of maintaining the adequate reserves, by means of continuous monitoring of forecasted and factual cash movement and comparison of periods of repayment of financial assets and liabilities.

Taxation

Kazakhstani tax legislation and practice are in the process of permanent development and are the objects of different interpretations and frequent changes, which may have the reverse force. Besides, interpretation of the tax legislation by the tax bodies may not comply with the interpretation by the executives of the Company. As the result of this the operations of the Company may be disputed by the tax bodies, and some additional taxes, fines and penalties may be produced to be paid by the Company. Tax periods within which the tax inspections may be conducted amount to 5 years.

As of December 31, 2009 the executives of the Company believe, that their interpretation of the appropriate legislation is correct and the tax positions of the Company will probably not change.

#### Conditions in which the Company conducts its operations

Economy of the Republic of Kazakhstan continues to demonstrate the signs, characteristic to the countries, in which the market economy is at the stage of development. Among others, such signs include the following:

National currency is not freely convertible beyond the territory of the country;

Tough currency control;

Low level of liquidity at open and closed markets of debt and equity securities;

Perspectives of the economical stability in the Republic of Kazakhstan to a significant degree depend on effectiveness of the economical measures, undertaken by the government, and also on development of the legislative basis and of political situation.

#### Events after the reporting date

##### Litigations and claims

The company is an object of various litigations and claims.

In 2009 the Company won a first litigation – appeal against the act of comprehensive tax inspection for the period of 2003-2007. Defendant of the claim is Tax Administration of the Medeu district of Almaty city.

The decision of the first instance court is recognized as invalid and the Notification of the tax administration of Medeu district dated on December 4, 2008 is cancelled in part of accrual of the corporate income tax for the period of 2004-2005 in amount of 100 215 thousand tenge and penalty in amount of 46 482 thousand tenge, and also of the property tax in amount of 1 995 thousand tenge and penalty in amount of 234 thousand tenge.

The essential litigation in April 2010 for the Company is consideration of the counter claim of the Tax administration of Medeu district of Almaty city in the Supreme court of the Republic of Kazakhstan, which was resolved in favor of the Company.

The company is a defendant in three litigations with individuals, faculty members of the Institute, in regards of termination of the labor contracts due to reduction of staffing of the institute.

The executives believe, that the obligation, if such would take place, related to such litigations and claims, will not stress a significant influence neither to the current financial status of the Company, nor to the results of the operations of the Company in the future.

#### Financial and conditional liabilities

##### Issues of environmental protection

The company shall observe different laws and policies of the Republic of Kazakhstan on environmental protection. Although the top-management is sure that the Company to a significant degree observes such laws and policies, there is not assuredness that there are no unforeseen liabilities.

#### Market risk

Market risk is the possible fluctuation of the value of the financial instrument as the result of changes of the market prices. The company manages the market risk by means of periodical valuation of the potential losses, which may occur due to the negative changes of the market situation.

#### Credit risks

There are no credit lines.

#### Risk related to the rate of return

There are no credit lines.

#### Liquidity risk

There are no liquidity risks. The rate of coverage (of general liquidity) is equal to 1.4.

#### Risk related to cash movement

Risk related to cash movement is the risk that the amount of the future cash flows, related to the cash financial instrument will fluctuate. Company manages this risk by means of regular budgeting and cash flow analysis.

#### Currency risk

Currency risk is the risk of changes of the value of the financial instrument due to changes of the currency exchange rates.

As of the end and the beginning of the reporting period the cash assets and liabilities of the Company are expressed in the following currencies:

Title of items	Balance as of December 31, 2009				Balance as of January 1, 2009			
	Total in thousands	Tenge in thousands	In foreign currency in thousands	In other currencies in thousands	Total in thousands	Tenge in thousands	In foreign currency in thousands	In other currencies in thousands
Cash and equivalents	1 366 127,	1 366 127	2 366 dollars	2 francs 1 euro	376 335 tenge	376 335 tenge	149 dollars	2 francs
Net balance position	1 366 127,	1 366 127	2 366 dollars	2 francs 1 euro	376 335 tenge	376 335 tenge	149 dollars	2 francs

#### Segment reporting

There is no segment reporting.

Financial statement of the JSC "KIMEP", composed in accordance with the IFRS for the year ended on December 31, 2009.

Ex VP

Chief Executive Officer

Chief Accountant

*Habibur Rahman*

signature

HABIBUR RAHMAN

FULL NAME

*Yelena Danilova*

signature

YELENA DANILOVA

FULL NAME



April «12», 2010



**Balance Sheet**  
as of 31 December 2009

Title of the organization JSC "KIMEP"  
Kind of operations EDUCATION  
Organizational and legal form NON-PROFIT JSC  
Legal address of the organization Almaty city, Abai ave.2

Description	Notes	000 KZT	
		FY 2009	FY 2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	4 732 424,0	4 933 951,0
Investment property	2		
Intangible assets	3	3 850,0	3 118,0
Goodwill	4		
Investments	5		
Investments in associates	6		
Investments available-for-sale	7		
Non-current trade and other receivables	8		
Biological assets	9		
Exploration and evaluation assets	10		
Deferred tax assets	11		
Total non-current assets	12	20 309,0	17 779,0
Total non-current assets		<b>4 756 583,0</b>	<b>4 954 848,0</b>
<b>Current assets</b>			
Inventories	13	121 563,0	120 557,0
Trade and other receivables	14	30 586,0	130 468,0
Trade financial assets	15		1 871,0
Short term loans	16		
Deferred income tax assets	17	11 439,0	23 306,0
Non-current assets held for sale	18		
Other current assets	19	64 678,0	80 118,0
Cash and cash equivalents	20	1 366 127,0	376 335,0
Total current assets		<b>1 594 393,0</b>	<b>732 655,0</b>
<b>TOTAL ASSETS</b>		<b>6 350 976,0</b>	<b>5 687 503,0</b>

Description	Notes	000 KZT	
		FY 2009	FY 2008
<b>LIABILITIES AND EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	21	537 146,0	537 146,0
Retained earnings	22	1 940 681,0	1 094 807,0
Provisions	23	2 729 451,0	2 730 390,0
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>5 207 278,0</b>	<b>4 362 343,0</b>
Minority interest	24		
<b>TOTAL EQUITY</b>		<b>5 207 278,0</b>	<b>4 362 343,0</b>
<b>Non-current liability</b>			
Non-current financial liabilities	25		
Non-current accounts payable	26		
Deferred tax liability	27		
Deferred non-current	28		
	29		
		<b>0,0</b>	<b>0,0</b>
<b>Current liability</b>			
	30		
Other accounts payable	31	23 471,0	20 603,0
Financial liabilities	32		24 000,0
Current part of non-current loan	33		
Current income tax liabilities	34	36 037,0	44 306,0
Current revaluation liabilities	35	117 877,0	152 379,0
Other current liabilities	36	966 313,0	1 083 872,0
<b>TOTAL CURRENT LIABILITIES</b>		<b>1 143 698,0</b>	<b>1 325 160,0</b>
<b>TOTAL LIABILITIES</b>		<b>1 143 698,0</b>	<b>1 325 160,0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6 350 976,0</b>	<b>5 687 503,0</b>

Ex. VP  
Chief Executive Officer M. A. Akhmetov (signature)  
Chief Accountant \_\_\_\_\_ (signature)  
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**Income Statement**  
**as of 31 December 2009**

Title of the organization JSC "KIMEP" \_\_\_\_\_  
 Kind of operations \_\_\_\_\_ EDUCATION \_\_\_\_\_  
 Organizational and legal form \_\_\_\_\_ NON-PROFIT JSC \_\_\_\_\_  
 Legal address of the organization \_\_\_\_\_ Almaty city, Abai ave.2 \_\_\_\_\_

000 KZT

Description	Note	FY 2009	FY 2008
<b>REVENUE</b>	<b>37</b>	<b>3 327 921,0</b>	<b>3 108 327,0</b>
Cost of Sales	38	1 941 628,0	1 809 724,0
Gross profit		<b>1 386 293,0</b>	<b>1 298 603,0</b>
Other revenue	39	1 082 351,0	199 895,0
Selling expenses	40	13 635,0	25 552,0
General and Administrative expenses	41	961 725,0	906 961,0
Other expenses	42	645 447,0	324 815,0
Financing costs	43		
Share of revenue from associates	44		
<b>Profit (loss) before income tax</b>		<b>847 837,0</b>	<b>241 170,0</b>
Income tax expenses	45		
Profit/(loss) for the period from continuing operations		<b>847 837,0</b>	<b>241 170,0</b>
<b>PROFIT FOR THE PERIOD</b>		<b>847 837,0</b>	<b>241 170,0</b>
<b>Other comprehensive revenue:</b>			
Foreign currency translation differences for foreign operations	47		
Revaluation of assets available for sale	48		
Effective portion of changes in fair value of cash flow hedges	49		
Gain/(Loss) from revaluation of Property, Plant and Equipment	50		
Defined benefit plan actuarial gains (losses)	51		
Share of other comprehensive income of associates and joint ventures	52		
Income tax on other comprehensive income	53		
		0,0	0,0
<b>TOTAL NET PROFIT</b>		<b>847 837,0</b>	<b>241 170,0</b>
Profit attributable to:			
- owners of parent company	54	847 837,0	241 170,0
- non-controlling interest	55		
<b>Profit for the period</b>		<b>847 837,0</b>	<b>241 170,0</b>
<b>Total comprehensive income attributable to:</b>			
- owners of parent company	56	847 837,0	241 170,0
- non-controlling interest	57		
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>847 837,0</b>	<b>241 170,0</b>

Chief Executive Officer Ex. VP M. A. I. Salimov  
 (full name) (signature)  
 Chief Accountant \_\_\_\_\_  
 (full name) (signature)  
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**Statement of Cash Flows**  
**as of December 31, 2009**  
**(direct method)**

Title of the organization JSC "KIMEP"  
 Kind of operations EDUCATION  
 Organizational and legal form NON FOR PROFIT  
 Legal address of the organization Almaty city, Abai ave.2

000 KZT

Description	FY 2009	FY 2008
<b>I. Cash flows from operating activities</b>		
<b>1. Profit for the period</b>	<b>3 899 860,0</b>	<b>3 379 851,0</b>
including:		
Sale of goods		
Service rendered	2 977 163,0	2 331 330,0
Advance received	750 022,0	875 893,0
Dividends		
Other income	172 675,0	172 628,0
<b>2. Cash retirement, total</b>	<b>2 846 419,0</b>	<b>3 155 818,0</b>
including		
Cash paid to suppliers	333 041,0	1 011 354,0
Advance paid		
Cash paid to employees	1 707 080,0	1 594 275,0
Loan interests payment		
Corporate income tax		
Other tax payments	555 622,0	454 733,0
Other payments	250 676,0	95 456,0
<b>3. Net cash from operating activities (page I. 1 - page I. 2)</b>	<b>1 053 441,0</b>	<b>224 033,0</b>
<b>II. Cash flows from investing activities</b>		
<b>1. Incoming cash, total</b>	<b>0,0</b>	<b>0,0</b>
including:		
Proceeds from sale of property, plant and equipment		
Proceeds from sale of intangible assets		
Proceeds from sale of other non-current assets		
Proceeds from sale of financial assets		
Loan payment given to other organizations		
Futures and forward contracts, options and swaps		
Other incomings		
<b>2. Cash payments, total</b>	<b>39 649,0</b>	<b>129 699,0</b>
including:		
Acquisition of property, plant and equipment	39 649,0	129 276,0
Acquisition of intangible assets		423,0
Acquisition of other non-current assets		
Acquisition of financial assets		
Providing loans to other organizations		
Futures and forward contracts, options and swaps		
Other payments		
<b>3. Net cash used in investing activities (page II.1 - page II. 2)</b>	<b>-39 649,0</b>	<b>-129 699,0</b>
<b>III. Cash flows from financing activities</b>		
<b>1. Incoming cash, total</b>	<b>0,0</b>	<b>61 000,0</b>
including:		
Emission of shares and of other securities		
Receiving loans		61 000,0
Interest from financial lease		
Other incomings		
<b>2. Cash payments, total</b>	<b>24 000,0</b>	<b>37 000,0</b>
including:		
Loan payment	24 000,0	37 000,0
Acquisition of own shares		
Dividend payment		
Other		
<b>3. Net cash from (used in) financing activities (page III. 1 - page III. 2)</b>	<b>-24 000,0</b>	<b>24 000,0</b>
<b>Total: Increase +/- decrease of cash (page I. 3 + page II. 3+ page III. 3)</b>	<b>989 792,0</b>	<b>118 334,0</b>
Cash and equivalents as of the beginning of the reporting period	376 335,0	257 901,0
Cash and equivalents as of the end of the reporting period	<b>1 366 127,0</b>	<b>376 335,0</b>

Chief Executive Officer

(full name)

(signature)

Chief Accountant

(full name)

(signature)

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Statement on changes in equity  
as of December 31, 2009

Title of the organization JSC "KIMEP"  
Kind of operations EDUCATION  
Organizational and legal form NON-PROFIT JSC  
Legal address of the organization Almaty city, Abai ave.2

Description	Equity of the parent organization						
	Shareholding equity	Retained earnings	Exchange rate difference from recalculation of foreign operations	Revaluation of financial assets available for sale	Cash flows hedging	Revaluation reserves	Total
<b>Balance as of January 1 of the previous year</b>	537 146,0	852 770,0				7 608 225,0	<b>8 998 141,0</b>
Changes of the accounting policy						(4 877 835,0)	<b>(4 877 835,0)</b>
Recalculated balance	537 146,0	852 770,0	0,0	0,0	0,0	2 730 390,0	<b>4 120 306,0</b>
<b>Changes of the equity in the previous year</b>							
Emission of shares							<b>0,0</b>
Net change in fair value of available-for-sale financial assets							<b>0,0</b>
Dividends							<b>0,0</b>
<b>Total comprehensive income for the previous year</b>		242 037,0					<b>242 037,0</b>
Transferred to Retained earnings							<b>0,0</b>
<b>Balance as of December 31 of the previous year</b>	<b>537 146,0</b>	<b>1 094 807,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>2 730 390,0</b>	<b>4 362 343,0</b>
Changes of the accounting policy						(-940)	<b>0,0</b>
Recalculated balance	537 146,0	1 094 807,0	0,0	0,0	0,0	2 729 450,0	<b>4 361 403,0</b>
<b>Changes of the equity in the reporting year</b>							
Emission of shares							<b>0,0</b>
Net change in fair value of available-for-sale financial assets							<b>0,0</b>
Dividends							<b>0,0</b>
<b>Total comprehensive income for the reporting year</b>		845 874,0					<b>845 874,0</b>
Transferred to the retained earnings							<b>0,0</b>
<b>Balance as of December 31 of the reporting year</b>	<b>537 146,0</b>	<b>1 940 681,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>2 729 450,0</b>	<b>5 207 277,0</b>

Chief Executive Officer

(full name)

Chief Accountant

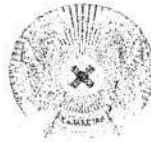
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Серия МФЮ - 2



№ 0000040

## ГОСУДАРСТВЕННАЯ ЛИЦЕНЗИЯ

Выдана Товариществу с ограниченной ответственностью

(полное наименование, местонахождение, реквизиты юридического лица)

«PKF Сапа - Аудит»

город Алматы

РНН 600400085995

на занятие аудиторской деятельностью.

Генеральная лицензия без ограничения срока действия на всей территории Республики Казахстан.

Организацию лицензию Министерство финансов  
Республики Казахстан

Р. Ш.

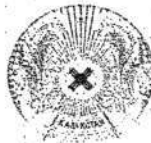
М. Ш.

Шолпанкулов Б.Ш.

Дата выдачи лицензии " 10 " июля 2009 г. Город Астана



Сериясы МФЮ - 2



№ 0000040

## МЕМЛЕКЕТТІК ЛИЦЕНЗИЯ

Аудиторлық қызметпен айналысуға

(заңды тұлғаның толық атауы, орналасқан жері, деректемелері)

«PKF Сапа - Аудит»

жауапкершілігі шектеулі серіктестігіне

Алматы қаласы, СТН 600400085995

берілді.

Қазақстан Республикасының бүкіл аумағында қолданылу мерзімі шектеусіз бас лицензия.

Лицензия берген орган Қазақстан Республикасының

Қаржы министрлігі.



Шолпанқұлов Б.Ш.

Лицензия берілген күні 2009 жылғы " 10 " шілде Астана қаласы