

THE PINE FOUNDATION

England & Wales · Charity number 1038938

Details

Other names	PINE FOUNDATION
Status	Registered
Legal form	Other
Registered	1994-06-23
Register	View on the Charity Commission register

Contact

Address	30 Dartmouth Road London SE23 3XU
Phone	07764948009
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Activities

Objects: TO PROMOTE AND ADVANCE EDUCATION AND RESEARCH IN ECONOMIC, POLITICAL AND SOCIOLOGICAL PROCESSES FOR THE BENEFIT OF THE PUBLIC AND IN PARTICULAR WITHOUT PREJUDICE TO THAT GENERALITY TO PROMOTE AND ADVANCE EDUCATION AND RESEARCH IN RUSSIA AND THE FORMER EASTERN BLOCK COUNTRIES.

Activities: The objectives of The PINE Foundation, as stated in its Trust Deed, are to promote and advance education and research in economic, political and sociological processes for the benefit of the public

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED, BUT PREFERENCE FOR RUSSIA AND THE FORMER EASTER
- Japan

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£72,000	£113,396	-	-
2024-03-31	£109,220	£104,832	-	-
2023-03-31	£89,496	£86,552	-	-
2022-03-31	£77,261	£108,181	-	-
2021-03-31	£66,717	£101,610	-	-

Trustees

Name	Role	Appointed
PROFESSOR SERGUEY BRAGUINSKY	Chair	
KENTARO NISHIDA		2017-09-06
PROFESSOR ATSUSHI OYAMA		

THE PINE FOUNDATION

England & Wales - Charity number 1038938

Accounts

The PINE Foundation

Registered Charity No. 1038938

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2025**

The PINE Foundation
Year ended 31st March 2025

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The PINE Foundation

Legal and Administrative Details

TRUSTEES

Professor Serguey Braguinsky (Secretary to the Board of Trustees)
Mr Kentaro Nishida
Professor Atsushi Ohyama

SOLICITORS

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2-6 Cannon Street
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INDEPENDENT EXAMINER

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London EC2A 2AP

BANKERS

Barclays Bank plc
114 Fenchurch Street
London EC3P 3HY

REGISTERED OFFICE

30 Dartmouth Road
Forest Hill
London SE23 3XU

Tel: 44 (0)20 8699 5135
Fax: 44 (0)20 8699 8525

STATUS

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994.

The PINE Foundation is registered in the United Kingdom as a charity and its registered charity number is 1038938.

TRUSTEES' REPORT

The Trustees of The PINE Foundation present their report and independently examined financial accounts for the year ended 31 March 2025. The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the conditions of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015.

OBJECTIVES AND ACTIVITIES

Summary of objectives for the public benefit

The objectives of The PINE Foundation, according to its Trust Deed, are to promote and advance education and research in economic, political and sociological processes for the benefit of the public and in particular, without prejudice to that generality, to promote and advance education and research in Russia and the former Eastern bloc countries.

Purposes of the charity/mission statement

The creation of human capital is key to economic progress and democracy, while a competitive and prosperous free market economy constitutes the most important condition for such human capital creation. The PINE Foundation is committed to sponsoring research and educational projects that will help to accumulate such human capital and continue such activities for the public benefit in the year under review.

Main activities related to these purposes

In the year under review, The PINE Foundation continued two main activity streams related to its purposes: supporting PhD-level education and research relevant to the Foundation's mission; and supporting investment in human capital in earthquake- and tsunami-devastated areas in Japan. The third activity stream (supporting research projects in Russia related to building a market-oriented economy) remained suspended because of continuing Russian aggression against Ukraine and the ensuing Western sanctions. The Trustees hereby confirm that they complied with their duty to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant. In particular, the Trustees gave full consideration to how the main activities of The PINE Foundation will contribute to meeting the charity's aims and objectives for the benefit of the public.

The main strategy for achieving objectives for the public benefit lies in making education and research grants. The first main activity stream to achieve The PINE Foundation's purposes in the year under review consisted of supporting three individuals in high-level PhD programmes in areas directly related to the Foundation's mission. These individuals are supported to help them defray part of the costs associated with enrolment in their programmes and carrying out research.

The second main activity stream to achieve The PINE Foundation's purposes consisted of support for the internationally-oriented education of children affected by the March 2011 earthquake and tsunami in North-Eastern Japan. To further this objective, the Trustees have continued to work with two English teachers, previously affiliated with the former Fukushima Friends UK charity, to follow up on the project started in 2016, aiming to advance English education for children in the Fukushima prefecture, one of the areas most devastated not only by the earthquake and the tsunami but also by the fallout following the nuclear disaster at the Fukushima Nuclear Power Plant.

The third activity which previously consisted of support for the Industrial Policy Research Group, an informal network of economists and social scientists working on various issues related to the transition to a market economy in Russia, was suspended in February 2022 following the Russian invasion of Ukraine and has remained suspended. More details about this are provided below.

The Trustees have also continued to seek other ways of achieving the Foundation's purposes as related to the public benefit through advancing education and research as well as closely monitoring the progress of the projects sponsored by The PINE Foundation.

Details of significant activities contributing to the achievement of stated objectives

a) Grant making

Grant making was the main activity contributing to the achievement of both short-term and long-term goals. Overall, The PINE Foundation spent £90,281 on grant-making activities per the SOFA. £40,237 of this amount constituted grants awarded to individuals and institutions (details are provided below in the "Achievements and Performance" section), while £50,044 was used to cover support and governance costs. Trustees continuously monitor projects and check regularly on the wellbeing of their beneficiaries. The Trustees are not compensated for this activity.

b) Fundraising

Fundraising (generating voluntary donations and managing investments) was one of the significant activities contributing to the achievement of the objectives stated above. In the year under review, The PINE Foundation raised £50,000 in new donations. The costs of fund-raising activities (comprised of both the costs of generating voluntary income and the costs of managing investments), per the SOFA amounted to £23,115 during the year under review. This mostly reflects direct costs in terms of compensation for the Administrative Officer's time, including applying for Gift Aid, but fundraising and investment management activity were also conducted by the Trustees, who did not receive compensation for their services.

Details of grants

The grant-making policy of The PINE Foundation is guided by the basic goals set forth in The PINE Foundation's Deed of Trust as stated at the beginning of this section of the Trustees' Report. Selecting projects for grants entails an extensive search for and examination of potential projects to support, conducted by the Trustees. In conducting this search, the Trustees rely on their own expertise as well as actively soliciting opinions from outside experts, including but not limited to prominent scholars and experts in the field, and former and current beneficiaries of The PINE Foundation. Projects identified through the search process are subject to thorough examination and cross-checking by the Board of Trustees. The final decision with respect to each grant project individually is taken at Board meetings and involves further discussion followed by the voting procedure.

The details of the grants provided by The PINE Foundation during the year under review are as follows.

1) Takuya Hiraiwa, University of Maryland, £21,951, to support his continued enrolment in the PhD programme.

Mr Takuya Hiraiwa advanced to the fourth year in the PhD programme in strategy and entrepreneurship at the University of Maryland during the year under review, receiving a financial aid package consisting of a tuition waiver and partial financial support. The grant provided by The PINE Foundation was to supplement the partial financial support he receives from the University of Maryland as well as to provide funding for his research project which the Trustees found to be very promising (the details are described below).

Even though only in his fourth year, Mr Hiraiwa already has two scholarly papers published in top-level peer-reviewed journals which is highly unusual at such an early career stage. Professors Braguinsky and Ohyama continue to monitor Mr Hiraiwa's performance in the PhD programme and provide him with scholarly advice regarding his research project. The Trustees are extremely satisfied with Mr Hiraiwa's performance in his PhD programme.

2) Kohei Yamagata, Washington University, St. Louis, £11,581, to support the completion of his PhD studies and dissertation defence.

Mr Kohei Yamagata, who was previously introduced to the Trustees by Professor Kazuo Nishimura—one of the top economists in Japan with a high international reputation—had been enrolled in the PhD programme at Washington University, St Louis, one of the top private universities in the United States in which to study and conduct research in economics, since 2017 with full financial support. However, the impact of the Covid-19 pandemic forced him to extend his enrolment in the PhD program for another year, for which Washington University could no longer provide him with financial support. The Trustees interviewed Mr Yamagata and were impressed by his ability and work ethic, while his research agenda is well aligned with The PINE Foundation's mission. The Trustees therefore decided to provide him with the grant to help complete his PhD programme and defend the dissertation. Mr Yamagata

successfully defended his dissertation in December 2024 and the Trustees were very satisfied with this outcome.

3) Ms Fiona Stamp: £2,588 for the online English education project.

As mentioned in previous Trustee Reports, the COVID pandemic has resulted in the necessity to move English classes in Fukushima prefecture, for the children who participated in the initial classes supported by The PINE Foundation in 2016, to an online format. The first two years of online education, supported by The PINE Foundation in collaboration with the UK-registered charity Fukushima Friends UK, consisted of two classes, both taught online on a fortnightly basis, by two English teachers based in the UK, with several British children of the same age participating, to make friends with the Japanese children and to learn about Japanese culture. After Ms Kumiko Akatsuka, who spearheaded Fukushima Friends UK, retired in 2022, The PINE Foundation has continued to support the project by designating one of the teachers, Ms Fiona Stamp, to be the recipient of the funds to support the ultimate beneficiaries who are the children continuing to participate in the online English classes. These funds, the amount of which is the same as it had been under the partnership with Fukushima Friends UK, are used to cover the teachers' remuneration and logistical support costs. The Trustees have received detailed reports from both teachers and are very satisfied with how the project is progressing.

4) Kazuma Takakura, University of Maryland, £4,117, to support his enrolment in the PhD programme

Mr Takakura, a first-year PhD student in the Economics Department at the University of Maryland, contacted the Trustees with a request concerning a shortfall in funding his tuition. At his admission to the University of Maryland, he was awarded a scholarship from the Ito Foundation in Japan which covered up to 3,000,000 JPY per year for tuition and provided a small monthly stipend for living expenses. However, it turned out that the combined tuition for the fall and spring semesters exceeded the 3,000,000 JPY amount to which the Ito Foundation had committed itself, in part due to a large depreciation of JPY against the U.S. dollar.

Professors Braguinsky and Ohyama interviewed Mr Takakura about his study and research ideas and found him to be a very bright student with an excellent work ethic and promising ideas for future research. The Trustees also noted that Mr Takakura received excellent grades in the exams after the first semester, so he was indeed a good candidate to be supported by The PINE Foundation.

Use of volunteers

The Trustees of The PINE Foundation donate their time and effort to the Foundation without receiving remuneration. Outside volunteers do not play a significant role in The PINE Foundation apart from the contribution of occasional professional advice solicited by the Trustees from their colleagues in academia.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and organisational structure

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994. The Trust Deed stipulates that The PINE Foundation is governed by its Board of Trustees. All decisions are made jointly by the Trustees at their meetings, conducted at least four times a year, either face-to-face or via web conferences. The Administrative Officer, appointed by the Trustees and answering to them, is responsible for executing the Trustees' decisions and administering The PINE Foundation's day-to-day operations. The PINE Foundation does not have affiliated charities or other related parties or entities.

Induction and training of Trustees

The Board of Trustees of The PINE Foundation only appoints a new Trustee following a careful selection and interviewing process, during which Board members discuss with the prospective new Trustee his/her duties and obligations according to Charity Law, and also provide detailed explanations about The PINE Foundation, its mission and operations. In other words, a deep understanding of both The PINE Foundation itself and of the relevant regulations is the most important condition of being appointed a Trustee of The PINE Foundation, so that the new Trustee approved by the Board of Trustees will have already been inducted and have received basic training. All the Trustees constantly update their knowledge of Charity Law and SORP as part of their ongoing duties, and they also closely follow developments that are relevant to the Foundation's activities.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements

In accordance with the objectives of The PINE Foundation as stated in its Trust Deed, the Foundation's achievements could be assessed by their impact on the progress of research and education in the areas where The PINE Foundation's beneficiaries conduct their activities. The power of ideas and human capital to bring about such progress is enormous, especially in the long run; and the activity of The PINE Foundation can be expected to have a major impact on the goals of its mission, more than can be measured by simple quantitative measurements of performance for any particular year.

In view of the above, the Trustees do not impose specific quantitative performance measures in terms of charitable activities. The Trustees constantly communicate with all the beneficiaries and monitor the projects while also embracing feedback from the beneficiaries. This hands-on process of bilateral communication in which the Trustees give guidance and advice to the beneficiaries, whilst the latter continue to explore new ways of conducting their research and study has been the biggest asset of The PINE Foundation so far. This is also the most important channel through which the Trustees ensure that the Foundation's donations are used for their intended purposes.

In the year under review the main achievements, as reflected in the grants detailed above, consisted of: 1) providing a “window of opportunity” for studies and important research agendas to three PhD students, Mr Hiraiwa, Mr Yamagata, and Mr Takakura; and 2) providing financial and logistical support for international-oriented education to children affected by the fallout from the Fukushima nuclear disaster.

Difference made to beneficiaries and wider society

The difference made to beneficiaries and the wider society follows directly from the summary above. For the PhD students supported by The PINE Foundation, such support gives them a chance to continue their studies and important research.

For Mr Takuya Hiraiwa, The PINE Foundation’s support is critical in enabling him to continue his PhD studies and engage in research with a minimum of distraction. As mentioned, Mr Hiraiwa is already producing high-level research output even though he was still only in his fourth year in the Programme during the year under review. During this year he published another paper (co-authored also with Mr Shotaro Yamaguchi who had been The PINE Foundation’s beneficiary until the previous year) on important methodological issues related to empirical research. In the year under review he started and made big progress in a new project examining the role of talent selection into academia during Japan’s early industrialization. More generally, the Trustees expect that his research, which has recently focused on examining the role of high-level educated human capital in Japan’s industrialization process, will have very important implications for understanding the process of economic development as driven by markets and human enterprise.

For Mr Kohei Yamagata, The PINE Foundation’s grant, as mentioned, made it possible for him to finish his PhD programme and successfully defend his dissertation at Washington University, St. Louis (in December 2024). According to him, the support from The PINE Foundation, not just financial support, but also the advice and guidance he had received from Professor Braguinsky, was absolutely critical and without it, he would probably not have been able to receive his PhD degree.

Similarly for Mr Kazuma Takakura, the sudden realization that the fellowship from Japan did not cover the full cost of his PhD Programme tuition meant that without the support provided by The PINE Foundation he may have not been able to continue in the programme. Here also Professors Braguinsky and Ohyama gave him research and practical advice, in addition to the financial support provided by the grant.

To sum up, grants awarded by the PINE Foundation to PhD students make a considerable, sometimes critical difference to the beneficiaries and will make a difference to wider society as the beneficiaries accumulate high-level human capital and become powerful advocates for the causes that constitute the mission of The PINE Foundation.

The support to children affected by the earthquake and the nuclear accident fallout, conducted through online English lessons, has had a very direct impact on the children’s lives by giving them chances to acquire new skills and, especially, giving them motivation. The Trustees were very pleased that the online format could be successfully applied to continue this project despite the pandemic, and they note that this made a

great difference to the children involved, given all the challenges they faced in the past several years because of COVID 19.

Unfortunately, The PINE Foundation's support for projects related to the transition to market economy in Russia have had to remain suspended. The beneficiaries, previously supported by The PINE Foundation, had worked in an extremely difficult situation, conducting intellectually honest and practically relevant research. The PINE Foundation was and remains proud of the support it rendered to their activity as an important part of its mission. They remain hopeful that such support, including but not limited to support for the Professor and the Industrial Policy Research Group, can be resumed at some point in the future, although it is impossible to predict when that might happen. In the meantime, the two previously approved grants for the Professor, which could not be disbursed due to COVID, remain in the PINE Foundation's account for the time being.

Fundraising and investment performance achievements

The PINE Foundation raised £50,000 in donations in the year under review. Together with the investment portfolio's return, the incoming resources are sufficient to secure financial stability and to continue implementing The PINE Foundation's mission.

The investment strategy for most of the year under review continued the previously approved policy of holding a diversified global equity portfolio, considering the low interest rates on bank deposits and low rates of return on fixed-income assets. The value of the investment portfolio performed reasonably well in the year under review. The Trustees are constantly monitoring the performance of the investment portfolio and making the necessary adjustments. In particular, during the year under review, they discussed a potential increase in global financial risks following the arrival of the new administration in the U.S. They have made adjustments to The PINE Foundation's investment portfolio to stick even more to very liquid and large markets and stocks, while avoiding relatively illiquid and small markets and stocks like emerging markets and small-cap stocks as groups.

FINANCIAL REVIEW

During the year under review The PINE Foundation received £50,000 worth of new donations. The PINE Foundation also received £22,000 in interest and dividends on its investments. The PINE Foundation's annual expended resources amounted to £113,396 as per SOFA. Of these, £90,281 were spent on grant-making activities, while fund-raising and costs of managing investments totalled £23,115. The amount of grants disbursed by The PINE Foundation directly to its beneficiaries was £40,237. The net movement in funds during the year under review (after factoring in the change in the value of the investment portfolio) amounted to negative £5,604, leaving the unrestricted funds at £1,056,258 as of 31 March 2025, almost unchanged from the year ago.

The PINE Foundation has continued its policy of keeping its operational costs at a low level, and it continues to have no borrowed funds. The Trustees are confident that The PINE Foundation remains a 'going concern' and will be able to meet its obligations to beneficiaries for the foreseeable future as well as have enough funds to increase its support, including potential new beneficiaries and activity streams.

Policy for Holding Reserves

The policy for holding reserves adopted by the Trustees of The PINE Foundation is based upon forecasts of levels of income versus forecasts of expenditure in future years on the basis of planned activities and the assessment of the likelihood that future needs and opportunities might be met out of future income. More specifically, the Trustees forecast a stable and steady flow of needs arising from the obligation to continue to support, for the foreseeable future, projects selected by the Trustees. As already mentioned, this kind of reserves policy is in line with the mission of The PINE Foundation and its goals and objectives as stated in the Trust Deed. The amount of current assets (mostly cash reserves held in the bank) at 31 March 2025 was £268,677, up from £251,278 a year ago.

The reasons for holding these reserves and the split between cash and the investment portfolio are guided by fulfilling The PINE Foundation's mission to support academic research, the excellence of which is built, and must be maintained, over time. The PINE Foundation also promotes education with the aim of nurturing new generations of broad-minded people with an international perspective, as well as researchers and reform-minded policy-makers. This is not a goal that can be accomplished by a large one-off injection of money. The Trustees have an obligation according to The PINE Foundation's Deed of Trust to act to promote those goals, and this requires the maintenance of relatively large reserves, especially in an environment where the inflow of new large donations is very hard to predict. To put it simply, inasmuch as support to its beneficiaries makes a difference in their lives and wider society as outlined above, a sudden termination of such support (which could happen at any time if The PINE Foundation did not follow its policy of holding reserves) would be truly devastating both to the beneficiaries and to the mission of the Foundation. The importance of this was once again demonstrated during the recent COVID 19 pandemic. Since similar contingencies may arise for any beneficiary and at any time, the Trustees intend to maintain the level of reserves of The PINE Foundation at approximately the same level (barring yearly investment portfolio fluctuations) for the foreseeable future in order to maintain the Foundation's ability to support its beneficiaries for the public benefit in the long run.

PLANS FOR FUTURE ACTIVITIES

The Trustees have received reports from Ms Stamp and her colleague with regard to Fukushima online English classes, indicating that the classes are going well. Professor Braguinsky also interviewed one of the more senior students involved (Miss Honoka Kondo) while Mr Nishida spoke with Ms Kumiko Akatsuka (previously of Fukushima Friends U.K.) who, despite retiring, still maintains contact with both the teachers and students involved in this project. Both Professor Braguinsky and Mr Nishida obtained a very positive assessment of the project. The Trustees thus plan to support the online English classes beyond October when they are scheduled to end according to the current project. They also discussed possible support for two of the best students in the online classes, Ms Honoka Kondo and Ms Sakurako Omaru, to visit the U.K. to attend English courses with a view of helping them to further improve their English and understanding of British culture. Professor Braguinsky and Mr Nishida will communicate with Ms Kumiko Akatsuka and the girls to explore this potential project further.

The Trustees plan to continue their support for PhD students which has become the centrepiece of The Foundation's charitable activity in recent years and to seek more such students to support. Mr Hiraiwa has finished all the course work and has two more years in the programme to develop his dissertation. The Trustees expect this to be a high-quality dissertation, with the topic closely aligned with The PINE Foundation's mission and they discussed awarding him The PINE Foundation dissertation fellowship for those remaining two years. They also discussed continued support for Mr Yamagata while he works through the job market after defending his dissertation in December 2024, as well as for Mr Takakura who will be in the second year of his PhD programme. The Trustees plan to seek more talented PhD students and/or junior scholars at the start of their careers, who are conducting research projects aligned with The PINE Foundation's mission, and they will bring such candidates to the Board's attention in due course.

As the above plans require long-term commitment on the part of The PINE Foundation to its beneficiaries, the Trustees will continue to give priority to keeping adequate reserves and preventing the depletion of the Foundation's unrestricted funds. The supporters of and donors to The PINE Foundation have repeatedly made it known to the Trustees that this is their desire also.

The Trustees intend to continue their efforts to cut costs, although they realize that they have currently almost reached the limit of what can be done without jeopardising the ability of The PINE Foundation to meet its objectives. The Trustees have expressed their renewed commitment to do whatever they can on a voluntary basis to help the Foundation.

RELATED PARTY TRANSACTIONS

Related party transactions are as reported in note 12 of the financial statements.

Statement of Trustees' Responsibilities

The Trustees 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.)

The law applicable to charities in England & Wales 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 of the charity for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the trust deeds. 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.

Independent Examiners

Moore Kingston Smith LLP have indicated their willingness to continue in office as independent examiners and offer themselves for re-election at the forthcoming Annual General Meeting.

This report was approved by the Board of Trustees on Nov. 19, 2025 and signed on its behalf by:



Serguey Braguinsky, Trustee, Secretary to the Board of Trustees

Independent Examiner's Report to the Trustees of The PINE Foundation

I report to the trustees on my examination of the accounts of The PINE Foundation for the year ended 31 March 2025.

Responsibilities and basis of report

As the charity trustees of the Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

6th Floor
9 Appold Street
London EC2A 2AP

Date: 24 November 2025



**Adam Fullerton FCA,
For and on behalf of Moore Kingston Smith LLP
Chartered Accountants**

The PINE Foundation
Statement of Financial Activities
For the year ended 31st March 2025

	Note	Unrestricted Funds £	Total 2025 £	Total 2024 £
Income				
Income from:				
Donations and Gifts		50,000	50,000	89,209
Interest receivable		5,679	5,679	3,637
Dividends receivable		16,321	16,321	16,374
Total Income		<u>72,000</u>	<u>72,000</u>	<u>109,220</u>
Expenditure				
Expenditure on raising funds:				
Fundraising	2	23,115	23,115	22,193
Charitable Activities:				
Grant Making	3	90,281	90,281	82,639
Total Expenditure		<u>113,396</u>	<u>113,396</u>	<u>104,832</u>
Gain on investments	8	39,312	39,312	128,284
Exchange loss		(3,520)	(3,520)	(9,210)
Net (expenditure)/income		<u>(5,604)</u>	<u>(5,604)</u>	<u>123,462</u>
Net Movement in Funds		(5,604)	(5,604)	123,462
Balances brought forward at 1st April		<u>1,061,862</u>	<u>1,061,862</u>	<u>938,400</u>
Balances carried forward at 31st March		<u><u>1,056,258</u></u>	<u><u>1,056,258</u></u>	<u><u>1,061,862</u></u>

The PINE Foundation

Balance Sheet at 31st March 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed Assets					
Tangible fixed assets	7		2,070		-
Investments	8		839,278		864,043
			<u>841,348</u>		<u>864,043</u>
Current Assets					
Debtors	9	349		215	
Cash and cash equivalents		<u>268,328</u>		<u>251,063</u>	
		<u>268,677</u>		<u>251,278</u>	
Creditors: Amounts falling due within one year	10	<u>(53,767)</u>		<u>(53,459)</u>	
Net Current Assets			<u>214,910</u>		<u>197,819</u>
Total Net Assets			<u><u>1,056,258</u></u>		<u><u>1,061,862</u></u>
Funds Available					
Unrestricted general fund			<u>1,056,258</u>		<u>1,061,862</u>
			<u><u>1,056,258</u></u>		<u><u>1,061,862</u></u>

Approved by the Board of Trustees on November 19, 2025
and signed on its behalf by:

Serguey Braguinsky

S Braguinsky
Trustee

大山 匠 (Atsuo Ohyama)

A Ohyama
Trustee

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2025

1 Accounting Policies

Accounting Convention

The PINE Foundation meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees believe that the current resources viewed against commitments (as well as future plans and possible contingencies) make sure that The Pine Foundation will continue to operate as a going concern. The charity therefore continues to adopt the going concern basis in preparing its financial statements

The principle accounting policies adopted in the preparation of the financial statements are set out below:

Fixed Assets

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated on a straight line basis over their estimated useful lives as follows:

Office equipment	3 years
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Depreciation rates, economic lives and impairment of asset values are reviewed annually.

Investments

Investments are initially measured at cost and subsequently measured at fair value as per quoted market price. Any realised and unrealised gain or loss is taken to the Statement of Financial Activities.

Cash and Cash Equivalents

Cash and cash equivalents includes cash held in hand, deposits held at call with banks and cash held as investments with a maturity of 90 days or less.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments are measured at amortised cost with the exception of investments which are measured at fair value.

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2025

1 Accounting Policies (continued)

Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, the directors 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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Income

All income is included when the charity has entitlement to the income, there is probability of receipt and the amount can be measured.

Donations are treated as income in the period in which they are receivable.

Interest receivable is treated as income of the period in which it accrues.

Grants

Grants made by the Foundation are treated as expenditure of the period in which they are approved and the offer is conveyed to the recipient, except in cases where an offer is conditional, such grants being recognised as expenditure only when the conditions are fulfilled.

Expenditure

Expenditure is included in the SOFA on an accruals basis.

Cost of generating funds are costs incurred in attracting voluntary income to support the charity's activities, together with the cost of managing the charity's investments for both income generation and capital maintenance.

Charitable activity costs include grants payable to third parties in furtherance of the charitable objects of the trust, together with attributable support costs.

Support costs include costs related to the approval and monitoring of grant awards together with central office and administration costs.

Governance costs, which are included within support costs, are costs incurred in connection with the strategic management of the charity and in compliance with constitutional and statutory requirements.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2025

1 Accounting Policies (continued)

Allocation of expenditure

Expenditure is allocated between costs of generating funds and charitable activities on the basis of direct allocation where possible and an apportionment of employee time spent where applicable.

Fund accounting

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

Restricted funds represent amounts given to the charity for specific purposes, in accordance with the donors' wishes.

Operating leases

Costs under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net income/(expenditure) result.

Taxation

As a registered charity, the Foundation is generally exempt from Income Tax but not from VAT. Irrecoverable VAT is, in accordance with standard accounting practice, included in the cost of those items to which it relates.

Functional currency

The functional currency of the Foundation is UK sterling rounded to the nearest pound.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2025

2 Fundraising		Total 2025 £	Total 2024 £
Costs of generating voluntary income		11,250	10,937
Costs of managing investments		11,865	11,256
		<u>23,115</u>	<u>22,193</u>
3 Charitable Activities	Activities undertaken directly £	Support Costs £	Total 2025 £
Grants to individuals and institutions	40,237	42,322	82,559
Governance costs	-	7,722	7,722
	<u>40,237</u>	<u>50,044</u>	<u>90,281</u>
	Activities undertaken directly £	Support Costs £	Total 2024 £
Grants to individuals and institutions	34,581	40,702	75,283
Governance costs	-	7,356	7,356
	<u>34,581</u>	<u>48,058</u>	<u>82,639</u>
4 Grants awarded were as follows:	Total 2025 £	Total 2024 £	
K Takakura	4,117	-	
T Hiraiwa	21,951	9,606	
K Yamagata	11,581	-	
S Yamaguchi	-	22,387	
F Stamp	2,588	2,588	
	<u>40,237</u>	<u>34,581</u>	
5 Support Costs	Total 2025 £	Total 2024 £	
Staff Costs	22,500	21,875	
Property Costs	6,000	6,000	
Telephone and Faxes	2,483	2,549	
Other Office Running Costs	679	368	
Depreciation	500	-	
Accountancy	10,160	9,910	
Governance Costs			
Independent Examiner's fees - current year	7,722	7,356	
	<u>50,044</u>	<u>48,058</u>	

All support costs relate to the charity's grant making activities.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2025

6 Staff Costs

	Total 2025 £	Total 2024 £
Wages and Salaries	45,000	43,750
Social Security costs	-	-
	<u>45,000</u>	<u>43,750</u>
Staff costs are allocated to functions as follows:		
Fundraising - cost of generating voluntary income	11,250	10,938
Fundraising - cost of managing investments	11,250	10,938
Support costs	<u>22,500</u>	<u>21,874</u>
Total	<u>45,000</u>	<u>43,750</u>

No employee earned in excess of £60,000 in the year (2024: none).

The Foundation employed one full-time person during the year (2024: one full time).

Details of remuneration in respect of key management personnel is set out in note 12.

7 Fixed Assets

Cost	Office Equipment £	Total £
At 1st April 2024	2,750	2,750
Additions for Year	<u>2,570</u>	<u>2,570</u>
At 31st March 2025	<u>5,320</u>	<u>5,320</u>
Accumulated Depreciation		
At 1st April 2024	2,750	2,750
Charge for year	<u>500</u>	<u>500</u>
At 31st March 2020	<u>3,250</u>	<u>3,250</u>
Net Book Value		
At 31st March 2025	<u>2,070</u>	<u>2,070</u>
At 31st March 2024	<u>-</u>	<u>-</u>

8 Investments

	UK £	Overseas £	Total 2025 £	Total 2024 £
Listed investments at market value:				
At 1st April	315,213	638,025	953,238	735,759
Acquisitions in the year at cost	549,859	-	549,859	-
Disposal Proceeds	(98,218)	(604,913)	(703,131)	-
Realised gain on disposals	8,879	67,557	76,436	-
Unrealised (loss)/gain in market value	<u>(32,666)</u>	<u>(4,458)</u>	<u>(37,124)</u>	<u>128,284</u>
At 31 March	<u>743,067</u>	<u>96,211</u>	<u>839,278</u>	<u>864,043</u>
At historical cost:				
At 31st March 2025	<u>734,744</u>	<u>74,356</u>	<u>809,100</u>	
At 31st March 2024	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	

Of the 2024 comparatives above, £217,729 of the opening market value and £ 8,289 of the unrealised gain relates to UK based investments with all other movements relating to overseas investments.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2025

8 Investments (Continued)

Investments greater than 5% of the portfolio valuation.

	2025	2024
	£	£
Ishares Plc	147,388	226,018
SPDR S&P500 ETF	-	439,011
Ishares III PLC	361,444	-
Ishares II PLC	146,912	-
PIMCO ETF US DOLLAR SHT MATURITY UCIT	87,323	-
Japan Daiwa AM Topix Fund (ETF)	96,211	199,014
	<u>839,278</u>	<u>864,043</u>
	<u><u>839,278</u></u>	<u><u>864,043</u></u>

9 Debtors

	2025	2024
	£	£
Prepayments	349	215
	<u>349</u>	<u>215</u>
	<u><u>349</u></u>	<u><u>215</u></u>

10 Creditors

	2025	2024
	£	£
Amounts falling due within one year:		
Accruals	9,425	9,161
Grant Creditor	43,493	43,493
Taxation & other social security	849	805
	<u>53,767</u>	<u>53,459</u>
	<u><u>53,767</u></u>	<u><u>53,459</u></u>

11 Financial Commitments

At 31 March, the Foundation had total commitments under operating leases as follows:

	2025	2024
	£	£
Land and Buildings		
Expiring within one year	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
	<u><u>1,500</u></u>	<u><u>1,500</u></u>

The lease is currently on a rolling quarter by quarter basis. Lease payments of £6,000 (2024: £6,000) were recognised in the year.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2025

12 Key Management Personnel

The key management personnel of the Foundation are the trustees who currently consist of:

Professor Serguey Braguinsky
Mr Kentaro Nishida
Dr Atsushi Ohyama

Key management personnel received no remuneration for their services to the Foundation during the year (2024: £nil).

Travelling expenses amounting to £nil were paid during the year (2024: £nil).

The trustees donated a total of £50,000 to the Foundation in the year (2024: £89,209).

THE PINE FOUNDATION

England & Wales - Charity number 1038938

Accounts

The PINE Foundation

Registered Charity No. 1038938

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

The PINE Foundation
Year ended 31st March 2024

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**The PINE Foundation
Legal and Administrative Details
For the year ended 31st March 2024**

TRUSTEES

Professor Serguey Braguinsky (Secretary to the Board of Trustees)
Mr Kentaro Nishida
Professor Atsushi Ohyama

SOLICITORS

Bates, Wells & Braithwaite
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London EC4M 6YH

INDEPENDENT EXAMINER

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9 Appold Street
London EC2A 2AP

BANKERS

Barclays Bank plc
114 Fenchurch Street
London EC3P 3HY

REGISTERED OFFICE

30 Dartmouth Road
Forest Hill
London SE23 3XU

Tel: 44 (0)20 8699 5135
Fax: 44 (0)20 8699 8525

STATUS

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994.

The PINE Foundation is registered in the United Kingdom as a charity and its registered charity number is 1038938.

TRUSTEES' REPORT

The Trustees of The PINE Foundation present their report and independently examined financial accounts for the year ended 31 March 2024. The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the conditions of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015.

OBJECTIVES AND ACTIVITIES

Summary of objectives for the public benefit

The objectives of The PINE Foundation, according to its Trust Deed, are to promote and advance education and research in economic, political and sociological processes for the benefit of the public and in particular, without prejudice to that generality, to promote and advance education and research in Russia and the former Eastern bloc countries.

Purposes of the charity/mission statement

The creation of human capital is key to economic progress and democracy, while a competitive and prosperous free market economy constitutes the most important condition for such human capital creation. The PINE Foundation is committed to sponsoring research and educational projects that will help to accumulate such human capital and continue such activities for the public benefit in the year under review.

Main activities related to these purposes

In the year under review, The PINE Foundation continued two main activity streams related to its purposes: supporting PhD-level education and research relevant to the Foundation's mission; and supporting investment in human capital in

earthquake- and tsunami-devastated areas in Japan. The third activity stream (supporting research projects in Russia related to building a market-oriented economy) remained suspended due to the Russian invasion of Ukraine and the ensuing Western sanctions. The Trustees hereby confirm that they complied with their duty to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant. In particular, the Trustees gave full consideration to how the main activities of The PINE Foundation will contribute to meeting the charity's aims and objectives for the benefit of the public.

The main strategy for achieving objectives for the public benefit lies in making education and research grants. The first main activity stream to achieve The PINE Foundation's purposes in the year under review consisted of supporting two individuals in high-level PhD programmes in areas directly related to the Foundation's mission. These individuals are supported to help them defray part of the costs associated with enrolment in their programmes and carrying out research.

The second main activity stream to achieve The PINE Foundation's purposes consisted of support for the internationally-oriented education of children affected by the March 2011 earthquake and tsunami in North-Eastern Japan. To further this objective, the Trustees have continued to work with two English teachers, previously affiliated with the former Fukushima Friends UK charity, to follow up on the project started in 2016, aiming to advance English education for children in the Fukushima prefecture, one of the areas most devastated not only by the earthquake and the tsunami but also by the fallout following the nuclear disaster at the Fukushima Nuclear Power Plant.

The third activity which previously consisted of support for the Industrial Policy Research Group, an informal network of economists and social scientists working on various issues

related to a potential transition to a market economy in Russia, was suspended in February 2022 following the Russian invasion of Ukraine and remained suspended. More details about this are provided below.

The Trustees have also continued to seek other ways of achieving the Foundation's purposes as related to the public benefit through advancing education and research as well as closely monitoring the progress of the projects sponsored by The PINE Foundation.

Details of significant activities contributing to the achievement of stated objectives

a) Grant making

Grant making was the main activity contributing to the achievement of both short-term and long-term goals. Overall, The PINE Foundation spent £82,639 on grant-making activities per the SOFA. £34,581 of this amount constituted grants awarded to individuals and institutions (details are provided below in the "Achievements and Performance" section), while £48,058 was used to cover support and governance costs. Trustees continuously monitor projects and this year in particular they paid special attention to checking regularly on the wellbeing of their beneficiaries. The Trustees are not compensated for this activity.

b) Fundraising

Fundraising (generating voluntary donations and managing investments) was one of the significant activities contributing to the achievement of the objectives stated above. In the year under review, The PINE Foundation raised £89,209 in new donations. The costs of fund-raising activities (comprised of both the costs of generating voluntary income and the costs of managing investments), per the SOFA amounted to £22,193 during the year under

review. This mostly reflects direct costs in terms of compensation for the Administrative Officer's time, including applying for Gift Aid, but fundraising and investment management activity were also conducted by the Trustees, who did not receive compensation for their services.

Details of grants

The grant-making policy of The PINE Foundation is guided by the basic goals set forth in The PINE Foundation's Deed of Trust as stated at the beginning of this section of the Trustees' Report. Selecting projects for grants entails an extensive search for and examination of potential projects to support, conducted by the Trustees. In conducting this search, the Trustees rely on their own expertise as well as actively soliciting opinions from outside experts, including but not limited to prominent scholars and experts in the field, and former and current beneficiaries of The PINE Foundation. Projects identified through the search process are subject to thorough examination and cross-checking by the Board of Trustees. The final decision with respect to each grant project individually is taken at Board meetings and involves further discussion followed by the voting procedure.

The details of the grants provided by The PINE Foundation during the year under review are as follows.

1) Shotaro Yamaguchi, University of Maryland, £22,387, PINE Foundation Dissertation Grant.

Mr Shotaro Yamaguchi was in his sixth and final year of his PhD programme in strategy and entrepreneurship at the University of Maryland, finishing his dissertation and preparing to defend and graduate. His research examines lessons from Japan's successful industrialization which is an inspiration for many developing countries and countries in transition. In his job market paper, which was awarded the 2023 Best Conference

Paper Prize of the Strategic Human group of the Strategic Management Society, Mr Yamaguchi studies human capital selection and innovation outcomes of external and internal worker mobility on an economy-wide scale in the context of Japan's industrialization. Mr Yamaguchi did very well on the job market and will become Assistant Professor at the University of Wisconsin (Madison) Business School upon graduation.

The Trustees consider his dissertation project to be directly related to The PINE Foundation's mission and they are confident that the insights gained from this research will have both high scientific merit and important policy implications for countries embarking on transition to innovation-led, market-oriented growth. In view of this, they unanimously decided to award him The PINE Foundation Dissertation Grant to support his research in the final year of his PhD programme.

2) Takuya Hiraiwa, University of Maryland, £9,606, to support his continued enrolment in the PhD programme

Mr Takuya Hiraiwa was in his third year in the PhD programme in strategy and entrepreneurship at the University of Maryland during the year under review, receiving a financial aid package consisting of a tuition waiver and partial financial support. The PINE Foundation provided him with a supplementary grant to support his PhD study.

Even though only in his third year, Mr Hiraiwa already has a research paper accepted in a top-level peer-reviewed journal and another research paper that has received a positive revise-and-resubmit request from another top peer-reviewed journal. Professors Braguinsky and Ohyama continue to monitor Mr Hiraiwa's performance in the PhD programme and provide him with scholarly advice, and the Trustees are satisfied that his study is progressing extremely well.

3) Ms Fiona Stamp: £2,588 for the online English education project.

As mentioned in previous Trustee Reports, the COVID pandemic has resulted in the necessity to move English classes in Fukushima prefecture, for the children who participated in the initial classes supported by The PINE Foundation in 2016, to an online format. The first two years of online education, supported by The PINE Foundation in collaboration with the UK-registered charity Fukushima Friends UK, consisted of two classes, both taught online on a fortnightly basis, by two English teachers based in the UK, with several British children of the same age participating, to make friends with the Japanese children and to learn about Japanese culture. After Ms Kumiko Yabe, who spearheaded Fukushima Friends UK, retired in 2022, The PINE Foundation has continued to support the project by designating one of the teachers, Ms Fiona Stamp, to be the recipient of the funds to support the ultimate beneficiaries who are the children continuing to participate in the online English classes. These funds, the amount of which is the same as it had been under the partnership with Fukushima Friends UK, are used to cover the teachers' remuneration and logistical support costs. The Trustees have received detailed reports from both teachers and also interviewed one of the students taking the classes and were very satisfied with how the project is progressing.

Use of volunteers

The Trustees of The PINE Foundation donate their time and effort to the Foundation without receiving remuneration. Outside volunteers do not play a significant role in The PINE Foundation apart from the contribution of occasional professional advice solicited by the Trustees from their colleagues in academia.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and organisational structure

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994. The Trust Deed stipulates that The PINE Foundation is governed by its Board of Trustees. All decisions are made jointly by the Trustees at their meetings, conducted at least four times a year, either face-to-face or via web conferences. The Administrative Officer appointed by the Trustees and answering to them is responsible for executing the Trustees' decisions and administering The PINE Foundation's day-to-day operations. The PINE Foundation does not have affiliated charities or other related parties or entities.

Induction and training of Trustees

The Board of Trustees of The PINE Foundation only appoints a new Trustee following a careful selection and interviewing process, during which Board members discuss with the prospective new Trustee his/her duties and obligations according to Charity Law, and also provide detailed explanations about The PINE Foundation, its mission and operations. In other words, a deep understanding of both The PINE Foundation itself and of the relevant regulations is the most important condition of being appointed a Trustee of The PINE Foundation, so that the new Trustee approved by the Board of Trustees will have already been inducted and have received basic training. All the Trustees constantly update their knowledge of Charity Law and SORP as part of their ongoing duties, and they also closely follow developments that are relevant to the Foundation's activities.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements

In accordance with the objectives of The PINE Foundation as stated in its Trust Deed, at the most fundamental level, the Foundation's achievements should be assessed by the impact its activity has on the progress of economic research and education in the areas where The PINE Foundation's beneficiaries conduct their activities. The power of ideas and human capital to bring about such progress is enormous, especially in the long run; and the activity of The PINE Foundation can be expected to have a major impact on the goals of its mission, more than can be measured by simple quantitative measurements of performance for any particular year.

In view of the above, the Trustees do not impose specific quantitative performance measures in terms of charitable activities. The Trustees constantly communicate with all the beneficiaries and monitor the projects while also embracing feedback from the beneficiaries. The constant hands-on process of bilateral communication in which the Trustees give guidance and advice to the beneficiaries, whilst the latter continue to explore new ways of conducting their research and study, and respond to the Trustees with new ideas, has been the biggest asset of The PINE Foundation so far. This is also the most important channel through which the Trustees ensure that the Foundation's donations are used for their intended purposes.

In the year under review the main achievements, as reflected in the grants detailed above, consisted of: 1) providing a "window of opportunity" for studies and important research agendas to two PhD students, Mr Yamaguchi, and Mr Hiraiwa; and 2) providing financial and logistical support for international-oriented education to children affected by the fallout from the Fukushima nuclear disaster.

Difference made to beneficiaries and wider society

The difference made to beneficiaries and the wider society follows directly from the summary above. For the PhD students

supported by The PINE Foundation such support gives them a chance to focus on their studies and research.

For Mr Shotaro Yamaguchi, the support from The PINE Foundation was critical in allowing him to complete the work on his dissertation and successfully navigate the academic job market. As mentioned, he has received and accepted the offer to become a tenure-track Assistant Professor at the University of Wisconsin Madison, one of the most prestigious public Universities in the United States. There are still very few scholars from Japan who have attained a prominent status in international academic research circles in strategy and management as well as economics areas. Mr Yamaguchi will become one of those few and the Trustees expect him to take his research to new heights in the University of Wisconsin environment, as well as, crucially, serving as a role model for other Japanese scholars seeking to broaden their horizons and become internationally oriented in accordance with The PINE Foundation's mission. The Trustees will remain in touch with Mr Yamaguchi and intend to seek his advice in the future about possible new beneficiaries.

For Mr Takuya Hiraiwa, The PINE Foundation's support is critical in enabling him to continue his PhD studies and engage in research with a minimum of distraction. As mentioned, Mr Hiraiwa is already producing high-level research output even though he was still only in his third year in the Programme during the year under review. His research projects examine the role of high-level educated human capital in Japan's industrialization process, with lessons for developing countries and countries in transition. The Trustees expect this research, when completed, to have important implications for understanding the process of economic development as driven by markets and human enterprise.

In summary, grants awarded by the PINE Foundation to PhD students make a considerable difference to the beneficiaries and

will make a difference to wider society as the beneficiaries accumulate a high-level of human capital and become powerful advocates for the causes that constitute the mission of The PINE Foundation.

The support to children affected by the earthquake and the nuclear accident fallout, conducted through online English lessons, has had a very direct impact on the children's lives by giving them chances to acquire new skills and, especially, giving them motivation. The Trustees were very pleased that the online format could be successfully applied to continue this project despite the pandemic, and they note that this made a great difference to the children involved, given all the challenges they faced in the past several years because of COVID 19.

It pains the Trustees to have to report the continued suspension of The PINE Foundation's support for the projects related to the transition to market economy in Russia. The beneficiaries previously supported by The PINE Foundation had worked in an extremely difficult situation for quite some time, conducting intellectually honest and practically relevant research. The PINE Foundation was and remains proud of the support it rendered to their activity as an important part of its mission. After the beginning of the Russian invasion of Ukraine, however, the Trustees had no choice but to suspend all Russia-related charitable activities and this suspension has remained in place during the year under review.

The Trustees hope that support for the Professor and the Industrial Policy Research Group can be resumed at some point in the future, although it is impossible to predict when that might happen. In the meantime, the two previously approved grants for the Professor, which could not be disbursed due to COVID, remain in the PINE Foundation's account for the time being.

Fundraising and investment performance achievements

The PINE Foundation raised a higher amount of donations in the year under review than in the previous year. Together with the investment portfolio's return, the incoming resources are sufficient to secure financial stability and to continue implementing The PINE Foundation's mission.

The investment strategy for most of the year under review continued the previously approved policy of holding a diversified global equity portfolio, taking into account the historically low interest rates on bank deposits and low rates of return on fixed-income assets. The value of the investment portfolio performed reasonably well in the year under review.

FINANCIAL REVIEW

During the year under review The PINE Foundation received £89,209 worth of new donations. The PINE Foundation also received £20,011 in interest and dividends on its investments. The PINE Foundation's annual expended resources amounted to £104,832 as per SOFA. (Of these, £82,639 was spent on grant-making activities, while fund-raising and costs of managing investments totalled £22,193.) The amount of grants disbursed by The PINE Foundation directly to its beneficiaries was £34,581. The net movement in funds during the year under review (after factoring in the change in the value of the investment portfolio) amounted to £123,462, leaving the unrestricted funds at £1,061,862 as of 31 March 2024.

The PINE Foundation has continued its policy of keeping its operational costs at a low level, and it continues to have no borrowed funds. The Trustees are confident that The PINE Foundation remains a 'going concern' and will be able to meet its obligations to beneficiaries for the foreseeable future as well as have enough funds to increase its support, including potential new beneficiaries and activity streams.

Policy for Holding Reserves

The policy for holding reserves adopted by the Trustees of The PINE Foundation is based upon forecasts of levels of income versus forecasts of expenditure in future years on the basis of planned activities and the assessment of the likelihood that future needs and opportunities might be met out of future income. More specifically, the Trustees forecast a stable and steady flow of needs arising from the obligation to continue to support, for the foreseeable future, projects selected by the Trustees. As already mentioned, this kind of reserves policy is in line with the mission of The PINE Foundation and its goals and objectives as stated in the Trust Deed. The amount of net current assets (mostly cash reserves held in the bank) at 31 March 2024 was £197,819.

The reasons for holding these reserves and the split between cash and the investment portfolio are guided by fulfilling The PINE Foundation's mission to support academic research, the excellence of which is built, and must be maintained, over time. The PINE Foundation also promotes education with the aim of nurturing new generations of broad-minded people with an international perspective, as well as researchers and reform-minded policy-makers. This is not a goal that can be accomplished by a large one-off injection of money. The Trustees have an obligation according to The PINE Foundation's Deed of Trust to act to promote those goals, and this requires the maintenance of relatively large reserves, especially in an environment where the inflow of new large donations is very hard to predict. To put it simply, inasmuch as support to its beneficiaries makes a difference in their lives and wider society as outlined above, a sudden termination of such support (which could happen at any time if The PINE Foundation did not follow its policy of holding reserves) would be truly devastating both to the beneficiaries and to the mission of the Foundation. The importance of this was once again

demonstrated during the recent COVID 19 pandemic. Since similar contingencies may arise for any beneficiary and at any time, the Trustees intend to maintain the level of reserves of The PINE Foundation at approximately the same level (barring yearly investment portfolio fluctuations) for the foreseeable future in order to maintain the Foundation's ability to support its beneficiaries for the public benefit in the long run.

CONTINUED IMPACT OF RUSSIA'S INVASION OF UKRAINE

As noted in previous reports, The PINE Foundation has supported education and research projects for the process of transition to a market economy and democratic society in Russia as a key part of its mission. The dangerous drift toward the restoration of the worst practices of the Soviet era, which went against values the support for which is The PINE Foundation's mission, culminated in February 2022 in Russia invading neighbouring Ukraine and triggering a devastating human tragedy. The Trustees hope that the situation in Russia will eventually change and they are committed to resuming the help provided by The PINE Foundation in line with its mission as soon as the circumstances allow, in ways that would be compliant with the Western sanctions and would avoid putting potential beneficiaries at risk.

PLANS FOR FUTURE ACTIVITIES

The Trustees have received reports from Ms Stamp and her colleague with regard to Fukushima online English classes, indicating that the classes are going very well. Professor Braguinsky also interviewed one of the more senior students involved (Miss Honoka Kondo, who graduated from high school and is currently enrolled in Yamagata University Engineering Department but still continues to participate in the online English classes) and obtained a very positive assessment from her as well. The Trustees thus plan to support the online English

classes beyond October when they are scheduled to end according to the current project.

As mentioned in the previous report, Miss Honoka Kondo, whom the teachers unanimously single out as their best student, has the ambition of becoming a “cultural ambassador” between Japan and other countries. Professors Braguinsky and Ohyama held a detailed discussion with her and advised Miss Kondo about the opportunities offered by her University, with The PINE Foundation providing supplementary funds if necessary. Ms Kondo is currently exploring study abroad programmes offered by Yamagata University, and the Trustees will continue to engage in conversations with her about this, and intend to provide supplementary support if and when it is needed.

The Trustees plan to continue their support for PhD students which has become the centrepiece of The Foundation’s charitable activity in recent years and to seek more such students to support. To this effect, Professors Braguinsky and Ohyama conducted preliminary interviews with Kohei Yamagata, who is in his final year of the PhD programme at Washington University, St. Louis, one of the top private universities in the United States in which to study and conduct research in economics. Mr Yamagata, who was previously made known to the Trustees by a recommendation from Professor Kazuo Nishimura—one of the top economists in Japan with a high international reputation—had been enrolled in his PhD programme since 2017 with full financial support and did not require assistance, but the impact of the Covid 19 pandemic forced him to extend his enrolment in the PhD program for another year, for which Washington University could no longer provide him with financial support. The Trustees were impressed by Mr Yamagata’s ability and work ethic, and his research agenda is well aligned with The PINE Foundation’s mission. The Trustees, therefore, plan to discuss possible support for the final year of his PhD programme in Washington University at their AGM in Summer 2024 and will make a

decision at that time. The Trustees also plan to seek more talented PhD students and/or junior scholars at the start of their careers, who are conducting research projects aligned with The PINE Foundation's mission, and they will bring such candidates to the Board's attention in due course.

As the above plans require long-term commitment on the part of The PINE Foundation to its beneficiaries, the Trustees will continue to give priority to keeping adequate reserves and preventing the depletion of the Foundation's unrestricted funds. The supporters of and donors to The PINE Foundation have repeatedly made it known to the Trustees that this is their desire also.

The Trustees intend to continue their efforts to cut costs, although they realize that they have currently almost reached the limit of what can be done without jeopardising the ability of The PINE Foundation to meet its objectives. The Trustees have expressed their renewed commitment to do whatever they can on a voluntary basis to help the Foundation.

RELATED PARTY TRANSACTIONS

Related party transactions are as reported in note 12 of the financial statements.

Statement of Trustees' Responsibilities

The Trustees 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.)

The law applicable to charities in England & Wales 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 of the charity for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the trust deeds. 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.

Independent Examiners

Moore Kingston Smith LLP have indicated their willingness to continue in office as independent examiners and offer themselves for re-election at the forthcoming Annual General Meeting.

This report was approved by the Board of Trustees on
December 7, 2024 and signed on its behalf by:

Serguey Braguinsky

Serguey Braguinsky, Trustee, Secretary to the Board of Trustees

Independent Examiner's Report to the Trustees of The Pine Foundation For the year ended 31st March 2024

I report to the trustees on my examination of the accounts of The PINE Foundation for the year ended 31 March 2024.

Responsibilities and basis of report

As the charity trustees of the Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



6th Floor
9 Appold Street
London EC2A 2AP

Adam Fullerton FCA
For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

Date: 10 December 2024

The PINE Foundation
Statement of Financial Activities
For the year ended 31st March 2024

	Note	Unrestricted Funds £	Total 2024 £	Total 2023 £
Income				
Income from:				
Donations and Gifts		89,209	89,209	73,801
Interest receivable		3,637	3,637	-
Dividends receivable		16,374	16,374	15,695
Total Income		<u>109,220</u>	<u>109,220</u>	<u>89,496</u>
Expenditure				
Expenditure on raising funds:				
Fundraising	2	22,193	22,193	19,804
Charitable Activities:				
Grant Making	3	82,639	82,639	66,748
Total Expenditure		<u>104,832</u>	<u>104,832</u>	<u>86,552</u>
Gain/(loss) on investments	8	128,284	128,284	(10,449)
Exchange (loss)/gain		(9,210)	(9,210)	2,362
Net income/(expenditure)		<u>123,462</u>	<u>123,462</u>	<u>(5,143)</u>
Net Movements in Funds		123,462	123,462	(5,143)
Balances brought forward at 1st April		<u>938,400</u>	<u>938,400</u>	<u>943,543</u>
Balances carried forward at 31st March		<u><u>1,061,862</u></u>	<u><u>1,061,862</u></u>	<u><u>938,400</u></u>

The PINE Foundation
Balance Sheet at 31st March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed Assets					
Tangible fixed assets	7		-		-
Investments	8		864,043		735,759
			<u>864,043</u>		<u>735,759</u>
Current Assets					
Debtors	9	215		1,598	
Cash and cash equivalents		<u>251,063</u>		<u>253,821</u>	
		<u>251,278</u>		<u>255,419</u>	
Creditors: Amounts falling due within one year	10	<u>(53,459)</u>		<u>(52,778)</u>	
Net Current Assets			<u>197,819</u>		<u>202,641</u>
Total Net Assets			<u><u>1,061,862</u></u>		<u><u>938,400</u></u>
Funds Available					
Unrestricted general fund			<u>1,061,862</u>		<u>938,400</u>
			<u><u>1,061,862</u></u>		<u><u>938,400</u></u>

Approved by the Board of Trustees on December 7, 2024
and signed on its behalf by:

Serguey Braguinsky

S Braguinski
Trustee

Atsushi Ohyama (大山 睦)

A Ohyama
Trustee

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2024

1 Accounting Policies

Accounting Convention

The PINE Foundation meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with 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 2015 and updated to second edition 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees believe that the current resources viewed against commitments (as well as future plans and possible contingencies) make sure that The Pine Foundation will continue to operate as a going concern. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The principle accounting policies adopted in the preparation of the financial statements are set out below:

Fixed Assets

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated on a straight line basis over their estimated useful lives as follows:

Office equipment	3 years
------------------	---------

Depreciation rates, economic lives and impairment of asset values are reviewed annually.

Investments

Investments are initially measured at cost and subsequently measured at fair value as per quoted market price. Any realised and unrealised gain or loss is taken to the Statement of Financial Activities.

Cash and Cash Equivalents

Cash and cash equivalents includes cash held in hand, deposits held at call with banks and cash held as investments with a maturity of 90 days or less.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments are measured at amortised cost with the exception of investments which are measured at fair value.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2024

1 Accounting Policies (continued)

Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, the directors 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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Income

All income is included when the charity has entitlement to the income, there is probability of receipt and the amount can be measured.

Donations are treated as income in the period in which they are receivable.

Interest receivable is treated as income of the period in which it accrues.

Grants

Grants made by the Foundation are treated as expenditure of the period in which they are approved and the offer is conveyed to the recipient, except in cases where an offer is conditional, such grants being recognised as expenditure only when the conditions are fulfilled.

Expenditure

Expenditure is included in the SOFA on an accruals basis.

Cost of generating funds are costs incurred in attracting voluntary income to support the charity's activities, together with the cost of managing the charity's investments for both income generation and capital maintenance.

Charitable activity costs include grants payable to third parties in furtherance of the charitable objects of the trust, together with attributable support costs.

Support costs include costs related to the approval and monitoring of grant awards together with central office and administration costs.

Governance costs, which are included within support costs, are costs incurred in connection with the strategic management of the charity and in compliance with constitutional and statutory requirements.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2024

1 Accounting Policies (continued)

Allocation of expenditure

Expenditure is allocated between costs of generating funds and charitable activities on the basis of direct allocation where possible and an apportionment of employee time spent where applicable.

Fund accounting

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

Restricted funds represent amounts given to the charity for specific purposes, in accordance with the donors' wishes.

Operating leases

Costs under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net income/(expenditure) result.

Taxation

As a registered charity, the Foundation is generally exempt from Income Tax but not from VAT. Irrecoverable VAT is, in accordance with standard accounting practice, included in the cost of those items to which it relates.

Functional currency

The functional currency of the Foundation is UK sterling rounded to the nearest pound.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2024

2 Fundraising		Total 2024 £	Total 2023 £
Costs of generating voluntary income		10,937	9,750
Costs of managing investments		11,256	10,054
		<u>22,193</u>	<u>19,804</u>
3 Charitable Activities			
	Activities undertaken directly £	Support Costs £	Total 2024 £
Grants to individuals and institutions	34,581	40,702	75,283
Governance costs	-	7,356	7,356
	<u>34,581</u>	<u>48,058</u>	<u>82,639</u>
	Activities undertaken directly £	Support Costs £	Total 2023 £
Grants to individuals and institutions	21,641	37,967	59,608
Governance costs	-	7,140	7,140
	<u>21,641</u>	<u>45,107</u>	<u>66,748</u>
4 Grants awarded were as follows:		Total 2024 £	Total 2023 £
Fukushima Friends UK		-	1,300
T Hirawiwa		9,606	10,191
S Yamaguchi		22,387	10,150
F Stamp		2,588	-
		<u>34,581</u>	<u>21,641</u>
5 Support Costs		Total 2024 £	Total 2023 £
Staff Costs		21,875	19,500
Travel and Subsistence		-	722
Property Costs		6,000	6,000
Telephone and Faxes		2,549	1,757
Other Office Running Costs		368	778
Accountancy		9,910	9,210
Governance Costs			
Independent Examiner's fees - current year		<u>7,356</u>	<u>7,140</u>
		<u>48,058</u>	<u>45,107</u>

All support costs relate to the charity's grant making activities.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2024

6 Staff Costs

	Total 2024 £	Total 2023 £
Wages and Salaries	43,750	39,000
Social Security costs	-	-
	<u>43,750</u>	<u>39,000</u>
Staff costs are allocated to functions as follows:		
Fundraising - cost of generating voluntary income	10,938	9,750
Fundraising - cost of managing investments	10,938	9,750
Support costs	21,874	19,500
	<u>43,750</u>	<u>39,000</u>
Total	<u>43,750</u>	<u>39,000</u>

No employee earned in excess of £60,000 in the year (2023: none).

The Foundation employed one full-time person during the year (2023: one full time).

Details of remuneration in respect of key management personnel is set out in note 12.

7 Fixed Assets

Cost	Office Equipment £	Total £
At 1st April 2023	4,326	4,326
Disposal	(1,576)	(1,576)
	<u>2,750</u>	<u>2,750</u>
At 31st March 2024	<u>2,750</u>	<u>2,750</u>
Accumulated Depreciation		
At 1st April 2023	4,326	4,326
Disposal	(1,576)	(1,576)
Charge for year	-	-
	<u>2,750</u>	<u>2,750</u>
At 31st March 2024	<u>2,750</u>	<u>2,750</u>
Net Book Value		
At 31st March 2024	<u>-</u>	<u>-</u>
At 31st March 2023	<u>-</u>	<u>-</u>

8 Investments

	UK £	Overseas £	Total 2024 £	Total 2023 £
Listed investments at market value:				
At 1st April	217,729	518,030	735,759	746,208
Unrealised gain/(loss) in market value	8,289	119,995	128,284	(10,449)
	<u>226,018</u>	<u>638,025</u>	<u>864,043</u>	<u>735,759</u>
At 31 March	<u>226,018</u>	<u>638,025</u>	<u>864,043</u>	<u>735,759</u>
At historical cost:				
At 31st March 2024	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	
At 31st March 2023	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	

Of the 2023 comparatives above, £215,112 of the opening market value and £2,617 of the unrealised gain relates to UK based investments with all other movements relating to overseas investments.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2024

8 Investments (Continued)

Investments greater than 5% of the portfolio valuation.

	2024	2023
	£	£
Ishares Plc	226,018	217,729
SPDR S&P500 ETF	439,011	350,767
Japan Daiwa AM Topix Fund (ETF)	199,014	167,263
	<u>864,043</u>	<u>735,759</u>
	<u><u>864,043</u></u>	<u><u>735,759</u></u>

9 Debtors

	2024	2023
	£	£
Prepayments	215	1,598
	<u>215</u>	<u>1,598</u>
	<u><u>215</u></u>	<u><u>1,598</u></u>

10 Creditors

	2024	2023
	£	£
Amounts falling due within one year:		
Accruals	9,161	8,844
Grant creditor	43,493	43,493
Taxation & other social security	805	441
	<u>53,459</u>	<u>52,778</u>
	<u><u>53,459</u></u>	<u><u>52,778</u></u>

11 Financial Commitments

At 31 March, the Foundation had total commitments under operating leases as follows:

	2024	2023
	£	£
Land and Buildings		
Expiring within one year	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
	<u><u>1,500</u></u>	<u><u>1,500</u></u>

The lease is currently on a rolling quarter by quarter basis. Lease payments of £6,000 (2023: £6,000) were recognised in the year.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2024

12 Key Management Personnel

The key management personnel of the Foundation are the trustees who currently consist of:

Professor Serguey Braguinsky
Mr Kentaro Nishida
Dr Atsushi Ohyama

Key management personnel received no remuneration for their services to the Foundation during the year (2023: £nil).

Travelling expenses amounting to £nil (2023: £722) were paid during the year to 0 (2023: 1) trustees.

The trustees donated a total of £89,209 (2023: £73,801) to the Foundation in the year.

THE PINE FOUNDATION

England & Wales - Charity number 1038938

Accounts

The PINE Foundation

Registered Charity No. 1038938

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

The PINE Foundation
Year ended 31st March 2023

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The PINE Foundation
Legal and Administrative Details
For the year ended 31st March 2023

TRUSTEES

Professor Serguey Braguinsky (Secretary to the Board of Trustees)
Mr Kentaro Nishida
Professor Atsushi Ohyama

SOLICITORS

Bates, Wells & Braithwaite
Scandinavian House
2-6 Cannon Street
London EC4M 6YH

INDEPENDENT EXAMINER

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London EC2A 2AP

BANKERS

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114 Fenchurch Street
London EC3P 3HY

REGISTERED OFFICE

30 Dartmouth Road
Forest Hill
London SE23 3XU

Tel: 44 (0)20 8699 5135
Fax: 44 (0)20 8699 8525

STATUS

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994.

The PINE Foundation is registered in the United Kingdom as a charity and its registered charity number is 1038938.

TRUSTEES' REPORT

The Trustees of The PINE Foundation present their report and independently examined financial accounts for the year ended 31 March 2023. The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the conditions of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015 and updated in 2019.

OBJECTIVES AND ACTIVITIES

Summary of objectives for the public benefit

The objectives of The PINE Foundation, according to its Trust Deed, are to promote and advance education and research in economic, political and sociological processes for the benefit of the public and in particular, without prejudice to that generality, to promote and advance education and research in Russia and the former Eastern bloc countries.

Purposes of the charity/mission statement

The creation of human capital is key to economic progress and democracy, while a competitive and prosperous free market economy constitutes the most important condition for such human capital creation. The PINE Foundation is committed to sponsoring research and educational projects that will help to accumulate such human capital and continue such activities for the public benefit in the year under review.

Main activities related to these purposes

In the year under review, The PINE Foundation continued two main activity streams related to its purposes: supporting PhD-level education and research relevant to the Foundation's mission; and supporting investment in human capital in earthquake- and tsunami-devastated areas in Japan. The third activity stream (supporting research projects in Russia related to building a market-oriented economy) remained suspended due to Russian aggression against Ukraine and the ensuing Western sanctions. The Trustees hereby confirm that they complied with their duty to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant. In particular, the Trustees gave full consideration to how the main activities of The PINE Foundation will contribute to meeting the charity's aims and objectives for the benefit of the public.

The main strategy for achieving objectives for the public benefit lies in making education and research grants. The first main activity stream to achieve The PINE Foundation's purposes in the year under review consisted of supporting two individuals in high-level PhD programmes in areas directly related to the Foundation's mission. These individuals are supported to help them defray part of the costs associated with enrolment in their programmes and carrying out research.

The second main activity stream to achieve The PINE Foundation's purposes consists of support for the internationally-oriented education of children affected by the March

2011 earthquake and tsunami in North-Eastern Japan. To further this objective, the Trustees have continued to work with two English teachers, previously affiliated with the former Fukushima Friends UK charity, to follow up on the project started in 2016, aiming to advance English education for children in the Fukushima prefecture, one of the areas most devastated not only by the earthquake and the tsunami but also by the fallout following the nuclear disaster at the Fukushima Nuclear Power Plant.

The third activity which previously consisted of support for the Industrial Policy Research Group, an informal network of economists and social scientists working on various issues related to the transition to a market economy in Russia, was suspended in February 2022 following the Russian invasion of Ukraine and remained suspended. More details about this are provided below.

The Trustees have also continued to seek other ways of achieving the Foundation's purposes as related to the public benefit through advancing education and research as well as closely monitoring the progress of the projects sponsored by The PINE Foundation.

Details of significant activities contributing to the achievement of stated objectives

a) Grant making

Grant making was the main activity contributing to the achievement of both short-term and long-term goals. Overall, The PINE Foundation spent £66,748 on grant-making activities per the SOFA. £21,641 of this amount constituted grants awarded to individuals and institutions (details are provided below in the "Achievements and Performance" section), while £45,107 was used to cover support and governance costs. Trustees continuously monitor projects and this year in particular they paid special attention to checking regularly on the wellbeing of their beneficiaries. The Trustees are not compensated for this activity.

b) Fundraising

Fundraising (generating voluntary donations and managing investments) was one of the significant activities contributing to the achievement of the objectives stated above. In the year under review, The PINE Foundation raised £73,801 in new donations. The costs of fund-raising activities (comprised of both the costs of generating voluntary income and the costs of managing investments), per the SOFA amounted to £19,804 during the year under review. This mostly reflects direct costs in terms of compensation for the Administrative Officer's time, including applying for Gift Aid, but fundraising and investment management activity were also conducted by the Trustees, who did not receive compensation for their services.

Details of grants

The grant-making policy of The PINE Foundation is guided by the basic goals set forth in The PINE Foundation's Deed of Trust as stated at the beginning of this section of the Trustees' Report. Selecting projects for grants entails an extensive search for and examination of potential projects to support, conducted by the Trustees.

In conducting this search the Trustees rely on their own expertise as well as actively soliciting opinions from outside experts, including but not limited to prominent scholars and experts in the field, and former and current beneficiaries of The PINE Foundation. Projects identified through the search process are subject to thorough examination and cross-checking by the Board of Trustees. The final decision with respect to each grant project individually is taken at Board meetings and involves further discussion followed by the voting procedure.

The details of the grants provided by The PINE Foundation during the year under review are as follows.

1) Shotaro Yamaguchi, University of Maryland, £10,150, to support his continued enrolment in the PhD programme

Mr Shotaro Yamaguchi was in his fifth year of the PhD programme in strategy and entrepreneurship at the University of Maryland, receiving a financial aid package consisting of a tuition waiver and partial financial support. He has continued to receive a supplementary grant from The PINE Foundation to support his PhD study.

The Trustees continue to be impressed by Mr Yamaguchi's research agenda accomplishments. In the year under review he successfully completed two more research papers, which he submitted to peer-reviewed journals for possible publication. Mr Yamaguchi represents the type of globally-oriented young Japanese scholars which The PINE Foundation considers, as part of its mission, as meriting support. Professors Braguinsky and Ohyama continue to constantly monitor Mr Yamaguchi's performance in the PhD programme and provide him with scholarly advice, and the Trustees are satisfied with his progress.

2) Takuya Hiraiwa, University of Maryland, £10,150, to support his enrolment in the PhD programme

Mr Takuya Hiraiwa was in his second year in the PhD programme in strategy and entrepreneurship at the University of Maryland during the year under review, receiving a financial aid package consisting of a tuition waiver and partial financial support. The PINE Foundation provided him with a supplementary grant to support his PhD study.

Professors Braguinsky and Ohyama continue to monitor Mr Hiraiwa's performance in the PhD programme and provide him with scholarly advice, and the Trustees are satisfied that his study is off to a very good start. Even though only in his second year, Mr Hiraiwa already has two research papers submitted to peer-reviewed journals.

3) Ms Fiona Stamp: £1,300 for the online English education project.

As mentioned in previous Trustee Reports, the COVID pandemic has resulted in the necessity to move English classes in Fukushima prefecture, for the children who participated in the initial classes supported by The PINE Foundation five years ago, to an online format. The first two years of online education consisted of two classes, both taught online on a fortnightly basis, by two English teachers based in the UK, with several British children of the same age participating, to make friends with the

Japanese children and to learn about Japanese culture. The Trustees have received detailed reports from both teachers and also interviewed one of the students taking the classes and were very satisfied with how the project was going. Unfortunately, Ms Kumiko Yabe, who spearheaded Fukushima Friends UK, the UK-registered charity which partnered in this project with The PINE Foundation, retired during the year under review, but she urged the Trustees to continue supporting the project by disbursing funds directly to the teachers involved. This request by Ms Yabe was echoed by the children and their guardians, and the two English teachers involved also expressed their readiness to continue. After due diligence (including consultation with the Independent Examiners and also obtaining Ms Yabe's commitment to monitor the project in a private capacity), the Trustees were satisfied that the online classes could continue even without mediation by Fukushima Friends UK. They designated one of the teachers, Ms Fiona Stamp, to be the recipient of the funds whereby The PINE Foundation can continue to render support to the online English classes by covering the teachers' remuneration and logistical support costs.

Use of volunteers

The Trustees of The PINE Foundation donate their time and effort to the Foundation without receiving remuneration. Outside volunteers do not play a significant role in The PINE Foundation apart from the contribution of occasional professional advice solicited by the Trustees from their colleagues in academia.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and organisational structure

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994. The Trust Deed stipulates that The PINE Foundation is governed by its Board of Trustees. All decisions are made jointly by the Trustees at their meetings, conducted at least four times a year, either face-to-face or via web conferences. The Administrative Officer appointed by the Trustees and answering to them is responsible for executing the Trustees' decisions and administering The PINE Foundation's day-to-day operations. The PINE Foundation does not have affiliated charities or other related parties or entities.

Induction and training of Trustees

The Board of Trustees of The PINE Foundation only appoints a new Trustee following a careful selection and interviewing process, during which Board members discuss with the prospective new Trustee his/her duties and obligations according to Charity Law, and also provide detailed explanations about The PINE Foundation, its mission and operations. In other words, a deep understanding of both The PINE Foundation itself and of the relevant regulations is the most important condition of being appointed a Trustee of The PINE Foundation, so that the new Trustee approved by the Board of Trustees will have already been inducted and have received basic training. All the Trustees constantly update their knowledge of Charity Law and SORP as part of their ongoing duties, and they also closely follow developments that are relevant to the Foundation's activities.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements

In accordance with the objectives of The PINE Foundation as stated in its Trust Deed, at the most fundamental level, the Foundation's achievements should be assessed by the impact its activity has on the progress of economic research and education in the areas where The PINE Foundation's beneficiaries conduct their activities. The power of ideas and human capital to bring about such progress is enormous, especially in the long run; and the activity of The PINE Foundation can be expected to have a major impact on the goals of its mission, much more than can be measured by simple quantitative measurements of performance for any particular year.

In view of the above, the Trustees do not impose specific quantitative performance measures in terms of charitable activities. The Trustees constantly communicate with all the beneficiaries and monitor the projects while also embracing feedback from the beneficiaries. The constant hands-on process of bilateral communication in which the Trustees give guidance and advice to the beneficiaries, whilst the latter continue to explore new ways of conducting their research and study, and respond to the Trustees with new ideas, has been the biggest asset of The PINE Foundation so far. This is also the most important channel through which the Trustees ensure that the Foundation's donations are used for their intended purposes.

In the year under review the main achievements, as reflected in the grants detailed above, consisted of: 1) providing a "window of opportunity" for studies and important and exciting research agendas to two PhD students, Mr Yamaguchi, and Mr Hiraiwa (Mr Caldwell who had been supported until the previous year successfully defended his thesis and graduated); and 2) providing financial and logistical support for international-oriented education to children affected by the fallout from the Fukushima nuclear disaster, stemming from the 2016 Summer English classes in Fukushima prefecture supported by the PINE Foundation.

Difference made to beneficiaries and wider society

The difference made to beneficiaries and the wider society follows directly from the summary above. For the PhD students supported by The PINE Foundation such support gives them a chance to focus on their studies and research. As mentioned in last year's report, Mr David Caldwell had an especially difficult time during the COVID pandemic and had to seek an extension for his dissertation defence, made possible by continued support from The PINE Foundation beyond the initially agreed period.

The Trustees are happy to report that Mr Caldwell successfully graduated from the PhD programme at Durham University and obtained his doctoral degree so that he will be referred to as Dr David Caldwell from now on. The title of his thesis is "Polarization and Cultural Realignment in Britain, 2014-2019." In this thesis, which the Trustees have also read and consider to be of high quality, Mr Caldwell addresses some big questions related to electoral realignment in Britain and whether it reflects the British voters developing more polarized and ideological issue preferences, or

whether it is the elite policy (political parties) divergence that destabilised established electoral coalitions. Dr Caldwell's main finding is that most of the polarisation cannot be explained simply by partisan polarisation, that is, party identity no longer anchors political behaviour, as can be seen especially in the case of Brexit. Instead, polarisation reflects deeper underlying causes of a demographic and economic nature. While the immediate contribution of Dr Caldwell's thesis is to provide a more complete picture of polarisation in the British case, the implications from his study are much broader, as both the findings and the methodology he developed could be applied to other countries experiencing similar changes, such as the US and much of Europe.

Dr Caldwell remains in touch with the Trustees after his graduation. He has moved to the United States due to family circumstances and received a job offer from the Judicial Council of California. In his letter to the Trustees, sent right after his defence and graduation, Dr Caldwell expressed his deep gratitude to the Trustees and specifically mentioned that he "certainly would not have made it with the PINE Foundation."

For Shotaro Yamaguchi and Takuya Hiraiwa, The PINE Foundation's support is crucial in enabling them to continue pursue their PhD studies and engage in research with a minimum of distraction. Both of them are making good progress in their studies and both work on research related to the role of high-level educated human capital in Japan's industrialization process, with lessons for developing countries and countries in transition. The Trustees expect this research, when completed, to have important implications for understanding the process of economic development as driven by markets and human enterprise.

To sum up, grants awarded by the PINE Foundation make a considerable difference to the beneficiaries and will make a difference to wider society as the beneficiaries accumulate a high-level of human capital and become powerful advocates for the causes that constitute the mission of The PINE Foundation.

The support to children affected by the earthquake and the nuclear accident fallout, conducted through online English lessons, has had a very direct impact on the children's lives by giving them chances to acquire new skills and, especially, giving them motivation. The Trustees were very pleased that the online format could be successfully applied to continue this project despite the pandemic, and they note that this made a great difference to the children involved, given all the challenges they faced in the past several years because of COVID 19.

It is painful for the Trustees to have to report the suspension of The PINE Foundation's support for the Industrial Policy Research Group in Russia. The Group had functioned in an extremely difficult situation for quite some time, even before Putin's government decided to invade Ukraine. Russian liberal scholars, such as the Professor, had conducted intellectually honest and practically relevant research, constituting a powerful force that opposes the departure from a market economy and political democracy and The PINE Foundation was and remains proud of the support it rendered to their activity as an important part of its mission. After the beginning of the Russian invasion of Ukraine, however, the Trustees had no choice but to suspend

their charitable activities for residents of Russia which, most unfortunately, includes the Professor and his team.

Professor Braguinsky has been in regular contact with the Professor and other members of the Industrial Policy Research Group. They are doing reasonably well, given the circumstances, and continue to express their gratitude for the difference made to their work by the earlier support from The PINE Foundations. The Trustees hope that support for the Professor can be resumed at some point in the future, although currently it is not possible to predict when that might happen. In the meantime, the two previously approved grants for the Professor, which could not be disbursed due to COVID remain in the PINE Foundation's account for the time being.

Fundraising and investment performance achievements

The amount of donations received by The PINE Foundation somewhat increased in the year under review. Together with the investment portfolio's return, the incoming resources are sufficient to secure financial stability and to continue implementing The PINE Foundation's mission.

The investment strategy for most of the year under review continued the previously approved policy of holding a diversified global equity portfolio, taking into account the historically low interest rates on bank deposits and low rates of return on fixed-income assets. The value of the investment portfolio performed reasonably well in the year under review.

FINANCIAL REVIEW

During the year under review The PINE Foundation received £73,801 worth of new donations. The PINE Foundation also received £15,695 in interest and dividends on its investments. The PINE Foundation's annual expended resources amounted to £86,552 as per SOFA. (Of these, £66,748 was spent on grant-making activities, while fund-raising and costs of managing investments totalled £19,804.) The amount of grants disbursed by The PINE Foundation directly to its beneficiaries was £21,641. The reduction in the amount of grants disbursed compared to the previous year was primarily due to the suspension of support for the Professor and the Industrial Research Policy group in Russia mentioned above. Also, Dr Caldwell successfully defended his dissertation and graduated from the Ph.D. programme, so he no longer required support from The PINE Foundation. The net movement in funds during the year under review (after factoring in the change in the value of the investment portfolio) amounted to minus £5,143, leaving the unrestricted funds at £938,400 as of 31 March 2023.

The PINE Foundation has continued its policy of keeping its operational costs at a low level, and it continues to have no borrowed funds. The Trustees are confident that The PINE Foundation remains a 'going concern' and will be able to meet its obligations to beneficiaries for the foreseeable future as well as have enough funds to increase its support, including potential new beneficiaries and activity streams.

Policy for Holding Reserves

The policy for holding reserves adopted by the Trustees of The PINE Foundation is based upon forecasts of levels of income versus forecasts of expenditure in future years on the basis of planned activities and the assessment of the likelihood that future needs and opportunities might be met out of future income. More specifically, the Trustees forecast a stable and steady flow of needs arising from the obligation to continue to support, for the foreseeable future, projects selected by the Trustees. As already mentioned, this kind of reserves policy is in line with the mission of The PINE Foundation and its goals and objectives as stated in the Trust Deed. The amount of net current assets (mostly cash reserves held in the bank) at 31 March 2023 was £202,641.

The reasons for holding these reserves and the split between cash and the investment portfolio are guided by fulfilling The PINE Foundation's mission to support academic research, the excellence of which is built, and must be maintained, over time. The PINE Foundation also promotes education with the aim of nurturing new generations of broad-minded people with an international perspective, as well as researchers and reform-minded policy-makers. This is not a goal that can be accomplished by a large one-off injection of money. The Trustees have an obligation according to The PINE Foundation's Deed of Trust to act to promote those goals, and this requires the maintenance of relatively large reserves, especially in an environment where the inflow of new large donations is very hard to predict. To put it simply, inasmuch as support to its beneficiaries makes a difference in their lives and wider society as outlined above, a sudden termination of such support (which could happen at any time if The PINE Foundation did not follow its policy of holding reserves) would be truly devastating both to the beneficiaries and to the mission of the Foundation. The importance of this was once again demonstrated during the COVID 19 pandemic. Since similar contingencies may arise for any beneficiary and at any time, the Trustees intend to maintain the level of reserves of The PINE Foundation at approximately the same level (barring yearly investment portfolio fluctuations) for the foreseeable future in order to maintain the Foundation's ability to support its beneficiaries for the public benefit in the long run.

CONTINUED IMPACT OF RUSSIA'S INVASION OF UKRAINE

As noted in previous reports, The PINE Foundation has supported the process of transition to a market economy and democratic society in Russia as an important part of its mission. The dangerous drift toward the restoration of the worst practices of the Soviet era, which went against values the support for which is The PINE Foundation's mission, culminated in February 2022 in the blatant act of aggression against neighbouring Ukraine, which triggered an unspeakable human tragedy. The invasion quickly escalated into a full-scale war, with the year under review being the first but, unfortunately, most likely not the last year of this conflict. The Trustees' thoughts remain first and foremost with the sufferings of the Ukrainian people who are the victims of this blatant act of aggression and brutality.

In some sense, supporting activities aimed at reversing the current situation and putting Russia once again on the path of transition to a market economy and democracy has never been as important as it is today. The Trustees plan to actively

seek ways in which The PINE Foundation can do so, in line with its mission, and in ways that would also satisfy the criteria of (a) compliance with the Western sanctions imposed on Russia in response to its aggression, and (b) not putting potential beneficiaries at risk. It is the Trustees' sincere hope that the situation in Russia will eventually change. While it is hard to predict the exact timing, the recent trends toward renewed totalitarian rule, punctuated by the invasion of Ukraine, run contrary to the whole logic of the country's development since the collapse of communism. The Trustees are committed to resuming the help provided by The PINE Foundation for projects related to this transition as soon as circumstances change and it becomes a meaningful activity once again.

PLANS FOR FUTURE ACTIVITIES

Regarding Fukushima online English classes, the Trustees have received reports from Ms Stamp and her colleague indicating that the classes are going very well. Professor Braguinsky also interviewed one of the more senior children involved (Miss Honoka Kondo, who graduated from high school and enrolled in Yamagata University Engineering Department in the year under review) and obtained a very positive assessment of the classes as well as a strong desire to see them continued. The Trustees thus plan to support the online English classes beyond October when they are scheduled to end according to the current project.

As mentioned in the previous report, Miss Honoka Kondo, whom the teachers unanimously single out as their best student, has written to the Trustees about her ambition to become even more proficient in English language and culture with a view of becoming a "cultural ambassador" between Japan and the UK (and other countries) in the future, and she has requested support for such study in the UK. Following up on that request, Professors Braguinsky and Ohyama held a detailed discussion with her, and advised Miss Kondo about the opportunities offered by her University, with The PINE Foundation providing supplementary funds if necessary. It turned out that study abroad programmes are indeed offered by Yamagata University, and Ms Kondo is currently exploring them. The Trustees will continue to engage in conversations with her about this and will provide supplementary support if and when it is needed.

The Trustees also plan to continue supporting Mr Shotaro Yamaguchi and Mr Takuya Hiraiwa in their PhD studies. Mr Yamaguchi, in particular, is entering the final year of his PhD programme and will be on the job market. His dissertation, which examines the impact of high-level educated human capital on Japan's industrialization in the late 19th-early 20th century, and draws lessons for today's countries in transition, and for developing countries, is shaping as an outstanding research product, fully aligned with the PINE Foundation's mission. The Trustees are therefore planning to provide him with The PINE Foundation Dissertation Fellowship for his final year in the programme.

The Trustees are also very satisfied with Mr Hiraiwa's progress and will continue to support him going forward. Professors Braguinsky and Ohyama are also planning to support more excellent PhD students and/or junior scholars at the start of their careers, who are conducting research projects aligned with The PINE Foundation's mission, and they will bring such candidates to the Board's attention in due course.

As the above plans require long-term commitment on the part of The PINE Foundation to its beneficiaries, the Trustees will continue to give priority to keeping adequate reserves and preventing the depletion of the Foundation's unrestricted funds. The supporters of and donors to The PINE Foundation have repeatedly made it known to the Trustees that this is their desire also.

The Trustees intend to continue their efforts to cut costs, although they realize that they have currently almost reached the limit of what can be done without jeopardising the ability of The PINE Foundation to meet its objectives. The Trustees have expressed their renewed commitment to do whatever they can on a voluntary basis to help the Foundation.

RELATED PARTY TRANSACTIONS

Related party transactions are as reported in note 12 of the financial statements.

Statement of Trustees' Responsibilities

The Trustees 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.)

The law applicable to charities in England & Wales 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 of the charity for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the trust deeds. 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.

Independent Examiners

Moore Kingston Smith LLP have indicated their willingness to continue in office as independent examiners and offer themselves for re-election at the forthcoming Annual General Meeting.

This report was approved by the Board of Trustees on December 15, 2023 and signed on its behalf by:

Serguey Braguinsky

Serguey Braguinsky, Trustee, Secretary to the Board of Trustees

Independent Examiner's Report to the Trustees of The Pine Foundation

For the year ended 31st March 2023

I report to the trustees on my examination of the accounts of The PINE Foundation for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity trustees of the Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A handwritten signature in black ink that reads "Moore Kingston Smith LLP". The signature is written in a cursive, slightly slanted style.

6th Floor
9 Appold Street
London EC2A 2AP

**Luke Holt FCA, for and on behalf of
Moore Kingston Smith LLP
Chartered Accountants**

Date: 15 December 2023

The PINE Foundation
Statement of Financial Activities
For the year ended 31st March 2023

	Note	Unrestricted Funds £	Total 2023 £	Total 2022 £
Income				
Income from:				
Donations and Gifts		73,801	73,801	63,376
Dividends receivable		15,695	15,695	13,885
Total Income		<u>89,496</u>	<u>89,496</u>	<u>77,261</u>
Expenditure				
Expenditure on raising funds:				
Fundraising	2	19,804	19,804	19,632
Charitable Activities:				
Grant Making	3	66,748	66,748	88,549
Total Expenditure		<u>86,552</u>	<u>86,552</u>	<u>108,181</u>
(Loss)/gain on investments	8	(10,449)	(10,449)	74,103
Exchange gain		2,362	2,362	593
Net (expenditure)/income		<u>(5,143)</u>	<u>(5,143)</u>	<u>43,776</u>
Net Movements in Funds		(5,143)	(5,143)	43,776
Balances brought forward at 1st April		<u>943,543</u>	<u>943,543</u>	<u>899,767</u>
Balances carried forward at 31st March		<u>938,400</u>	<u>938,400</u>	<u>943,543</u>

The PINE Foundation

Balance Sheet at 31st March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Tangible fixed assets	7		-		-
Investments	8		735,759		746,208
			<u>735,759</u>		<u>746,208</u>
Current Assets					
Debtors	9	1,598		522	
Cash and cash equivalents		<u>253,821</u>		<u>253,661</u>	
		<u>255,419</u>		<u>254,183</u>	
Creditors: Amounts falling due within one year	10	<u>(52,778)</u>		<u>(56,848)</u>	
Net Current Assets			<u>202,641</u>		<u>197,335</u>
Total Net Assets			<u><u>938,400</u></u>		<u><u>943,543</u></u>
Funds Available					
Unrestricted general fund			<u>938,400</u>		<u>943,543</u>
			<u><u>938,400</u></u>		<u><u>943,543</u></u>

Approved by the Board of Trustees on...December 15, 2023
and signed on its behalf by:

Serguey Braguinsky

S Braguinsky
Trustee

大山 睦

A Ohyama
Trustee

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2023

1 Accounting Policies

Accounting Convention

The PINE Foundation meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with 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 2015 and updated to second edition 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees believe that the current resources viewed against commitments (as well as future plans and possible contingencies) make sure that The Pine Foundation will continue to operate as a going concern. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The principle accounting policies adopted in the preparation of the financial statements are set out below:

Fixed Assets

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated on a straight line basis over their estimated useful lives as follows:

Office equipment	3 years
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Depreciation rates, economic lives and impairment of asset values are reviewed annually.

Investments

Investments are initially measured at cost and subsequently measured at fair value as per quoted market price. Any realised and unrealised gain or loss is taken to the Statement of Financial Activities.

Cash and Cash Equivalents

Cash and cash equivalents includes cash held in hand, deposits held at call with banks and cash held as investments with a maturity of 90 days or less.

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2023

1 Accounting Policies (continued)

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments are measured at amortised cost with the exception of investments which are measured at fair value.

Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, the directors 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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Income

All income is included when the charity has entitlement to the income, there is probability of receipt and the amount can be measured.

Donations are treated as income in the period in which they are receivable.

Interest receivable is treated as income of the period in which it accrues.

Grants

Grants made by the Foundation are treated as expenditure of the period in which they are approved and the offer is conveyed to the recipient, except in cases where an offer is conditional, such grants being recognised as expenditure only when the conditions are fulfilled.

Expenditure

Expenditure is included in the SOFA on an accruals basis.

Cost of generating funds are costs incurred in attracting voluntary income to support the charity's activities, together with the cost of managing the charity's investments for both income generation and capital maintenance.

Charitable activity costs include grants payable to third parties in furtherance of the charitable objects of the trust, together with attributable support costs.

Support costs include costs related to the approval and monitoring of grant awards together with central office and administration costs.

Governance costs, which are included within support costs, are costs incurred in connection with the strategic management of the charity and in compliance with constitutional and statutory requirements.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2023

1 Accounting Policies (continued)

Allocation of expenditure

Expenditure is allocated between costs of generating funds and charitable activities on the basis of direct allocation where possible and an apportionment of employee time spent where applicable.

Fund accounting

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

Restricted funds represent amounts given to the charity for specific purposes, in accordance with the donors' wishes.

Operating leases

Costs under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net income/(expenditure) result.

Taxation

As a registered charity, the Foundation is generally exempt from Income Tax but not from VAT. Irrecoverable VAT is, in accordance with standard accounting practice, included in the cost of those items to which it relates.

Functional currency

The functional currency of the Foundation is UK sterling rounded to the nearest pound.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2023

2 Fundraising		Total 2023 £	Total 2022 £
Costs of generating voluntary income		9,750	9,672
Costs of managing investments		10,054	9,960
		<u>19,804</u>	<u>19,632</u>
3 Charitable Activities			
	Activities undertaken directly £	Support Costs £	Total 2023 £
Grants to individuals and institutions	21,641	37,967	59,608
Governance costs	-	7,140	7,140
	<u>21,641</u>	<u>45,107</u>	<u>66,748</u>
	Activities undertaken directly £	Support Costs £	Total 2022 £
Grants to individuals and institutions	45,584	36,425	82,009
Governance costs	-	6,540	6,540
	<u>45,584</u>	<u>42,965</u>	<u>88,549</u>
4 Grants awarded were as follows:		Total 2023 £	Total 2022 £
Fukushima Friends UK		1,300	1,300
Takuya Hirawiwa		10,191	8,771
A Professor & Industrial Policy Research Group Moscow		-	21,701
S Yamaguchi		10,150	8,812
D. Caldwell		-	5,000
		<u>21,641</u>	<u>45,584</u>
5 Support Costs		Total 2023 £	Total 2022 £
Staff Costs		19,500	19,344
Travel and Subsistence		722	-
Property Costs		6,000	6,000
Telephone and Faxes		1,757	1,514
Other Office Running Costs		778	777
Accountancy		9,210	8,790
Governance Costs			
Independent Examiner's fees - current year		<u>7,140</u>	<u>6,540</u>
		<u>45,107</u>	<u>42,965</u>

All support costs relate to the charity's grant making activities.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2023

6 Staff Costs

	Total 2023 £	Total 2022 £
Wages and Salaries	39,000	38,583
Social Security costs	-	104
	<u>39,000</u>	<u>38,687</u>
Staff costs are allocated to functions as follows:		
Fundraising - cost of generating voluntary income	9,750	9,672
Fundraising - cost of managing investments	9,750	9,671
Support costs	<u>19,500</u>	<u>19,344</u>
Total	<u>39,000</u>	<u>38,687</u>

No employee earned in excess of £60,000 in the year (2022: none).

The Foundation employed one full-time person during the year (2022: one full time).

Details of remuneration in respect of key management personnel is set out in note 12.

7 Fixed Assets

Cost	Office Equipment £	Total £
At 1st April 2022 and 31st March 2023	<u>4,326</u>	<u>4,326</u>
Accumulated Depreciation		
At 1st April 2022	4,326	4,326
Charge for year	<u>-</u>	<u>-</u>
At 31st March 2023	<u>4,326</u>	<u>4,326</u>
Net Book Value		
At 31st March 2023	<u>-</u>	<u>-</u>
At 31st March 2022	<u>-</u>	<u>-</u>

8 Investments

	UK £	Overseas £	Total 2023 £	Total 2022 £
Listed investments at market value:				
At 1st April	215,112	531,096	746,208	672,105
Unrealised gain/(loss) in market value	<u>2,617</u>	<u>(13,066)</u>	<u>(10,449)</u>	<u>74,103</u>
At 31 March	<u>217,729</u>	<u>518,030</u>	<u>735,759</u>	<u>746,208</u>
At historical cost:				
At 31st March 2023	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	
At 31st March 2022	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	

Of the 2022 comparatives above, £192,196 of the opening market value and £22,916 of the unrealised gain relates to UK based investments with all other movements relating to overseas investments.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2023

8 Investments (Continued)

Investments greater than 5% of the portfolio valuation.

	2023	2022
	£	£
Ishares	217,729	215,112
SPDR S&P500 ETF	350,767	364,167
Japan Daiwa AM Topix Fund (ETF)	167,263	166,929
	<u>735,759</u>	<u>746,208</u>
	<u><u>735,759</u></u>	<u><u>746,208</u></u>

9 Debtors

	2023	2022
	£	£
Prepayments	1,598	522
	<u>1,598</u>	<u>522</u>
	<u><u>1,598</u></u>	<u><u>522</u></u>

10 Creditors

	2023	2022
	£	£
Amounts falling due within one year:		
Accruals	8,844	8,184
Grant creditor	43,493	47,833
Taxation & other social security	441	831
	<u>52,778</u>	<u>56,848</u>
	<u><u>52,778</u></u>	<u><u>56,848</u></u>

11 Financial Commitments

At 31 March, the Foundation had total commitments under operating leases as follows:

	2023	2022
	£	£
Land and Buildings		
Expiring within one year	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
	<u><u>1,500</u></u>	<u><u>1,500</u></u>

The lease is currently on a rolling quarter by quarter basis. Lease payments of £6,000 (2022: £6,000) were recognised in the year.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2023

12 Key Management Personnel

The key management personnel of the Foundation are the trustees who currently consist of:

Professor Serguey Braguinsky
Mr Kentaro Nishida
Dr Atsushi Ohyama

Key management personnel received no remuneration for their services to the Foundation during the year (2022: £nil).

Travelling expenses amounting to £722 were paid during the year to 1 trustee (2022: £nil).

The trustees donated a total of £73,801 to the Foundation in the year (2021 - £63,376).

THE PINE FOUNDATION

England & Wales - Charity number 1038938

Accounts

The PINE Foundation

Registered Charity No. 1038938

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2022**

The PINE Foundation
Year ended 31st March 2022

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The PINE Foundation

Legal and Administrative Details

TRUSTEES

Professor Serguei Braguinski (Secretary to the Board of Trustees)

Mr Kentaro Nishida

Professor Atsushi Ohyama

SOLICITORS

Bates Wells

10 Queen Street Place

London EC4R 1BE

INDEPENDENT EXAMINER

Moore Kingston Smith LLP

6th Floor

9 Appold Street

London EC2A 2AP

BANKERS

Barclays Bank plc

100 Fenchurch Street

London EC3M 5JD

REGISTERED OFFICE

30 Dartmouth Road

Forest Hill

London SE23 3XU

Tel: 44 (0)20 8699 6555

STATUS

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994.

The PINE Foundation is registered in the United Kingdom as a charity and its registered charity number is 1038938.

TRUSTEES' REPORT

The Trustees of The PINE Foundation present their report and independently examined financial accounts for the year ended 31 March 2022. The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the conditions of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015.

OBJECTIVES AND ACTIVITIES

Summary of objectives for the public benefit

The objectives of The PINE Foundation, according to its Trust Deed, are to promote and advance education and research in economic, political and sociological processes for the benefit of the public and in particular, without prejudice to that generality, to promote and advance education and research in Russia and the former Eastern bloc countries.

Purposes of the charity/mission statement

The creation of human capital is key to economic progress and democracy, while a competitive and prosperous free market economy constitutes the most important condition for such human capital creation. The PINE Foundation is committed to sponsoring research and educational projects that will help to accumulate such human capital and continue such activities for the public benefit in the year under review.

Main activities related to these purposes

In the year under review, The PINE Foundation continued with three main activity streams related its purposes: supporting PhD-level education and research relevant to the Foundation's mission; supporting investment in human capital in earthquake- and tsunami-devastated areas in Japan; and (until February 2022 – see below) supporting research projects in Russia related to building a market-oriented economy. The Trustees hereby confirm that they complied with their duty to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant. In particular, the Trustees gave full consideration to how the main activities of The PINE Foundation will contribute to meeting the charity's aims and objectives for the benefit of the public.

The main strategy for achieving objectives for the public benefit lies in making education and research grants. The first main activity stream to achieve The PINE Foundation's purposes in the year under review consisted of supporting three individuals in high-level PhD programmes (one at Durham University in the UK and two at the University of Maryland in the United States) in areas directly related to the Foundation's mission. These individuals have requested support to help them defray part of the costs associated with enrolment in their programmes and carrying out research.

The second main activity stream to achieve The PINE Foundation's purposes consists

of support for the internationally-oriented education of children affected by the March 2011 earthquake and tsunami in North-Eastern Japan. To further this objective, the Trustees have continued to work with a UK-registered charity, Fukushima Friends UK to follow up on the project started in 2016, aiming to advance English education for children in the Fukushima prefecture, one of the areas most devastated not only by the earthquake and the tsunami but also by the fallout following the nuclear disaster at the Fukushima Nuclear Power Plant.

The third activity consisted of support for the Industrial Policy Research Group which is an informal network of economists and social scientists working on various issues related to the transition to a market economy in Russia, and especially on economic policy issues. The group had been able to maintain its relative independence from adverse developments that have been plaguing Russian education and research environment in those areas. The situation changed dramatically, however, in February of the year under review when Russia invaded Ukraine. Given the significance of this development, we discuss this in detail in a dedicated section below.

The Trustees have also continued to seek other ways of achieving the Foundation's purposes as related to the public benefit through advancing education and research as well as closely monitoring the progress of the projects sponsored by The PINE Foundation.

As the COVID 19 pandemic continued to rage during the year under review, it continued to impact various aspects of The PINE Foundation's activities. In dealing with this challenge, the Trustees were guided by their mission first and foremost to help their beneficiaries get through these difficult times, while also paying attention to the need to maintain the Foundation as a going concern. They think they have been successful in achieving both these goals, as detailed below.

Details of significant activities contributing to the achievement of stated objectives

a) Grant making

Grant making was the main activity contributing to the achievement of both short-term and long-term goals. Overall, The PINE Foundation spent £88,549 on grant-making activities per the SOFA. £45,584 of this amount constituted grants awarded to individuals and institutions (details are provided below in the "Achievements and Performance" section), while £42,965 was used to cover support and governance costs. Trustees continuously monitor projects and this year in particular they paid special attention to checking regularly on the wellbeing of their beneficiaries. The Trustees are not compensated for this activity, and there was no travel in the year under review because of the COVID 19 pandemic, so there were no reimbursements of travel costs either.

b) Fundraising

Fundraising (generating voluntary donations and managing investments) was one of the significant activities contributing to the achievement of the objectives stated above. In the year under review, The PINE Foundation raised £63,376 in new donations. The costs of fund-raising activities (comprised of

both the costs of generating voluntary income and the costs of managing investments), per the SOFA amounted to £19,632 during the year under review. This mostly reflects direct costs in terms of compensation for the Administrative Officer's time, including applying for Gift Aid, but fundraising and investment management activity were also conducted by the Trustees, who did not receive compensation for their services.

Details of grants

The grant-making policy of The PINE Foundation is guided by the basic goals set forth in The PINE Foundation's Deed of Trust as stated at the beginning of this section of the Trustees' Report. Selecting projects for grants entails an extensive search for and examination of potential projects to support, conducted by the Trustees. In conducting this search the Trustees rely on their own expertise as well as actively soliciting opinions from outside experts, including but not limited to prominent scholars and experts in the field, and former and current beneficiaries of The PINE Foundation. Projects identified through the search process are subject to thorough examination and cross-checking by the Board of Trustees. The final decision with respect to each grant project individually is taken at Board meetings and involves further discussion followed by the voting procedure.

The details of the grants provided by The PINE Foundation during the year under review are as follows.

1) Shotaro Yamaguchi, University of Maryland, £8,812, to support his enrolment in the PhD programme

Mr Shotaro Yamaguchi was in his fourth year of the PhD programme in strategy and entrepreneurship at the University of Maryland, receiving a financial aid package consisting of a tuition waiver and partial financial support. He has continued to receive a supplementary grant from The PINE Foundation to support his PhD study.

The Trustees continue to be impressed by Mr Yamaguchi's research agenda accomplishments. In the year under review he successfully completed one research paper submitted to a peer-reviewed journal for possible publication. Mr Yamaguchi represents the type of globally-oriented young Japanese scholars which The PINE Foundation considers, as part of its mission, as meriting support. Professors Braguinsky and Ohyama continue to constantly monitor Mr Yamaguchi's performance in the PhD programme and provide him with scholarly advice, and the Trustees are satisfied with his progress.

2) David Caldwell, Durham University, £5,000, to support his continued enrolment in the PhD programme and his attendance at Summer School at Essex University

During the year under review, Mr Caldwell continued his work toward successfully graduating from the PhD programme in political science at the School of Government and International Affairs at Durham University. The Trustees have been in regular contact with him and received periodical updates about the progress of his studies and research. Because of the pandemic, he had to stay on as a PhD student in the Durham

University programme for another half or full year to finish and defend his dissertation. In communication with the Trustees, Mr Caldwell made it clear that he was not counting on any additional grant support.

The Trustees discussed this and unanimously decided that given the pandemic and its impact on research and the job market, The PINE Foundation should provide some extra support to Mr Caldwell to help him finish his dissertation and enhance his chances in the job market. In deciding this, the Trustees were guided by their perception of Mr Caldwell's dissertation shaping into a really original and impactful research project.

3) Takuya Hiraiwa, University of Maryland, £8,871, to support his enrolment in the PhD programme

Mr Takuya Hiraiwa enrolled in the PhD programme in strategy and entrepreneurship at the University of Maryland during the year under review, receiving a financial aid package consisting of a tuition waver and partial financial support. The PINE Foundation provided him with a supplementary grant to support his PhD study.

Professors Braguinsky and Ohyama continue to monitor Mr Hiraiwa's performance in the PhD programme and provide him with scholarly advice, and the Trustees are satisfied that his study is off to a very good start.

4) Fukushima Friends-UK: £1,300 for online English education project.

As mentioned in the previous Trustee Report, the pandemic has resulted in the necessity to move English classes in Fukushima prefecture, for the children who participated in the initial classes supported by The PINE Foundation four years ago, to an online format. The first year of online education consisted of two classes, both taught online on a fortnight basis, by two English teachers based in the UK, with several British children of the same age participating, to make friends with the Japanese children and to learn about Japanese culture. The Trustees have received detailed reports from both teachers and from Ms Yabe, Chairwoman of Fukushima Friends U.K. and were very satisfied with how the project was going. In response to the request from Ms Yabe (based on strongly expressed desire by the children involved and their guardians), The PINE Foundation continues to support these online English classes by covering teachers' remuneration and logistical support costs.

5) A Professor at the Industrial Policy Research Group: £21,701 for the project: "Globalized Economy in Review: The New Regionalism and Global Standards"

The Industrial Policy Research Group continues to function in the extremely difficult situation in today's Russia. Despite this, efforts continue by scholars, such as the Professor, to conduct intellectually honest and practically relevant research, constituting a powerful force that opposes the departure from a market economy and political democracy. The PINE Foundation considers the support of such efforts to be an extremely important part of its mission.

The project had been advancing scholarly knowledge as well as positively contributing to the public debate regarding Russia's place in the global and

surrounding regional economies. Professor Braguinsky had been monitoring the project and the Trustees considered it to be successful, until the dramatic change of the overall situation in February 2022 (see below). The Trustees have been in regular contact with the Professor after February 2022 as well.

Use of volunteers

The Trustees of The PINE Foundation donate their time and effort to the Foundation without receiving remuneration. Outside volunteers do not play a significant role in The PINE Foundation apart from the contribution of occasional professional advice solicited by the Trustees from their colleagues in academia.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and organisational structure

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994. The Trust Deed stipulates that The PINE Foundation is governed by its Board of Trustees. All the decisions are made jointly by the Trustees at their meetings conducted at least four times a year either face-to-face or via web conferences. The Administrative Officer appointed by the Trustees and answering to them is responsible for executing the Trustees' decisions and administering The PINE Foundation's day-to-day operations. The PINE Foundation does not have affiliated charities or other related parties or entities.

Induction and training of Trustees

The Board of Trustees of The PINE Foundation only appoints a new Trustee following a careful selection and interviewing process, during which Board members discuss with the prospective new Trustee his/her duties and obligations according to Charity Law, and also provide detailed explanations about The PINE Foundation, its mission and operations. In other words, a deep understanding of both The PINE Foundation itself and of the relevant regulations is the most important condition of being appointed a Trustee of The PINE Foundation, so that the new Trustee approved by the Board of Trustees will have already been inducted and have received basic training. All the Trustees constantly update their knowledge of Charity Law and SORP as part of their ongoing duties, and they also closely follow developments that are relevant to the Foundation's activities.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements

In accordance with the objectives of The PINE Foundation as stated in its Trust Deed, at the most fundamental level, the Foundation's achievements should be assessed by the impact its activity has on the progress of economic research and education in the areas where The PINE Foundation's beneficiaries conduct their activities. The power of ideas and human capital to bring about such progress is enormous, especially in the long run; and the activity of The PINE Foundation can be expected to have a major

impact on the goals of its mission, much more than can be measured by simple quantitative measurements of performance for any particular year.

In view of the above, the Trustees do not impose specific quantitative performance measures in terms of charitable activities. The Trustees constantly communicate with all the beneficiaries and monitor the projects while also embracing feedback from the beneficiaries. The constant hands-on process of bilateral communication in which the Trustees give guidance and advice to the beneficiaries, whilst the latter continue to explore new ways of conducting their research and study, and respond to the Trustees with new ideas, has been the biggest asset of The PINE Foundation so far. This is also the most important channel through which the Trustees ensure that the Foundation's donations are used for their intended purposes.

In the year under review the main achievements, as reflected in the grants detailed above, consisted of: 1) providing a "window of opportunity" for studies and important and exciting research agendas to three PhD students, Mr Caldwell, Mr Yamaguchi, and Mr Hiraiwa; 2) providing continued financial and logistical support to Fukushima Friends UK related to the developments stemming from the 2016 Summer English classes in Fukushima prefecture; and 3) funding for the Industrial Policy Research Group in Russia, enabling it to continue to work on its important agenda in spite of very difficult economic and political conditions in its home country.

Difference made to beneficiaries and wider society

The difference made to beneficiaries and the wider society follows directly from the summary above but it was especially large in another year marked by the COVID 19 pandemic. For David Caldwell, Shotaro Yamaguchi, and Takuya Hiraiwa, the support was crucial in enabling them to pursue their PhD studies and research with a minimum of distraction. In particular, as Mr Caldwell had to seek an extension for his dissertation defence because of the disruption caused by the pandemic, the promise of continued support from The PINE Foundation made a real difference, even more so because, as he told the Trustees, he had initially been resigned to the fact that he could not have this support beyond the initially agreed period. For Mr Yamaguchi and Mr Hiraiwa also, continued support from The PINE Foundation is what allows them to focus on their studies and research. To sum up, grants awarded by the PINE Foundation make a considerable difference to the beneficiaries and will make a difference to wider society as the beneficiaries accumulate a high-level of human capital and become powerful advocates for the causes that constitute the mission of The PINE Foundation.

The support to children affected by the earthquake and the nuclear accident fallout, conducted through Fukushima Friends UK, has had a very direct impact on the children's lives by giving them chances to acquire new skills and, especially, giving them motivation. The Trustees were very pleased that the online format could be successfully applied to continue this project despite the pandemic, and they note that this made a great difference to the children involved, given all the challenges they faced this year because of COVID 19.

The support for the Industrial Policy Research Group not only allowed the Professor's team to continue working on its scholarly research agenda, but also contributed,

through opinion pieces and policy advice stemming from those research projects, to wider efforts aimed at countering the negative trends and pushing Russia towards a transition to a market economy and democracy. After the beginning of the Russian invasion of Ukraine, however, the Trustees have no choice but to suspend their charitable activities for residents of Russia which, most unfortunately, includes the Professor and his team. This is discussed in more detail below.

Fundraising and investment performance achievements

As anticipated in the previous annual report, the amount of donations received by The PINE Foundation declined in the year under review because of the pandemic. However, the incoming donations, together with the investment portfolio's rebound, are sufficient to secure financial stability and to continue implementing The PINE Foundation's mission. As detailed in the Financial Review below, thanks to a strong investment portfolio performance, The PINE Foundation actually ended the fiscal year under review with unrestricted funds almost 5 percent larger than a year ago.

The investment strategy for most of the year under review continued the previously approved policy of holding a diversified global equity portfolio, taking into account the historically low interest rates on bank deposits and low rates of return on fixed-income assets. The value of the investment portfolio performed strongly in the year under review.

FINANCIAL REVIEW

During the year under review The PINE Foundation received £63,376 worth of new donations. The PINE Foundation also received £13,885 in interest and dividends on its investments. The PINE Foundation's annual expended resources amounted to £108,181 as per SOFA. (Of these, £88,549 was spent on grant-making activities, while fund-raising and costs of managing investments totalled £19,632.) The amount of grants disbursed by The PINE Foundation directly to its beneficiaries was £45,584. The net movement in funds during the year under review (after factoring in the capital gain on the investment portfolio) amounted to £43,776, leaving the unrestricted funds at £943,543 as of 31 March 2022.

The PINE Foundation has continued its policy of keeping its operational costs at a low level, and it continues to have no borrowed funds. The Trustees are confident that The PINE Foundation remains a 'going concern' and will be able to meet its obligations to beneficiaries for the foreseeable future.

Policy for Holding Reserves

The policy for holding reserves adopted by the Trustees of The PINE Foundation is based upon forecasts of levels of income versus forecasts of expenditure in future years on the basis of planned activities and the assessment of the likelihood that future needs and opportunities might be met out of future income. More specifically, the Trustees forecast a stable and steady flow of needs arising from the obligation to continue to support, for the foreseeable future, projects selected by the Trustees. As already mentioned, this kind of reserves policy is in line with the mission of The PINE Foundation and its goals and objectives as stated in the Trust Deed. The amount

of net current assets (mostly cash reserves held in the bank) at 31 March 2022 was £197,335.

The reasons for holding these reserves and the split between cash and the investment portfolio are guided by fulfilling The PINE Foundation's mission to support academic research, the excellence of which is built, and must be maintained, over time. The PINE Foundation also promotes education with the aim of nurturing new generations of broad-minded people with an international perspective as well as researchers and reform-minded policy-makers. This is not a goal that can be accomplished by a large one-off injection of money. The Trustees have an obligation according to The PINE Foundation's Deed of Trust to act to promote those goals, and this requires the maintenance of relatively large reserves, especially in an environment where the inflow of new large donations is very hard to predict. To put it simply, inasmuch as support to its beneficiaries makes a difference in their lives and wider society as outlined above, a sudden termination of such support (which could happen at any time if The PINE Foundation did not follow its policy of holding reserves) would be truly devastating both to the beneficiaries and to the mission of the Foundation. The importance of this was once again demonstrated in the year under review, when the COVID 19 pandemic forced Mr Caldwell to extend his studies for one more year. Such contingencies may arise for any beneficiary and at any time. Hence, the Trustees intend to maintain the level of reserves of The PINE Foundation at approximately the same level (barring yearly investment portfolio fluctuations) for the foreseeable future in order to maintain the Foundation's ability to support its beneficiaries for the public benefit in the long run.

THE IMPACT OF RUSSIA'S INVASION OF UKRAINE

During the year that passed since the previous Annual General Meeting the COVID 19 pandemic has somewhat subsided. However, on February 24, Russia launched an unprovoked attack against neighbouring Ukraine, triggering an unspeakable human tragedy. The Trustees' thoughts first and foremost go to the sufferings of the Ukrainian people who are the victims of this blatant act of aggression and brutality.

The Trustees also recognize the dire repercussions for Russia itself. As part of its mission, The PINE Foundation has supported the process of transition to a market economy and democratic society in Russia for almost 30 years. Over the past 10 years or so, the Trustees have noted with increasing alarm, in both their meetings and Trustee reports, the dangerous drift toward the restoration of the worst practices of the Soviet era which went against values the support for which is The PINE Foundation's mission. Nevertheless, as long as there was hope to counter this drift, the Trustees considered it important to support their beneficiaries in Russia, first and foremost the Professor whose group has been deeply involved in the effort to help Russia continue the transition process.

In some sense, supporting activities aimed at reversing the current situation and putting Russia once again on the path of transition to a market economy and democracy has never been as important as it is today. The Trustees plan to actively seek ways in which The PINE Foundation can do so, in line with its mission. Most unfortunately, however, the new circumstances rendered it impossible to continue such support for individuals and organization inside Russia, including the Professor

and the Industrial Policy Research Group. Not only has Russia been all but completely cut off from the Western economy and society as a result of its aggression, but more than anything else, the crackdown imposed by the Putin government on all types of contacts with “unfriendly countries” would result in unacceptably high risks for beneficiaries inside Russia, including but not limited to the Professor. Therefore, the Trustees have decided to suspend indefinitely approval and disbursement of grants to residents of the Russian Federation. The two previously approved grants for the Professor, which could not be disbursed because of COVID-related border closures, will remain in the PINE Foundation’s account for the time being.

Professor Braguinsky has been in regular contact with the Professor even since February 24, and the Trustees are relieved that he and members of his team so far have not experienced any personal hardships besides being, understandably, extremely upset about the tragedy that is happening around them. The Professor has also expressed his appreciation of The PINE Foundation’s concern and support and fully accepts and agrees with the need to suspend the support to his group and its projects.

It is the Trustees’ sincere hope that the current situation in Russia will eventually change. While it is hard to predict the exact timing, the recent trends toward renewed totalitarian rule, punctuated by the invasion of Ukraine, run contrary to the whole logic of the country’s development since the collapse of communism. The Trustees are committed to resuming the help provided by The PINE Foundation for projects related to this transition as soon as circumstances change and it becomes a meaningful activity once again. As mentioned, they also plan to actively examine ways of supporting projects related to Russian transition outside of Russia itself.

PLANS FOR FUTURE ACTIVITIES

As noted immediately above, The PINE Foundation is suspending its current Russia-related activities until the war in Ukraine is over and until at least a partial lifting of Western sanctions imposed on Russia in response to its aggression. At the same time, the Trustees reaffirm their long-term commitment to helping Russia and other post-Soviet countries (including Ukraine) to overcome the hurdles on the way to a market economy and democratic society which has been at the centre of The PINE Foundation’s mission since its inception. The Trustees will continue to monitor closely the situation and actively search for projects that would be in line with this mission while not involving residents of the Russian Federation. When identified, such potential projects will be discussed by the Trustees and decisions will be made in due course.

Regarding Fukushima online English classes, the Trustees have received reports from the English teachers and Ms Yabe indicating that the classes are going very well and there is a strong desire by the beneficiaries (the children and their guardians) to extend these classes beyond October when they are scheduled to end according to our current project. The Trustees plan to continue their support for this project. Also, one of the students, Miss Honoka Kondo, has written to the Trustees about her ambition to become even more proficient in English language and culture with a view of becoming a “cultural ambassador” between Japan and the UK (and other countries) in the future. She enclosed a short proposal for her planned study abroad, sometime next

summer or the summer after that, when she will hopefully become a university student, and she requested support for that from The PINE Foundation. The Trustees have discussed this request and decided that they would conduct an email exchange with her in English, to help her further with her studies and to help the Trustees to determine how prepared she would be for this kind of a bigger commitment from The PINE Foundation. This email communication between Miss Kondo and the Trustees is currently ongoing.

The Trustees also plan to continue supporting Mr Shotaro Yamaguchi and Mr Takuya Hiraiwa in their PhD studies (Mr Caldwell is expected to finish his programme in the next year).

Mr Yamaguchi was in the fourth year of his PhD programme and is currently in the fifth year. He defended his dissertation proposal in May of 2022 and already has several scholarly papers submitted to peer-reviewed journals. The Trustees are very satisfied with his progress and they also think that his dissertation project is of great importance, since it looks at the impact of high-level educated human capital on Japan's industrialization in the late 19th-early 20th century, and draws lessons for today's countries in transition, and for developing countries. They are committed to continue their support for him until he graduates.

Mr Hiraiwa was in the first year of his studies during the year under review but he has already impressed his advisors by his abilities, to the point where one of his tutors, in conversation with Professor Braguinsky, referred to him as 'our genius first year student'. The Trustees are very satisfied with his progress and will continue to support him going forward. Professors Braguinsky and Ohyama are also planning to support more excellent PhD students and/or junior scholars at the start of their careers, who are conducting research projects aligned with The PINE Foundation's mission, and they will bring such candidates to the Board's attention in due course.

As the above plans require long-term commitment on the part of The PINE Foundation to its beneficiaries, the Trustees will continue to give priority to keeping adequate reserves and preventing the depletion of the Foundation's unrestricted funds. The supporters of and donors to The PINE Foundation have repeatedly made it known to the Trustees that this is their desire also.

The Trustees intend to continue their efforts to cut costs, although they realize that they have currently almost reached the limit of what can be done without jeopardising the ability of The PINE Foundation to meet its objectives. The Trustees have expressed their renewed commitment to do whatever they can on a voluntary basis to help the Foundation.

RELATED PARTY TRANSACTIONS

Related party transactions are as reported in note 12 of the financial statements.

Statement of Trustees' Responsibilities

The Trustees 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.)

The law applicable to charities in England & Wales 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 of the charity for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the trust deeds. 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.

Independent Examiners

Moore Kingston Smith LLP have indicated their willingness to continue in office as independent examiners and offer themselves for re-election at the forthcoming Annual General Meeting.

This report was approved by the Board of Trustees on 16 December 2022 and signed on its behalf by: Serguey Braguinsky

Independent Examiner's Report to the Trustees of The PINE Foundation

I report to the trustees on my examination of the accounts of The PINE Foundation for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of the Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

6th Floor
9 Appold Street
London EC2A 2AP

Date: **20 December 2022**

**Luke Holt FCA, for and on behalf of
Moore Kingston Smith LLP
Chartered Accountants**

The PINE Foundation
Statement of Financial Activities
For the year ended 31st March 2022

	Note	Unrestricted Funds £	Total 2022 £	Total 2021 £
Income				
Income from:				
Donations and Gifts		63,376	63,376	54,673
Interest receivable		-	-	10
Dividends receivable		13,885	13,885	12,034
Total Income		<u>77,261</u>	<u>77,261</u>	<u>66,717</u>
Expenditure				
Expenditure on raising funds:				
Fundraising	2	19,632	19,632	19,148
Charitable Activities:				
Grant Making	3	<u>88,549</u>	<u>88,549</u>	<u>82,462</u>
Total Expenditure		<u>108,181</u>	<u>108,181</u>	<u>101,610</u>
Gain on investments	8	74,103	74,103	147,331
Exchange gain /(loss)		593	593	(19,674)
Net income		<u>43,776</u>	<u>43,776</u>	<u>92,764</u>
Net Movements in Funds		<u>43,776</u>	<u>43,776</u>	<u>92,764</u>
Balances brought forward at 1st April		<u>899,767</u>	<u>899,767</u>	<u>807,003</u>
Balances carried forward at 31st March		<u><u>943,543</u></u>	<u><u>943,543</u></u>	<u><u>899,767</u></u>

The PINE Foundation

Balance Sheet at 31st March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible fixed assets	7		-		-
Investments	8		746,208		672,105
			<u>746,208</u>		<u>672,105</u>
Current Assets					
Debtors	9	522		891	
Cash and cash equivalents		<u>253,661</u>		<u>256,925</u>	
		<u>254,183</u>		<u>257,816</u>	
Creditors: Amounts falling due within one year	10	<u>(56,848)</u>		<u>(30,154)</u>	
Net Current Assets			<u>197,335</u>		<u>227,662</u>
Total Net Assets			<u><u>943,543</u></u>		<u><u>899,767</u></u>
Funds Available					
Unrestricted general fund			<u>943,543</u>		<u>899,767</u>
			<u><u>943,543</u></u>		<u><u>899,767</u></u>

Approved by the Board of Trustees on 16 December 2022
and signed on its behalf by:

Serguey Braguinsky

.....
S Braguinski
Trustee

Akemi Ohyama

.....
A Ohyama
Trustee

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2022

1 Accounting Policies

Accounting Convention

The PINE Foundation meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the potential impact of the COVID 19 pandemic on the charity. While the Foundation could not entirely avoid the negative impact of COVID 19 on some parts of its activity (see pages 9 - 11 in the Trustees Report for details), the trustees believe that this impact has so far been contained and The Pine Foundation will continue to operate as a going concern. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The principle accounting policies adopted in the preparation of the financial statements are set out below:

Fixed Assets

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated on a straight line basis over their estimated useful lives as follows:

Office equipment	3 years
------------------	---------

Depreciation rates, economic lives and impairment of asset values are reviewed annually.

Investments

Investments are initially measured at cost and subsequently measured at fair value as per quoted market price. Any realised and unrealised gain or loss is taken to the Statement of Financial Activities.

Cash and Cash Equivalents

Cash and cash equivalents includes cash held in hand, deposits held at call with banks and cash held as investments with a maturity of 90 days or less.

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2022

1 Accounting Policies (continued)

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments are measured at amortised cost with the exception of investments which are measured at fair value.

Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, the directors 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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Income

All income is included when the charity has entitlement to the income, there is probability of receipt and the amount can be measured.

Donations are treated as income in the period in which they are receivable.

Interest receivable is treated as income of the period in which it accrues.

Grants

Grants made by the Foundation are treated as expenditure of the period in which they are approved and the offer is conveyed to the recipient, except in cases where an offer is conditional, such grants being recognised as expenditure only when the conditions are fulfilled.

Expenditure

Expenditure is included in the SOFA on an accruals basis.

Cost of generating funds are costs incurred in attracting voluntary income to support the charity's activities, together with the cost of managing the charity's investments for both income generation and capital maintenance.

Charitable activity costs include grants payable to third parties in furtherance of the charitable objects of the trust, together with attributable support costs.

Support costs include costs related to the approval and monitoring of grant awards together with central office and administration costs.

Governance costs, which are included within support costs, are costs incurred in connection with the strategic management of the charity and in compliance with constitutional and statutory requirements.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2022

1 Accounting Policies (continued)

Allocation of expenditure

Expenditure is allocated between costs of generating funds and charitable activities on the basis of direct allocation where possible and an apportionment of employee time spent where applicable.

Fund accounting

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

Restricted funds represent amounts given to the charity for specific purposes, in accordance with the donors' wishes.

Operating leases

Costs under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net income/(expenditure) result.

Taxation

As a registered charity, the Foundation is generally exempt from Income Tax but not from VAT. Irrecoverable VAT is, in accordance with standard accounting practice, included in the cost of those items to which it relates.

Functional currency

The functional currency of the Foundation is UK sterling rounded to the nearest pound.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2022 (Continued)

2 Fundraising		Total 2022 £	Total 2021 £
Costs of generating voluntary income		9,672	9,508
Costs of managing investments		9,960	9,640
		<u>19,632</u>	<u>19,148</u>
3 Charitable Activities			
	Activities undertaken directly £	Support Costs £	Total 2022 £
Grants to individuals and institutions	45,584	36,425	82,009
Governance costs	-	6,540	6,540
	<u>45,584</u>	<u>42,965</u>	<u>88,549</u>
	Activities undertaken directly £	Support Costs £	Total 2021 £
Grants to individuals and institutions	39,737	36,245	75,982
Governance costs	-	6,480	6,480
	<u>39,737</u>	<u>42,725</u>	<u>82,462</u>
4 Grants awarded were as follows:		Total 2022 £	Total 2021 £
Fukushima Friends UK		1,300	3,490
Takuya Hirawiwa		8,771	-
A Professor & Industrial Policy Research Group Moscow		21,701	21,792
S Yamaguchi		8,812	9,455
D. Caldwell		5,000	5,000
		<u>45,584</u>	<u>39,737</u>
5 Support Costs		Total 2022 £	Total 2021 £
Staff Costs		19,344	19,016
Property Costs		6,000	6,000
Telephone and Faxes		1,514	1,663
Other Office Running Costs		777	434
Depreciation		-	342
Accountancy		8,790	8,790
Governance Costs			
Independent Examiner's fees - current year		6,540	6,060
Prior year under accrual		-	420
		<u>42,965</u>	<u>42,725</u>

All support costs relate to the charity's grant making activities.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2022 (Continued)

6 Staff Costs

	Total 2022 £	Total 2021 £
Wages and Salaries	38,583	38,000
Social Security costs	104	32
	<u>38,687</u>	<u>38,032</u>
Staff costs are allocated to functions as follows:		
Fundraising - cost of generating voluntary income	9,672	9,508
Fundraising - cost of managing investments	9,671	9,508
Support costs	19,344	19,016
	<u>38,687</u>	<u>38,032</u>
Total	<u>38,687</u>	<u>38,032</u>

No employee earned in excess of £60,000 in the year (2021: none).
The Foundation employed one full-time person during the year (2021: one full time).
Details of remuneration in respect of key management personnel is set out in note 12.

7 Fixed Assets

Cost	Office Equipment £	Total £
At 1st April 2021 and 31st March 2022	<u>4,326</u>	<u>4,326</u>
Accumulated Depreciation		
At 1st April 2021 and 31st March 2022	<u>4,326</u>	<u>4,326</u>
Net Book Value		
At 31st March 2022	<u>-</u>	<u>-</u>
At 31st March 2021	<u>-</u>	<u>-</u>

8 Investments

	UK £	Overseas £	Total 2022 £	Total 2021 £
Listed investments at market value:				
At 1st April	192,196	479,909	672,105	524,774
Unrealised gain in market value	<u>22,916</u>	<u>51,187</u>	<u>74,103</u>	<u>147,331</u>
At 31 March	<u>215,112</u>	<u>531,096</u>	<u>746,208</u>	<u>672,105</u>
At historical cost:				
At 31st March 2022	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	
At 31st March 2021	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	

Of the 2021 comparatives above, £162,272 of the opening market value and £29,924 of the unrealised gain relates to UK based investments with all other movements relating to overseas investments.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2022 (Continued)

8 Investments (Continued)

Investments greater than 5% of the portfolio valuation.

	2022	2021
	£	£
Ishares	215,112	192,196
SPDR S&P500 ETF	364,167	304,931
Japan Daiwa AM Topix Fund (ETF)	166,929	174,978
	<u>746,208</u>	<u>672,105</u>
	<u><u>746,208</u></u>	<u><u>672,105</u></u>

9 Debtors

	2022	2021
	£	£
Prepayments	522	891
	<u>522</u>	<u>891</u>
	<u><u>522</u></u>	<u><u>891</u></u>

10 Creditors

	2022	2021
	£	£
Amounts falling due within one year:		
Accruals	8,184	7,652
Grant creditor	47,833	21,792
Taxation & other social security	831	710
	<u>56,848</u>	<u>30,154</u>
	<u><u>56,848</u></u>	<u><u>30,154</u></u>

11 Financial Commitments

At 31 March, the Foundation had total commitments under operating leases as follows:

	2022	2021
	£	£
Land and Buildings		
Expiring within one year	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
	<u><u>1,500</u></u>	<u><u>1,500</u></u>

The lease is currently on a rolling quarter by quarter basis. Lease payments of £6,000 (2021: £6,000) were recognised in the year.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2022 (Continued)

12 Key Management Personnel

The key management personnel of the Foundation are the trustees who currently consist of:

Professor Serguei Braguinski

Mr Kentaro Nishida

Professor Atsushi Ohyama

Key management personnel received no remuneration for their services to the Foundation during the year (2021: £nil).

There were no trustees expenses reimbursed in the year (2021: £nil).

The trustees donated a total of £63,376 to the Foundation in the year (2021 - £54,673).

THE PINE FOUNDATION

England & Wales - Charity number 1038938

Accounts

The PINE Foundation

Registered Charity No. 1038938

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2021**

The PINE Foundation
Year ended 31st March 2021

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The PINE Foundation

Legal and Administrative Details

TRUSTEES

Professor Serguei Braguinski (Secretary to the Board of Trustees)
Mr Kentaro Nishida
Professor Atsushi Ohyama

SOLICITORS

Bates Wells
10 Queen Street Place
London EC4R 1BE

INDEPENDENT EXAMINER

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

BANKERS

Barclays Bank plc
100 Fenchurch Street
London EC3M 5JD

REGISTERED OFFICE

30 Dartmouth Road
Forest Hill
London SE23 3XU

Tel: 44 (0)20 8699 6555

STATUS

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994.

The PINE Foundation is registered in the United Kingdom as a charity and its registered charity number is 1038938.

TRUSTEES' REPORT

The Trustees of The PINE Foundation present their report and independently examined financial accounts for the year ended 31 March 2021. The Trustees confirm that the annual report and financial statements comply with current statutory requirements, the conditions of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015.

OBJECTIVES AND ACTIVITIES

Summary of objectives for the public benefit

The objectives of The PINE Foundation, according to its Trust Deed, are to promote and advance education and research in economic, political and sociological processes for the benefit of the public and in particular, without prejudice to that generality, to promote and advance education and research in Russia and the former Eastern bloc countries.

Purposes of the charity/mission statement

The creation of human capital is key to economic progress and democracy, while a competitive and prosperous free market economy constitutes the most important condition for such human capital creation. The PINE Foundation is committed to sponsoring research and educational projects that will help to accumulate such human capital and continue such activities for the public benefit in the year under review.

Main activities related to these purposes

In the year under review, three main activity streams were related to The PINE Foundation's purposes: supporting research projects in Russia related to issues of building a market-oriented and globally connected economy; supporting PhD-level education and research relevant to the Foundation's mission; and supporting investment in human capital in earthquake- and tsunami-devastated areas in Japan. The Trustees hereby confirm that they complied with their duty to have regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant. In particular, the Trustees gave full consideration to how the main activities of The PINE Foundation will contribute to meeting the charity's aims and objectives for the benefit of the public.

The main strategy for achieving objectives for the public benefit lies in making research and education grants. The first main activity stream to achieve The PINE Foundation's purposes in the year under review consisted of continued support for the Industrial Policy Research Group headed by a Professor. The Industrial Policy Research Group is an informal network of economists and social scientists working on various issues related to the transition to a market economy in Russia, and especially on economic policy issues. The group has been able to maintain its relative independence from adverse developments that have been plaguing Russian education and research environment in those areas.

The second main activity stream to achieve The PINE Foundation's purposes in the year under review consisted of supporting two individuals in high-level PhD programmes (one at Durham University in the UK and one at the University of Maryland in the United States) in areas directly related to the Foundation's mission. These individuals have requested support to help them defray part of the costs associated with enrolment in their programmes and carrying out research.

The third main activity stream to achieve The PINE Foundation's purposes consists of support for the internationally-oriented education of children affected by the March 2011 earthquake and tsunami in North-Eastern Japan. To further this objective, the Trustees have continued to work with a UK-registered charity, Fukushima Friends UK to follow up on the project started in 2016, aiming to advance English education for children in the Fukushima prefecture, one of the areas most devastated not only by the earthquake and the tsunami but also by the fallout following the nuclear disaster at the Fukushima Nuclear Power Plant.

The Trustees have also continued to seek other ways of achieving the Foundation's purposes as related to the public benefit through advancing education and research as well as closely monitoring the progress of the projects sponsored by The PINE Foundation.

With the COVID 19 pandemic raging throughout the year, all aspects of The PINE Foundation's activities were affected. In dealing with this challenge, the Trustees were guided by their mission first and foremost to help their beneficiaries get through these difficult times, while also paying attention to the need to maintain the Foundation as a going concern. They think they have been successful in achieving both these goals, as detailed below.

Details of significant activities contributing to the achievement of stated objectives

a) Grant making

Grant making was the main activity contributing to the achievement of both short-term and long-term goals. Overall, The PINE Foundation spent £82,462 on grant-making activities per the SOFA. £39,737 of this amount constituted grants awarded to individuals and institutions (details are provided below in the "Achievements and Performance" section), while £36,245 was used to cover support costs. Trustees continuously monitor projects and this year in particular they paid special attention to checking regularly on the wellbeing of their beneficiaries. The Trustees are not compensated for this activity, and there was no travel in the year under review because of the COVID 19 pandemic, so there were no reimbursements of travel costs either (note 5 to the accounts).

b) Fundraising

Fundraising (generating voluntary donations and managing investments) was one of the significant activities contributing to the achievement of the objectives stated above. In the year under review, The PINE Foundation raised £54,673 in new donations. The costs of fund-raising activities (comprised of both the costs of generating voluntary income and the costs of managing

investments), per the SOFA amounted to £19,148 during the year under review. This mostly reflects direct cost in terms of compensation for the Administrative Officer's time, including applying for Gift Aid, but fundraising and investment management activity were also conducted by the Trustees, who did not receive compensation for their services.

Details of grants

The grant-making policy of The PINE Foundation is guided by the basic goals set forth in The PINE Foundation's Deed of Trust as stated at the beginning of this section of the Trustees' Report. Selecting projects for grants entails an extensive search for and examination of potential projects to support, conducted by the Trustees. In conducting this search the Trustees rely on their own expertise as well as actively soliciting opinions from outside experts, including but not limited to prominent scholars and experts in the field, and former and current beneficiaries of The PINE Foundation. Projects identified through the search process are subject to thorough examination and cross-checking by the Board of Trustees. The final decision with respect to each grant project individually is taken at Board meetings and involves further discussion followed by the voting procedure.

The details of the grants provided by The PINE Foundation during the year under review are as follows.

1) A Professor at the Industrial Policy Research Group: £21,792 for the project: "Globalized Economy in Review: The New Regionalism and Global Standards"

The Industrial Policy Research Group continues to function in the extremely difficult situation in today's Russia. Despite this, efforts continue by scholars, such as the Professor, to conduct intellectually honest and practically relevant research, constituting a powerful force that opposes the departure from a market economy and political democracy. The PINE Foundation considers the support of such efforts to be an extremely important part of its mission.

The project, in its fourth and final year, is advancing scholarly knowledge as well as positively contributing to the public debate regarding Russia's place in the global and surrounding regional economies, with a special focus on the Far East. Professor Braguinsky has been monitoring the project and the Trustees consider it to be a great success. The Trustees have been in regular contact with the Professor and they are satisfied that he and his Industrial Policy Research Group are doing well under the challenging circumstances and are continuing their important research and other activities.

2) Shotaro Yamaguchi, University of Maryland, £9,455, to support his enrolment in the PhD programme

Mr Shotaro Yamaguchi was in his third year of the PhD programme in strategy and entrepreneurship at the University of Maryland, receiving a financial aid package consisting of a tuition waiver and partial financial support. He has continued to receive a supplementary grant from The PINE Foundation to support his PhD study.

The Trustees continue to be impressed by Mr Yamaguchi's research agenda accomplishments. In the year under review he successfully completed one research paper submitted to a peer-reviewed journal for possible publication. Mr Yamaguchi represents the type of globally-oriented young Japanese scholars which The PINE Foundation considers, as part of its mission, as meriting support. Professors Braguinsky and Ohyama continue to constantly monitor Mr Yamaguchi's performance in the PhD programme and provide him with scholarly advice, and the Trustees are satisfied with his progress.

3) David Caldwell, Durham University, £5,000, to support his continued enrolment in the PhD programme and his attendance at Summer School at Essex University

During the year under review, Mr Caldwell was in what was supposed to be his final year of the PhD programme in political science at the School of Government and International Affairs at Durham University. The Trustees have been in regular contact with him and received periodical updates about the progress of his studies and research. In January 2021, Mr Caldwell informed the Trustees that due to circumstances related to the pandemic he and his programme supervisors mutually agreed to extend his dissertation submission deadline to May 2022. Mr Caldwell informed the Trustees that he had been moving forward with the PhD despite the pandemic. Per his report, he already has drafts of three substantive chapters (a literature review, theoretical framework, and the first empirical chapter) and he is confident that he will be able to submit by the May 2022 deadline.

The Trustees consider Mr Caldwell to continue to be in good standing in the programme, and they are satisfied with his performance, which is reflected, in particular, in the perfect 100% score he received at the Essex Summer School. Even though the fiscal year ending March 31 2021 was supposed to be Mr Caldwell's final year in the programme, the Trustees will consider extending their support for another year given the disruption caused by the pandemic (see below, Plans for Future Activities).

4) Fukushima Friends-UK: £3,490 for online English education project.

Prior to the start of the pandemic, the Trustees and Ms Yabe, chairwoman of Fukushima Friends UK (FFUK), had been discussing the possibility of supporting a new round of in-person English classes in Fukushima prefecture for the children who participated in the initial classes supported by The PINE Foundation four years ago. However, the pandemic has made in-person classes impossible. On a suggestion from the Trustees, Ms Yabe and her colleagues considered holding follow-up intensive English education in an online format. A questionnaire was sent by FFUK to the children and their parents, and the response was strong enough to arrange two classes, both taught online on a fortnight basis, by two English teachers based in the UK. Moreover, several British children of the same age had expressed a willingness to participate, to make friends with the Japanese children and to learn about Japanese culture. The classes started on November 1st, 2020, with The PINE Foundation covering teachers' remuneration and logistical support costs. The Trustees have been monitoring the project and receiving timely reports on its progress both from Ms Yabe and from the two English teachers, and they are satisfied with its progress.

Use of volunteers

The Trustees of The PINE Foundation donate their time and effort to the Foundation without receiving remuneration. Outside volunteers do not play a significant role in The PINE Foundation apart from the contribution of occasional professional advice solicited by the Trustees from their colleagues in academia.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and organisational structure

The PINE Foundation (Foundation for Progressive International Education) is a charitable trust governed by a Trust Deed made on 2 March 1994. The Trust Deed stipulates that The PINE Foundation is governed by its Board of Trustees. All the decisions are made jointly by the Trustees at their meetings conducted at least four times a year either face-to-face or by telephone or via web conferences. The Administrative Officer appointed by the Trustees and answering to them is responsible for executing the Trustees' decisions and administering The PINE Foundation's day-to-day operations. The PINE Foundation does not have affiliated charities or other related parties or entities.

Induction and training of Trustees

The Board of Trustees of The PINE Foundation only appoints a new Trustee following a careful selection and interviewing process, during which Board members discuss with the prospective new Trustee his/her duties and obligations according to Charity Law, and also provide detailed explanations about The PINE Foundation, its mission and operations. In other words, a deep understanding of both The PINE Foundation itself and of the relevant regulations is the most important condition of being appointed a Trustee of The PINE Foundation, so that the new Trustee approved by the Board of Trustees will have already been inducted and have received basic training. All the Trustees constantly update their knowledge of Charity Law and SORP as part of their ongoing duties, and they also closely follow developments that are relevant to the Foundation's activities.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements

In accordance with the objectives of The PINE Foundation as stated in its Trust Deed, at the most fundamental level, the Foundation's achievements should be assessed by the impact its activity has on the progress of economic research and education in the areas where The PINE Foundation's beneficiaries conduct their activities. The power of ideas and human capital to bring about such progress is enormous, especially in the long run; and the activity of The PINE Foundation can be expected to have a major impact on the goals of its mission, much more than can be measured by simple quantitative measurements of performance for any particular year.

In view of the above, the Trustees do not impose specific quantitative performance measures in terms of charitable activities. The Trustees constantly communicate with

all the beneficiaries and monitor the projects while also embracing feedback from the beneficiaries. The constant hands-on process of bilateral communication in which the Trustees give guidance and advice to the beneficiaries, whilst the latter continue to explore new ways of conducting their research and study, and respond to the Trustees with new ideas, has been the biggest asset of The PINE Foundation so far. This is also the most important channel through which the Trustees ensure that the Foundation's donations are used for their intended purposes.

In the year under review the main achievements, as reflected in the grants detailed above, consisted of: 1) continuing to provide funding for the Industrial Policy Research Group in Russia, enabling it to continue to work on its important agenda without interruption, and in spite of very difficult economic and political conditions in its home country; 2) providing continued financial and logistical support to Fukushima Friends UK related to the developments stemming from the 2016 Summer English classes in Fukushima prefecture; and 3) providing a "window of opportunity" for studies and important and exciting research agendas to two PhD students, Mr Caldwell and Mr Yamaguchi.

Difference made to beneficiaries and wider society

The difference made to beneficiaries and the wider society follows directly from the summary above but it was especially large in the year marked by the COVID 19 pandemic. For the Industrial Policy Research Group, continued support from The PINE Foundation has been especially important in more recent years, as the Russian economy faces a deep and prolonged crisis. The support from The PINE Foundation not only allows the Industrial Policy Research team to continue working on its scholarly research agenda, it also contributes, through opinion pieces and policy advice stemming from those research projects, to wider efforts aimed at reversing the negative trends and pushing Russia towards a transition to a market economy and democracy. The Professor has told the Trustees that the continued commitment from The PINE Foundation is critically important in these challenging times.

The support to children affected by the earthquake and the nuclear accident fallout, conducted through Fukushima Friends UK, has had a very direct impact on the children's lives by giving them chances to acquire new skills and, especially, giving them motivation. The Trustees were very pleased that the online format could be successfully applied to continue this project despite the pandemic, and they note that this made a great difference to the children involved, given all the challenges they faced this year because of COVID 19.

The support for David Caldwell and Shotaro Yamaguchi was crucial in enabling them to pursue their PhD studies and research with a minimum of distraction. In particular, as Mr Caldwell had to seek an extension for his dissertation defence because of the disruption caused by the pandemic, the promise of continued support from The PINE Foundation made a real difference, even more so because, as he told the Trustees, he had initially been resigned to the fact that he could not have this support beyond the agreed period. For Mr Yamaguchi also, continued support from The PINE Foundation is what allows him to focus on his studies and research. To sum up, grants awarded by the PINE Foundation make a considerable difference to the beneficiaries and will make a difference to wider society as the beneficiaries accumulate a high-level of

human capital and become powerful advocates for the causes that constitute the mission of The PINE Foundation.

Fundraising and investment performance achievements

As anticipated in the previous annual report, the amount of donations received by The PINE Foundation declined in the year under review because of the pandemic. However, the incoming donations, together with the investment portfolio's rebound, are sufficient to secure financial stability and to continue implementing The PINE Foundation's mission. As detailed in the Financial Review below, thanks to strong investment portfolio performance, The PINE Foundation actually ended the fiscal year under review with unrestricted funds 11.5 percent larger than a year ago.

The investment strategy for most of the year under review continued the previously approved policy of holding a diversified global equity portfolio, taking into account the historically low interest rates on bank deposits and low rates of return on fixed-income assets. The value of the investment portfolio performed strongly in the year under review, fully rebounding from the one-time sharp decline at the end of the previous year due to the onset of the COVID 19 pandemic. We discuss the impact of COVID 19 and related issues in more detail below.

FINANCIAL REVIEW

During the year under review The PINE Foundation received £54,673 worth of new donations. The PINE Foundation also received £12,034 in interest and dividends on its investments. The PINE Foundation's annual expended resources amounted to £101,610 as per SOFA. (Of these, £82,462 was spent on grant-making activities, while fund-raising and costs of managing investments totalled £19,148.) The amount of grants disbursed by The PINE Foundation directly to its beneficiaries was £39,737. The net movement in funds during the year under review (after factoring in the capital gain on the investment portfolio) amounted to £92,764, leaving the unrestricted funds at £899,767 as of 31 March 2021, which is about 11.5 percent higher than at 31 March 2020.

The PINE Foundation has continued its policy of keeping its operational costs at a low level, and it continues to have no borrowed funds. The Trustees are confident that The PINE Foundation remains a 'going concern' and will be able to meet its obligations to beneficiaries for the foreseeable future.

Policy for Holding Reserves

The policy for holding reserves adopted by the Trustees of The PINE Foundation is based upon forecasts of levels of income versus forecasts of expenditure in future years on the basis of planned activities and the assessment of the likelihood that future needs and opportunities might be met out of future income. More specifically, the Trustees forecast a stable and steady flow of needs arising from the obligation to continue to support, for the foreseeable future, projects selected by the Trustees. As already mentioned, this kind of reserves policy is in line with the mission of The PINE Foundation and its goals and objectives as stated in the Trust Deed. The amount

of net current assets (mostly cash reserves held in the bank) at 31 March 2021 was £227,662.

The reasons for holding these reserves and the split between cash and the investment portfolio are guided by fulfilling The PINE Foundation's mission to support academic research, the excellence of which is built, and must be maintained, over time. The PINE Foundation also promotes education with the aim of nurturing new generations of broad-minded people with an international perspective as well as researchers and reform-minded policy-makers. This is not a goal that can be accomplished by a large one-off injection of money. The Trustees have an obligation according to The PINE Foundation's Deed of Trust to act to promote those goals, and this requires the maintenance of relatively large reserves, especially in an environment where the inflow of new large donations is very hard to predict. To put it simply, inasmuch as support to its beneficiaries makes a difference in their lives and wider society as outlined above, a sudden termination of such support (which could happen at any time if The PINE Foundation did not follow its policy of holding reserves) would be truly devastating both to the beneficiaries and to the mission of the Foundation. The importance of this has never been demonstrated more clearly than in this year, when the COVID 19 pandemic forced Mr Caldwell to unexpectedly extend his studies for one more year. Such contingencies may arise for any beneficiary and at any time, COVID or no COVID. Hence, the Trustees intend to maintain the level of reserves of The PINE Foundation at approximately the same level (barring yearly investment portfolio fluctuations) for the foreseeable future in order to maintain the Foundation's ability to support its beneficiaries for the public benefit in the long run.

THE IMPACT OF THE CORONAVIRUS PANDEMIC

With several hundred million infected and several million people dead from the coronavirus worldwide, the year under review presented tremendous challenges to every person and every organization. The PINE Foundation was no exception. Many aspects of The PINE Foundation's activities, from fund-raising to grant disbursement were impacted as discussed below.

Impact on fund-raising

As mentioned, COVID 19 negatively impacted the amount of new donations to The PINE Foundation in the year under review, with the amount going down by slightly over 30 percent compared to the previous year. Travel restrictions also limited opportunities for the Trustees to conduct in-person meeting with potential donors. The Trustees are nevertheless determined to keep this impact to a minimum and to double their fund-raising efforts once the pandemic is over.

Impact on financial portfolio and long-term financial stability

Adhering to its long-standing policy of holding reserves outlined above, the PINE Foundation ended the fiscal year 2020/21 with £227,662 in net current assets in its portfolio, which is equal to about 2.25 times its total expenditure in the year under review (and more generally, average expenses in recent years). In the opinion of the Trustees, this gives The PINE Foundation enough of a cushion to be able to continue operations as a going concern.

The global investment portfolio of The PINE Foundation, on the other hand, gained £147,331 in the year under review, a gain in market value of 28 percent from the total value at the end of the previous fiscal year. As mentioned, this was due to a large rebound in the global equity markets following a sharp decline due to the onset of the COVID 19 pandemic a year earlier. But even compared to the value of the global investment portfolio two years ago, at the end of the 2018/2019 fiscal year, the gain in market value was about 14 percent. This makes the Trustees confident in the soundness of their investment policy and ensures that the long-term financial stability of The PINE Foundation continues to be secure.

Impact on grants and other activities

While the financial impact of COVID 19 on The PINE Foundation has so far been limited and does not affect its status as a going concern, the pandemic did impact the activities of the beneficiaries as well as the day-to-day activity of The PINE Foundation itself.

First, COVID 19 and the ensuing travel restrictions made in-person contact with the Professor impossible during the year under review. The Trustees were quite concerned about the wellbeing of the Professor and his team. Throughout the year, Professor Braguinsky stayed in constant contact with the Professor over email and other long-distance means of communication and the Trustees are relieved that everyone involved seems to be doing fine for now and they are not directly affected by COVID. The Professor has also assured the Trustees that he and his team currently have enough resources to continue their activities, while working from home and staying safe. The Trustees will continue to monitor the situation closely and have confirmed their commitment to the support of the Industrial Policy Research Group.

Second, as mentioned, one of the PhD students supported by The PINE Foundation (Mr Caldwell) faces a delay in submitting his dissertation and graduating because of the COVID pandemic, so the Trustees are considering extending his support beyond the year under review, as noted in Plans for Future Activities below.

Third, the support for Fukushima Friends UK was affected by the pandemic as well. At some point it seemed inevitable that the new round of English classes in the Fukushima prefecture would have to be postponed. However, an online solution was found and implemented, as described above. While not ideal, online classes did provide more chances for the children affected by the earthquake and tsunami disaster to continue learning English and being immersed in cross-cultural experiences. Moreover, the online format made it possible for UK children to join their Japanese peers, which turned out to be an unintended benefit of the solution forced by the pandemic.

Fourth, the day-to-day activities of The PINE Foundation were also affected by the pandemic. The Trustees have requested that the administrative office, Ms Ford, work strictly from home and she has complied with that request. This has not hampered her ability to perform her duties in any serious way. Also, world-wide travel restrictions made it impossible to hold an in-person Annual General Trustee meeting in London in the Summer of 2020 or an in-person visit with the independent examiners as has been the case every previous year. Instead, both these meetings were moved online and went well, with no negative impact on quality. The Annual General Trustee meeting

in London in the Summer of 2021 also had to be held online for the same reason. The Trustees look forward to resuming both those meetings and meetings with independent examiners in person as soon as it is safe to do so.

Overall assessment

Overall, while The PINE Foundation could not entirely avoid the negative impact of COVID 19 on parts of its activity, the Trustees believe that this impact has so far been contained and The PINE Foundation will continue to operate as a going concern. The Trustees will continue to closely monitor the developments and they look forward to continuing all the activities of The PINE Foundation for the benefit of the public, including restarting those that had to be temporarily modified/put on hold during the pandemic, once it subsides.

PLANS FOR FUTURE PERIODS

Given the current socio-political situation in Russia, and especially in view of the devastating impact the COVID 19 pandemic is having on this country, the Trustees are determined to do all in their power to continue and to increase their support to the Professor and Industrial Policy Research Group. Recently, the Professor came up with a new, exciting research proposal, which will explore the Japanese experience of applying tools and the experience of strategic foresight to set up a national development strategy, with the goal of applying the lessons to the Russian case once it is ready to return to the course of reforms. The Trustees consider this plan to be very attractive, in part because it creates synergies with the support for Japanese PhD students studying lessons from Japan's own transition to a market economy during the Meiji-Taisho era. They look forward to receiving the details of the proposal and to continuing to support the Professor's Industrial Policy Research Group.

The Trustees also intend to continue supporting Fukushima Friends UK. This support started with approximately twenty primary school children being taught by volunteers in Kotoku primary school in Fukushima Prefecture four years ago and as mentioned, it is now continuing through online classes. The goal is to allow those children to continue their studies to enable them to grow to become legitimate international ambassadors of Japan to the outside world even under these challenging circumstances.

The Trustees intend to continue their support for the excellent PhD students whom they have identified so far, and to seek other such students deserving of support in the future. As mentioned, they intend to provide one more year of support to Mr Caldwell who faces an extension of his study due to pandemic-related disruption.

As discussed during the Annual General Meeting held on July 26th, 2020, the Trustees have identified another potential candidate for grant support to attend a top-level PhD programme as part of implementing The PINE Foundation's mission to help Japan build highest-level human capital with international reach in the field of economics and strategy. He is Mr Takuya Hiraiwa, a doctoral student at Hitotsubashi University in Japan. Mr Hiraiwa applied to several top US PhD programmes and received admission with financial aid from the Strategy and Management programme at the University of Maryland, the same programme in which another PINE Foundation

beneficiary, Mr Shotaro Yamaguchi is also enrolled. Mr Hiraiwa has expressed a strong desire to attend this programme and the Trustees plan to start supporting his study from the next fiscal year.

As all these plans require long-term commitment on the part of The PINE Foundation, the Trustees will continue to give priority to keeping adequate reserves and preventing the depletion of the Foundation's unrestricted funds. The supporters of and donors to The PINE Foundation have repeatedly made it known to the Trustees that this is their desire also.

The Trustees intend to continue their efforts to cut costs, although they realize that they have currently almost reached the limit of what can be done without jeopardising the ability of The PINE Foundation to meet its objectives. The Trustees have expressed their renewed commitment to do whatever they can on a voluntary basis to help the Foundation.

RELATED PARTY TRANSACTIONS

Related party transactions are as reported in note 12 of the financial statements.

Statement of Trustees' Responsibilities

The Trustees 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.)

The law applicable to charities in England & Wales 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 of the charity for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the trust deeds. 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.

Independent Examiners

Moore Kingston Smith LLP have indicated their willingness to continue in office as independent examiners and offer themselves for re-election at the forthcoming Annual General Meeting.

This report was approved by the Board of Trustees on __22 December, 2021__ and signed on its behalf by: *Serguey Braguinsky*

Serguei Braguinski, Trustee, Secretary to the Board of Trustees

Independent Examiner's Report to the Trustees of The PINE Foundation

I report to the trustees on my examination of the accounts of The PINE Foundation for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 23 December 2021

**Luke Holt FCA, for and on behalf of
Moore Kingston Smith LLP
Chartered Accountants**

The PINE Foundation
Statement of Financial Activities
For the year ended 31st March 2021

	Note	Unrestricted Funds £	Total 2021 £	Total 2020 £
Income				
Income from:				
Donations and Gifts		54,673	54,673	80,923
Interest receivable		10	10	30
Dividends receivable		12,034	12,034	16,294
Total Income		66,717	66,717	97,247
Expenditure				
Expenditure on raising funds:				
Fundraising	2	19,148	19,148	19,484
Charitable Activities:				
Grant Making	3	82,462	82,462	91,645
Total Expenditure before gains and losses		101,610	101,610	111,129
Gain/(loss) on investments	8	147,331	147,331	(64,294)
Exchange (losses)/gains		(19,674)	(19,674)	7,303
Net income/(expenditure)		92,764	92,764	(70,873)
Net Movements in Funds		92,764	92,764	(70,873)
Balances brought forward at 1st April		807,003	807,003	877,876
Balances carried forward at 31st March		899,767	899,767	807,003

The PINE Foundation
Balance Sheet at 31st March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Tangible fixed assets	7		-		342
Investments	8		672,105		524,774
			672,105		525,116
Current Assets					
Debtors	9	891		600	
Cash and cash equivalents		256,925		289,780	
		257,816		290,380	
Creditors: Amounts falling due within one year	10	(30,154)		(8,493)	
Net Current Assets			227,662		281,887
Total Net Assets			899,767		807,003
Funds Available					
Unrestricted general fund			899,767		807,003
			899,767		807,003

Approved by the Board of Trustees on...22 December, 2021.....
and signed on its behalf by:

Serguey Braguinsky

.....
S Braguinski
Trustee

Atsushi Ohyama
.....
A Ohyama
Trustee

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2021

1 Accounting Policies

Accounting Convention

The PINE Foundation meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the potential impact of the COVID 19 pandemic on the charity. While the Foundation could not entirely avoid the negative impact of COVID 19 on some parts of its activity (see pages 9 - 11 in the Trustees Report for details), the trustees believe that this impact has so far been contained and The Pine Foundation will continue to operate as a going concern. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The principle accounting policies adopted in the preparation of the financial statements are set out below:

Fixed Assets

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated on a straight line basis over their estimated useful lives as follows:

Office equipment	3 years
------------------	---------

Depreciation rates, economic lives and impairment of asset values are reviewed annually.

Investments

Investments are initially measured at cost and subsequently measured at fair value as per quoted market price. Any realised and unrealised gain or loss is taken to the Statement of Financial Activities.

Cash and Cash Equivalents

Cash and cash equivalents includes cash held in hand, deposits held at call with banks and cash held as investments with a maturity of 90 days or less.

The PINE Foundation

Notes to the Financial Statements

For the year ended 31st March 2021

1 Accounting Policies (continued)

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments are measured at amortised cost with the exception of investments which are measured at fair value.

Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, the directors 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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Income

All income is included when the charity has entitlement to the income, there is probability of receipt and the amount can be measured.

Donations are treated as income in the period in which they are receivable.

Interest receivable is treated as income of the period in which it accrues.

Grants

Grants made by the Foundation are treated as expenditure of the period in which they are approved and the offer is conveyed to the recipient, except in cases where an offer is conditional, such grants being recognised as expenditure only when the conditions are fulfilled.

Expenditure

Expenditure is included in the SOFA on an accruals basis.

Cost of generating funds are costs incurred in attracting voluntary income to support the charity's activities, together with the cost of managing the charity's investments for both income generation and capital maintenance.

Charitable activity costs include grants payable to third parties in furtherance of the charitable objects of the trust, together with attributable support costs.

Support costs include costs related to the approval and monitoring of grant awards together with central office and administration costs.

Governance costs, which are included within support costs, are costs incurred in connection with the strategic management of the charity and in compliance with constitutional and statutory requirements.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2021

1 Accounting Policies (continued)

Allocation of expenditure

Expenditure is allocated between costs of generating funds and charitable activities on the basis of direct allocation where possible and an apportionment of employee time spent where applicable.

Fund accounting

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

Restricted funds represent amounts given to the charity for specific purposes, in accordance with the donors' wishes.

Operating leases

Costs under operating leases are charged to the Statement of Financial Activities in the period to which they relate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net income/(expenditure) result.

Taxation

As a registered charity, the Foundation is generally exempt from Income Tax but not from VAT. Irrecoverable VAT is, in accordance with standard accounting practice, included in the cost of those items to which it relates.

Functional currency

The functional currency of the Foundation is UK sterling rounded to the nearest pound.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2021 (Continued)

2 Fundraising		Total 2021 £	Total 2020 £
Costs of generating voluntary income		9,508	9,645
Costs of managing investments		9,640	9,839
		<u>19,148</u>	<u>19,484</u>
3 Charitable Activities	Activities undertaken directly £	Support Costs £	Total 2021 £
Grants to individuals and institutions	39,737	36,245	75,982
Governance costs	-	6,480	6,480
	<u>39,737</u>	<u>42,725</u>	<u>82,462</u>
	Activities undertaken directly £	Support Costs £	Total 2020 £
Grants to individuals and institutions	45,322	40,023	85,345
Governance costs	-	6,300	6,300
	<u>45,322</u>	<u>46,323</u>	<u>91,645</u>
4 Grants awarded were as follows:	Total 2021 £	Total 2020 £	
Fukushima Friends UK	3,490	-	
A Professor & Industrial Policy Research Group Moscow	21,792	24,064	
S Yamaguchi	9,455	10,114	
D. Caldwell	5,000	11,144	
	<u>39,737</u>	<u>45,322</u>	
5 Support Costs	Total 2021 £	Total 2020 £	
Staff Costs	19,016	19,290	
Travel and Subsistence	-	3,204	
Property Costs	6,000	5,997	
Telephone and Faxes	1,663	1,780	
Other Office Running Costs	434	626	
Depreciation	342	336	
Accountancy	8,790	8,790	
Governance Costs			
Independent Examiner's fees - current year	6,060	5,880	
Prior year under accrual	420	420	
	<u>42,725</u>	<u>46,323</u>	

All support costs relate to the charity's grant making activities.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2021 (Continued)

6 Staff Costs

	Total 2021 £	Total 2020 £
Wages and Salaries	38,000	37,584
Social Security costs	32	996
	<u>38,032</u>	<u>38,580</u>
Staff costs are allocated to functions as follows:		
Fundraising - cost of generating voluntary income	9,508	9,645
Fundraising - cost of managing investments	9,508	9,645
Support costs	19,016	19,290
	<u>38,032</u>	<u>38,580</u>

No employee earned in excess of £60,000 in the year (2020: none).
The Foundation employed one full-time person during the year (2020: one full time).
Details of remuneration in respect of key management personnel is set out in note 12.

7 Fixed Assets

	Office Equipment £	Total £
Cost		
At 1st April 2020 and 31st March 2021	4,326	4,326
Accumulated Depreciation		
At 1st April 2020	3,984	3,984
Charge for year	342	342
At 31st March 2021	4,326	4,326
Net Book Value		
At 31st March 2021	<u>-</u>	<u>-</u>
At 31st March 2020	<u>342</u>	<u>342</u>

8 Investments

	UK £	Overseas £	Total 2021 £	Total 2020 £
Listed investments at market value:				
At 1st April	162,272	362,502	524,774	589,068
Unrealised gain/(loss) in market value	29,924	117,407	147,331	(64,294)
At 31 March	<u>192,196</u>	<u>479,909</u>	<u>672,105</u>	<u>524,774</u>
At historical cost:				
At 31st March 2021	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	
At 31st March 2020	<u>196,476</u>	<u>344,584</u>	<u>541,060</u>	

Of the 2020 comparatives above, £209,092 of the opening market value and £46,820 of the unrealised loss relates to UK based investments with all other movements relating to overseas investments.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2021 (Continued)

8 Investments (Continued)

Investments greater than 5% of the portfolio valuation.

	2021	2020
	£	£
Ishares	192,196	162,272
SPDR S&P500 ETF	304,931	219,467
Japan Daiwa AM Topix Fund (ETF)	174,978	143,035
	<u>672,105</u>	<u>524,774</u>
	<u><u>672,105</u></u>	<u><u>524,774</u></u>

9 Debtors

	2021	2020
	£	£
Prepayments	891	600
	<u>891</u>	<u>600</u>
	<u><u>891</u></u>	<u><u>600</u></u>

10 Creditors

	2021	2020
	£	£
Amounts falling due within one year:		
Accruals	7,652	7,472
Grant creditor	21,792	
Taxation & other social security	710	1,021
	<u>30,154</u>	<u>8,493</u>
	<u><u>30,154</u></u>	<u><u>8,493</u></u>

11 Financial Commitments

At 31 March, the Foundation had total commitments under operating leases as follows:

	2021	2020
	£	£
Land and Buildings		
Expiring within one year	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
	<u><u>1,500</u></u>	<u><u>1,500</u></u>

The lease is currently on a rolling quarter by quarter basis. Lease payments of £6,000 (2020: £6,000) were recognised in the year.

The PINE Foundation
Notes to the Financial Statements
For the year ended 31st March 2021 (Continued)

12 Key Management Personnel

The key management personnel of the Foundation are the trustees who currently consist of:

Professor Serguei Braguinski

Mr Kentaro Nishida

Professor Atsushi Ohyama

Key management personnel received no remuneration for their services to the Foundation during the year (2020: £nil).

Travelling expenses amounting to £nil were paid during the year (2020: £3,015 to 1 trustee).

The trustees donated a total of £54,673 to the Foundation in the year (2020: £80,923).