

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

Index

Page:

1	Legal and Administrative Details
2-13	Trustees' Report
14	Independent Examiner's Report
15	Statement of Financial Activities
16	Balance Sheet
17-23	Notes to the Financial Statements

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				
		<u>899,767</u>	<u>899,767</u>	<u>807,003</u>

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	-	-
At 31st March 2020	342	342

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).