

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

Index

Page:

1	Legal and Administrative Details
2-12	Trustees' Report
13	Independent Examiner's Report
14	Statement of Financial Activities
15	Balance Sheet
16-22	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

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.



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		43,776	43,776	92,764
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

A 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	4,326	4,326
Accumulated Depreciation		
At 1st April 2021 and 31st March 2022	4,326	4,326
Net Book Value		
At 31st March 2022	-	-
At 31st March 2021	-	-

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	22,916	51,187	74,103	147,331
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).