

**Annual Report and Financial Statements
For the year ended 31 March 2021**

Charity number 1014621

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Legal and Administrative Details

Registered Charity No.

1014621

Registered address of charity

7th Floor
71 High Holborn
Mid City Place
High Holborn
London
WC1V 6BA

Legal status

The Mitsubishi Corporation Fund for Europe and Africa (“MCFEA”) is a trust constituted under a Declaration of Trust dated 30 September 1992.

Trustees

Ms J Rogers (Chair)
Mr T Fujimura
Mr Y Katayama
Mr H Takaoka
Mr T Makabe

The power to appoint trustees is vested in the Trustees.

The MCFEA secretary is Mr H Hayakawa. The Programme Officer is Ms M Kuwaki.

Banker

MUFG Bank, Ltd
Ropemaker Place, 25 Ropemaker Street
London EC2Y 9AJ

Solicitor

Bircham Dyson Bell LLP
50 Broadway
London SW1H 0BL

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London
United Kingdom
EC4A 3HQ

Trustees' report

The Trustees present their annual report for the Mitsubishi Corporation Fund for Europe and Africa (MCFEA) and the audited financial statements for the year ended 31 March 2021. The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

Trustees

Trustees who served during the year ended 31 March 2021 and subsequently, unless otherwise stated, were:

Ms J Rogers (Chair)
Mr T Fujimura
Mr K Fukuhara (resigned on 1 October 2020)
Mr Y Katayama (appointed on 1 April 2020)
Mr H Takaoka (appointed on 1 April 2020)
Mr T Makabe (appointed on 1 April 2020)

The Trustees are executives or managers of Mitsubishi Corporation group companies. The power to appoint trustees is vested in the Trustees.

Structure, governance and management

The MCFEA is a charitable trust set up under a Declaration of Trust dated 30 September 1992 and is registered under Charity Registration Number 1014621.

New Trustees are appointed at the annual meeting or at an extraordinary meeting. The Trustees are selected to bring a range of skills, experience and knowledge to the role. The Trustees meet at least once a year and conduct any other necessary business by email and telephone communications. In July 2009, the Trustees executed a Supplemental Deed to amend clause 15 of the Declaration of Trust of the MCFEA to increase the maximum number of Trustees from six to ten.

New Trustees are provided with an induction pack containing a copy of the Declaration of Trust (which includes the objectives of the MCFEA), the latest accounts and policies of the MCFEA, Charity Commission guidance on effective charities and the responsibilities of a Trustee, and the history and activities of the MCFEA. They are also briefed on the history and activities of the MCFEA by the Secretary or other Trustees.

New Trustees are also asked to sign a Declaration of Eligibility, by which they declare that they are not disqualified from acting as a Trustee of a Charity under English law.

Day-to-day management of the MCFEA is delegated by the Trustees to the Programme Officer.

The major risks to which, in the opinion of Trustees, the MCFEA is exposed are:

- (1) loss of income due to a change in the funders' priorities – if donations to MCFEA reduced, the trustees would reduce the level of grant commitments accordingly.
- (2) loss on investments – this would not be a risk to the MCFEA's activities as in accordance with its investment policy its reserves are held as cash in banks and therefore the value is not affected by stock market movements.

Trustees' report

Structure, governance and management (continued)

- (3) misappropriation or other such loss of grants made – regular reporting by the organisations being supported, visits to their offices and occasional visits to project sites by the Trustees or funders' staff located in regional offices, and online meetings are the principal methods used to avoid such events.

Principal objectives

The objectives of the MCFEA as set out in its Declaration of Trust are:

1. to conserve and protect for the benefit of the public the environment as a whole and its animal, forest and plant life in particular and to educate the public in natural history and ecology and the importance of conservation of the environment;
2. to advance the education of the public and, in particular, but without prejudice to the generality of the foregoing:
 - (i) to promote education and research in the field of ecology and conservation of natural resources and the environment anywhere in the world;
 - (ii) to promote the study and appreciation of flora and fauna anywhere in the world with particular emphasis on endangered species;
 - (iii) to promote the study and appreciation of agriculture, horticulture, silviculture and land and estate management; and
 - (iv) to carry out research into the sustainable development of forest lands.
3. to relieve poverty and promote the sustainable development of economies.

These objectives are achieved by the MCFEA providing grants to charities and other Non-Governmental Organisations (NGOs) for projects or activities which fulfil the objectives.

More specifically, the Trustees wish to see the MCFEA assist in the conservation of the environment in general, in ways most well adapted to the particular areas of operation to which support is being given.

Hence, in Africa, projects chosen for support are designed to provide poorer communities with the help needed to achieve improvements in their standard of living, while at the same time enabling them to take positive steps to protect their local environments. In Europe, help is offered to projects intended to educate people, about the need to take positive steps to preserve their environment and to bring to their attention ways in which they can participate in achieving this.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's objectives and in planning future activities and setting the grant making policy for the year.

Policies

The MCFEA has policies on grant-making, reserves and investments. The Trustees review these policies at their annual meetings. Please refer to note 1 to the accounts which explains that the financial statements have been prepared on a going concern basis.

The MCFEA's policies on investments, reserves, and grant-making as of 31 March 2021, are as below.

Trustees' report

Investment Policy

Investments are held in cash. These are a liquid asset and easily distributable towards charitable activities.

Reserves Policy

As at 31 March 2021, MCFEA held unrestricted reserves of £101,522 (2020: £100,418). This equates to approximately four months' worth of expenditure. The trustees consider this level of reserves as healthy and in line with their reserves policy as outlined below:

1. The MCFEA's unrestricted income funds and reserves are currently held with the Bank of Tokyo-Mitsubishi UFJ Ltd.
2. Reserves of at least £100,000 shall be kept available to meet financial risks associated with obligations, potential contingencies and uncertainties relating to the charity's operating activities. These include:
 - 2.1 meeting the MCFEA's current funding commitments for the financial year ending 31 March;
 - 2.2 meeting the MCFEA's operational overheads for the financial year ending 31 March;
 - 2.3 funding any unforeseen major projects that have not been provided for in the grant-making process; and
 - 2.4 providing for an orderly winding-down of operations in the event of a significant adverse event that is outside the control of the charity.
3. Should the MCFEA's funders indicate a desire to cease to support it, the Trustees acknowledge that they will be under an obligation to apply such part of its expendable endowment as is necessary to fund its operating costs and grant making. In such circumstances, the Trustees will amend this Reserves Policy accordingly.
4. This Policy will be reviewed by the Trustees at each Annual Meeting.

Grant-making Policy

1. The main objectives of the Mitsubishi Corporation Fund for Europe and Africa (MCFEA) are defined in articles 4 and 5 of the Declaration of Trust deed dated 30 September 1992 ("the Deed") as relating to (1) conservation of the environment, (2) education of the public in environmental conservation and (3) relief of poverty.
2. It is the intention of the Trustees of the MCFEA to give primary consideration to the first two objectives listed above; however, within those broad objectives, it is also the intention of the Trustees to give particular consideration to any grants for projects that also support the economic and social development of local communities in an environmentally sustainable manner.

Trustees' report

Grant-making Policy (continued)

3. The area of operation of the MCFEA is stated in the Deed as being anywhere in the world; however, it is the intention of the Trustees of the MCFEA to restrict its activities to Europe and Africa, in accordance with its name.
4. Other considerations to be taken into account by Trustees when deciding on grants to be made and/or projects to be supported include the following:
 - 4.1 In the opinion of the Trustees of the MCFEA the objectives relating to the "conservation" do not extend to cover animal welfare as such;
 - 4.2 "Education" is taken in a broad sense as referring to the public at large but also specifically to local communities and the employees of its funders;
 - 4.3 The work of the MCFEA can be enhanced if there are, in the neighbourhood of a project, staff employed by its funders or their associates who can be encouraged to take an interest in or to accompany in some way the progress of the project;
 - 4.4 The validity of any project to which the Trustees are thinking of contributing funds, must be assured, and in particular its scientific, academic and other credentials must be of a high order;
 - 4.5 When considering new proposals for large projects to be supported, possibly, for a number of years, views of funders shall be sought to try to ensure that their financial input into the MCFEA is not likely to cease during the project's lifetime; and
 - 4.6 The MCFEA will not provide direct financial support for individuals, nor will it make donations for religious, political or lobbying purposes. It will not support any organization that discriminates on the basis of race, colour, creed, sex, marital status or handicap.

Achievements and performance

The MCFEA, has been funded by regular donations from Mitsubishi Corporation ("MC"), Mitsubishi Corporation International Europe ("MCIE") and Mitsubishi Corporation Corporate Management Support Office ("MC CMSO") since its inception.

It is the understanding of the Trustees that donations to the MCFEA from its principal funders will be made on an ongoing basis, allowing the Trustees to continue to apply in the region of £300,000 per annum of the MCFEA's reserves towards grant giving activities.

MCFEA has not been adversely effected by Brexit and doesn't foresee any issues arising from the impact of Brexit in the future.

Trustees' report

Principal grant payments for the year ended 31 March 2021

The principal payments made by the Trustees during the year, in accordance with the MCFEA's objectives, were to:

Earthwatch Institute **£40,000**

Earthwatch Institute is an international NGO whose mission is to enhance the awareness of environmental conservation by providing members of the general public opportunities to volunteer in scientific field research around the world. In 2002, the MCFEA began supporting a project which delivers high profile debates on environmental and science-based education at the Royal Geographical Society in London and other venues in the UK. The MCFEA continued to support this project in 2020 with a grant of £40,000.

Springboard Entrepreneurship Development Initiative **£50,000**

Established in 2008, Springboard engages young Nigerians in personal and social change through sustainable agriculture and entrepreneurship training. Each year, poverty and scarce job opportunities force thousands of people to migrate from the countryside to urban areas. By equipping them with practical skills, Springboard is transforming rural communities into vibrant entrepreneurial hubs while also promoting affordable organic food across the country. The MCFEA began supporting Springboard in 2015 and continued its support with a grant of £50,000 in 2020.

International Union for Conservation of Nature (IUCN) **£40,000**

Founded in 1948, the International Union for Conservation of Nature (IUCN) is a membership union composed of governments, civil society organisations and business. It harnesses the experiences and resources of its more than 1,300 member organisations and the input of more than 16,000 scientific experts. IUCN is considered by many to be the global authority on the protection of the natural world. The MCFEA first supported IUCN in 2011 and 2012. It renewed its funding again in 2016 for a biodiversity conservation project in Tanzania, and continued this support in 2020 with a grant of £40,000.

Rainforest Alliance **£39,918**

Rainforest Alliance is a US headquartered organisation whose mission is to conserve biodiversity and promote sustainable livelihoods by transforming land-use practices, business practices and consumer behavior. It is a founding member of the Forest Stewardship Council (FSC) and operates in more than 70 countries. In 2017, the MCFEA provided a grant of £40,000 to Rainforest Alliance for a sustainable cocoa project in Côte d'Ivoire. Despite cocoa farming being the cornerstone of the country's economy, productivity is low and is further exacerbated by external factors such as climate change. The project aims to address this issue by promoting climate smart agriculture practices to smallholder farmers. The MCFEA extended its support in 2020 with a grant of £43,000. There was also a return of unspent funds from 2019 of £3,082.

Acumen Fund **£40,000 for West Africa and £20,000 for the UK**

Acumen Fund is a US headquartered organization with the aim to transform the world of philanthropy by looking at all human beings as members of a single, global community where everyone has the opportunity to build a life of dignity. Their fellowship programme provides the opportunity to develop moral leaders, with a commitment to seeing an equitable world, and support their work to fight poverty and justice in Malaysia, Bangladesh, Colombia, East Africa, West Africa, India and the UK. The MCFEA started a partnership with Acumen Fund in 2019 to support the West Africa Fellowship programme with a grant of £40,000. In 2020, the MCFEA also extended its support to the Acumen Academy UK for their fellowship programme with a grant of £20,000.

Trustees' report

EAT

£40,000

EAT is a global, non-profit start-up dedicated to transforming the global food system through sound science, impatient disruption and novel partnerships, based in Norway. EAT is founded by the Stordalen Foundation, Stockholm Resilience Centre and the Wellcome Trust to catalyse a food system transformation. EAT works with a range of foundations, academic institutions, organizations and companies that provide strategic advice, knowledge and financial support while also collaborating with EAT on programmes. The MCFEA started a partnership with EAT from 2019 with a grant of £30,000 to enhance and accelerate food systems transformation at the local level with impacts extending well beyond municipal boundaries in African cities, and continued this support in 2020 with a grant of £40,000.

World Resources Institute

£47,000

The World Resources Institute (WRI) is a global research organisation that spans more than 60 countries with over 1000 experts and staff members. WRI's mission is to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations. WRI focuses on seven global challenges: climate, energy, food, forests, water, sustainable cities, and the ocean. The MCFEA began a partnership with WRI in 2020 with a grant of £47,000, to support their land accelerator programme, which identifies, empowers, and invests in African entrepreneurs who take a commercial approach to restoring forests and farmlands.

Trustees' report

Financial review for the year ended 31 March 2021

The financial statements are for the year ended 31 March 2021.

During the year, the MCFEA received donations from MC of £220,072 (2020: £200,000) and MC CMSO of £100,000 (2020 from MCIE: £100,000). Gift in kind received from MC CMSO £10,000 (2020: £10,400) and MCIE £200 (2020: £200).

Funds were held on deposit or in the current account as required for making payments to beneficiaries. The total income of the MCFEA for the year ended 31 March 2021 amounted to £330,272 (2020: £310,600).

Total grants payable in the year amounted to £316,918 (2020: £300,000). The details are mentioned on pages 8 - 9.

The net surplus for the year of £1,104 has been credited to the unrestricted fund (2020 net expenditure of £1,947).

The Trustees have considered the use of the going concern basis in the preparation of the financial statements and have concluded that it was appropriate. More information is provided in note 1 to the financial statements.

COVID-19 pandemic

In order to respond to the COVID-19 pandemic, various travel related restrictions and quarantine measures were introduced around the world in FY20 and continue, albeit with minor adjustments, in FY21.

To mitigate against the risks presented by this evolving situation, the Charity has put in place certain measures and internal controls to enable it to communicate effectively and monitor the progress and challenges faced by the project partners. All project partners whose activities were impacted by the COVID-19 pandemic during the year have reported these details to the MCFEA accordingly. The Charity's own operations have been largely unaffected as all regular activities have continued to be undertaken by employees of MC CMSO, working remotely.

The Charity has no overheads and the small governance costs are met by Mitsubishi Corporation. The charitable objectives that are met through the making of donations, which are agreed on an annual basis, are intended to match the income, and there are no on-going legal commitments to donations.

The Charity has observed that at present there have been no significant changes to daily operations. It will continue to monitor the potential impact COVID-19 may have in the future.

Plans for the Future

The MCFEA intends to continue to make grants to charities or NGOs for projects or other activities within its charitable objectives, in accordance with its grant-making policy.

Related Parties

Mitsubishi Corporation, Mitsubishi Corporation Corporate Management Support Office and Mitsubishi Corporation International (Europe) Plc are related parties, through common

Trustees' report

trustees/directors/executives. Refer to note 8 for details.

The MCFEA receives both financial support and donations of services from its funders – the latter in the form of the use of office space and equipment, payments of travel costs for business of the MCFEA, and the time of the funders' staff (who also act as Trustees, and hold the roles of Secretary and Programme Officer) (note 2).

Approved by the Trustees and signed on behalf of the MCFEA on 29 July 2021.

Julia Rogers

J Rogers
Chair

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the 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 deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Trustees of the MCFEA

Independent auditor's report to the Trustees of The Mitsubishi Corporation Fund for Europe and Africa

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Mitsubishi Corporation Fund for Europe and Africa (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011 and the trust deed.

We have audited the financial statements which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the Trustees of the MCFEA (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the Trustees of the MCFEA (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the charity's industry and its control environment, and reviewed the charity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the charity operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Trust Deed, Charities (Accounts and Reports) Regulations 2008, and Charities Act 2011.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. This included the Charity Commission.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations is in the completeness of revenue. To address this risk, we have reviewed the Trustees' meeting minutes, all bank statements in the period, and post year end records to test whether income had been appropriately included in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we assessed the controls over the assessment and approval of grant awards; tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to the Trustees of the MCFEA (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations ; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Statutory Auditor
London, United Kingdom
10 August 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of financial activities (incorporating the Income & Expenditure Account)

For the year ended 31 March 2021

	Notes	Unrestricted funds Year ended 31 March 2021 £	Unrestricted funds Year ended 31 March 2020 £
INCOME FROM:			
Donations	2	330,272	310,600
TOTAL INCOME		<u>330,272</u>	<u>310,600</u>
EXPENDITURE ON:			
Charitable activities	4	(329,168)	(312,547)
TOTAL EXPENDITURE		<u>(329,168)</u>	<u>(312,547)</u>
Net income/(expenditure) for the year	6	1,104	(1,947)
RECONCILIATION OF FUNDS:			
Total funds brought forward		<u>100,418</u>	<u>102,365</u>
Total funds carried forward		<u>101,522</u>	<u>100,418</u>

All activities relate to continuing operations and unrestricted funds.

There are no recognised gains or losses or movements in funds for the current financial year or the preceding financial year other than as stated in the statement of financial activities.

Balance sheet

As at 31 March 2021

	31 March 2021 £	31 March 2020 £
Current assets		
Artwork	2,820	2,820
Cash at bank and in hand	100,394	100,850
	<u>103,214</u>	<u>103,670</u>
Creditors: amounts falling due within one year		
Accruals	(1,692)	(3,252)
	<u>(1,692)</u>	<u>(3,252)</u>
Total assets less current liabilities	<u>101,522</u>	<u>100,418</u>
Funds		
Unrestricted fund	<u>101,522</u>	<u>100,418</u>

These financial statements of The Mitsubishi Corporation Fund for Europe and Africa, registered charity number 1014621 were approved and authorised for issue by the Trustees on 29 July 2021.

Signed on behalf of the Trustees



J Rogers
Trustee

Cash flow statement

For the year ended 31 March 2021

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Net income/(expenditure) for the year	1,104	(1,947)
(Decrease)/Increase in Creditors	<u>(1,560)</u>	<u>1,692</u>
Net cash outflows used in operating activities	<u>(456)</u>	<u>(255)</u>
Net decrease in cash and cash equivalents	(456)	(255)
Cash and cash equivalents at beginning of year	<u>100,850</u>	<u>101,105</u>
Cash and cash equivalents at the end of the year	<u><u>100,394</u></u>	<u><u>100,850</u></u>
Cash at bank and in hand	100,394	100,850
Cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u><u>100,394</u></u>	<u><u>100,850</u></u>

There were no cash equivalents at 31 March 2021 and 31 March 2020.

Notes to the accounts For the year ended 31 March 2021

1. Accounting Policies

Charitable status

The Mitsubishi Corporation Fund for Europe and Africa, a public benefit entity, is a registered charity in England and Wales and a charitable trust. The registered office is given on page 3.

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" effective 1 January 2019, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011."

The accounts (financial statements) have been prepared to give a 'true and fair' view in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective from 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011 and UK Generally Accepted Practice.

Preparation of financial statements – going concern basis

The Charity's activities and financial position, together with factors likely to affect its future development and position are set out in the Trustees' Report. The Trustees are of the opinion that the Charity has adequate financial resources to continue in operational existence for the foreseeable future (defined as a period of at least 12 months from the signing of these financial statements). The Charity has no overheads and the small governance costs are met by Mitsubishi group companies. The charitable objects that are met through the making of donations, which are agreed on an annual basis, are intended to match the income, and there are no on-going legal commitments to donations. Thus they continue to adopt the going concern basis in preparing the annual financial statements. The Charity has observed that at present there have been no significant changes to daily operations and it will continue to monitor the potential impact COVID-19 may have in the future. Donations are due to be received, as per prior year, in August 2021 and the grant commitments will be made from these available funds.

Income

Donations are accounted for as income in the period of receipt or when the conditions for receipt, being entitlement, probable and measurement have been met.

Gift in Kind

Gift in kind comprises of management and administrative cost for donated services of staff from Mitsubishi group companies. Donated facilities costs from Mitsubishi group companies are not recognized as they cannot be reliably measured.

Charitable activities

Direct charitable expenditure is accounted for in the period of payment or when the conditions for payment have been met, i.e. when a constructive liability exists, as shown in note 4.

Governance costs relate to management and administration expenses such as legal, audit and bank fees. These are accounted for on an accruals basis. These are allocated to grants as a support cost.

Assets

Assets relate to Artwork donated to the charity and were measured at values denoted at auction price at the time of donation. These are reviewed for impairment annually.

Notes to the accounts For the year ended 31 March 2021

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

The Charity only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Funds

MCFEA has unrestricted funds to make grant payments.

Cash flow statement

The Charity has prepared a cash flow statement under FRS 102.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

2. Donations

MCFEA received £220,072 from MC (£200,000 in 2020) and £100,000 from MC CMSO (£100,000 in 2020 from MCIE) during the year. Gift in kind received from MC CMSO £10,000 (2020: £10,400) and MCIE £200 (2020: £200)

3. Information Regarding Employees and Trustees

No Trustees were paid any remuneration during the year (2020: nil). No reimbursed expenses were incurred by the Trustees during the year (2020: nil). The MCFEA has no employees. However, employees of group companies contribute their services to the administrative operation of the charity. The value of these services is recognized as a gift in kind.

Notes to the accounts For the year ended 31 March 2021

4. Charitable expenditure

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
ACUMEN Fund Inc	40,000	30,000
Acumen Academy UK	20,000	-
Earthwatch Institute Europe	40,000	40,000
EAT Foundation	40,000	30,000
Forum for the Future	-	40,000
IUCN	40,000	40,000
Rainforest Alliance	39,918	40,000
Springboard Entrepreneurship	50,000	40,000
Renewable World	-	40,000
World Resources Institute	47,000	-
	<hr/>	<hr/>
Total direct costs	316,918	300,000
Support costs (see note 5)	12,250	12,547
	<hr/>	<hr/>
Total direct costs	<u>329,168</u>	<u>312,547</u>

5. Support costs

Support costs are made up of the audit fee of £1,740 (2020: £1,692) and bank charges of £310 (2020: £255); Management and Administration gift in kind from MC CMSO £10,000 (2020: £10,400) and MCIE £200 (2020: £200).

6. Net Income/(Expenditure) for the Year

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Net Income/(Expenditure) is stated after charging:		
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the charity's financial statements	(1,450)	(1,410)
VAT on audit fee	(290)	(282)
Bank charges	(310)	(255)
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Notes to the accounts For the year ended 31 March 2021

7. Taxation

The MCFEA is a registered charity and as such is potentially exempt from taxation of its income and gains. No tax charge has arisen during the year.

8. Related Party Transactions (common trustees)

During the year, the MCFEA received donations of £220,072 from MC (2020: £200,000) and £100,000 from MC CMSO (2020: £100,000 from MCIE). Management and Administration gift in kind from MC CMSO £10,200 (2020: £10,400) and MCIE £200 (2020: £200). There were no other related party transactions.

9. Covid-19 Pandemic

The Charity has put in place certain measures and internal controls to mitigate the risks associated with the potential impact of COVID-19.

The Charity has observed that at present there have been no significant changes to daily operations. It will continue to monitor the potential impact COVID-19 may have in the future.