

**Annual Report and Unaudited Financial Statements  
For the year ended 31 March 2023**

Charity number 1014621

## Table of contents

<b>Legal and administrative details</b>	3
<b>Trustees' report</b>	4
<b>Statement of Trustees' responsibilities</b>	11
<b>Independent examiner's report</b>	12
<b>Statement of financial activities</b>	13
<b>Balance sheet</b>	14
<b>Cash flow statement</b>	15
<b>Notes to the accounts</b>	16

## Legal and Administrative Details

### Registered Charity No.

1014621

### Registered address of charity

7th Floor  
71 High Holborn  
MidCity 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 H Takaoka (resigned on 31 March 2023)  
Mr T Makabe  
Mr A Takada (appointed on 1 April 2022)  
Mr K Hora (appointed on 1 April 2022)  
Mr T Kawate (appointed on 1 April 2023)

The power to appoint trustees is vested in the Trustees.

The MCFEA secretary is Ms Y Wen. The Programme Manager is Ms M Kuwaki. The Programme Officer is Mr K Sharda.

### Banker

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

### Solicitor

Bircham Dyson Bell LLP  
50 Broadway  
London SW1H 0BL

### Independent Examiner

Godfrey Wilson Ltd  
5<sup>th</sup> Floor, Mariner House  
62 Prince Street  
Bristol  
United Kingdom  
BS1 4QD

## Trustees' report

The Trustees present their annual report for the Mitsubishi Corporation Fund for Europe and Africa (MCFEA) and the financial statements for the year ended 31 March 2023. 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 2023 and subsequently, unless otherwise stated, were:

Ms J Rogers (Chair)  
Mr H Takaoka (resigned on 31 March 2023)  
Mr T Makabe  
Mr A Takada (appointed on 1 April 2022)  
Mr K Hora (appointed on 1 April 2022)  
Mr T Kawate (appointed on 1 April 2023)

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 in England and Wales.

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 Manager and 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 are 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 further public education about the need to take positive steps to preserve environments and to support the understanding of sustainable development.

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 2023, 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 2023, MCFEA held unrestricted reserves of £100,574 (2022: £99,576). 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 should 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 reserves 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"), and various Mitsubishi Corporation entities based in London since its inception, and most recently from Mitsubishi Corporation London Branch ("MC London Branch").

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.

The MCFEA has not been adversely effected by Brexit or the Ukraine war and does not foresee any issues arising from the impact of Brexit or the Ukraine war in the future.

## Trustees' report

### Principal grant payments for the year ended 31 March 2023

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

#### ***Springboard*** **£25,000**

Springboard uses cocoa, plantain, maize and rice to permanently lift smallholder farmers in Nigeria out of poverty, create meaningful jobs for rural youth and women, and contribute to nutrition, economic development and sustainable landscapes. Since 2008, Springboard has been working with over 3,000 rural farmers, women and youth to help turn their farms into profitable and sustainable enterprises in over 50 communities. Through their programmes and cooperative movement, the farmers are able to capture most of the value chain, grow much more in crops in a sustainable manner, and produce more profits through higher sales. Springboard has an ambitious goal to have 100,000 empowered farmers and rural families by 2030. The MCFEA began supporting Springboard in 2015 and continued its support with a grant of £25,000 in 2022.

#### ***International Union for Conservation of Nature (IUCN)*** **£50,000**

International Union for Conservation of Nature (IUCN) is one of the oldest and largest environmental organisations. Headquartered in Switzerland, it serves as a platform for engaging governments, NGOs, scientists and local communities in finding solutions to conservation and development challenges. The MCFEA first supported IUCN in 2011 and 2012. The MCFEA renewed its funding again in 2016 for a biodiversity conservation project in Tanzania, and continued its support for their Blue Ecopreneurs challenge in 2022 with a grant of £50,000.

#### ***Rainforest Alliance*** **£45,000**

Rainforest Alliance (RA) is an international NGO whose mission is to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour. With headquarters in the US and the Netherlands, Rainforest Alliance operates in more than 70 countries and has offices throughout North and South America, Asia, Africa and Europe. It launched the world's first sustainable forestry certification programme in 1989 to encourage market-driven responsible management of forests, and also helped to found the Forest Stewardship Council (FSC). The partnership started in 2017 in supporting a sustainable cocoa project in Côte d'Ivoire, and in 2022, the MCFEA supported their project to promote the restoration of landscapes and degraded forests in Cote d'Ivoire with a grant of £45,000.

#### ***Acumen Fund*** **£50,000**

Acumen Fund is a US headquartered organisation with a mission to change the way the world tackles poverty by investing in companies, leaders and ideas. To accomplish this, Acumen Fund invests philanthropic, long-term capital in innovative and sustainable businesses that address the needs of the world's poor. Through their investments, they de-risk businesses and sectors and demonstrate to the commercial world that solutions and market forces exist by considering low-income communities as customers, with dignity and choice. 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 2022 the MCFEA supported Acumen's Inclusive Business Initiative with a grant of £50,000.

## Trustees' report

### ***Farm Africa***

**£44,999**

Farm Africa is a British NGO, working to build prosperous rural areas in East and Southern Africa since 1985. They work directly with smallholder farmers, livestock-keepers and forest communities to alleviate poverty and food insecurity, achieve sustainable development, and protect vital natural resources. The MCFEA supported their forest conservation project in Tanzania and Ethiopia from 2009 and 2015. In 2022, the partnership restarted with a grant of £44,999 to their strengthening forest-friendly livelihoods to protect biodiversity in the Bale Eco-Region in Ethiopia.

### ***African Leadership Academy***

**£40,937**

The African Leadership Academy (ALA) is an educational institution for students aged between 16-19 years old and seeks to transform Africa by developing a network of young leaders who will address Africa's greatest challenges in the future. The MCFEA started its partnership with ALA in 2022 to support the Anzisha Prize programme, which seeks to increase the number of job generative entrepreneurs running SMEs in Africa by focusing on very young entrepreneurs. The project funds two fellows from Cote d'Ivoire and Nigeria respectively to support and expand their businesses and further generate more employment opportunities with a grant of £40,937.

## Trustees' report

### Financial review for the year ended 31 March 2023

The financial statements are for the year ended 31 March 2023.

During the year, the MCFEA received donations from MC of £160,000 (2022: £200,000) and MC London Branch of £100,000 (2022: MC CMSO £100,000). Gift in kind received from MC London Branch of £9,200 (2022: £9,200) and MCIE £200 (2022: £200). This Gift in kind is for cost of group company employees to cover administrative services.

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 2023 amounted to £269,400 (2022: £309,400).

Total grants payable in the year amounted to £255,936 (2022: £299,744). The details are mentioned on pages 8 - 9.

The net surplus for the year of £998 has been credited to the unrestricted fund (2022 net deficit of £1,946).

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

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 London Branch and Mitsubishi Corporation International (Europe) Plc are related parties, through common trustees/directors/executives. Refer to note 10 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, Programme Manager and Programme Officer) (note 3).

## 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 examiners**

Godfrey Wilson Limited were appointed as independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on behalf of the MCFEA on 1 August 2023.

*Julie Rogers*

J Rogers  
Chair

## Independent examiner's report to the Trustees of the MCFEA

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

#### Report on the examination of the financial statements

I report to the trustees on my examination of the accounts of The Mitsubishi Corporation Fund for Europe and Africa for the year ended 31 March 2023, which are set out on pages 13 – 20.

#### Responsibilities and basis of report

As trustees of the charity 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 charity'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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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 charity 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.

*Alison Godfrey*

Date: 1 August 2023

**Alison Godfrey FCA**  
**Member of the ICAEW**

For and on behalf of

**Godfrey Wilson Limited**

Chartered accountants and statutory auditors

5<sup>th</sup> Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

## Statement of financial activities

For the year ended 31 March 2023

	Notes	Unrestricted funds Year ended 31 March 2023 £	Unrestricted funds Year ended 31 March 2022 £
<b>INCOME FROM:</b>			
Donations	2	269,400	309,400
<b>TOTAL INCOME</b>		<u>269,400</u>	<u>309,400</u>
<b>EXPENDITURE ON:</b>			
Charitable activities	4	(268,402)	(311,346)
<b>TOTAL EXPENDITURE</b>		<u>(268,402)</u>	<u>(311,346)</u>
<b>Net income/(expenditure) for the year</b>	6	998	(1,946)
<b>RECONCILIATION OF FUNDS:</b>			
Total funds brought forward		<u>99,576</u>	<u>101,522</u>
Total funds carried forward		<u>100,574</u>	<u>99,576</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 2023

	Notes	31 March 2023 £	31 March 2022 £
<b>Current assets</b>			
Investments	8	2,820	2,820
Cash at bank and in hand		100,454	98,556
		<u>103,274</u>	<u>101,376</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(2,700)	(1,800)
		<u>100,574</u>	<u>99,576</u>
<b>Net assets</b>			
		<u>100,574</u>	<u>99,576</u>
<b>Funds</b>			
Unrestricted fund		<u>100,574</u>	<u>99,576</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 1 August 2023.

Signed on behalf of the Trustees

*Julie Rogers*

---

J Rogers  
Chair

## Cash flow statement

### For the year ended 31 March 2023

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
<b>Net income/(expenditure) for the year</b>	998	(1,946)
Increase in Creditors	900	108
<b>Net cash provided by / (used in)operating activities</b>	<u>1,898</u>	<u>(1,838)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	1,898	(1,838)
<b>Cash and cash equivalents at beginning of year</b>	<u>98,556</u>	<u>100,394</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>100,454</u></u>	<u><u>98,556</u></u>
Cash at bank and in hand	100,454	98,556
Cash equivalents	<u><u>-</u></u>	<u><u>-</u></u>

## Notes to the accounts For the year ended 31 March 2023

### 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 MC London Branch. 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 2022 and the grant commitments will be made from these available funds. There are no material uncertainties about the charity's ability to continue as a going concern.

#### **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 MC London Branch. Donated facilities costs from MC London Branch are not recognised as they cannot be reliably measured.

#### **Expenditure**

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 charitable activities as a support cost.

## Notes to the accounts

### For the year ended 31 March 2023

#### **Investments**

Investments relate to artworks donated to the charity and measured at values denoted at auction price at the time of donation. The charity does not intend to hold these in the long term.

#### **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 has 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.

#### **Debtors**

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 in hand**

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**

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**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. 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.

## Notes to the accounts

### For the year ended 31 March 2023

#### 2. Income from donations

MCFEA received £160,000 from MC (£200,000 in 2022) and £100,000 from MC London Branch (£100,000 from MC CMSO in 2022) during the year. Gift in kind received from MC London Branch £9,200 (2022: £9,200) and MCIE £200 (2022: £200). This Gift in kind is for cost of group company employees to cover administrative services as per note 3.

#### 3. Information Regarding Employees and Trustees

No Trustees were paid any remuneration during the year (2022: nil). No reimbursed expenses were incurred by the Trustees during the year (2022: nil). The MCFEA has no employees. However, employees of MC London Branch and Mitsubishi Corporation International (Europe) contribute their services to the administrative operation of the charity. The value of these services is recognized as a gift in kind.

#### 4. Expenditure: charitable activities

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
<u>Grants payable:</u>		
ACUMEN Fund Inc.	50,000	40,000
Acumen Academy UK	-	20,000
African Leadership Academy	40,937	-
EAT Foundation	-	40,000
Farm Africa	44,999	39,744
IUCN	50,000	40,000
Rainforest Alliance	45,000	40,000
Springboard Entrepreneurship	25,000	40,000
World Resources Institute	-	40,000
	<hr/>	<hr/>
Total grants payable	255,936	299,744
Support costs (see note 5)	12,466	11,602
	<hr/>	<hr/>
Total costs	268,402	311,346
	<hr/>	<hr/>

\*Grants were paid to 6 institutions (2022: 8). Grants payable at year end amounted to £nil (2022: £nil). Grants were made for environmental conservation, environmental education, and poverty alleviation projects.

#### 5. Support costs

Support costs are made up of the independent examination of £2,700 (2022 audit: £1,908) and bank charges of £258 (2022: £294); Management and Administration gift in kind from MC London Branch £9,200 (2022: £9,200 MC CMSO) and MCIE £200 (2022: £200).

## Notes to the accounts For the year ended 31 March 2023

### 6. Net (Expenditure)/Income for the Year

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Net (Expenditure)/Income is stated after charging:		
Independent examiner's remuneration:		
Fees payable to the charity's independent examination/audit of the charity's financial statements	(2,250)	(1,590)
VAT on independent examination/audit fee	(450)	(318)
Bank charges	<u>(258)</u>	<u>(294)</u>

### 7. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

### 8. Current asset investments

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Artwork	<u>2,820</u>	<u>2,820</u>

The charity are not intending to hold artworks in the long term, so they have been classified as current asset investments.

### 9. Creditors: amounts due within 1 year

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Accruals	<u>(2,700)</u>	<u>(1,800)</u>

### 10. Related Party Transactions

Mitsubishi Corporation, MC London Branch and Mitsubishi Corporation International (Europe) Plc are related parties, through common trustees/directors/executives. During the year, the MCFEA received donations of £160,000 from MC (2022: £200,000) and £100,000 from MC London Branch (2022: £100,000 from MC CMSO). Management and Administration gift in kind from MC London Branch £9,200 (2022: £9,200 MC CMSO) and MCIE £200 (2022: £200). There were no other related party transactions.

## Notes to the accounts For the year ended 31 March 2023

### 11. Financial instruments held at fair value

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Financial assets measured at fair value	<u>2,820</u>	<u>2,820</u>

Financial assets measured at fair value comprise investment assets.