



THE FOUNDATION OF ST MATTHIAS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2021

Registered Charity No 311696

THE FOUNDATION OF ST MATTHIAS

REPORT OF THE TRUSTEES

For the year ended 31 December 2021

The Trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and 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 (FRS102) (effective 1 January 2015).

Objective and Activities

Objective

The subsisting object of the Foundation of St Matthias is the advancement of education in the area of benefit, in particular the Dioceses of Bath and Wells, Bristol and Gloucester but extending to the whole of the United Kingdom, with a preference for higher or further education; such education contributing to the advancement of the Church of England.

Grant-Making Policy

The Trustees pursue this objective by giving grants towards the education of suitable applicants according to a set of guidelines. Criteria for making grants are contained in Clause 4 (1-6) of the Charity Commissioners' Scheme of 22 August 2011, with amendments on 11 November 2015. The Trustees have a Projects Committee which examines applications in light of these criteria, and make grants to suitable applicants. In November 2015, the Trustees approved a scheme for the awarding of 3-year scholarships and the first of these awards was agreed upon in early 2016, with initial payments being made at the start of the 2016/17 academic year. The Trustees have been pleased with this initial group of scholars and have agreed to extend scholarships into their normal grant-making procedures.

Public Benefit

The Trustees consider that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trustees believe that the objective and the activities undertaken to pursue it, detailed above, fulfil the criteria for demonstrating public benefit.

Covid-19

In mid-late March 2020 the Covid-19 pandemic started to impact activities. The Trustees reviewed the likely impact of the pandemic on the Foundation and identified the following key areas for attention, implementing the changes as detailed and these arrangements remained in place throughout 2021:

- Meeting in person
An Emergency Resolution was approved in April 2020 to allow meetings to be held remotely using digital media until such time as the Trustees can meet in person.
- Handling physical grant applications
Normal deadlines were retained for applications. However, the process for receiving applications was adapted so as to be able to receive applications by email.
- Processing financial transactions
An Emergency Resolution was approved in April 2020 allowing payments to be processed by electronic bank transfer, subject to email authorisation by two signatory trustees using their existing email accounts until such time as the Trustees can meet in person.
- Investments and reserves
Additional meetings of the FARM Committee were held in May and August to monitor the impact on finances on the reserves of the Foundation. It was agreed that a more conservative approach was required to maintain a level of reserves to sustain the Foundation for the future. Consequently, the offer of additional funding made to the Dioceses in March was withdrawn, and a reduction of £30,000 made in the funding for grants.

Achievement and Performance (Review of performance in 2021)

In March 2021 the Trustees agreed to maintain the reduced 2020 budget levels, in view of the continued uncertainty of investment performance due to the pandemic.

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For the year ended 31 December 2021

During the calendar year 2021 the Trustees considered 80 applications in total.

They considered 75 applications for individual grants; including 15 requests for further funding, of which 58 were awarded. Of these, 41 grants were of £1,000 or more, the remainder ranging from £200 to £850. Again, the majority of studies covered theology, social work and counselling, but assistance was also given for other courses which fell within the terms of the Trust deed and which the Trustees considered to be deserving of support. 12 were not awarded a grant (including 3 withdrawals before consideration).

5 corporate applications were also considered. Of these 5 applications, 3 were awarded grants ranging from £2,400 to £3,500; 2 were not awarded.

Grants of £50,000 to each of the three Diocesan Boards of Education for Bath & Wells, Bristol and Gloucester were confirmed: this funding supports the three diocesan resource centres, providing in-service training and training resources for teachers.

Grants totalling £18,000 were also made to the three Diocesan Boards of Education: this funding supports the important work of raising the profile of chaplaincies in FE Colleges and is reviewed by the Trustees.

Scholarships for the 2021/2022 academic year:

Payment continued for 3 scholars:

Christie Broom:	£10,000 for her PhD in the Divinity Faculty at Cambridge University
Szilvi Watson:	£10,000 for her DPhil in Education at the University of Oxford
Oliver Peel:	£10,000 for his PhD at King's College London

Payments started in September 2021 for 1 new scholar:

Sian Brookes:	£5,000 for up to 6 academic years for her PhD at Aberdeen University (part-time)
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During the year, the Trustees considered and approved a Scholarship application from Abraham Murad, which was due to commence in September 2021. However, due to COVID and funding issues Abraham was unable to commence his studies in September and the Trustees considered and approved a request to defer the commencement of the grant until September 2022.

Scholars are invited to present at the Trustees meeting and renewal of the scholarships for the next academic year is subject to receiving satisfactory review and approval by the Trustees.

During the year, the following student completed their studies supported by a scholarship that was awarded during the year ended 31 December 2021:

Niamh Colbrook - PhD in Theology and Religious Studies at Cambridge University..

The total of grants awarded in 2021 is shown in Note 7 on pages 14 and 15.

Financial Review (Financial Review of the Foundation)

The Balance Sheet on page 11 shows the financial position of the Foundation as at 31 December 2021, in accordance with the accounting policies outlined in the notes to the accounts.

Section 4 of the Trusts (Capital and Income) Act 2013 amended the Charities Act 2011 to give permanently endowed charities in England and Wales the power to adopt a total return approach to investment. The Trustees adopted the Total Return Investment approach with effect from 1 January 2018. As a consequence, an Unapplied Total Return Fund of £1m was established with the remaining £6.424m allocated to Funds for Investment tracking CPI each year.

During 2020 the Trustees decided to consolidate the investment portfolios held with CBF Church of England Funds, managed by CCLA Investment Management Ltd (CCLA), and Investec Wealth & Investment Ltd into one portfolio with CCLA. The transfer of funds was completed during 2021 and all funds were held with CCLA at the year end. The Trustees receive quarterly reports from the investment managers and conduct an annual performance review meeting.

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For the year ended 31 December 2021

The value of the total investment portfolio increased by 13.02% during 2021, after allowing for withdrawal of £50,000 from the Income Reserve account to fund activities.

The Trustees follow the guidelines on ethical investment adopted by the General Synod of the Church of England, and revised by them from time to time.

Reserves policy

It is the Foundation's policy not to maintain any unrestricted reserves, as ongoing working capital is available from the endowment under the Total Return policy adopted. The endowment stood at £9.34 million at 31 December 2021, including £2.31 million in the Unapplied Total Return. This is considered an adequate sum for the continued expenditure planned. During the year the Trustees commenced a review of the reserves policy in order to set agreed parameters for grant funding within which they can operate, whilst maintaining adequate reserves. The conclusion of this review is expected to be completed during 2022.

Plans for Future Periods

In November 2021 the Trustees met and considered the Budget for 2022 and provisionally agreed that expenditure should broadly be as follows:

- Diocesan Allocations £55,000 (per diocese);
- FE £7,000 (per diocese); and
- Grants and scholarship budget £150,000.

It was agreed that the budget would be formally confirmed at the first meeting of the Trustees in 2022.

Structure, Governance and Management

Constitution of the Foundation

The Foundation of St Matthias is a charity established by a Scheme of the Charity Commissioners for England and Wales dated 8 October 1979, following the closure and sale of the College of St Matthias, Fishponds, Bristol. The net sale proceeds form the permanent endowment of the Charity, which is registered with the Charity Commissioners under number 311696. The founding scheme was changed to acknowledge that there is no longer any interest in property and to ease the governance of the Foundation. The new scheme was approved by the Charity Commission on 22 August 2011 and adopted by the Trustees in November 2011. In November 2015, the Trustees agreed to reduce the number needed to be present for a meeting to be quorate; this amendment has been approved by the Charity Commission.

Trustees' responsibilities

The Trustees, who are appointed in accordance with the Trust deed (as listed above), meet twice a year. The Trustees have two committees: a Projects Committee and the Finance, Audit and Risk Management (FARM) Committee. Some powers are delegated to committees as follows:

- The Projects Committee is able to award grants and scholarships to applicants, subject to budgetary constraints agreed by the Trustees.
- The FARM Committee recommendations are ratified by the Trustees.

During the year the Trustees commenced a review of the delegated authority in order to ensure that they were fit for purpose.

In addition to the twice-yearly meetings the Projects Committee meets in July, whilst the FARM Committee meets in August..

The Charity Commissioners' Scheme and Trust law require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming and outgoing resources of the Trust for that period. In preparing those 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;

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For the year ended 31 December 2021

- 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; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Trust will continue to exist.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charity Governance Code: In March 2020, the Trustees agreed to review one principle at each future meeting. During 2021 the Trustees undertook reviews of the second and third principles, "Leadership" and "Integrity".

Recruitment and induction of Trustees

Recruitment for the Trust is carried out quadrennially with members appointed as nominative Trustees by the Boards of Education for the Dioceses of Bath & Wells, Bristol and Gloucester, and the National Society (previously the Board of Education of the Archbishops' Council). Members are also appointed by the Bishop for each of the three Dioceses and, until its demise in 2013, by the St Matthias Society. In addition the Trustees have the option to co-opt three Trustees.

New Trustees are given a copy of the Trustee Induction Pack and associated papers, which include copies of the governing document (scheme), recent Trustee and Projects Committee minutes including the dates of the next meetings, the Trustees' Report and Accounts for the previous year, information on the history of the Trust, objects of the Trust, structure of the Trust including staff, information about the Trustees' role, job descriptions and person specifications of Trustees and honorary officers, contact details, administrative forms and a copy of the Charity Commission publication *The Essential Trustee: What you need to know*.

Upon appointment, new Trustees are also assigned a mentor from amongst the existing Trustees, to guide them through the initial stages of their trusteeship.

Connected Charity

The Trust has no employees. In March 2015, the Bristol Diocesan Board of Finance (BDBF), registered charity number 248502, whose registered office is Hillside House, 1500 Parkway North, Newbrick Road, Stoke Gifford, Bristol, BS34 8YU was appointed to provide the services of Clerk to the Trustees.

The Foundation's affairs are administered by the St Matthias Administrator (an employee of BDBF), for which the Foundation paid a fee of £28,996 in 2021, (2020 - £28,879). With effect from July 2019 the BDBF has also provided accountancy services to the Foundation for a fee of £4,275 in 2021 (2020 - £4,785).

The majority of the Trustees are nominated or co-opted from the three benefiting Dioceses.

Risk Assessment

The Trustees operate a risk management policy and, as part of an annual review process, make appropriate amendments to the risk register. Trustees consider internal and external risks and ensure that those over which they have control, such as having policies to secure the Foundation's assets, are closely followed. The most significant risk is the decline in Total Return. The Trustees have ensured that reputable managers have been appointed to manage the investments that make up the permanent endowment and monitor their performance regularly by receiving and reviewing quarterly performance reports.

In March 2020 the Trustees were notified of a potential claim regarding the possibility of an asbestos-related disease in connection with the former St Matthias College building. The information had been forwarded to Ecclesiastical, the then Insurer, who have confirmed that the allegations are being investigated. The matter was reported to the Charity Commission as a Serious Incident Report 7th July 2020, as a matter of good governance. The Charity Commission acknowledged receipt on 10th July (incident number 6349).

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REPORT OF THE TRUSTEES

For the year ended 31 December 2021

Reference and Administration Details

The Foundation of St Matthias is registered with the Charity Commission, charity number 311696. Its principal office is at Diocesan Office, Hillside House, 1500 Parkway North, Newbrick Road, Stoke Gifford, Bristol, BS34 8YU.

Key management personnel remuneration

The Foundation has no employees and no cost of remuneration.

The Trustees are the key management personnel of the Charity, in charge of directing and controlling the Charity. As noted above, an employee of the BDBF has responsibility for the day-to-day running of the Charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in Note 2 to the accounts.

Trustees

The Trustees who served during the period from 1 January 2021 to the date this report was approved were as follows:

	<i>Name</i>	<i>Nominator</i>	<i>Dates if part year:</i>
<i>Chair:</i>	The Rt Revd R Springett Bishop of Tewkesbury	Bishop of Gloucester	
<i>Nominated:</i>	Mr E Gregory	Bath & Wells DBE	To 15 June 2021
	Miss S Kindleysides	Bath & Wells DBE	From 5 November 2021
	Mr G Briscoe	Bath & Wells DBE	
	Mrs P Dodds	Bath & Wells DBE	
	Dr P Smith	Bristol DBE	
	Revd A Everitt	Bristol DBE	
	Mrs E Townend	Bristol DBE	
	Mrs J Ridgway	Gloucester DBE	
	Mrs B Gleich	Gloucester DBE	
	Mrs J Hunter	Gloucester DBE	
	Revd J Shellard-James	Bishop of Bath & Wells	
	Revd Dr S Taylor	Bishop of Bristol	
	Mrs M Lomas	National Society (previously Board of Education of the Archbishops' Council)	
<i>Co-opted:</i>	Miss K Owen-Jones	-	

Officers and advisers of the Foundation

Clerk to the Trustees	Bristol Diocesan Board of Finance Limited Hillside House, 1500 Parkway North, Newbrick Road, Stoke Gifford, Bristol, BS34 8YU
Accountant	Bristol Diocesan Board of Finance Limited Hillside House, 1500 Parkway North, Newbrick Road, Stoke Gifford, Bristol, BS34 8YU
Auditors	Burton Sweet Limited The Clock Tower, Farleigh Court, Old Weston Road, Flax Bourton, Bristol, BS48 1UR
Solicitors	Harris & Harris 14 Market Place, Wells, Somerset, BA5 2RE
Investment Advisers	CCLA Investment Management Limited Senator House, 85 Queen Victoria Street, London, EC4V 4ET Investec Wealth & Investment Limited 30 Gresham Street, London, EC2V 7QN (to 27 July 2021)

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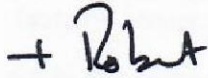
REPORT OF THE TRUSTEES

For the year ended 31 December 2021

Bankers

National Westminster Bank plc
40 Queen's Road, Clifton, Bristol, BS8 1BF

This report was approved by the Trustees on 9th March 2022 and signed on its behalf by



The Rt Revd R Springett, Bishop of Tewkesbury, Chair
17 May 2022

THE FOUNDATION OF ST MATTHIAS INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of The Foundation of St Matthias (the "Charity") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. 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).

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of the Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of 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 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.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If

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we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities to the 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 they 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

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 with 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the operations of the charity, including the Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance through the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

THE FOUNDATION OF ST MATTHIAS INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm This description forms part of our auditor's report.



Burton Sweet Limited
Statutory Auditor
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 17 May 2022

THE FOUNDATION OF ST MATTHIAS
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	2021 Income Reserve Unrest'd £	2021 Perm't Endow't Rest'd £	2021 Total Funds £	2020 Income Reserve Unrest'd £	2020 Perm't Endow't Rest'd £	2020 Total Funds £
Income and Endowments							
Investment Income	3	-	222,429	222,429	-	233,849	233,849
Total Income		-	222,429	222,429	-	233,849	233,849
Expenditure							
Cost of Raising Funds							
Investment Management Costs		-	-	-	-	21,923	21,923
Expenditure on Charitable Activities							
	6	320,843	-	320,843	314,875	-	314,875
Total Expenditure		320,843	-	320,843	314,875	21,923	336,798
Net Gains on Investments							
		-	1,129,148	1,129,148	-	352,606	352,606
Net Income / (Expenditure)		(320,843)	1,351,577	1,030,734	(314,875)	564,532	249,657
Transfers between funds		320,843	(320,843)	-	314,875	(314,875)	-
Net movement in funds		-	1,030,734	1,030,734	-	249,657	249,657
Total funds brought forward at 1 January		-	8,317,421	8,317,421	-	8,067,764	8,067,764
Total funds carried forward at 31 December		-	9,348,155	9,348,155	-	8,317,421	8,317,421

All activities relate to continuing operations.

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BALANCE SHEET

For the year ended 31 December 2021

	Note	2021		2020	
		£	£	£	£
Fixed Assets					
Investments					
CBF Funds	9		9,367,755		4,760,007
Investec Wealth	10		-		456,713
			<u>9,367,755</u>		<u>5,216,720</u>
Current Assets					
Debtors					22,893
- amounts falling due within one year	11		-		
Cash at bank	12	14,600		3,096,064	
		<u>14,600</u>		<u>3,118,957</u>	
Current liabilities					
Grants awarded not paid	13	30,000		14,675	
Creditors					3,581
- amounts falling due within one year	14	4,200			
		<u>34,200</u>		<u>18,256</u>	
Net current assets			<u>(19,600)</u>		<u>3,100,701</u>
Net assets			<u>9,348,155</u>		<u>8,317,421</u>
Funds of the Charity					
Permanent endowment funds	16		7,038,629		6,678,016
Unapplied total return fund	16		2,309,526		1,639,405
Unrestricted fund - income reserve	16		-		-
			<u>9,348,155</u>		<u>8,317,421</u>

These accounts were approved and authorised for issue by the Trustees on 9th March 2022.

+ Robert

The Rt Revd R Springett Bishop of Tewkesbury, Chair

This Balance Sheet should be read in conjunction with the Notes to the Accounts on pages 12 to 18.
The Auditor's Report is on pages 7 to 9.

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Notes to the accounts

For the year ended 31 December 2021

I Accounting policies

(a) General information

These financial statements comprising the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 16 constitute the individual financial statements of The Foundation of St Matthias for the financial year ended 31 December 2021. The financial statements have been presented in Pounds Sterling as this is the functional currency of the Charity and all values are to the nearest pound.

The Foundation of St Matthias is a charity, registered in England & Wales with a registered number of 311696. The Registered Office is Hillside House, 1500 Parkway North, Newbrick Road, Stoke Gifford, Bristol BS34 8YU, which is also the principal office of the Charity. The principal activity of the Charity continued to be the advancement of education contributing to the advancement of the Church of England.

(b) Statement of Compliance

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

(c) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the historical cost convention (except for investments which have been included at fair value) and 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 (FRS 102) issued in October 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 as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees have considered the implications of the Covid-19 pandemic in assessing the Charity's ability to continue as a going concern. Please see the Trustees Report for further details. The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The Trustees operate a total return policy in order to achieve greater flexibility to manage the available resources, in both the short- and longer-term.

(d) Fund accounting

The nature and purpose of each fund are explained in note 16.

(e) Irrecoverable VAT

The Foundation is not registered for VAT. All irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(f) Investment income

Investment income is credited to the Unapplied Total Return in the year in which the payment is due.

Investments with CBF pay dividends on investments held at the end of each quarterly qualifying period, with payment made thereafter.

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Notes to the accounts

For the year ended 31 December 2021 (cont)

Investec receives interest and dividends when paid in respect of investments held, and pays these over at the end of each calendar quarter. Interest from fixed interest investments earned but not paid at the year-end is accounted for as due.

(g) Expenditure

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (j) below.

(h) Investment Management costs

Investments managed by CCLA are not subject to a specific management cost, this being reflected in the market value of the investments. Investments managed by Investec are, however, subject to a management cost, which is charged to the Unapplied Total Return in the year to which the cost relates.

(i) Grants

All expenditure is charged to the income reserve in the year in which the grant has been communicated to the recipient. Although the scholarship awards are generally for the whole of a 3-year course of study. Funding for each year of the scholarship is conditional on an annual presentation to the Trustees, for their review and approval of the continuation of the award. Therefore, scholarships are not accrued for beyond the end of the academic year.

(j) Support Costs

As noted in the Trustees' Report, the Foundation's affairs are administered by the Saint Matthias Administrator, an employee of the Bristol Diocesan Board of Finance. It is estimated that 75% of the fee represents the day-to-day administration and the remaining 25% represents costs relating to the governance of the Foundation, being costs in respect of the strategic and constitutional matters of the Charity. Also charged to governance are audit, trustees' meeting and travel costs and the costs of any professional advice received regarding the constitutional matters of the Charity.

(k) Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(l) Gains and Losses on investments

Gains or losses on investments are taken directly to the Unapplied Total Return. Such gains or losses represent the difference between the opening market value and the market value at the date of disposal or 31 December 2021.

(m) Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. All of the Charity's basic financial instruments are measured initially at cost and then subsequently measured at amortised cost with the exception of the fixed asset investments which are measured at fair value through the profit and loss.

(n) Areas of judgement

The preparation of the financial statements requires management to make some judgements and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure. The key

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Notes to the accounts

For the year ended 31 December 2021 (cont)

area of judgement is whether scholarship grants should be accrued for at year end. Where these are conditional, they have been disclosed as a commitment in note 15 and only accrued for once the conditions have been met.

2 Trustees' remuneration and expenses

The Trustees receive no remuneration from the Foundation. Travelling and other out of pocket expenses are reimbursed as necessary, and these amounted to £30 paid to 1 Trustee in 2021 (2020 - £122 paid to 2 Trustees).

	2021	2020
	£	£
3 Investment income		
CBF Funds Dividends	210,240	134,002
Investec Interest & Dividends	12,185	99,766
Investec Deposit Fund Interest	-	21
Bank Interest	4	60
	<u>222,429</u>	<u>233,849</u>

4 Staff Costs

The Charity has no employees and therefore has incurred no staff costs.

5 Related Party Transactions

The Dioceses of Bath & Wells, Bristol and Gloucester are related parties to the Charity. Grants awarded to the Dioceses are shown in Note 7. The Diocese of Bristol (the Bristol Diocesan Board of Finance Limited) performs the role of Clerk to the Foundation and Accountant for which it was paid £28,996 (2020 - £28,879) and £4,275 in 2021 (2020 - £4,785) respectively. There were no outstanding amounts at year end.

	2021	2020
	£	£
6 Expenditure on Charitable Activities		
Grants (note 7)	281,419	276,735
Support Costs (note 8)	39,424	38,140
	<u>320,843</u>	<u>314,875</u>

	2021	2020
	£	£
7 Grants		
In 2021 the Trustees made the following grants:		
<i>Grants to Institutions</i>		
To Bath & Wells, Bristol and Gloucester Dioceses: £50,000 each	150,000	150,000
To Bath & Wells, Bristol and Gloucester Dioceses: £6,000 each for Further Education Officers	18,000	18,000
0 corporate grant (2020 - 1) of less than £1,000	-	500
4 corporate grants (2020 - 3) of £1,000 or more	8,900	10,500
	<u>176,900</u>	<u>179,000</u>
<i>Grants to Individuals</i>		
21 personal grants (2020 - 17) of less than £1,000	11,800	9,300
36 personal grants (2020 - 43) of £1,000 or more	48,270	51,456
5 scholarship grants (2020 - 5) of £1,000 or more	45,000	40,000
Scholars' travel	-	237
Previous year grants not taken up	(551)	(3,258)
	<u>104,519</u>	<u>97,735</u>
	<u>281,419</u>	<u>276,735</u>

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Notes to the accounts

For the year ended 31 December 2021 (cont)

7 Grants (continued)

All grants awarded relate to the advancement of education.

The Charity has made grants where the following trustees have or had an interest during the current year

Mr E Gregory	Diocese of Bath & Wells	Diocesan Director of Education
Miss S Kindleysides	Diocese of Bath & Wells	Chief Executive (to 15 June 2021)
Mrs P Dodds	Diocese of Bath & Wells	Diocesan Schools Advisor
Mrs E Townend	Diocese of Bristol	Diocesan Director of Education
The Revd Dr S Taylor	Diocese of Bristol	Director of Ministry Development
The Rt Revd R Springett	Diocese of Gloucester	Bishop of Tewkesbury
Bishop of Tewkesbury		
Mrs J Ridgway	Diocese of Gloucester	Head of Finance
Miss J Munn	Diocese of Gloucester	Deputy Director of Education

8 Support costs	2021 £	2020 £
Management charge – administering the Foundation	21,747	21,659
Management charge – governance	7,249	7,220
Trustees' travel and catering	-	356
Audit and accountancy	4,200	3,466
Bank charges	8	34
Professional fees	5,967	5,225
Sundry expenses	253	180
	39,424	38,140

Governance costs included in the above amounted to £39,163, this includes, £28,996 for administration, £4,200 for audit and £5,967 for accountancy services. In the prior year, governance costs amounted to £37,570, this included £28,879 for administration, £3,466 for audit and £5,225 for accountancy services.

9 Movement in CBF Investments

	£	£
Market value brought forward at 1 January	4,760,007	4,397,517
Add additions at cost	3,526,500	-
Less disposals at carrying value	(50,000)	(71,000)
Add net gain on revaluation	1,131,248	433,490
Market value carried forward at 31 December	9,367,755	4,760,007

Investments – CBF Funds comprise

	£	£
CBF Investment Fund	7,858,352	3,460,848
CBF Global Equity Fund	1,509,403	1,299,159
	9,367,755	4,760,007

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Notes to the accounts

For the year ended 31 December 2021 (cont)

10	Movement in Investec Wealth Investments	2021	2020
		£	£
	Market value brought forward at 1 January	456,713	3,616,987
	Add additions at cost	-	534,628
	Less disposals at carrying value	(454,613)	(3,614,026)
	Add net (loss) / gain on disposal	(2,100)	(80,876)
	Market value carried forward at 31 December	-	456,713
	Investments – Investec Wealth comprise	£	£
	UK Fixed Interest	-	-
	UK Equities	-	-
	Overseas Equities	-	-
	Property	-	456,713
	Infrastructures	-	-
		-	456,713
11	Debtors	2021	2020
		£	£
	Investment income awaiting payment	-	22,893
12	Cash at Bank	2021	2020
		£	£
	Investec Wealth	-	3,071,887
	NatWest Bank	14,600	24,177
		14,600	3,096,064
	The balance held at Investec Wealth at the year ending 31 December 2020 relates to funds from investments sold and pending transfer to the CCLA portfolio.		
13	Grants awarded not yet paid	2021	2020
		£	£
	Corporate and Personal grants	8,500	2,675
	Scholars	21,500	12,000
		30,000	14,675
14	Creditors	2021	2020
		£	£
	Investment Management costs	-	-
	Recharged Expenses	-	115
	Audit Fees	4,200	3,466
		4,200	3,581
15	Commitments	2021	2020
		£	£
	The scholarship awards, subject to satisfactory review, will be paid as follows:		
	<i>Within one year:</i>		
	one term of academic year 2022/23	16,500	12,000
	<i>Beyond one year:</i>		
	two terms of academic year 2022/23	8,500	18,000
	academic year 2023/24	15,000	20,000
		23,500	38,000

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Notes to the accounts

For the year ended 31 December 2021 (cont)

16 The Funds of the Charity

With effect from 1 January 2018 the Trustees adopted a total return approach to investment. On transition to this approach an Unapplied Total Return Fund of £1,000,000 (one million pounds) was created.

The Unapplied Total Return Fund comprises that part of the total return on the Charity's permanent endowment investments which has not yet been allocated by the Trustees to either the General Fund or the Permanent Endowment Fund. At the end of each financial year a transfer is made to the Fund for Investment equating to the growth of the funds in line with CPI. A further transfer is made to the Unrestricted Income Reserve to cover the operational costs of the Foundation for the year. The Trustees can decide the whether the remaining balance on the fund can be carried forward if not needed or allocated to be spent as income or reinvested in the Permanent Endowment Fund in a particular year.

For the year ended 31 December 2021, £320,843 was transferred from the Unapplied Total Return Fund to the Unrestricted Income Reserve. The value of the remainder of the Permanent Endowment was preserved by a transfer of £360,613 from the Unapplied Total Return to the Fund for Investment.

	Fund for Investment £	Unapplied Total Return £	Total Endowment £
As at 1 January 2021	6,678,016	1,639,405	8,317,421
Investment return: dividends and interest	-	222,429	222,429
Investment management costs	-	-	-
Investment return:			
Gains on investment	-	1,129,148	1,129,148
Recoupment of trust for investment	360,613	(360,613)	-
Unapplied total return allocated to income in the reporting period	-	(320,843)	(320,843)
As at 31 December 2021	7,038,629	2,309,526	9,348,155

Comparative Figures

	Fund for Investment £	Unapplied Total Return £	Total Endowment £
As at 1 January 2020	6,638,187	1,429,577	8,067,764
Investment return: dividends and interest	-	233,849	233,849
Investment management costs	-	(21,923)	(21,923)
Investment return:			
Gains on investment	-	352,606	352,606
Recoupment of trust for investment	39,829	(39,829)	-
Unapplied total return allocated to income in the reporting period	-	(314,875)	(314,875)
As at 31 December 2020	6,678,016	1,639,405	8,317,421

Represented by

	2021 £	2020 £
CBF Funds	9,367,755	4,760,007
Investec Wealth	-	456,713
Other net current assets	(19,600)	3,100,701
	9,348,155	8,317,421

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Notes to the accounts

For the year ended 31 December 2021 (cont)

16 The Funds of the Charity

Of the balance on the permanent endowment reserve at 31 December 2021, £4,154,463 (2020 £3,949,293) represented the difference between the market value at that date and the cost of the investments presently held.

The fund of the Charity arose mainly from the sale of the College of St Matthias, following its closure, plus the proceeds of subsequent sales of assets. The original cost or valuation at the date of the Charity Commission Scheme (October 1979) was £1,648,417, and the value of the Fund for Investment at 31 December 2021 reflects the gain in the value of the investments since then using CPI as a point of reference.

The Unrestricted Income Reserve represents the operational cost of the Foundation, the total of which is covered by a transfer from the Unapplied Total Return Fund at the year end.

