



**THE FOUNDATION OF ST MATTHIAS**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

Registered Charity No 311696

# **THE FOUNDATION OF ST MATTHIAS**

## **REPORT OF THE TRUSTEES**

**For the year ended 31 December 2022**

The Trustees present their report and financial statements for the year ended 31 December 2022.

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 2022)**

In March 2022 the Trustees agreed to maintain the 2021 budget levels.

# THE FOUNDATION OF ST MATTHIAS

## REPORT OF THE TRUSTEES

### For the year ended 31 December 2022

During the calendar year 2022 the Trustees considered 73 applications in total.

69 of these were for individual grants; which included 14 requests for further funding, of which 62 were awarded. Of these, 48 were of £1,000 or more, the remainder ranging from £200 to £850. 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 of deserving support, including education, musical therapy and the arts. 13 applicants were not awarded a grant, 1 withdrew after being awarded a grant, 1 applicant had their award reduced after disclosure of receipt of another grant, 1 award was increased due to the applicant upgrading their course to a Masters and 1 applicant withdrew before consideration.

4 corporate applications were also considered. Of these 4 applications, 3 were awarded grants ranging from £1,000 to £5,000. 1 was not awarded a grant but invited to resubmit the same application, provided certain satisfactory information was provided.

Grants of £55,000 to each of the 3 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 £20,000 were also made to the 3 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 2022/2023 academic year:

Payment continued for 2 scholars, who will be completing their studies at the end of the 2022/2023 academic year:

Szilvi Watson:	£10,000 for her DPhil in Education at Oxford University
Oliver Peel:	£10,000 for his PhD at King's College London

Payments started in September 2022 for 1 new scholar:

Michaela Copsey:	£6,000 for up to 5 academic years for her PhD in Practical Theology at Anglia Ruskin University (in conjunction with Cambridge Theological Federation) (part-time)
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Payments started in November 2022 for Abraham Murad, who was approved for a Scholarship for his PhD in Theology at Oxford University. He was initially due to commence in September 2021, however, his commencement (and scholarship payments) were deferred (after consideration and approval by the Trustees) until September 2022 due to COVID and funding issues.

The scholar Sian Brookes began receiving scholarship payments of £5,000 for up to 6 academic years for her PhD at Aberdeen University (part-time) in September 2021 for the 2021/2022 academic year. She went on maternity leave for the academic year 2022/2023 and after consideration and approval by the Trustees, her scholarship commitment was deferred to continue from September 2023 for the 2023/2024 academic year.

During the year, the following student completed her studies supported by a scholarship that was awarded during the year ended 31 December 2022:

Christie Gilfeather (néé Broom)	PhD in the Divinity Faculty at Cambridge University
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The total of grants awarded in 2022 is shown in Note 7 on pages 15 and 16.

# THE FOUNDATION OF ST MATTHIAS

## REPORT OF THE TRUSTEES

For the year ended 31 December 2022

### **Financial Review (Financial Review of the Foundation)**

The Balance Sheet on page 11 shows the financial position of the Foundation as at 31 December 2022, 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 and all funds held with CCLA at the 2021 year end. The Trustees receive quarterly reports from the investment manager and conduct an annual performance review meeting.

The value of the total investment portfolio decreased by £1,136,100 during 2022, after allowing for withdrawal of £40,583.88 from the Investment Fund 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 £8,095,530 at 31 December 2022, including £315,733 in the Unapplied Total Return. This is considered an adequate sum for the continued expenditure planned. During 2021 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 review was delayed due to the amendments in the Trust's operational structure and departure of the financial Trustee co-ordinating the review. The review is ongoing and now expected to be completed during 2023.

### **Plans for Future Periods**

In November 2022 the Trustees met and considered the Budget for 2023 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 2023.

### **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 FOUNDATION OF ST MATTHIAS

## REPORT OF THE TRUSTEES

### For the year ended 31 December 2022

- 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;
- 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. Owing to the creation of the new COO role within the Trust, the ongoing review of the Charity Governance Code will be continued by the new COO and is expected to be completed and presented to the Trustees for comment and approval in 2023.

### 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

Before October 2022, the Trust had no employees. From March 2015 to October 2022, 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 OF ST MATTHIAS

## REPORT OF THE TRUSTEES

### For the year ended 31 December 2022

In October 2022 the current Clerk to the Trustees was promoted to the newly created position within the Trust of Chief Operations Officer (COO). The role of Clerk was formally assumed under the full employ of the Trust and a new clerk was recruited and commenced employment in November 2022.

The Foundation's affairs are administered by the COO and Clerk/Administrator (who became employees of the Trust from October and November 2022, respectively). Formerly, all affairs were administered by St Matthias Administrator (an employee of BDBF), for which the Foundation paid a fee of £20,550.40 from January to September 2022, (2021 - £28,996). The BDBF continues to provided accountancy services to the Foundation for a fee of £3,900 excluding VAT in 2022 (2021 - £4,275).

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). The potential claim was withdrawn in August 2022 without any formal proceedings being initiated.

### 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

In October 2022 the Foundation became an employer. It currently employs 2 personnel: the Chief Operating Officer (COO) and Clerk to the Trustees. The COO and Clerk earn annual salaries of £24,000 and £10,000, respectively.

The Trustees are the key management personnel of the Charity, in charge of directing and controlling the Charity. The COO and Clerk have 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 2022 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	
	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	To 9 November 2022
	Mrs B Gleich	Gloucester DBE	
	Mrs J Hunter	Gloucester DBE	

# THE FOUNDATION OF ST MATTHIAS

## REPORT OF THE TRUSTEES

For the year ended 31 December 2022

	Ms L Gardner	Gloucester DBF	From 9 November 2022
	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

Chief Operations Officer	Bristol Diocesan Board of Finance Limited Hillside House, 1500 Parkway North, Newbrick Road, Stoke Gifford, Bristol, BS34 8YU
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	TC Group St Matthew's House, Quays Office Park, Conference Avenue, Portishead, Bristol, BS207LZ
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
Bankers	National Westminster Bank plc 40 Queen's Road, Clifton, Bristol, BS8 1BF

This report was approved by the Trustees on 26<sup>th</sup> July 2023 and signed on its behalf by



The Rt Revd R Springett, Bishop of Tewkesbury, Chair  
26 July 2023

# **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 2022 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs at 31 December 2022 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 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.

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

## **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 if 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.

## **Irregularities, including fraud, are instances of non-compliance with laws and regulations**

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:

- 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.

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

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](http://www.frc.org.uk/apb/scope/private.cfm) This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity trustees as a body, in accordance with the Charities Act 2011. 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 auditors' 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.

TC Group  
Statutory Auditor  
St Matthew's House  
Quays Office Park  
Conference Avenue  
Portishead  
Bristol, BS207LZ

Date: 26 July 2023

**THE FOUNDATION OF ST MATTHIAS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 December 2022

		2022 Income Reserve Unrest'd	2022 Perm't Endow't Rest'd	2022 Total Funds	2021 Income Reserve Unrest'd	2021 Perm't Endow't Rest'd	2021 Total Funds
	Note	£	£	£	£	£	£
<b>Income and Endowments</b>							
Investment Income	3	-	242,249	242,249	-	222,429	222,429
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Income</b>		-	242,249	242,249	-	222,429	222,429
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>							
<b>Expenditure on Charitable Activities</b>	6	358,774	-	358,774	320,843	-	320,843
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenditure</b>		358,774	-	358,774	320,843	-	320,843
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net (Loss)/Gains on Investments</b>	15	-	(1,136,100)	(1,136,100)	-	1,129,148	1,129,148
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Income / (Expenditure)</b>		(358,774)	(893,851)	(1,252,625)	(320,843)	1,351,577	1,030,734
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Transfers between funds</b>	15	358,774	(358,774)	-	320,843	(320,843)	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		-	(1,252,625)	(1,252,625)	-	1,030,734	1,030,734
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds brought forward at 1 January	15	-	9,348,155	9,348,155	-	8,317,421	8,317,421
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds carried forward at 31 December</b>		-	8,095,530	8,095,530	-	9,348,155	9,348,155
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All activities relate to continuing operations.

**THE FOUNDATION OF ST MATTHIAS**

**BALANCE SHEET**

For the year ended 31 December 2022

	Note	2022		2021	
		£	£	£	£
<b>Fixed Assets</b>					
<b>Investments</b>					
CBF Funds	9	8,191,071		9,367,755	
<b>Current Assets</b>					
Debtors					
– amounts falling due within one year	10	13		-	
Cash at bank	11	34,648		14,600	
		<u>34,661</u>		<u>14,600</u>	
<b>Current Liabilities</b>					
Grants awarded not paid	12	105,300		30,000	
Creditors					
– amounts falling due within one year	13	24,902		4,200	
		<u>130,202</u>		<u>34,200</u>	
<b>Net Current Liabilities/Assets</b>			(95,541)		(19,600)
<b>Total Net Assets</b>			<u>8,095,530</u>		<u>9,348,155</u>
<b>Funds of the Charity</b>					
Permanent endowment funds	15	7,779,797		7,038,629	
Unapplied total return fund	15	315,733		2,309,526	
Unrestricted fund – income reserve	15	-		-	
		<u>8,095,530</u>		<u>9,348,155</u>	

These accounts were approved and authorised for issue by the Trustees on 26 July 2023

+ Robert

The Rt Revd R Springett Bishop of Tewkesbury, Chair

The notes at page 12 to 18 form part of these accounts. The Auditor's Report is on pages 7 to 9.

# THE FOUNDATION OF ST MATTHIAS

## Notes to the accounts

For the year ended 31 December 2022

### 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 2022. 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'.

#### (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 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.

## THE FOUNDATION OF ST MATTHIAS

### Notes to the accounts

#### For the year ended 31 December 2022 (cont)

**(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.

**(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 were administered by the St 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. In October 2022 the former Administrator was promoted to the role of COO under the Foundation and in November a new Administrator was employed, also under the Foundation.

**(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 2022.

**(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 area of judgement is whether scholarship grants should be accrued for at year end.

**(o) Accounting Policies: Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

# THE FOUNDATION OF ST MATTHIAS

## Notes to the accounts

### For the year ended 31 December 2022 (cont)

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### (p) Accounting Policies: Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 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 £22 paid to 1 Trustee in 2022 (2021 - £30 paid to 1 Trustee).

#### 3 Investment income

	2022	2021
	£	£
CBF Funds Dividends	242,171	210,240
Investec Interest & Dividends	-	12,185
Bank Interest	78	4
	<u>242,249</u>	<u>222,429</u>

#### 4 Staff Costs

	Total	Total
	2022	2021
	£	£
Wages and salaries	8,587	-
Social security costs	680	-
Other pension costs	-	-
	<u>9,267</u>	<u>-</u>

	2022	2021
	No.	No.
	<u>2</u>	<u>-</u>

#### Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held in a separately administered fund. The pension cost charge represents contributions payable by the charity to the fund amounted to £Nil (2021: £Nil).

#### 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) provides Accountancy and office services to the Foundation and provided the service of Clerk to the Foundation to 30 September 2022. It was

## THE FOUNDATION OF ST MATTHIAS

### Notes to the accounts

#### For the year ended 31 December 2022 (cont)

paid £4,959 (2021 - £4,275) for Accountancy services and £30,242 for Clerkship and Office services (2021 - £28,996). The amounts outstanding at the year end were £2,580 (2021 - £nil) for Accountancy services and £10,285 (2021-£nil) for Clerkship and office services.

<b>6 Expenditure on Charitable Activities</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Grants (note 7)	298,860	281,419
Support Costs (note 8)	59,914	39,424
	<u>358,774</u>	<u>320,843</u>
<b>7 Grants</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
In 2022 the Trustees made the following grants:		
<i>Grants to Institutions</i>		
To Bath & Wells, Bristol and Gloucester Dioceses: £55,000 each	165,000	150,000
To Bath & Wells and Bristol Dioceses, £7,000 each and Gloucester Diocese £6,000 for Further Education Officers	20,000	18,000
0 corporate grant (2021 – 0) of less than £1,000	-	-
2 corporate grants (2021 – 4) of £1,000 or more	3,500	8,900
	<u>188,500</u>	<u>176,900</u>
<i>Grants to Individuals</i>		
13 personal grants (2021 – 21) of less than £1,000	7,400	11,800
47 personal grants (2021 – 36) of £1,000 or more	71,960	48,270
5 scholarship grants (2021 – 5) of £1,000 or more	31,000	45,000
Previous year grants not taken up	-	(551)
	<u>110,360</u>	<u>104,519</u>
	<u>298,860</u>	<u>281,419</u>



## THE FOUNDATION OF ST MATTHIAS

### Notes to the accounts

#### For the year ended 31 December 2022 (cont)

<b>10 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investment income awaiting payment	-	-
Grant refund due	13	-
	<u>13</u>	<u>-</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>11 Cash at Bank</b>		
NatWest Bank	34,648	14,600
	<u>34,648</u>	<u>14,600</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>12 Grants awarded not yet paid</b>		
Corporate and Personal grants	3,800	8,500
Diocesan Allowances	82,500	-
Scholars	19,000	21,500
	<u>105,300</u>	<u>30,000</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>13 Creditors</b>		
Audit Fees	6,600	4,200
Accountancy services	2,520	-
Management fees	10,285	-
IT services	2,422	-
Wages and salaries	3,075	-
	<u>24,902</u>	<u>4,200</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>14 Commitments</b>		
The scholarship awards, subject to satisfactory review, will be paid as follows:		
<i>Within one year:</i>		
one term of academic year 2023/24	<u>16,000</u>	<u>16,500</u>
<i>Beyond one year:</i>		
two terms of academic year 2024/25	21,000	8,500
academic year 2025/26	11,000	15,000
academic year 2026/27	11,000	-
academic year 2027/28	5,000	-
	<u>48,000</u>	<u>23,500</u>

#### **15 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.

## THE FOUNDATION OF ST MATTHIAS

### Notes to the accounts

#### For the year ended 31 December 2022 (cont)

For the year ended 31 December 2022 £358,774 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 £741,168 from the Unapplied Total Return to the Fund for Investment.

	<b>Fund for Investment £</b>	<b>Unapplied Total Return £</b>	<b>Total Endowment £</b>
As at 1 January 2022	7,038,629	2,309,526	9,348,155
Investment return: dividends and interest	-	242,249	242,249
Investment management costs	-	-	-
Investment return:			
Losses on investment	-	(1,136,100)	(1,136,100)
Recoupment of trust for investment	741,168	(741,168)	-
Unapplied total return allocated to income in the reporting period	-	(358,774)	(358,774)
<b>As at 31 December 2022</b>	<b>7,779,797</b>	<b>315,734</b>	<b>8,095,530</b>

#### Comparative Figures

	<b>Fund for Investment £</b>	<b>Unapplied Total Return £</b>	<b>Total Endowment £</b>
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)
<b>As at 31 December 2021</b>	<b>7,038,629</b>	<b>2,309,526</b>	<b>9,348,155</b>

	<b>2022 £</b>	<b>2021 £</b>
<b>Represented by</b>		
CBF Funds	8,191,071	9,367,755
Investec Wealth	-	-
Other net current assets	(95,541)	(19,600)
	<b>8,095,530</b>	<b>9,348,155</b>

#### 16 The Funds of the Charity

Of the balance on the permanent endowment reserve at 31 December 2022, £3,020,954 (2021 £4,154,463) 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.