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Registered number: 11648710

THE MATRIX.ORG FOUNDATION C.I.C

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021



THE MATRIX.ORG FOUNDATION C.I.C
REGISTERED NUMBER: 11648710

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	179,372	
		<u>179,372</u>	<u>-</u>
Current assets			
Stocks			6,582
Debtors: amounts falling due within one year	5	116,751	58,405
Cash at bank and in hand	6	3,116	983
		<u>119,867</u>	<u>65,970</u>
Creditors: amounts falling due within one year	7	(7,892)	(3,473)
Net current assets		<u>111,975</u>	<u>62,497</u>
Total assets less current liabilities		<u>291,347</u>	<u>62,497</u>
Net assets		<u>291,347</u>	<u>62,497</u>
Capital and reserves			
Profit and loss account		291,347	62,497
		<u>291,347</u>	<u>62,497</u>

THE MATRIX.ORG FOUNDATION C.I.C
REGISTERED NUMBER: 11648710

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

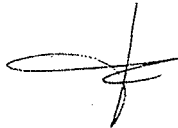
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 July 2022.



A B M Le Pape
Director

The notes on pages 3 to 6 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. General information

The Matrix.org Foundation CIC is a community interest company "CIC" incorporated in England and Wales, registered number 11648710.

The Company is limited by guarantee of members, and does not have any share capital. The liability of the members is limited to £1.

The Company's registered office is 14 Turnham Green, Terrace Mews, London, England; W4 1QU.

The principal object of the Company is to act as neutral custodian for the Matrix protocol, an open source project that publishes the Matrix open standard for secure, decentralised, real-time communication and its Apache licensed reference implementations.

The functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable. Turnover represents both cash and cryptocurrency donations made to the Foundation. Donations of cryptocurrency are recognised at the closing value of the cryptocurrency on the date of the donation.

2.3 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.4 Intangible assets

Cryptocurrencies are initially recognised at cost, deemed to be the closing value of the currency on the date of donation. After recognition, under the cost model, cryptocurrencies are measured at cost less any accumulated amortisation and any accumulated impairment losses. No impairment losses were recognised in the year as the fair value of the cryptocurrencies held at year-end exceeded the cost.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Creditors

Short term creditors are measured at the transaction price.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Directors	5	5

THE MATRIX.ORG FOUNDATION C.I.C

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

4. Intangible assets

	Cryptocurrencies £
Cost	
Additions	179,372
At 31 October 2021	<u>179,372</u>
Net book value	
At 31 October 2021	<u>179,372</u>
At 31 October 2020	<u>-</u>

5. Debtors

	2021 £	2020 £
Other debtors	<u>116,751</u>	<u>58,405</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>3,116</u>	<u>983</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,420	-
Corporation tax	972	973
Accruals	3,500	2,500
	<u>7,892</u>	<u>3,473</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

8. Related party transactions

Included within other debtors is £116,751 (2020: £58,405) owing in from New Vector Limited a company with common directors.

52508/15

CIC 34

Community Interest Company Report

For official use
(Please leave blank)

*Please
complete in
typescript, or
in bold black
capitals.*

Company Name in full THE MATRIX.ORG FOUNDATION C.I.C

Company Number 11648710

Year Ending (31/10/2021)

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

The company exists to act as neutral custodian for the Matrix protocol, an open source project

people should not be locked into centralised communication silos, but instead be free to pick who they choose to host their communication without limiting who they can reach.

The Foundation has been nurturing the Matrix protocol as efficiently as possible as a single unfragmented standard, for the greater benefit of the whole ecosystem, not benefiting or privileging any single player or subset of players.

2020-2021 the activities carried out by the foundation have resulted in the following direct impact on these metrics which reached the following levels at the end of October 2021:

- the number of Matrix-native end-users reachable on the open Matrix network: 40.3 millions, so almost doubled in a year
- the number of regular users on the main matrix.org server (e.g. 30-day retained federated users): 120,000 (doubled in the year)
- the number of online servers in the open federation: 110,000
- the number of open source developers building on Matrix: 3,500
- the number of projects building on Matrix: 500
- the number of companies building on Matrix: ~70

The financial year 2020-2021 also saw the following major events happen, as another proof of the ecosystem's growth and health:

- The German healthcare agency mandated Matrix as a protocol for secure messaging for the entire German healthcare industry (<https://matrix.org/blog/2021/07/21/germanys-national-healthcare-system-adopts-matrix>)
- Native integration of the Gitter platform into Matrix (<https://matrix.org/blog/2020/12/07/gitter-now-speaks-matrix>)
- Hosting FOSDEM, the world's largest and free open source software conference online on Matrix, including 35,000 attendees, 666 talks in a hundred of tracks (<https://matrix.org/blog/2021/02/15/how-we-hosted-fosdem-2021-on-matrix>)

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

- Matrix client developers and testers.
- Spec developers.
- Server admins.
- Matrix packagers & maintainers.
- Companies building products or services on Matrix.
- Bot developers.
- Widget developers.
- Server developers.
- Matrix room and community moderators.
- End-users who are using Matrix indirectly via bridges.
- External systems which are bridged into Matrix.
- Anyone using Matrix for data communications.

The Guardians

The Guardians of the company acting as Directors are responsible for ensuring that the Foundation (and by extension the Spec Core Team) keeps on mission and neutrally protects the development of Matrix. Guardians are typically independent of the commercial Matrix ecosystem and may even not be members of today's Matrix community, but are deeply aligned with the mission of the project. Guardians are selected to be respected and trusted by the wider community to uphold the guiding principles of the Foundation and keep the other Guardians honest.

The Spec Core Team

The contents and direction of the Matrix Spec is governed by the Spec Core Team: a set of experts from across the whole Matrix community, representing all aspects of the Matrix ecosystem. The Spec Core Team acts as a subcommittee of the Foundation.

Members of the Spec Core Team pledge to act as a neutral custodian for Matrix on behalf of the whole ecosystem and uphold the Guiding Principles of the project as outlined above. In particular, they agree to drive the adoption of Matrix as a single global federation, an open standard unencumbered from any proprietary IP or software patents, minimising fragmentation (whilst encouraging experimentation), evolving rapidly, and prioritising the long-term success and growth of the overall network over individual commercial concerns.

Spec Core Team members need to have significant proven domain experience/skill and have had clear dedication and commitment to the project and community for >6 months.

The entire development of the project is done in the open, with iteration and consultation from the community. Among others, any change to the specification needs to follow a very clear process described on <https://matrix.org/docs/spec/proposals>, and key points are that anyone can submit a change, the entire community can feedback on the change, and there is a final comment period of 5 days before the change gets integrated into the protocol.

Examples of communication include: e.g. <https://matrix.org/blog/2022/07/15/this-week-in-matrix-2022-07-15>), weekly videos blogs (e.g. <https://youtube.com/playlist?list=PLI5dnxRMP1hU-MTtGc-XV6fy2jBokDt81>) on the Foundation's YouTube channel (<https://www.youtube.com/c/Matrixdotorg>), and more ad hoc blog posts (e.g. <https://matrix.org/blog/2021/12/22/the-mega-matrix-holiday-special-2021>) listed here <https://matrix.org/blog/archive>. Github and Gitlab platforms etc. and is always happy to answer feedback about how the protocol could be improved.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

No remuneration was received.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration has been made.


(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY (Please note this must be a live signature)

(DD/MM/YY)

The original report must be signed by a director or secretary of the company.

Signed



Date

29/07/2022

Please note that it is a legal requirement for the information provided to be correct and up to date. Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Tel	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House).