

Registered number: 11648710

THE MATRIX.ORG FOUNDATION C.I.C

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023



THE MATRIX.ORG FOUNDATION C.I.C

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE MATRIX.ORG FOUNDATION C.I.C FOR THE YEAR ENDED 31 OCTOBER 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Matrix.org Foundation C.I.C for the year ended 31 October 2023 which comprise the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of The Matrix.org Foundation C.I.C, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of The Matrix.org Foundation C.I.C and state those matters that we have agreed to state to the Board of Directors of The Matrix.org Foundation C.I.C, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Matrix.org Foundation C.I.C and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The Matrix.org Foundation C.I.C has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of The Matrix.org Foundation C.I.C. You consider that The Matrix.org Foundation C.I.C is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of The Matrix.org Foundation C.I.C. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Haysmacintyre LLP

Haysmacintyre LLP

10 Queen Street Place
London
EC4R 1AG
18 July 2024

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	151,421	179,372
		<u>151,421</u>	<u>179,372</u>
Current assets			
Stocks		3,097	-
Debtors: amounts falling due within one year	5	254,001	-
Cash at bank and in hand	6	230,172	271,100
		<u>487,270</u>	<u>271,100</u>
Creditors: amounts falling due within one year	7	(363,981)	(118,753)
Net current assets		<u>123,289</u>	<u>152,347</u>
Net assets		<u><u>274,710</u></u>	<u><u>331,719</u></u>
Capital and reserves			
Profit and loss account		274,710	331,719
		<u><u>274,710</u></u>	<u><u>331,719</u></u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2023

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 by:

DocuSigned by:

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A B M Le Pape
Director

Date: 18 July 2024

The notes on pages 4 to 8 form part of these financial statements.

THE MATRIX.ORG FOUNDATION C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

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 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Functional and presentation currency

The Company's functional and presentational currency is GBP

THE MATRIX.ORG FOUNDATION C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

2. Accounting policies (continued)

2.3 Revenue

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.

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, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Membership income

Turnover represents membership income which is recognised when the following criteria are met:

- there is a legally enforceable agreement between the Company and member, outlining the rights and obligations of both parties
- the membership agreement is reliably measurable
- the Company considers that economic benefits will flow from the membership arrangement.

Membership fees are recognised as income on a straight-line basis over the membership period.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Taxation

Tax is recognised in profit or loss 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.

THE MATRIX.ORG FOUNDATION C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 Debtors

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

2.10 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.

2.11 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:

	2023 No.	2022 No.
Directors	5	5

THE MATRIX.ORG FOUNDATION C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

4. Intangible assets

	Cryptocurrencies £
Cost	
At 1 November 2022	179,372
Disposals	(27,951)
At 31 October 2023	<u>151,421</u>
Net book value	
At 31 October 2023	<u>151,421</u>
At 31 October 2022	<u>179,372</u>

5. Debtors

	2023 £	2022 £
Trade debtors	197,498	-
Other debtors	53,188	-
Accrued income	3,315	-
	<u>254,001</u>	<u>-</u>

6. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>230,172</u>	<u>271,100</u>

THE MATRIX.ORG FOUNDATION C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	19,641	1,127
Corporation tax	-	167
Other creditors	195,588	114,009
Accruals	148,752	3,450
	<u>363,981</u>	<u>118,753</u>

8. Related party transactions

Included within other creditors is £195,589 (2022: creditors of £114,009) owing to New Vector Limited, a company with common directors.

7 00054/15

CIC 34

Community Interest Company Report

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	(31/10/2023)

(The date format is required in full and should match the date of the accounts e.g. 31st March 2020)

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.

(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 that publishes the Matrix open standard for secure, decentralised, real-time communication and its Apache licensed reference implementations.

We believe that people should have full control over their own communication and that 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.

We use several metrics to monitor the health of the ecosystem and during the financial year 2022-2023, the activities carried on by the Foundation have benefited the community with a direct impact on these metrics which reached the following levels at the end of October 2023:

- the number of Matrix-native end-users reachable on the open Matrix network: 118 million
- the number of regular users on the main matrix.org server: 234,000
- the number of online servers in the open federation: 120,000
- 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 2022-2023 also saw the following major events happen, as another proof of the ecosystem's growth and health:

- Realizing the promises of Matrix 2.0, bringing greater stability, performance, and usability, through development on core libraries (<https://matrix.org/blog/2023/09/matrix-2-0/>)
- Enlisting Josh Simmons as the Foundation's first Managing Director (<https://matrix.org/blog/2023/09/introducing-josh-simmons-managing-director/>)
- Introduced a membership program and framework for open governance (<https://matrix.org/blog/2023/06/membership-program/>)

(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 – A “stakeholder” is any person or

organisation affected by the company’s activities. Please indicate who the company’s stakeholders are; how the stakeholders have been consulted and what action has the company taken in response to feedback from its consultations. If there has been no consultation you must state ‘There has been no stakeholder consultation held’.

The company’s stakeholders are defined as anyone in the Matrix ecosystem who uses the Matrix protocol. This includes (non-exhaustively):

- End-users of Matrix clients.
- Matrix client developers and testers.
- Spec developers.
- Server admins.
- Matrix packagers & maintainers.
- Companies building products or services on Matrix.
- Bridge developers.
- 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://spec.matrix.org/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.

The Foundation is also regularly updating its stakeholders and community through various channels: weekly blog posts (e.g. <https://matrix.org/blog/2023/10/27/this-week-in-matrix-2023-10-27/>), weekly videos blogs (e.g. <https://www.youtube.com/playlist?list=PLI5dnxRMP1hWycy97GpncT3G3KaFn1MI6>) on the Foundation's YouTube channel (<https://www.youtube.com/@Matrixdotorg>), and more ad hoc blog posts (e.g. <https://matrix.org/blog/2022/12/25/the-matrix-holiday-update-2022/>) listed here <https://matrix.org/blog>, 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 – Please indicate below any remuneration the directors have received. Alternatively if you have provided full details in your accounts then you do not need to disclose it here but you must explain in the space below where they are found within the accounts. If no remuneration was received you must state that "no remuneration was received by the directors" below.

No remuneration was received by the directors.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration to an asset locked body or for the benefit of the community. This must include the amount, or contain a fair estimate of the value, of such transfer. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

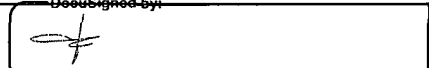
No transfer of assets other than for full consideration has been made.

(Please continue on separate continuation sheet if necessary.)

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

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

Signed

DocuSigned by:

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Date

18 July 2024

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

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.

Amandine Le Pape (Guardian)	
+44 7715 212960	
Email: amandine@element.io Tel:	
DX Number	DX Exchange

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

For companies registered in England, Scotland, Wales and Northern Ireland:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

Please ensure the company name is consistent with the company name entered on the accounts. (N.B. Please enclose a cheque for £15 payable to Companies House).