

The Pixel Fund
Report and Financial Statements
Year ended 5 April 2021

Charity no. 1191052

The Pixel Fund

Trustees

Jim Hitch – Secretary
Kate Ferrie – Trustee
Sandy Thomson - Trustee

Address

9 Southlands Road
Bromley
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Charity no. 1191052

Independent Examiner

Natalie Green
Natalie Green & Co
Chartered Accountants
7G Mobbs Miller House
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Bankers & Investment Managers

Cazenove Capital
1 London Wall Place
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Solicitors

Hewitsons LLP
Elgin House
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The Pixel Fund

Report of the Trustees for the year ended 5 April 2021

The Trustees present their annual report and financial statements of the Charity for the year ended 5 April 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the Charity.

Structure and presentation

This Charitable Incorporated Organisation (CIO) is governed by a Constitution and was registered by The Charity Commission on 27 August 2020. It is the successor to an unincorporated charity, also called The Pixel Fund, which had been registered in 2011 (Charity no. 1139878). The transfer of undertaking and assets to the CIO was authorised by The Charity Commission and effected on 5 October 2020. The old charity was removed from the Register of Charities by the amalgamation and has since been dissolved.

To aid comprehension of the activities and development of the organisation, this report and the financial statements have been prepared as though the CIO had been in operation throughout the years ended 5 April 2021 and the current year and comparative information has been presented on this basis.

Objectives and activities for Public Benefit

The Pixel Fund provides grants to other charities, based and operating in the UK. The Charity concentrates on grants to improve the mental health and mental wellbeing of children and young adults. The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit when exercising their powers and duties.

The Trustees review the grant giving policies, the requirements that successful applicants should meet and the criteria for measuring the success of the Charity's activities, on an annual basis. They have established a preference for making grants to fund specific projects that will provide a measurable difference to the recipient charities' beneficiaries. In particular, this will ensure that grants enhance the delivery of public benefit.

The Trustees actively research suitable charities that would benefit from grants and also receive numerous unsolicited enquiries from potential beneficiaries. They also consider requests for follow-on grants from charities that have been supported by The Pixel Fund previously. It is not, generally, The Pixel Fund's policy to make multi-year commitments.

Each potential grantee and the proposed projects are assessed thoroughly by the Trustees. They take a very proactive approach in feeding back how grantees might better meet The Pixel Fund's objectives. A detailed formal application is required before the Trustees commit finally to the disbursement of a grant. The Trustees aim to distribute grants at least to the value of investment income earned in the year.

Details of eligibility and how to apply for grants are available on The Pixel Fund website, www.pixelfund.org.uk.

The Pixel Fund

Report of the Trustees for the year ended 5 April 2021

(continued)

Objectives and activities for Public Benefit (continued)

As a condition of the grants, beneficiaries are required to submit feedback on the progress of the projects supported and the Trustees actively assess the effectiveness of the use of their funds. In this way, the Trustees monitor the success of the grant programme against their original assessments and benchmarks. The Trustees have endeavoured to minimise the effect on operations of the Covid-19 pandemic.

The Trustees are satisfied that The Pixel Fund's operations will continue as a going concern for a period exceeding twelve months beyond the date of signing these financial statements.

Financial review of the year

Donations totalling £140,933 were received from Members during the year (2020 - £117,250).

The Trustees have appointed Cazenove Capital as investment managers. They have been instructed to preserve the real capital value of the fund over the long term, growing the portfolio at a higher rate than available from a bank deposit, whilst generating a sustainable income distribution. The Trustees are satisfied with the distributed income performance, which produced investment income of £70,803 (2020 - £72,600). This was in line with expectations at around 4% of the opening investment value, as last year. The capital value of the portfolio recovered significantly during the year, as financial markets corrected their initial reaction to the Covid-19 pandemic. Unrealised investment gains were £315,802 (2020 - unrealised losses of £239,565). This volatility is difficult to manage, but is to be expected from the continuing uncertainty in world economic prospects. The portfolio's value has continued to strengthen since the year end.

Grant expenditure has decreased this year, with grants totalling £94,950 compared with £132,828 in 2020 as timescales have been lengthened by the impact of the Covid-19 pandemic. The average grant value has also reduced, by 23% (2021: £3,798, 2020: £4,920), whilst the number of grants has decreased by 7% (2021: 25, 2020: 27). The value of grants disbursed has again exceeded investment return, but the in year donations have extended capacity. The Trustees will keep the extent of annual grant making under review.

The Trustees are satisfied with the range of charities and beneficiaries supported and consider that the variety of grantees is a major strength of The Pixel Fund. Recipients of larger grants (£5,000 and above) included Alder Hey Children's Charity, Camden Psychotherapy Unit, Gloucestershire Counselling Service, Maytree Respite Centre, Rainbow Trust Children's Charity, Support Dogs and Young Minds. In addition, smaller grants were made to 18 charities, amounting to £44,950 in total. Further details of the activities supported by The Pixel Fund are set out on the website.

The Trustees are encouraged by the impact they have achieved through the grants advanced and consider that, overall, funds have been applied effectively. Total grants distributed from the inception of The Pixel Fund to 5 April 2021 amounted to £988,868.

The Pixel Fund

Report of the Trustees for the year ended 5 April 2021

(continued)

Risk management

The Trustees have considered the major risks to which the Charity is exposed and in response, have developed systems and procedures to manage those risks.

The Trustees consider exposure to volatility in investment returns to be the most significant risk. This is mitigated by the use of expert investment managers. In addition, in accordance with the provisions of the Constitution, the Trustees may use the capital of the Charity, as well as income, to promote its objects. This enables the Trustees to stabilise the funds available for grant making.

Governance and Management

The Charity does not fundraise actively and seeks to continue its charitable work through the careful stewardship of its resources.

The Trustees follow The Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Public Benefit: running a charity'. At Trustee meetings, they agree the strategy and areas of activity, considering grant making, investment, reserves and risk management and performance.

The current Trustees are set out on Page 2. The Constitution provides for a minimum of three Trustees and a maximum of eight. All Trustees are members of the CIO, together with Debbie and Tim James who were the original Settlers. They resigned as Trustees prior to the transfer to the CIO. New Trustees are selected for their suitability and expertise and are required to confirm their willingness to act and their commitment to giving of their time to the furtherance of the objectives of the Charity. They are appointed by resolution of the Trustees, for an initial three-year term, renewable for one further term or, in exceptional circumstances, for a third term.

After successful interviews, observing at Trustee meetings to learn more of the Trustee role and the Charity's activities and the take up of references, Sandy Thomson was appointed on 1 May 2020. Having previously been a Trustee of the unincorporated charity, Jane Hives continues to act as the Treasurer of the CIO as a volunteer and might be regarded as a de facto Trustee.

Jim Hitch was originally contracted to provide consultancy services and he carries out the day-to-day administration of the Charity. Independent of his consultancy, the Trustees subsequently considered his suitability to be a Trustee and following the Charity's formal processes, Jim was appointed. Consultancy charges for his administrative support during the year amounted to £7,323 (2020 - £7,889). There are no other related party transactions save for donations from Members as explained above.

The Trustees give their time freely and are not remunerated in any way for discharging their responsibilities and services as Trustees, nor are expenses paid. Should any matters arise in which a Trustee might have a personal interest, or which might lead to a conflict of interest, they are required to disclose full details prior to the start of each Trustees' meeting and will not vote in related decisions.

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Report of the Trustees for the year ended 5 April 2021

(continued)

Reserves policy and plans for the future

The Trustees have considered carefully the level of free reserves of £1,910,689 to be retained at this still early stage in the development of the Charity. They have concluded that it is important to retain reserves to be able to continue to advance grants to worthwhile causes in future years. It is anticipated that, in future, grant distributions will continue broadly in line with forecast annual income.

Trustees' responsibility in relation to the financial statements

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the applicable Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 4 February 2022 and signed on their behalf by:

Kate Ferrie
Trustee

The Pixel Fund

Independent Examiner's Report on the accounts for the year ended 5 April 2021

I report on the accounts of the charity for the year ended 5 April 2021, which are set out on pages 8 to 14.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Natalie Green
Chartered Accountant
7G Mobbs Miller House
Christchurch Road
Northampton NN1 5LL

Date: 4 February 2022

The Pixel Fund
Statement of Financial Activities
For the year ended 5 April 2021

	Note	2021 £	2020 £
Income			
Donations		140,933	117,250
Investment income	3	70,803	72,600
Total income		<u>211,736</u>	<u>189,850</u>
Expenditure			
Expenditure on raising funds	4	5,054	5,189
Expenditure on charitable activities	5	108,179	141,317
		<u>113,233</u>	<u>146,506</u>
Net gains/(losses) on investment assets	7	315,802	(239,565)
Net income/(expenditure) for year		<u>414,305</u>	<u>(196,221)</u>
Total funds brought forward		1,496,384	1,692,605
Total funds carried forward		<u>1,910,689</u> =====	<u>1,496,384</u> =====

The Pixel Fund

Balance Sheet at 5 April 2021

	Note	2021 £	2020 £
Fixed assets:			
Tangible assets	6	-	-
Investments	7	1,849,258	1,472,512
Total fixed assets		<u>1,849,258</u>	<u>1,472,512</u>
Current assets:			
Debtors	8	25,150	-
Cash at bank		39,545	27,092
Total current assets		<u>64,695</u>	<u>27,092</u>
Liabilities:			
Creditors falling due within one year	9	3,264	3,220
Net Current assets		<u>61,431</u>	<u>23,872</u>
Net assets		<u>1,910,689</u> =====	<u>1,496,384</u> =====
The funds of the Charity:			
Unrestricted income funds		1,910,689	1,496,384
Total Charity funds		<u>1,910,689</u> =====	<u>1,496,384</u> =====

The notes at pages 10 to 14 form part of these accounts.

These financial statements have been prepared in accordance with Charities SORP (FRS102).

Approved by the Trustees on 4 February 2022 and signed on their behalf by:

Kate Ferrie
Trustee

The Pixel Fund

Notes to the accounts for the year ended 5 April 2021

1. Accounting Policies

(a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

This CIO was set up as successor to, and has been amalgamated with, an unincorporated charity (also called The Pixel Fund) receiving its undertaking and assets as of 5 October 2020. To aid comprehension of the activities and development of the organisation, the financial statements have been prepared as though the CIO had been in operation throughout the years ended 5 April 2021 and the current year and comparative information has been presented on this basis.

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

(b) Funds structure

All funds are unrestricted, so that the Trustees are free to use them for any purpose in furtherance of the charitable objects.

(c) Income recognition

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt so it is probable that the income will be received and the amount of income can be measured reliably.

Donations are recognised as receivable, when notified in writing as to amount and settlement date. No donations have been subject to conditions.

Unit trust distributions and interest on funds held on deposit are included upon notification from the Investment Managers and Bankers respectively.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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 in the statement of financial activities, as explained in more detail in note (f) below.

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Notes to the accounts for the year ended 5 April 2021

(continued)

1. Accounting Policies (continued)

Grants payable are payments made to third parties in the furtherance of the charitable objects of The Pixel Fund. Unconditional grants are accrued once the recipient has been notified of the grant award. Conditional and multi-year grants are accrued when the recipient has been notified and has a reasonable expectation that they will receive the grant and any condition attaching to the grant is outside of the control of The Pixel Fund.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of the grant payable.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(f) Allocation of support and governance costs

Governance costs comprise all costs related to the public accountability of the Charity and its compliance with regulation and good practice. They include the costs of the independent examination of these financial statements and certain legal and advisory fees, together with an apportionment of overhead and support costs relating to Trustee meetings.

Governance costs and support costs are allocated to the costs of grant making.

(g) Costs of raising funds

The costs of raising funds consist of investment management fees and certain legal fees.

(h) Charitable activities

The expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs.

(i) Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is charged as soon as the asset is brought into use on a straight-line basis over their estimated useful life of two years.

(j) Fixed asset investments

Investments 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 Pixel Fund does not acquire or use any complex financial instruments.

The Pixel Fund

Notes to the accounts for the year ended 5 April 2021

(continued)

1. Accounting Policies (continued)

(k) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2. Trustees' remuneration and related party transactions

The Trustees received no remuneration and no Trustee expenses were payable in respect of their duties as Trustees. As more fully explained in the Trustees' Report, Jim Hitch was contracted to provide consultancy services from 6 April 2016, for administrative support to the Charity. This engagement predated and is independent of his appointment as a Trustee. Consultancy charges for this administrative support during the year amounted to £7,323 (2020 - £7,889). There are no other related party transactions save for donations made by Members.

The Charity has no employees.

3. Investment income

	2021 £	2020 £
Interest on cash deposits	4	108
Unit trust distributions	70,799	72,492
	<u>70,803</u>	<u>72,600</u>
	=====	=====

4. Expenditure on raising funds

	2021 £	2020 £
Investment management fees	5,054	5,189
	=====	=====

The Pixel Fund

Notes to the accounts for the year ended 5 April 2021

(continued)

5. Expenditure on charitable activities

	2021	2020
	£	£
Governance costs allocated to grant making:		
Consultancy services – administrative support	7,323	7,889
Legal and advisory fees - set up of CIO	5,246	-
Independent examiner's remuneration	660	600
	<u>13,229</u>	<u>8,489</u>
Grants	94,950	132,828
Total costs of grant making	<u>108,179</u> =====	<u>141,317</u> =====

6. Tangible fixed assets

	2021	2020
	£	£
Movement in computer equipment:		
Cost brought and carried forward	879	879
Depreciation brought and carried forward	<u>(879)</u>	<u>(879)</u>
Net book amount as at 5 April 2021	<u>-</u> =====	<u>-</u> =====

7. Fixed asset investments

	2021	2020
	£	£
Movement in fixed asset investments		
Market value brought forward 6 April 2020	1,472,512	1,669,844
Additions at cost	100,227	88,313
Deduct proceeds of investments sold	(51,117)	(50,550)
Cash added to the investment pool	11,834	4,470
Net gain/(loss) on revaluation	315,802	(239,565)
Market value as at 5 April 2021	<u>1,849,258</u> =====	<u>1,472,512</u> =====
Investments at market value comprised:	2021	2020
	£	£
Cazenove Capital Charity Multi-Asset Fund	1,815,042	1,450,130
Cash held within the investment portfolio	34,216	22,382
	<u>1,849,258</u> =====	<u>1,472,512</u> =====

All investments are carried at their fair value and the Cazenove Capital Charity Multi-Asset Fund is valued at the bid price. Asset purchases and sales are recognised at the date of trade at cost and proceeds respectively, being their transaction value.

The Pixel Fund
Notes to the accounts for the year ended 5 April 2021
(continued)

8. Analysis of current assets

	2021 £	2020 £
Other debtors	25,150 =====	- =====

9. Analysis of current liabilities

	2021 £	2020 £
Accrued payments	3,264 =====	3,220 =====

10. Going concern

The Trustees are satisfied that The Pixel Fund's operations will continue as a going concern for a period exceeding twelve months beyond the date of signing these financial statements.