PEGASUS

(Registered Charity No. 1175685)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PEGASUS

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PEGASUS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the financial statements of Pegasus ("the Charity" or "the Trust") for the year ended 31 December 2020. These have been prepared in accordance with the accounting policies set out on pages 11 - 13 and comply with the trust deed and applicable charity law. The comparative information for the year ended 31 December 2019 is unaudited as permitted by the Charities Act 2011.

The financial statements comply with the Charities Act 2011, the Charity's trust deed dated 24 October 2017 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 issued in October 2019 ("Charities SORP (FRS 102)").

1. REFERENCE AND ADMINISTRATIVE DETAILS

Pegasus, registered charity number 1175685, is based and administered in the United Kingdom. The registered office is Eighth Floor, 6 New Street Square, London, EC4A 3AQ.

Trustees:

The names of the Trustees who served throughout the year and continue to serve at the date of the report's approval are:

- Emma Jeffrey
- Samantha Engbarth
- Jane Kenyon (retired and reappointed 17 October 2020)

Bankers:

Handelsbanken, 1 Cresswell Park, London, SE3 9RD

Accountants:

Rawlinson & Hunter LLP, Eighth Floor, 6 New Street Square, London, EC4A 3AQ

Auditor:

Rawlinson & Hunter Audit LLP, Eighth Floor, 6 New Street Square, London, EC4A 3AQ

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was established by a Declaration of Trust dated 24 October 2017 and registered with the Charity Commission on 10 November 2017 as an unincorporated charitable trust governed by the proper law of England and Wales.

The entire resources of the Charity have been unrestricted throughout the year and the Trustees have complete discretion for the use of the funds in pursuance of the Charity's objectives.

The management of the Charity is conducted solely by the Trustees.

The Trustees' investment powers are unrestricted.

The Trustees shall hold at least two meetings in each calendar year.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The number of Trustees shall be a minimum of two at any one time. Future Trustees may be appointed by deed following a resolution of existing Trustees. With the exception of the original Trustees, each Trustee shall retire from office after a term of three years. Retiring Trustees may be re-appointed.

Induction and Training

Should new Trustees be appointed, a formal induction process will be conducted by the Trustees. Other Trustee training is undertaken as and when appropriate. All Trustees are aware of their legal duties and obligations in respect of the management of the Trust, including in relation to the protection of its assets.

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Annual Report of the Trustees 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 and Wales requires the Trustees to prepare financial statements for each financial 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 in the Charities SORP (FRS 102);
- 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 the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Internal Controls

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of internal controls. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements follow best practice and all applicable law regulation and guidance. The Trustees are also responsible for the Trust safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management

A risk assessment has been undertaken which comprises:

- An annual review of the risks the Trust may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This continuing process will identify risk areas to which the Charity is vulnerable and highlight any necessary safeguards that will need to be put in place. No major risks were identified at the date of these financial statements.

The Trustees have signed fit and proper declarations in line with HMRC guidance.

Fundraising

The Trustees have referred to the Code of Fundraising Practice ("the Code") which was developed by the fundraising community through the work of the Institute of Fundraising and Public Fundraising Association, and the Guidance on Charities and Fundraising issued by the Charity Commission ("CC20"). They confirm that the new Code and CC20 have no impact on the Charity as it does not engage in any public fundraising activities.

3. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objectives of the Trust are to advance such charitable purposes (according to the law of England and Wales) as the Trustees see fit from time to time.

The Trust is established for general charitable purposes and will operate as a grant making charity, supporting charitable projects, organisations and individuals with grants of varying sizes and durations.

The Trustees must apply the income and at their discretion all or part of the capital of the Charity in promoting the objects in any part of the world as the Trustees may, at their discretion, think fit.

Grant Making Policy

The Trustees' grant making policy is to generally consider making donations by way of direct funding and grants to charitable organisations. The recipient projects must be seen as exclusively charitable under English law. The Charity intends to put in place sound grant arrangements so that it can properly select appropriate grantees and impose prudent terms on grants, including appropriate monitoring and evaluation of the way in which funds are applied by grantees.

3. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT (continued)

Statement of Public Benefit

The Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to it.
consider the information which follows in this annual report, about the Trust's aims, activities and achievements in the areas of interest that the Charity supports demonstrates the benefit to its beneficiaries and through them to the Public, that arise from those activities.

4. ACHEIVMENT AND PERFORMANCE

Charitable Activities

For the year ended 31 December 2020 nine charitable donations have been made (*2019 – three*) (refer to Note 3 for details). The Trustees' grant making policies are set out in section 3 of this report.

5. FINANCIAL REVIEW

Incoming resources totalled £5,000,595 (*2019 - £3,120*). The Charity's income was received from voluntary donations and deposit interest.

Charitable activities totalled £65,774 (*2019 - £58,010*) relating to charitable expenditure and governance costs incurred during the year. Governance costs relate to accountancy and audit fees (2019 also included the costs of a philanthropy workshop).

The balance of unrestricted reserves at 31 December 2020 is £5,316,381 (*2019 - £381,560*).

Investment Policy

The Trustees' current investment policy is to invest in cash assets. The Trustees will keep this investment policy under review.

Reserves Policy

The Trustees have no outstanding commitments or cash demands which are not adequately covered by existing resources. The net assets of the Charity are regarded as free reserves and the funds at 31 December 2020 will be retained to make grants in accordance with the Charity's charitable objects.

The Trustees will adopt a specific reserves policy in future years.

6. PLANS FOR THE FUTURE

The Trustees do not propose to deviate from the current objectives and activities of the Charity as detailed in section 3 of this report but will further develop and refine their strategies, policies and procedures in future.

7. AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution will be proposed at the Trustees' Meeting that Rawlinson & Hunter Audit LLP be re-appointed as auditor to the Charity for the ensuing year.

Approved by the Trustees on
and signed on their behalf by:

Emma Jeffrey
22 September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PEGASUS

Opinion

We have audited the financial statements of Pegasus ("the Charity" or "the Trust") for the year ended 31 December 2020 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), Balance Sheet and notes to the financial statements, including 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 as at 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for 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 other information comprises the information included in the Report of the Trustees and Financial Statements, other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PEGASUS

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- the Charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, 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 the Trustees 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 when 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our assessment of the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively simple operation model and low number of transactions within the Charity there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- discussions with the Trustees involved in the risk and compliance functions including consideration

of known or suspected instances of non-compliance with laws and regulation and fraud;

Auditor's responsibilities for the audit of the financial statements (continued)

- the analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charity during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charity for previously unreported related party transactions;
- reviewing correspondence in respect of donations to the Charity during the year to ensure accounted for correctly under the Charities SORP (FRS 102);
- reviewing correspondence and Agreement between the Charity and its Grantees, and discussions with the management in relation to their compliance with laws and regulations;
- Review of the Trustees' meeting minutes to identify unrecorded transactions; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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/auditorsresponsibilities. This description forms part of our Auditor's Report.

Other matters

We draw to your attention the fact that the financial statements of the Charity for the year ended 31 December 2019 were unaudited. We have obtained sufficient and appropriate evidence to ensure that the opening balances do not contain misstatements that materially affect the current year's financial statements.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Rawlinson & Hunter Audit LLP
22 September 2021

Rawlinson & Hunter Audit LLP
Statutory Auditor & Chartered Accountants
Eighth Floor
6 New Street Square, New Fetter Lane
London
EC4A 3AQ
Date:

Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

PEGASUS

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds	
	Page	**2020**	**2019**
		£	**£**
Income from:			
Donations (note 2)	13	5,000,000	-
Deposit interest		595	3,120
Total income (note 1)	12	5,000,595	3,120
Expenditure on:			
Charitable activities (note 3)	13	65,774	58,010
Total expenditure		65,774	58,010
Net income / (expenditure)		4,934,821	(54,890)
Reconciliation of funds:			
Resources brought forward at 1 January 2020		381,560	436,450
Resources carried forward at 31 December 2020	10	£ 5,316,381	£ 381,560

There are no recognised gains or losses other than those included in the Statement of Financial Activities.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 14 form part of these financial statements.

PEGASUS

BALANCE SHEET

AT 31 DECEMBER 2020

		Unrestricted Funds	
	Page	**2020**	**2019**
		£	**£**
CURRENT ASSETS			
Cash at bank (note 4)	14	5,344,881	383,360
		5,344,881	383,360
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year (note 5)	14	(28,500)	(1,800)
TOTAL NET ASSETS		£ 5,316,381	£ 381,560
Represented by:			
Unrestricted Funds	9	£ 5,316,381	£ 381,560

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:

Emma Jeffrey
22 September 2021

Trustee
September 2021

The notes on pages 11 to 14 form part of these financial statements.

PEGASUS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

General information

Pegasus ("the Trust" or "the Charity") is a registered charity (charity number 1175685).

The Trust was established for general charitable purposes and operates as a grant making charity, supporting charitable projects, organisations and individuals with grants of varying sizes and durations.

The Trustees must apply the income and at their discretion all or part of the capital of the Charity in promoting the objects in any part of the world as the Trustees may, at their discretion, think fit.

The address of the registered office is given on page 1 of these financial statements.

Basis of accounting

The accounting policies set out below have been agreed by the Trustees on the basis that they will be adopted as they become relevant.

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.

The financial statements are prepared on a going concern basis and under the historical cost convention.

The financial statements are prepared in Sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The Covid-19 pandemic has created significant operational and financial pressures on global economies. Having considered the contingency plans in place, the Trustees consider that given the substantial net asset base of the Charity and its ability to manage its grant making within the resources available to it, there are no material uncertainties about the Charity's ability to continue as a going concern. They therefore consider the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

1. ACCOUNTING POLICIES (continued)

Incoming resources

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the Charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to make the payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable activities comprise grants and donations recognised during the year.

Governance costs relate to the general running of the Trust, as opposed to the management functions inherent in generating funds and are included in Charitable Activities.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially at transaction cost and subsequently at amortised cost, where appropriate.

Status of funds

The entire resources of the Trust are unrestricted and the Trustees have complete discretion for their use in pursuance of their objectives.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised as expenditure.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are within borrowing in current liabilities.

Provisions

Provisions are recognised when the Trust has an obligation at the Balance Sheet date as a result of a past event, it is probable that an outflow of economic benefit will be required in settlement and the amount can be reliably estimated.

1. ACCOUNTING POLICIES (continued)

Taxation

The Charity is not subject to any taxes on its charitable activities.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

	Page	Unrestricted Funds 2020	2019
		£	£
2. INCOME FROM LEGACIES AND DONATIONS			
Legacy income	9	£ 5,000,000	£ -

3. CHARITABLE ACTIVITIES

The following grants were awarded to charitable institutions during the year ended 31 December 2020:

Arts Network (Reg. charity no. 1157803)	24,774	20,000
Changing Faces (Reg. charity no. 1011222)	20,000	20,000
Langa Langa Scholarship Fund (Reg. charity no. 1076360)	10,000	10,000
St Mungo's (Reg. charity no. 1149085)	1,000	-
Shelter (Reg. charity no. 263710)	1,000	-
Crisis (Reg. charity no. 1082947)	1,000	-
Big Issue Foundation (Reg. charity no. 1049077)	1,000	-
Centrepoint (Reg. charity no. 292411)	1,000	-
	59,774	50,000
Governance costs		
Accountancy fees	3,000	4,020
Audit fees	3,000	-
Trustee philanthropy workshop	-	3,990
	6,000	8,010
Total Charitable Activities 9	65,774	£ 58,010

		Page	Unrestricted Funds 2020	2019
4.	**CASH AT BANK**		**£**	**£**
	Handelsbanken		5,344,881	-
	Nedbank Deposit		-	337,767
	Nedbank		-	45,593
		10	£5,344,881	£ 383,360

5. CREDITORS - amounts falling due within one year

Commitments due within one year		24,000	-
Accountancy fees		1,500	1,800
Audit fees		3,000	-
	10	£ 28,500	£ 1,800

6. CONTINGENT ASSETS – LEGACY INCOME

During the year the Charity has been notified of a significant legacy where the total value of the estate is uncertain as the executors had not yet completed dissolving the estate as at the date of signing these accounts. Therefore no amount has been accrued in respect of this legacy.

7. FINANCIAL INSTRUMENTS

The carrying amounts of the Charity's financial instruments are as follows:

	31 December 2020	31 December 2019
	£	**£**
Financial assets		
Measured at fair value	5,344,881	383,360
Financial liabilities		
Creditors (note 5)	4,500	1,800

Financial assets measured at fair value relate to cash at bank of £5,344,881 (*2019: £383,360*).

8. RELATED PARTY TRANSACTIONS

During the year to 31 December 2020, the Charity received a legacy of £5m from the estate of Mr P Jeffrey, father of one of the Trustees (*2019 - £Nil*).

No Trustee received any remuneration or reimbursement of expenses during the year to 31 December 2020 (*2019 - £Nil*).