PEGASUS

(Registered Charity No. 1175685)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PEGASUS

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PEGASUS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and the financial statements of Pegasus ("the Charity" or "the Trust") for the year ended 31 December 2021. These have been prepared in accordance with the accounting policies set out on pages 9 - 10 and comply with the trust deed and applicable charity law. The comparative information for the year ended 31 December 2020 was audited.

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

Bankers:

Handelsbanken, 1 Cresswell Park, London, SE3 9RD

Investment Managers and Custodians:

Nucleus, Nucleus HQ, Greenside, 12 Blenheim Place, Edinburgh, EH7 5JH

Accountants:

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

Independent Examiner:

Michael Foster FCCA, CTA, Rawlinson & Hunter 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.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Trustees' investment powers are unrestricted.

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

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 2019 (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.

In addition, the Trustees have taken due consideration of Good Governance – A Code for the Voluntary and Community Sector, ensuring that the seven main principles of the Code are adhered to. These are:

- Organisational purpose;
- Leadership;
- Integrity;
- Decision-making, risk and control;
- Board effectiveness;
- Equality, diversity and inclusion; and
- Openness and accessibility.

The Trustees recognise that good governance plays an essential part in securing the future of the charity and confirm that the said main principles of the Code are followed by them in leading, directing and managing the charity.

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.

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. ACHIEVEMENT AND PERFORMANCE

Charitable Activities

For the year ended 31 December 2021 six charitable donations have been made (2020 – nine) (refer to Note 3 for details). The Trustees' grant making policies are set out in section 3 of this report.

Investments

A summary of the investment movements are set out in Note 4 of these financial statements. The investments are collectively recorded in the Balance Sheet at their market values. Any realised profits or losses on transactions carried out during the year, together with any unrealised increase or decrease in individual values or costs established by the investment managers as at 31 December 2021, are recorded in the Statement of Financial Activities.

The Trustees' aim is to increase the value of assets with an overall target of 3% per annum ahead of inflation, to be measured over rolling five year periods, thereby preserving and growing their value. Inflation is to be measured with reference to the UK Consumer Price Index,

The investment portfolio will be monitored and kept under review by an Investment Advisor. Full valuations and reports will be received from the Investment Advisor relating to each calendar quarter and these will be reviewed by the Trustees formally twice a year. The Trustees will sign off on any advice before a strategy is implemented.

4. ACHIEVEMENT AND PERFORMANCE (continued)

The Charity's investment portfolio was opened in July 2021. During the period to the financial year end of 31 December 2021 the portfolio generated realised gains totalling £931 (*2020 - £Nil*) and unrealised gains of £115,382 (*2020 - £Nil*).

Investment income for the year to 31 December 2021 totalled £7,389 (*2020 - £Nil*).

5. FINANCIAL REVIEW

Incoming resources totalled £120,577 (2020 - £5,000,595). The Charity's income was received from voluntary donations, investment income and deposit interest.

Charitable activities totalled £184,877 (2020 - £65,774) relating to charitable expenditure and governance costs incurred during the year. Governance costs relate to accountancy and independent examiner's fees.

The balance of unrestricted reserves at 31 December 2021 is £5,368,394 (2020 - £5,316,381).

Investment Policy

The Trustees' investment policy was previously to invest in cash assets only. The Trustees have this year opened an investment portfolio. The Trustees will continue to review their investment policy.

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 2021 will be retained to make grants in accordance with the Charity's charitable objects.

The Trustees may 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.

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

Emma Jeffrey
21 September 2022

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF PEGASUS

I report to the charity trustees on my examination of the accounts of Pegasus for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet and the related notes.

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.

Michael Foster
26 September 2022

Michael Foster FCCA, CTA

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

RAWLINSON & HUNTER

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STATEMENT OF FINANCIAL ACTIVITIES

(incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds	
	Page	**2021**	**2020**
		£	**£**
Income from:			
Donations (note 2)	11	113,144	5,000,000
Investments		7,389	-
Deposit interest		44	595
Total income		120,577	5,000,595
Expenditure on:			
Charitable activities (note 3)	11	184,877	65,774
Total expenditure		184,877	65,774
Net (expenditure)/income before net gains on investment assets		(64,300)	4,934,821
Net gains on investment assets (note 4)	12	116,313	-
Net (expenditure)/income		52,013	4,934,821
Reconciliation of funds:			
Resources brought forward at 1 January 2021		5,316,381	381,560
Resources carried forward at 31 December 2021	8	£ 5,368,394	£ 5,316,381

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 9 to 13 form part of these financial statements.

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BALANCE SHEET

AT 31 DECEMBER 2021

		Unrestricted Funds			
	Page	2021		2020	
		£	£	£	£
Fixed Assets					
Investments at market value (note 4)	12		5,224,205		-
Current Assets					
Cash at bank (note 5)	12	258,389		5,344,881	
		258,389		5,344,881	
Current Liabilities					
Creditors: amounts falling due within one year (note 6)	12	(54,200)		(28,500)	
Net Current Assets			204,189		5,316,381
Total Assets less Current Liabilities			5,428,394		5,316,381
Creditors: amounts falling due in more than one year (note 7)	13		(60,000)		-
Total net assets			£5,368,394		£5,316,381
Total Charity Funds	7		£5,368,394		£5,316,381

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

Emma Jeffrey
21 September 2022

Trustee
2022

The notes on pages 9 to 13 form part of these financial statements.

PEGASUS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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, along with the outbreak of war in Ukraine 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.

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.

1. ACCOUNTING POLICIES (continued)

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.

Fixed asset investments

Investments are included at closing mid-market value at the Balance Sheet date. Realised gains and losses on investments are recognised as they arise and any gain or loss on revaluation is taken to the Statement of Financial Activities (SOFA). The determination of any gains and losses is calculated by reference to the value of such assets at the beginning of the accounting period.

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.

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	2021 £	2020 £
2.	**INCOME FROM LEGACIES AND DONATIONS**			
	Legacy income	7	£ 113,144	£ 5,000,000

The trustees anticipate receiving further legacy income in future years, which will be recognised once received.

3. CHARITABLE ACTIVITIES

The following grants were awarded to charitable institutions during the year ended 31 December 2021:

LangaLanga Trust (Reg. charity no. 1076360)	60,000	10,000
St Mungo's (Reg. charity no. 1149085)	30,000	1,000
Big Issue Foundation (Reg. charity no. 1049077)	30,000	1,000
Changing Faces (Reg. charity no. 1011222)	20,000	20,000
Arts Network (Reg. charity no. 1157803)	20,000	24,774
ActionAid (Reg charity 274467)	10,000	-
Shelter (Reg. charity no. 263710)	-	1,000
Crisis (Reg. charity no. 1082947)	-	1,000
Centrepoint (Reg. charity no. 292411)	-	1,000
	170,000	59,774
Governance costs		
Investment management fees	6,699	-
Accountancy fees	5,220	3,000
Independent examination fees	1,800	-
Audit fees	600	3,000
Legal fees	480	-
LEI renewal fee	78	-
	14,877	6,000
Total Charitable Activities	184,877	65,774

4. FIXED ASSET INVESTMENTS

	Page	2021 £	2020 £
Investments at market value comprise:			
Quoted investments within the United Kingdom		5,224,205	-
Total investment assets	8	£5,224,205	£ -
Quoted investments			
Market value at 1 January 2020		-	-
Net investment activity		5,107,892	-
Net realised gains on sales		931	-
Net unrealised gains / (losses) on revaluation		115,382	-
Market value at 31 December 2021		£5,224,205	£ -
Historical cost at 31 December 2021		£5,108,823	£ -
Net gains on investment assets			
Net realised gains on sales		931	-
Net unrealised (losses) / gains on revaluation		115,382	-
Total net gains / (losses) on investment assets	7	£ 116,313	£ -

5. CASH AT BANK

	Page	2021 £	2020 £
Handelsbanken		246,124	5,344,881
Nucleus capital account		12,265	-
	8	£ 258,389	£5,344,881

6. CREDITORS - amounts falling due within one year

	Page	2021 £	2020 £
Commitments due within one year		50,000	24,000
Accountancy fees		2,400	1,500
Audit fees		-	3,000
Independent examination fees		1,800	-
	8	£ 54,200	£ 28,500

	Page	2021	2020

7. CREDITORS - amounts falling due beyond one year

Being commitments due to:

LangaLanga Trust (Reg. charity no. 1076360)		40,000	-
St Mungo's (Reg. charity no. 1149085)		10,000	-
Big Issue Foundation (Reg. charity no. 1049077)		10,000	-
	8	£ 60,000	£ -

8. CONTINGENT ASSETS – LEGACY INCOME

The charity is aware that further funds may be received as the ongoing administration of an Estate, of which the charity is a beneficiary, continues. At this time, the total value of the estate is uncertain. Therefore no amount has been accrued in respect of this legacy.

9. RELATED PARTY TRANSACTIONS

During the year to 31 December 2021, the Charity received a legacy of £113,144 from the estate of Mr P Jeffrey, father of one of the Trustees (*2020 - £5,000,000*).

No Trustee received any remuneration or reimbursement of expenses during the year to 31 December 2021 (*2020 - £Nil*).