PEGASUS

(Registered Charity No. 1175685)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

PEGASUS

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PEGASUS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and the financial statements of Pegasus ("the Charity" or "the Trust") for the year ended 31 December 2023. These have been prepared in accordance with the accounting policies set out on pages 9 - 11 and comply with the trust deed and applicable charity law. The comparative information for the year ended 31 December 2022 was audited.

The financial statements comply with the Charities Act 2011 and where relevant, the Charities Act 2022, 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:

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Accountants:

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

Independent Examiner:

Michael Foster FCCA, Rawlinson & Hunter LLP
Eighth Floor, 6 New Street Square, New Fetter Lane, 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.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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.

During the year one of the Trustees attended a certified Trustee training course offered by Sarasin & Partners LLP.

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

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the 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, where relevant the Charities Act 2022, 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.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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.

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. They 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

During the year ended 31 December 2023 the trustees made one new charitable grant of £20,000 and extended two existing commitments by a total of £4,000. (2022 – pledged four new committments totalling £215,000) Additionally the trustees made payments of £80,000 towards previously committed grants (2022 – £50,000). Note 4 to the Financial Statements lists the grantees. 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 6 of these financial statements. The investments are 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 2023, 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 the Trustees who take advice from the 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)

During the financial year ended 31 December 2023 the portfolios generated no realised gains or losses (2022 – losses of £297,374) and appreciated by £314,655 (2022 – depreciated by £229,326).

Investment income for the year to 31 December 2023 totalled £171,461 (2022 - £87,709).

5. FINANCIAL REVIEW

Incoming resources totalled £171,461 (2022 - £1,173,742). In 2023 there were no legacies received, whilst in 2022 the Charity's income included a legacy of £1,086,033 from the estate of Mr P Jeffrey.

Charitable activities totalled £30,840 (2022 - £225,590) relating to charitable expenditure and support costs incurred during the year. Governance costs relate to audit, independent examination and legal fees.

The balance of unrestricted reserves at 31 December 2023 is £6,246,192 (2022 - £5,786,070).

Investment Policy

The Charity's investment objective is to generate a capital appreciation to the Charity in line with the total return of the broader equity market over the long term, after expenses. This should allow the Charity to maintain the real value of the assets, whilst allowing capital withdrawals to fund its annual expenditure. The Trustees have delegated responsibility of the management of the portfolio to Sarasin & Partners LLP.

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 2023 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 19 September 2024
and signed on their behalf by:



PEGASUS

REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES

I report to the charity trustees on my examination of the accounts of Pegasus ("the charity") for the year ended 31 December 2023 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 FCCA
Chartered Certified Accountant and Independent Examiner
Rawlinson & Hunter
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 2023

		Unrestricted Funds	
	Page	2023	2022
		£	£
Income from:			
Investments (note 2)	11	171,461	87,709
Donations (note 3)	11	-	1,086,033
Total income		171,461	1,173,742
Expenditure on:			
Charitable activities (note 4)	12	30,840	225,590
Raising funds – Investment management fees (note 5)	12	(4,846)	3,775
Total expenditure		25,994	229,365
Net gains/(losses) on investment (note 6)	13	314,655	(526,701)
Net income		460,122	417,676
Net movement in funds		460,122	417,676
Reconciliation of funds:			
Funds brought forward at 1 January 2023		5,786,070	5,368,394
Total funds carried forward at 31 December 2023	8	£ 6,246,192	£ 5,786,070

There are no recognised gains or losses in the years ended 31 December 2022 and 2023 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 14 form part of these financial statements.

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BALANCE SHEET

AT 31 DECEMBER 2023

	Page	Unrestricted Funds 2023		Unrestricted Funds 2022	
		£	£	£	£
Fixed assets:					
Investments (note 6)	13		6,026,105		5,542,213
Current assets:					
Cash at bank (note 7)	13	305,247		411,987	
Current liabilities:					
Creditors: amounts falling due within one year (note 8)	13	(65,160)		(88,130)	
Net current assets			240,087		323,857
Total assets less current liabilities			6,266,192		5,866,070
Creditors: amounts falling due in more than one year (note 9)	13		(20,000)		(80,000)
Total net assets			£6,246,192		£5,786,070
The funds of the charity					
Unrestricted funds			6,246,192		5,786,070
Total charity funds	7		£6,246,192		£5,786,070

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

EMMA JEFFREY
[Trustee Name]

19.9.2024
Date

The notes on pages 9 to 14 form part of these financial statements.

1. ACCOUNTING POLICIES

General information

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

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 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, where relevant the Charities Act 2022, and UK Generally Accepted Accounting Practice.

The Charity constitutes a public benefit entity as defined by FRS 102

The Charity has applied the provisions set out in FRS 102 as published in October 2019 and on that basis does not include a Statement of Cashflow.

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.

In applying the financial reporting framework, the Trustees are required to make a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. The Trustees confirm that they have made no significant estimates and judgements affecting these financial statements.

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.

Investment income is derived from interest and dividends receivable from investments and is accounted for in the period in which the Trust is entitled to receipt. Interest from deposit accounts are included as and when received only

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 committing the Trustees to the expenditure.

Charitable activities include governance costs made during the period and are expended through the SOFA when the offer is conveyed to the recipient.

Cost of raising funds relate to the costs incurred by the Trust in managing its investment portfolios.

Governance costs relating to the general running of the Trust, as opposed to the management functions inherent in generating funds.

Fixed asset investments

Investments are a form of basic financial instrument and 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net (losses)/gains on investments" in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

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 at transaction value, except where settlement is delayed, in which case the transaction is recognised at the present value of the settlement amount.

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.

1. ACCOUNTING POLICIES (continued)

Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from the date of signing of these financial statements. The forecast income and reserves are sufficient to cover all of the budgeted expenditure to be able to continue as a going concern.

The ongoing conflicts in Ukraine and the Middle East and other cost inflationary factors have affected the global economy. Having considered the contingency plans in place and having reviewed updated cashflow forecasts, the Trustees consider the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

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.

2. INCOME FROM INVESTMENTS

	Page	2023	2022
		£	£
Accumulation dividends		162,784	70,770
Bank deposit interest		8,677	1,863
Dividends		-	15,076
	7	£ 171,461	£ 87,709

3. INCOME FROM LEGACIES

		£	£
Legacy income	7	£ -	£ 1,086,033

4. CHARITABLE ACTIVITIES

	Page	2023 £	2022 £
The following grants were awarded to charitable institutions during the year ended 31 December 2023:			
The Brigitte Trust (Reg. charity no. 1782730)		20,000	-
St Mungo's Community Housing Association (Reg. charity no. 1149085)		2,000	-
The Big Issue Foundation (Reg. charity no. 1049077)		2,000	-
ActionAid (Reg charity no. 274467)		-	150,000
DEC Ukraine Fund (Reg. charity no. 1062638)		-	25,000
South East London Arts Network (Reg. charity no. 1157803)		-	20,000
Clean Break Theatre Company (Reg. charity no. 1017560)		-	20,000
		24,000	215,000
Support costs			
Accountancy fees (governance cost)		5,640	6,360
Independent examination fees (governance cost)		1,200	-
Audit fees (governance cost)		-	4,230
		6,840	10,590
Total Charitable Activities	7	£ 30,840	£ 225,590

5. EXPENDITURE ON RAISING FUNDS

		2023 £	2022 £
Nucleus investment management fee		-	4,841
Sarasin & Partners LLP management fee rebate		(4,846)	(1,066)
	7	£ (4,846)	£ 3,775

Sarasin & Partners LLP deduct management fees internally from their fund. The amount deducted is compared against the fee that would have been charged on the underlying investments if they were held outside of the fund on a discretionary basis and the difference is refunded to the charity.

6. FIXED ASSET INVESTMENTS

	Page	2023 £	2022 £
Investments at market value comprise:			
Quoted investments		6,026,105	5,542,213
Total investment assets	8	£6,026,105	£5,542,213
Quoted investments			
Market value at 1 January 2022		5,542,213	5,224,205
Net investment activity		169,237	844,709
Net gains/(losses) on investment activity		314,655	(526,701)
Market value at 31 December 2022		£6,026,105	£5,542,213
Net gains/(losses) on investment assets			
Net realised (losses) on sales		-	(297,375)
Net unrealised gain/(losses) on revaluation		314,655	(229,326)
Total net gains/(losses) on investment assets	7	£ 314,655	£ (526,701)

7. CASH AT BANK

		2023 £	2022 £
Handelsbanken		305,244	410,497
Sarasin & Partners income account		3	1,490
	8	£ 305,247	£ 411,987

8. CREDITORS - amounts falling due within one year

		2023 £	2022 £
Grant commitments due within one year (note 10)		60,000	80,000
Accountancy fees		3,960	3,630
Independent examination fees		1,200	-
Audit fees		-	4,500
	8	£ 65,160	£ 88,130

9. CREDITORS - amounts falling due beyond one year

		2023 £	2022 £
Grant commitments due in more than one year (note 10)	8	£ 20,000	£ 80,000

10. GRANT COMMITTMENTS

	Page	2023 £	2022 £
The Trustees have committed grants to the following organisations. Whilst there are terms placed on the future year commitments, the Trustees are of the opinion that there is a high likelihood of the terms being met and therefore have recognised the outstanding amounts in full.			
ActionAid (Reg. charity 274467)		50,000	100,000
LangaLanga Trust (Reg. charity no. 1076360)		30,000	40,000
St Mungo's Community Housing Association (Reg. charity no. 1149085		-	10,000
The Big Issue Foundation (Reg. charity no. 1049077)		-	10,000
	13	£ 80,000	£ 160,000

11. 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.

12. RELATED PARTY TRANSACTIONS

During the year to 31 December 2023, the Charity has no related party transactions (2022 - received a legacy from the estate of Mr P Jeffrey, father of one of the Trustees, of £1,086,033).

No Trustee received any remuneration or reimbursement of expenses during the year to 31 December 2023 (*2022 - £Nil*).

13. FINANCIAL INSTRUMENTS

		2023 £	2022 £
The carry amounts of the charity's financial instruments are as follows:			
Financial assets – measured at fair value through SOFA:			
-Fixed asset investments	13	6,026,105	5,542,213
-Cash at bank and in hand	13	305,247	411,987
Financial liabilities – measured at amortised cost			
-Creditors	13	5,160	8,130
The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:			
Income and expense – measured at fair value through SOFA:			
-Net gains/(losses) (including changes in fair value)	13	314,655	(526,701)