

Company registration number: 09242372

Charity registration number: 1163266

Entrain Space Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

MMO Limited
Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

Entrain Space Trust

Contents

Reference and Administrative Details	1
Strategic Report	2
Trustees' Report	3 to 5
Independent Auditors' Report	6 to 8
Statement of Financial Activities	9 to 10
Balance Sheet	11
Notes to the Financial Statements	12 to 22

Entrain Space Trust

Reference and Administrative Details

Trustees	Mr K Bell
	Mr M Pountain
	Mr M Bell
	Mr S M Heatley
	Mr R A Fleming
Charity Registration Number	1163266
Company Registration Number	09242372
Registered Office	The charity is incorporated in England.
	Erskine House
	Buckeridge Road
	Wilton
	SP2 0FX
Auditor	MMO Limited
	Wellesley House
	204 London Road
	Waterlooville
	Hampshire PO7 7AN

Entrain Space Trust

Strategic Report for the Year Ended 31 March 2023

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2023, in compliance with s414C of the Companies Act 2006.

Financial review

Policy on reserves

The charity is committed to retaining sufficient cash reserves in terms of cash balances and known committed income to cover operating expenditure for 3 months.

The strategic report was approved by the trustees of the charity on 26/1/24 and signed on its behalf by:



.....
Mr K Bell
Trustee

Entrain Space Trust

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Objectives and activities

Objects and aims

The promotion and provision for public benefit of housing, training, employment and welfare services for the serving military, service leavers, veterans, their families and communities covering the United Kingdom.

The provision of community housing, assets, services and facilities run by service leavers and veterans for wider social and community regeneration and social good and such other charitable purposes as the Trustees in their absolute discretion may determine.

Referrals have been consistently high this year as we strengthen relationships with military welfare services 'inside the wire' and promote our service in social media. Our Multiagency partnership has grown, with new partners being added and more joined up service delivery between them and our in-house team now in full swing. Funding for the employment support and peer mentoring support remains a challenge but we intend to focus on closer ties with the regimental associations and military charities to help plug some of those gaps in 2024. We have successfully launched our new ENTRAK bespoke software package to support our case work, rental information management and training and employment support programmes. Whilst the interest rate rises have been a challenge, it is one that has been managed

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

Mr K Bell

Mr M Pountain

Mr M Bell

Mr S M Heatley (appointed 13 July 2022)

Mr R A Fleming (appointed 13 July 2022)

Entrain Space Trust

Trustees' Report

Structure, governance and management Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of low level occupancy in the 44 apartments. In spite of the Covid pandemic high occupancy levels have been maintained and the Trustee's policy of bolstering reserves continues.

Credit risk

The charity's principal financial asset is Erskine House, The building comprises 44 accommodation units, an integrated cafe and training facility. The building has been independently valued at £5,065,000 . The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Statement of trustees' responsibilities

The trustees (who are also the directors of Entrain Space Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 charitable company will continue in business.

Entrain Space Trust

Trustees' Report

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

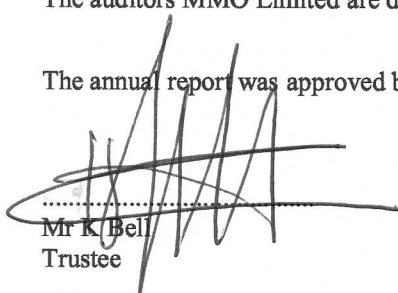
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditors MMO Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The annual report was approved by the trustees of the charity on 26/1/24 and signed on its behalf by:



Mr K Bell
Trustee

Entrain Space Trust

Independent Auditor's Report to the Members of Entrain Space Trust

Opinion

We have audited the financial statements of Entrain Space Trust (the 'charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 March 2023 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 Companies Act 2006.

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 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 original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Entrain Space Trust

Independent Auditor's Report to the Members of Entrain Space Trust

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 4 and 5), 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 responsibilities for the audit of the financial statements

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.


The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Entrain Space Trust

Independent Auditor's Report to the Members of Entrain Space Trust



.....
Gillian McIntosh (Senior Statutory Auditor)
For and on behalf of MMO Limited, Statutory Auditor

Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

Date:.....31/1/24.....

Entrain Space Trust

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Restricted £	Total 2023 £
Income and Endowments from:			
Donations and legacies	3	41,155	41,155
Charitable activities	4	<u>531,752</u>	<u>531,752</u>
Total Income		<u>572,907</u>	<u>572,907</u>
Expenditure on:			
Charitable activities	5	(526,026)	(526,026)
Other expenditure	6	<u>(4,091)</u>	<u>(4,091)</u>
Total Expenditure		<u>(530,117)</u>	<u>(530,117)</u>
Net income		<u>42,790</u>	<u>42,790</u>
Net movement in funds		42,790	42,790
Reconciliation of funds			
Total funds brought forward		<u>5,640,164</u>	<u>5,640,164</u>
Total funds carried forward	17	<u><u>5,682,954</u></u>	<u><u>5,682,954</u></u>
		Restricted	Total
	Note	£	2022 £
Income and Endowments from:			
Donations and legacies	3	27,593	27,593
Charitable activities	4	<u>520,632</u>	<u>520,632</u>
Total Income		<u>548,225</u>	<u>548,225</u>
Expenditure on:			
Raising funds		(89,031)	(89,031)
Charitable activities	5	(376,852)	(376,852)
Other expenditure	6	<u>(1,510)</u>	<u>(1,510)</u>
Total Expenditure		<u>(467,393)</u>	<u>(467,393)</u>
Net income		<u>80,832</u>	<u>80,832</u>
Net movement in funds		80,832	80,832
Reconciliation of funds			
Total funds brought forward		<u>5,559,332</u>	<u>5,559,332</u>
Total funds carried forward	17	<u><u>5,640,164</u></u>	<u><u>5,640,164</u></u>

The notes on pages 12 to 22 form an integral part of these financial statements.

Entrain Space Trust

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 17.

The notes on pages 12 to 22 form an integral part of these financial statements.

Entrain Space Trust

(Registration number: 09242372)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets		240,234	279,328
Investments	12	<u>4,815,000</u>	<u>4,815,000</u>
		<u>5,055,234</u>	<u>5,094,328</u>
Current assets			
Debtors	13	207,103	150,345
Cash at bank and in hand	14	<u>100,887</u>	<u>23,602</u>
		307,990	173,947
Creditors: Amounts falling due within one year	15	<u>(260,949)</u>	<u>(1,503,716)</u>
Net current assets/(liabilities)		<u>47,041</u>	<u>(1,329,769)</u>
Total assets less current liabilities		5,102,275	3,764,559
Creditors: Amounts falling due after more than one year	16	<u>(1,337,427)</u>	<u>(42,500)</u>
Net assets		<u>3,764,848</u>	<u>3,722,059</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		5,682,954	5,640,164
Revaluation reserve		<u>(1,918,106)</u>	<u>(1,918,105)</u>
Total restricted funds		<u>3,764,848</u>	<u>3,722,059</u>
Total funds	17	<u>3,764,848</u>	<u>3,722,059</u>

The financial statements on pages 9 to 22 were approved by the trustees, and authorised for issue on/...../24
and signed on their behalf by:


Mr K Bell
Trustee

The notes on pages 12 to 22 form an integral part of these financial statements.

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Erskine House
Buckeridge Road
Wilton
SP2 0FX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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 (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Entrain Space Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Restricted funds £	Total funds £
Grants, including capital grants; Government grants	41,155	41,155
Total for 2023	41,155	41,155
Total for 2022	27,593	27,593

4 Income from charitable activities

	Restricted funds £	Total funds £
	531,752	531,752
Total for 2023	531,752	531,752
Total for 2022	520,632	520,632

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Expenditure on charitable activities

	Note	Restricted funds £	Total funds £
Allocated support costs	7	462,658	462,658
Governance costs	7	5,291	5,291
		58,077	58,077
Total for 2023		<u>526,026</u>	<u>526,026</u>
Total for 2022		<u>376,852</u>	<u>376,852</u>

**Total expenditure
£**

In addition to the expenditure analysed above, there are also governance costs of £58,077 (2022 - £109,116) which relate directly to charitable activities. See note 7 for further details.

6 Other expenditure

	Note	Restricted funds £	Total funds £
Other resources expended		4,091	4,091
Total for 2023		<u>4,091</u>	<u>4,091</u>
Total for 2022		<u>1,510</u>	<u>1,510</u>

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Analysis of governance and support costs

Governance costs

	Restricted funds £	Total funds £
Audit fees		
Audit of the financial statements	2,274	2,274
Legal fees	55,803	55,803
Total for 2023	58,077	58,077
Total for 2022	109,116	109,116

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Audit fees	2,274	2,248

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

10 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	2,274	2,248

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Fixed asset investments

	2023 £	2022 £
Investment properties	4,815,000	4,815,000

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2022	<u>4,815,000</u>
Provision	
At 31 March 2023	<u>-</u>
Net book value	
At 31 March 2023	<u>4,815,000</u>
At 31 March 2022	<u>4,815,000</u>

Entrain Space Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Debtors

	2023 £	2022 £
Other debtors	<u>207,103</u>	<u>150,345</u>

14 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>100,887</u>	<u>23,602</u>

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	260,949	236,523
Other creditors	-	1,267,193
	<u>260,949</u>	<u>1,503,716</u>

16 Creditors: amounts falling due after one year

	2023 £	2022 £
Bank loans	<u>1,337,427</u>	<u>42,500</u>

17 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Restricted funds				
Reserves	<u>5,640,164</u>	<u>572,907</u>	<u>(530,117)</u>	<u>5,682,954</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Restricted				
Reserves	<u>5,559,332</u>	<u>548,225</u>	<u>(467,393)</u>	<u>5,640,164</u>