CHINA FLEET TRUST

England & Wales · Charity number 1135918

Details

Status	Registered
Legal form	Charitable company
Company number	07100967
Registered	2010-05-12
Register	View on the Charity Commission register

Contact

Address	China Fleet Golf & Country Club Ltd North Pill Saltash Cornwall PL12 6LJ
Phone	01752854630
Email	trust@china-fleet.co.uk
Website	www.china-fleet.co.uk

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Activities

Objects: FOR THE PUBLIC BENEFIT THE PROMOTION OF THE EFFICIENCY AND WELFARE OF THE ARMED FORCES BY MEANS OF THE PROVISION (WHETHER IN ENGLAND OR ELSEWHERE) TO THE SPECIFIED CLASS OF RECREATIONAL AND OTHER LEISURE TIME FACILITIES.THE SPECIFIED PERSONNEL' SHALL MEAN ALL NON-COMMISSIONED OFFICERS AND RATINGS OF THE ROYAL NAVY, COMMISSIONED OFFICERS OF THE ROYAL NAVY AND ROYAL FLEET AUXILIARY PERSONNEL WHO ARE FROM TIME TO TIME IN THE SERVICE OF THE CROWN AND SUCH OTHER CLASSES OF BENEFICIARY AS THE DIRECTORS MAY SELECT FROM TIME TO TIME FROM THE FOLLOWING; A) FORMER NON-COMMISSIONED OFFICERS AND RATINGS OF THE ROYAL NAVY OR THE WOMEN'S ROYAL NAVAL SERVICE B) OTHER SERVING ROYAL NAVY PERSONNEL C) FORMER ROYAL NAVY AND WOMEN'S ROYAL NAVAL SERVICE PERSONNEL NOT LISTED IN PARAGRAPH A) ABOVE D) ARMY AND ROYAL AIR FORCE PERSONNEL ATTACHED TO OR EMBEDDED WITHIN ROYAL NAVY UNITS; PROVIDED THAT WHEN DECIDING WHETHER TO SELECT ADDITIONAL CLASSES OF BENEFICIARY AND, IF SO, WHICH ADDITIONAL CLASSES TO SELECT, THE DIRECTORS SHALL GIVE PRIORITY FIRST TO SERVING THE NEEDS OF NON-COMMISSIONED OFFICERS AND RATINGS OF THE ROYAL NAVY, COMMISSIONED OFFICERS OF THE ROYAL NAVY AND ROYAL FLEET AUXILIARY PERSONNEL AND SECONDLY TO THOSE BENEFICIARIES FALLING WITHIN PARAGRAPHS A), B) AND C) ABOVE. FOR THE PURPOSES OF THIS DEFINITION, "ROYAL NAVY" SHALL INCLUDE THE ROYAL MARINES, THE ROYAL NAVY RESERVES AND THE ROYAL MARINES RESERVES'

Activities: The provision of recreation and leisure activities to the specified class of beneficiaries; all serving Officers and Ratings of the Royal Navy; all RN/RM Reserve Forces; all Royal Fleet Auxiliary personnel and their immediate families.The Directors shall also select additional beneficiary classes from time to time providing they shall give priority first to serving the needs of those specified.

Classification

- **How:** Provides Services
- **What:** Armed Forces/emergency Service Efficiency
- **Who:** Other Defined Groups

Geography

- Cornwall

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-05-31	£7,436,567	£6,926,427	£9,362,193	225
2024-05-31	£6,750,470	£6,774,261	£8,828,935	233
2023-05-31	£6,350,518	£6,494,353	£9,044,989	112
2022-05-31	£6,213,870	£5,533,486	£9,233,621	222
2021-05-31	£3,309,309	£3,980,815	£8,595,473	186

Trustees

Name	Role	Appointed
ALASTAIR KEITH CAMP MBA FCIB		2017-01-07
Daryl James Powell		2025-02-24
HILARY ANNE FRANK		2022-09-02
John Stuart Weale		2022-12-02
Mark Christian Alder		2025-02-24
Nicola Sarah Jonas		2023-11-27
Rebecca Coonan		2024-11-25
Robert James Waghorn		2024-11-25
STEPHEN COX		2020-07-31
Steven Paul Harvey		2025-05-19
Susan Mary Ford		2025-02-24

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CHINA FLEET TRUST

England & Wales - Charity number 1135918

Accounts

Company registration number: 07100967

Charity registration number: 1135918

China Fleet Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 May 2025

Thompson Jenner LLP
28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

China Fleet Trust

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China Fleet Trust

Reference and Administrative Details

Trustees	Rear Admiral John Stuart Weale CB OBE (Retd) Alastair Keith Camp (Chair of Trustees) Ian Robert Douglas Lt Col Stephen Cox RM Cllr Hilary Anne Frank Nicola Sarah Jonas Andrew John Collacott RM Cdre Roma Jane Roe ADC RN Robert James Waghorn – Joined Nov 2024 Rebecca Coonan – Joined Nov 2024 Cdr Susan Mary Ford MBE RN – Joined Feb 2025 Capt Mark Christian Alder RN – Joined Feb 2025 Lt Col Daryl James Powell RM – Joined Feb 2025 Robert Alan Seabrook Baldry – Resigned May 2025 Lt Cdr Rebecca French RN – Resigned Nov 2024 Cdr Claire Marie Frances Lees MBE RN – Resigned Nov 2024
Company Registered Number	07100967
Charity Registered Number	1135918
Chief Executive Officer	Gordon Charles Hannah
Independent Auditors	Thompson Jenner LLP 28 Alexandra Terrace Exmouth, Devon EX8 1BD
Bankers	HSBC PO Box 26 Plymouth, Devon PL1 1DD
Accountants	Wills Accountants 2 Endeavour House Longbridge Court Plymouth, PL6 8LR
Solicitors	Womble Bond Dickinson Ballard House West Hoe Rd Plymouth, Devon PL1 3AE

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MAY 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1 June 2024 to 31 May 2025. The Annual Report serves the purposes of both a Trustees' report and Directors' report under Company Law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2022).

CHAIR OF TRUSTEES REPORT

It is with great pride and gratitude that I present this year's report for the China Fleet Trust. The financial year 2024–2025 has been a period of significant achievement, strategic progress, and thoughtful reflection, as we continue to evolve in our mission to support the Royal Navy and Royal Marines community.

A Year of Impact

Over the past year, the Trust has supported our beneficiaries with over £2.2 million in services, grants, and facilities. With more than 48,000 visits recorded at the China Fleet Country Club, we have seen sustained and encouraging demand for our services—underlining the vital role we play in the lives of our community.

Our vision remains clear: to provide high-quality leisure, health and wellbeing, conference and events, and hotel accommodation services in a spectacular natural landscape and tranquil surroundings. We aim to be a destination that is accessible, affordable, and relevant to the needs of our guests—especially families—while continuing to serve all relevant markets.

Strategic Developments and Capital Investment

This year has seen the successful completion of several major projects aligned with our strategic priorities, strengthening our infrastructure, reducing our environmental impact, and enhancing the experience of our beneficiaries and guests:

- Solar Ground-Mounted Array: A landmark investment in sustainability, this installation is now delivering annual utility savings of approximately £75,000, reducing our exposure to volatile energy markets. It also expedites our progress toward halving our net zero target and generates a modest income through export tariffs.
- Gym Refurbishment: Our fitness facilities have been fully modernised, ensuring they meet the evolving needs of our users and maintain our reputation for excellence in health and wellbeing provision.
- Box 12 Facility: This innovative new space provides a flexible, high-performance training environment for functional fitness, group exercise, and rehabilitation—enhancing our ability to support both physical and mental resilience across our community.
- New Staff Room: A dedicated and comfortable space has been created for our hardworking team, recognising their vital contribution and supporting staff wellbeing.
- Additional Capital Investments: Numerous smaller-scale improvements have been made throughout the year, all contributing to the quality, safety, and sustainability of our facilities.

In total, over the past two years, the Trust has invested £1.8 million in facilities and infrastructure—an extraordinary commitment to ensuring our estate remains fit for purpose and future-ready.

Financial Performance and Trading Subsidiary

Our wholly owned trading subsidiary has delivered an exceptional performance this year, achieving a record consolidated revenue of over £7.4 million. This milestone reflects the strength of our commercial operations and the enduring appeal of our facilities and services.

Despite the financial pressures arising from the increases in National Insurance Contributions and the National Living Wage introduced in April, the subsidiary is set to provide a record Gift Aid payment to the Trust of over £614,000. This contribution plays a vital role in sustaining our charitable work and demonstrates the effectiveness of our integrated business model.

Strategic Priorities

Our strategic plan continues to guide us effectively. While our overarching themes remain unchanged, the latest iteration reflects the increased uncertainty in the geopolitical and economic environment, and the need to strengthen financial control and governance. This includes addressing findings from the recent VAT inspection, in collaboration with our auditors.

We have also undertaken a detailed review of the level of Gift Aid that can realistically be achieved over the next five years, and how future investment needs might best be funded. As such, we are focused on ensuring that past capital expenditure delivers its intended value before considering further large-scale investments.

Our core strategic themes remain extant:

1. **Providing excellent beneficiary propositions and sustaining strong levels of usage**
2. **Ensuring the successful growth of our business**
3. **Ensuring that the Group's business is vibrant, commercially successful, sustainable, and focused on customer needs**
4. **Maintaining high standards of governance and financial management**

Supporting the Fleet

Our connection to the Royal Navy remains at the heart of everything we do. This year, we have been proud to support HMS RICHMOND and the components of the Carrier Strike Group deployment. As the CSG prepares for its homecoming later in the year, we look forward to welcoming her ship's company back into the fold, particularly following their R&R period and the challenges of an extended deployment. The support provided to families whilst their loved ones have been deployed is a key facet of what the Trust seeks to deliver in its charitable endeavour.

Beyond this, the Trust has continued to deepen its engagement with the wider beneficiary community. Highlights from the year include:

- Hosting the Commanding Officers Designate Course for an overnight visit
- Engagements with RFA Chief of Staff, RM Physical Training Branch, and HMS Astute CHODs
- Visits from the Veterans Welfare Group, Help for Heroes, and Royal Marines Association
- A Rest & Recuperation Day for the HM Band of the Royal Marines (Plymouth)
- Attendance at the Confederation of Naval Associations 75th Anniversary
- Continued sponsorship of HMS Oardacious as the Valkyries completed the arduous task of rowing the Atlantic
- Visits from BRNC's CO & BWO, NBC's BWO, and SurFlot Capt AFH
- Hosting the QARNNS 3-day symposium and the RN's 2-day Recovery Conference
- A Veterans Golfing Group camaraderie session and Camp Menalhyl veterans outreach visit
- Engagements with Devonport's PSG, Military Vs Cancer charity, and RN Service Leavers event
- Strategic visits from the CO of HMS Queen Elizabeth, the RN Leadership Team, and the MP for SE Cornwall
- Ongoing collaboration through Cornwall AFC Partnership Board meetings

These engagements reflect our commitment to being a welcoming, relevant, and supportive destination for all those who serve or have served, and to fostering a strong sense of community and connection.

Looking Ahead

As we move forward, our priorities remain clear: to enhance the support we provide, to grow our community of supporters, and to ensure that the China Fleet Trust remains a beacon of support for all those who serve or have served in the Royal Navy community.

On behalf of the Board of Trustees, I extend my heartfelt thanks to our staff, volunteers, partners, and supporters. Your dedication and generosity make our work possible.

Together, we honour the past, serve the present, and invest in the future.

Signature .....

Date 01/12/25

Alastair Keith Camp
Chair of the Trustees
China Fleet Trust

OBJECTIVES AND ACTIVITIES

a. Policies and Objectives

The principal objective of the China Fleet Trust is to provide leisure and recreational facilities for all officers and ratings of the Royal Naval Forces, including the Reserves, Royal Fleet Auxiliary personnel, their families, and dependants (collectively referred to as "the beneficiaries"). Additional classes of beneficiaries include former members of the Royal Naval Forces and other military personnel attached to or embedded within Royal Navy units, together with their families. This broad scope ensures the Trust satisfies the public benefit requirement, specifically through the promotion of the efficiency of the Armed Forces of the Crown.

The Trust Deed grants the Trustees wide discretionary powers in relation to investment, enabling them to pursue the Trust's objectives effectively and sustainably.

To further its charitable purpose, the Trust has developed and operates the China Fleet Country Club in Saltash ("the Club"), which serves as the principal vehicle for delivering its services and facilities.

b. Public Benefit

In determining the activities of the Charity, the Trustees have given due consideration to the Charity Commission's guidance on public benefit. They are satisfied that the Trust's operations fall within the charitable purposes defined in the Charities Act and deliver demonstrable public benefit.

Specifically, the Trust's activities align with the charitable purpose of:

"The promotion of the efficiency of the Armed Forces of the Crown, or of the efficiency of the police, fire and rescue services, or ambulance services."

The Trust meets the public benefit test through the provision of sporting, leisure, and recreational facilities—including accommodation—for the use of its beneficiaries. These include all serving personnel of the Royal Navy and Royal Marines, Reserves, Royal Fleet Auxiliary personnel, and their immediate families, as well as other eligible individuals as outlined above. Collectively, this beneficiary group numbers in excess of 750,000 individuals.

The Trustees firmly believe that by offering such facilities, beneficiaries are able to return to duty refreshed, rested, and better prepared to meet the demands of service life—thereby enhancing their operational effectiveness and overall wellbeing. This belief continues to be endorsed and encouraged by the Royal Navy's chain of command.
The Trustees have also considered the potential for detriment or harm arising from the Trust's activities and are satisfied that none exists.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Trading Subsidiary (China Fleet Country Club Limited – 'the Company')

The 2025–2029 Strategic Plan acknowledges that the long-term financial sustainability of the Charity is closely linked to the effective stewardship of its assets and the commercial success of its wholly owned trading subsidiary.

During the reporting period, the subsidiary delivered a strong performance aligned with the Strategic Plan's priorities and objectives. The Company generated net revenue of £7.10 million, resulting in a surplus of £614,000. This surplus will be transferred to the Charity via Gift Aid, representing a record contribution and underscoring the subsidiary's commitment to enhancing the Charity's capacity to support its beneficiaries.

Operationally, the Company successfully delivered several key infrastructure and facility upgrades. Notably, a previously unused space within the Club was repurposed to create two new facilities. A mezzanine level was installed above the squash courts, enabling the development of a new fitness suite which opened in April. The lower level of the mezzanine was transformed into a new staff room, significantly improving amenities for Club employees. Additionally, the gym underwent a full refurbishment, including the installation of new equipment and technology, representing a major investment in this core area. Enhancements to the Aqua Spa included the introduction of a new Herbal Lounge, further enriching the member experience.

On the sustainability front, the Company completed a major ground-mounted solar installation in March, adding 600kWh of annual self-generated electricity to the site's already substantial renewable energy capacity. This, alongside other environmental initiatives, positions the Club to achieve its net zero target by the end of 2025—five years ahead of schedule.

The subsidiary also navigated significant cost pressures arising from the October budget, which introduced increases to the National Living Wage and Employee National Insurance Contributions effective from April. In response, management implemented a series of efficiency measures, leveraging recent IT system upgrades and streamlining payroll operations. As a result, the workforce was reduced from 244 to 220 employees over the financial year. Importantly, this reduction has not impacted service quality, and the Company continues to be a major employer in South East Cornwall.

Awards, Accreditations and Recognitions
The Trust and its trading subsidiary, China Fleet Country Club Limited, continued to demonstrate excellence across a range of operational and service areas during the financial year. The following awards and accreditations were retained or newly achieved:

Accreditations Retained:

- Green Tourism Business Scheme – **Gold Award**
- Food Hygiene Rating – **5 Star**
- AA Hotel Accreditation – **4 Star**

Awards Achieved:

- **TripAdvisor Travellers' Choice Winner 2025**
- **Booking.com Traveller Review Award Winner 2025**
- **59 Club Silver Flag Winner (Golf)**
- **Cornwall Tourism Awards 2024** – *Runner-Up in Ethical, Responsible and Sustainable Tourism Category*

Shortlisted:

- **GuestRevu GREAT Award** – Hotel Category

Applications in Progress:

- **King's Award for Enterprise** – Application in preparation, due for submission within the coming weeks.
- **Cornwall Sustainability Awards** – Application submitted; entries close 31 October.
- **Cornwall Tourism Awards – Regenerative Tourism Category** – Application submitted; site assessment completed; awaiting results.

These accolades reflect the Trust's ongoing commitment to quality, sustainability, and service excellence, reinforcing its reputation as a leading provider of leisure and wellbeing services for Royal Navy and Royal Marines personnel and their families.

b. China Fleet Trust

2024/25 has been another outstanding year for engagement across the Trust's key communities, including beneficiaries, senior leaders, and charity partners. This vital aspect of the Trust's operations ensures that the Charity, its Club, and its trading subsidiary remain responsive to the evolving pressures, challenges, and stresses associated with service life.

By maintaining strong and meaningful connections, the Trust continues to deliver relevant and impactful support, reinforcing its role as a trusted and proactive presence within the Armed Forces community.

The Trust was once again proud to support the remarkable efforts of the submariners of HMS Oardacious throughout the year. The 2024 team, known as the 'Valkyries', made history as the first all-female Royal Navy team to attempt rowing across the Atlantic Ocean in "The Toughest Row". Their courage, resilience, and pioneering spirit exemplify the values the Trust is committed to championing.

In addition, the Trust continues to honour and actively nurture its formal affiliations with HMS Tamar and 47 Commando (Raiding Group) Royal Marines. These enduring relationships enable the Trust to provide tailored support to the personnel and families of both units, reinforcing its mission to serve those who serve.

Throughout 2024/25, the Trust welcomed a wide range of key beneficiary groups, partner charities, and Royal Navy command teams to the China Fleet Country Club. These routine visits are a vital part of the Trust's engagement strategy, ensuring continued relevance, visibility, and alignment with the needs of the serving community.

Visiting organisations included:
Royal Navy and Royal Marines – BRNC, HMS Raleigh, HMS Victorious, HMS Audacious, HMS Astute, HMS Bulwark, HMS Richmond, HMS Tamar, HMS Queen Elizabeth, RNAS Culdrose, 29 Commando, 30 Commando IX, 47 Commando (Raiding Group) Royal Marines, CTCRM, NBC(D), SURFLOT, QARNNS, RNLA, RN Rugby Union, RN Golf, RN FPS, RN Recovery Conference, RN Service Leavers Events, and the 1SL's Conference

Training and Development – EWO Designate Courses, Commanding Officer Designate Courses, Devon URNU, Naval Regional Commander Wales & West England.

Charity and Welfare Partners – RNRMC, RNBT, RMA, RNA, SSAFA, Greenwich Hospital, Help for Heroes, Active Plus, Seafarers Children's Society, PABC charity group, WEA, NSRC Hasler, 4 Greens Community Trust Veterans, CONA, Saltash Veterans.

Leadership and Representation – COMMARRES, SCWOs, 2SL, Director People & Training (Dir P&T), and the Club's local Member of Parliament.

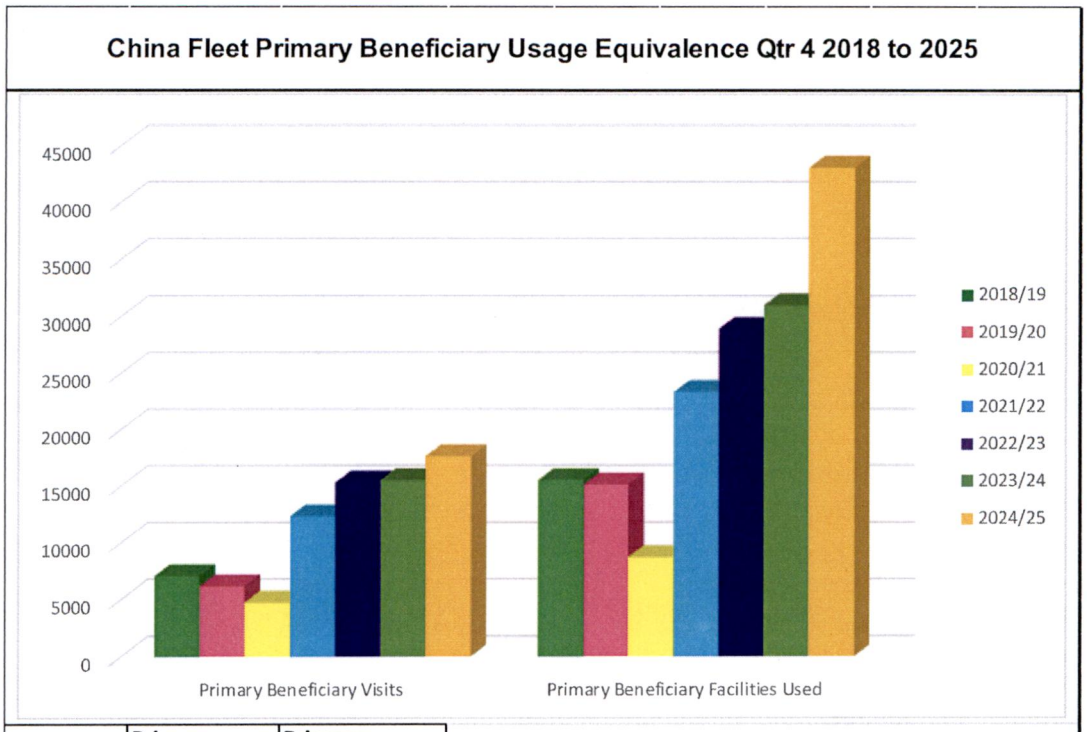
Community and Partnerships – Represented on both the Cornwall and Plymouth AFC Partnership Boards and supported Armed Forces Day (AFD) activities.

The Trust also played a key role in supporting Operation Highmast, working alongside sister Royal Navy charities to assist participating units and personnel through their deployment preparations, in-theatre support, and homecoming planning.

Importantly, all new recruits and officer candidates joining the Royal Navy and Royal Marines now have the opportunity to visit the Club during Phase 1 training as part of an acquaintance visit. This initiative is set to expand to include Royal Fleet Auxiliary (RFA) personnel in the near future, further broadening the Trust's reach and impact.

The cumulative efforts of the Trust's visit programme—supported by senior leaders, the Beneficiaries Committee, Company staff, Trustees, and the Chief Executive—have contributed to a record-breaking year for beneficiary engagement. Total visitation reached 48,700 across both serving and ex/former serving beneficiary groups, up from 44,400 in the previous financial year.

This sustained growth in usage reflects the continued relevance and appeal of the Club's facilities and services. It also serves as a key performance indicator of how effectively the Charity is delivering on its core objective: to support the wellbeing of Royal Navy and Royal Marines personnel and their families throughout their service and beyond.

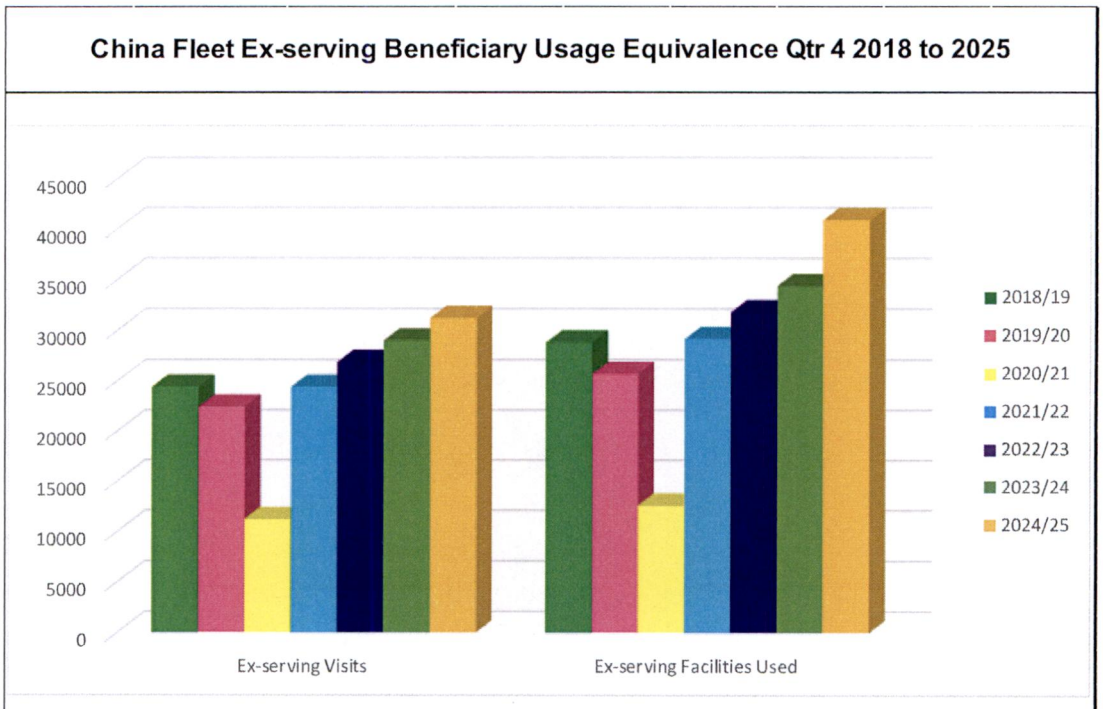


Qtr 4	Primary Beneficiary Visits	Primary Beneficiary Facilities Used
2018/19	7061	15495
2019/20	6187	15099
2020/21	4736	8714
2021/22	12352	23315
2022/23	15281	28887
2023/24	15494	30955
2024/25	17612	43036

Table 1. Serving Beneficiary Usage Trend Analysis – last 7 financial years

Table 1 presents the annual breakdown of serving beneficiary visits to the Club over the past seven years, highlighting sustained growth following the disruption caused by the COVID-19 pandemic in 2020/21. This upward trend reflects the increasing relevance and appeal of the Club's offerings to the serving community.

A key metric used to assess engagement is the average number of facilities accessed per visit, which now stands at approximately **2.5 facilities per visit**. This figure demonstrates that the newly introduced facilities are not only being utilised but are aligned with the evolving expectations and needs of our beneficiaries. It reinforces the Trust's commitment to continuous improvement and investment in services that directly enhance beneficiary wellbeing.



Qtr 4	Ex-serving Visits	Ex-serving Facilities Used
2018/19	24401	28774
2019/20	22411	25686
2020/21	11184	12556
2021/22	24399	29154
2022/23	26845	31765
2023/24	28975	34337
2024/25	31160	40852

Table 2. Ex / Former Serving Beneficiary Usage Trend Analysis – last 7 financial years

Table 2 outlines the usage data for ex- or former serving beneficiaries over the past seven years. It is particularly fulfilling to report that this cadre has also reached record levels of engagement, with 31,160 visits to the Club during the financial year.

This group has shown consistent growth in both visitation and the number of facilities accessed per visit, reflecting the Trust's success in ensuring that the Club remains relevant, welcoming, and responsive to the needs of veterans and former service personnel.

The increasing uptake reinforces the importance of continued investment in facilities and programming that support lifelong wellbeing beyond active service.

FINANCIAL REVIEW

a. Financial Review

The Trustees present their report and financial statements for the year ended 31 May 2025.
The enterprise has delivered its strongest financial performance to date, with consolidated revenue for the year reaching £7,437k (2024: £6,750k). This reflects continued growth and resilience across both charitable and trading activities.

Within total income, China Fleet Country Club Limited (the Company), which undertakes non-charitable trading on behalf of the Trust, generated net sales of £5,704k (2024: £5,434k), delivering a profit of £614k (2024: £446k). This profit represents a potential Gift Aid payment to the Trust of £614k, a record contribution from the Company. As the enterprise prepares consolidated accounts, this Gift Aid is eliminated in the combined financial statements.

The Trust reports a positive net movement in funds of £533k (2024: £47k). This figure is stated after depreciation of £351k; excluding depreciation, the net positive movement in funds would be £884k. Consolidated cash at bank at year-end stood at £604k (2024: £682k).

Efforts to reduce debt exposure have continued, although the Trust recognised the need to invest in strategic growth, which involved additional borrowing in year. At year-end, the following loan balances were reported:

- Green SME Loan (solar roof PV installation): £190k (2024: £222k)
- Coronavirus Business Interruption Loan Scheme (CBILS): £30k (2024: £54k)
- New loan for ground-mounted solar array: £324k (matched with £260k from Cornwall and Isles of Scilly Shared Prosperity Fund)
- HSBC consolidated business loan: £228k (2024: £313k)

This brings the total enterprise debt to £772k at year-end (2024: £589k).

The Trust continues to commission Sarasin & Partners LLP to manage its principal financial assets via a long-term investment portfolio. The management team provides regular updates and attends Board meetings to report on performance and market outlook.

While Sarasin & Partners maintain professional oversight, portfolio performance has remained at or below benchmark expectations, influenced by global financial conditions. Trustees are actively reviewing alternative asset management options as part of routine reserves and investment strategy reviews to ensure the Charity's assets are optimally deployed.

At the May 2024 Board meeting, Trustees resolved to close the medium-term portfolio due to stagnating returns and to release capital for more strategic use. The long-term portfolio, having transitioned to a globally diversified index strategy, showed resilience and ended the year in a stronger position following earlier market turbulence.

As at 31 May 2025, the value of the long-term investment portfolio stood at £1,004k, compared to £945k in the previous year (which included both long- and medium-term holdings).

Total Reserves now stand at £9,362k (2024: £8,829k) of which £466k (2024: £311k) are restricted funds. Of the £8,896k (2024: £8,518k) in Unrestricted Reserves, designated reserves stand at £8,896k (2024: £8,518k), with £nil (2024: nil) as general unrestricted reserves.

b. Going Concern

The Charity continues to rely on its wholly owned subsidiary, The China Fleet Country Club Ltd ("the Company"), to manage the facility and deliver services to its beneficiaries.

The Trustees are reassured by the Company's sustained strong performance and remain confident in the robustness of the metrics used to assess its status as a going concern. Following a period of global financial uncertainty in recent financial years, the enterprise has returned to growth. This recovery has enabled strategic investment in infrastructure and enhanced facilities—clear indicators of a stable and positive outlook.

The Trustees are confident that the going concern status of the enterprise remains sound and that the trajectory of growth will continue, with increasing potential for Gift Aid contributions.

A formal assessment of going concern is undertaken at each Trust meeting. Forecasts for the forthcoming financial year provide sufficient evidence to support the Trustees' view that the business remains viable and well-positioned to respond to any future challenges.

c. Reserves Policy

Following the establishment of a formal reserves policy ahead of the previous year's Trustees' Annual Report, the Trust has continued to monitor and apply this framework throughout the 2024/25 financial year.

The policy, developed through a dedicated Sub Working Group, defines the level of unrestricted designated reserves required to ensure the financial stability and operational resilience of the Charity. These reserves exclude the designated land and buildings reserve but include the investment portfolio and cash held in the Trust's business bank account.

The reserves are held to support the following key purposes:

- The ongoing maintenance of the infrastructure, fabric, and plant licensed by the Company.
- The evolution and development of the facility to create new and innovative income streams.
- A financial buffer to mitigate the impact of adverse economic conditions, including significant fluctuations in investment market value.
- A contingency provision to support the Company in the event of unforeseen financial pressures.

The Trustees assess the appropriateness of this reserves policy on a regular basis to ensure that changes to the operating environment and their impact are incorporated into the reserves so that the Trust can continue to provide its charitable objectives for the future. As at the end of the financial year (May 2025), the level of unrestricted designated reserves stood at £522k which is reasonable and consistent with the Trusts objectives and reserves policy.

This position reflects prudent financial management and provides a solid foundation for the Trust's forward planning, including its first-ever fundraising initiative and ongoing investment in beneficiary services.

As of 31 May 2025, the total unrestricted reserve was £8,896k (2024: £8,517k) of which includes designated funds of £522k (2024: £945k) and the tangible fixed asset reserve which stood at £8,374k (2024: £7,573k).

FORWARD-LOOKING ASSESSMENT

As the Trust looks ahead to 2025/26 and beyond, its strategic priorities remain focused on strengthening financial resilience, enhancing beneficiary impact, and ensuring operational excellence across its charitable and commercial activities.

A key development in the coming year is the launch of the Trust's **first-ever fundraising initiative**, marking a historic milestone. This programme will include a high-profile gala event and a broader campaign designed to engage supporters, raise awareness, and generate additional income to expand the Trust's reach and impact. It will complement existing revenue streams and help ensure the long-term sustainability of the Charity's work, broadening its delivery of direct charitable support to beneficiaries and their families.

The Trust remains committed to ensuring that every decision made across the enterprise is viewed through the lens of its beneficiaries and aligns with its charitable objectives. Maintaining relevance and viability as a leisure and recreational facility for serving and former serving personnel and their families remains central to this mission.

The coming year will also be one of consolidation, as the Trust seeks to reap the benefits of over £1.8 million in capital investments made across the last two years. These investments have significantly enhanced the Club's infrastructure, improved the quality and diversity of facilities, and contributed to record levels of beneficiary engagement—validating the strategic choices made during this period.

Trustees continue to monitor the performance of the long-term investment portfolio and are actively exploring alternative asset management options to ensure optimal returns. The closure of the medium-term portfolio in May 2024 reflects a strategic shift toward more effective capital deployment.

The Trust also remains attentive to the pending outcome of HMRC's VAT review. At the time of reporting, the conclusions are unknown. Trustees are engaged in scenario planning and professional consultation to ensure that any financial or operational implications can be managed responsibly and with minimal disruption to service delivery.

In addition, the Trust is committed to learning from experience, with lessons identified being integrated into future risk management practices. It will also capitalise on grant opportunities to accelerate progress toward its net zero commitments, building on recent sustainability investments and achievements.

Finally, the Trust will continue to collaborate with beneficiary-facing businesses, including Costain, Slimstock, AEUK, Babcock International, and Jacobs, to strengthen its support ecosystem and ensure that its services remain responsive to the evolving needs of the Armed Forces community.

With record levels of engagement achieved in 2024/25, the Trust enters the new financial year with confidence, purpose, and a renewed commitment to serving those who serve.

LONG-TERM ASPIRATIONS

The Trust continues to look beyond the immediate horizon, maintaining a clear focus on long-term goals that will enhance the beneficiary experience and ensure the continued relevance of the China Fleet Country Club.

- Accommodation Expansion: A long-held aspiration remains to expand the Club's accommodation offering through the development of lodge-style facilities. This concept has undergone several feasibility studies in previous years. While Trustees feel that current conditions are not favourable to advance the project, it remains a strategic ambition within the current Strategic Plan timeframe.
- Adventure Facilities: Plans are in place to install a High Ropes, Jump Tower, and Zip Wire facility when financial conditions allow. This development will significantly enhance the family-friendly recreational offering available to beneficiaries.
- Land Growth Opportunities: Trustees will continue to assess opportunities for land acquisition or expansion to future-proof the Club and support long-term development.
- Spa Enhancement: Consideration is being given to complementing the existing Barn Spa with an external spa extension, further enriching the wellbeing offering for beneficiaries.
- Net Zero Commitment: The Trust remains committed to halving the Club's net zero emissions by 2030. Significant progress has already been made, and Trustees are confident that this target will be met ahead of schedule.

Trustees also remain alive to considering new projects that may enhance the beneficiary offering, particularly where external funding opportunities present themselves. This proactive approach ensures the Trust remains agile and responsive to emerging needs and opportunities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

China Fleet Trust is a charitable company limited by guarantee, registered in England and Wales under number 1135918. It was established by Trust Deed and is governed by its Memorandum of Association dated 10 December 2009 and its current Articles of Association, adopted on 3 February 2020.

The Trust is governed by a Board of Trustees, which provides strategic leadership and oversight. Day-to-day operational management is delegated to the Chairman and the Chief Executive. The Board convenes at least three times annually, or more frequently as required. The Trust's principal office is located in Saltash, where the Chief Executive is based. The Chairman makes regular visits to the office to address operational matters and is a co-signatory for financial transactions, alongside the Chief Executive and two other Trustees.

In accordance with the Trust Deed, the Board must consist of no fewer than four Trustees. Trustees are appointed either through military nomination or via an open recruitment process. The current Trustees are listed earlier in this report.

To support effective governance, the Trust operates a Governance and Remuneration (G&R) Committee. This Committee comprises a minimum of three unconflicted Trustees and provides advice to the Board on governance and remuneration matters. The Committee's role is advisory and does not diminish the collective responsibility of the full Board for the overall governance of the Charity.

The China Fleet Country Club is operated by the Trust's wholly owned trading subsidiary, China Fleet Country Club Limited ("the Company"). Under a five-year non-exclusive Operating Agreement (OA), signed on 31 March 2023, the Company acts as the Trust's agent in delivering leisure and recreational services to beneficiaries. The performance of this agreement is reviewed annually, with any amendments jointly approved and filed with the Trust's legal advisors, Womble Bond Dickinson (UK) LLP.

During the year, Mr Robert Baldry stepped down as Non-Executive Chairman of the Company's Board of Directors, having completed the maximum tenure of ten years as a Trustee. Following a successful recruitment and selection process, Rebecca Coonan was appointed to the role, effective from 1 May 2025.

The China Fleet Country Club Beneficiaries Committee (BenCom) plays a vital role in ensuring that the needs and interests of the Charity's beneficiaries are represented in the operation of the Club. The Committee is chaired by a Serving Trustee, who also attends meetings of both the Company Board and the Board of Trustees, ensuring continuity and alignment across governance structures.

During the financial year, Warrant Officer First Class Andrew Collacott RM stepped down from his role as BenCom Chair following his departure from military service. As he transitions into a civilian role, the BenCom Chair is now passed to Warrant Officer First Class Stephen Harvey, currently serving as the Base Warrant Officer at Devonport Naval Base.

Mr Dean Bennett, Managing Director of the Company, attends meetings of the Trustees, the BenCom, and the Company Board. This cross-representation of leadership across committees and boards ensures that strategic vision, operational delivery, and governance practices remain aligned throughout the enterprise.

The Trust prepares its financial statements in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities," following the Financial Reporting Standard applicable in the UK (FRS 102), September 2024 edition.

b. Risk Management

The Trustees meet regularly to assess business risks and to implement appropriate risk management strategies. This process is led by the Trust's Chief Executive Officer, reviewed by the Governance and Remuneration Committee, and approved by the full Board of Trustees. It involves identifying the principal risks facing the Charity, prioritising them according to their potential impact and likelihood, and determining appropriate mitigation measures. These are recorded in the Trust's Risk Register, which is regularly aligned with the Company Risk Register.
The Trustees are pleased to report that the Charity's internal financial controls are fully compliant with the guidance issued by the Charity Commission. They remain committed to embedding a forward-looking, continuous risk management culture across both the Charity and its trading subsidiary.

The Trust's risk management systems have been thoroughly tested in recent years and have proven effective in supporting the continued success of the organisation, despite a volatile operating environment shaped by the COVID-19 pandemic, the war in Ukraine, inflationary pressures, and the ongoing cost-of-living crisis. These systems continue to provide assurance that the organisation is well positioned to respond to emerging challenges.

c. Remuneration

The Trust's sole salaried employee, the Chief Executive, is appraised annually by the Chairman of the Trustees and one other Trustee. Recommendations arising from this appraisal are submitted to the Governance and Remuneration Committee for consideration and approval of any salary adjustment. At the end of the financial year, a modest pay award equivalent to a 1% increase was approved. This remains significantly below both the Consumer Prices Index (3.4%) and the Retail Prices Index (4.3%), reflecting a period of strategic consolidation anticipated in the year ahead.

Senior staff within the trading Company, including the Non-Executive Chairperson, are also subject to annual appraisal. Recommendations regarding their remuneration are presented to the Trustees via the Governance and Remuneration Committee and are incorporated within the annual budget.

d. Other Relevant Sources of Professional Advice

Investment Managers – Sarasin and Partners LLP. This company manages the Trust's long-term and medium-term investment portfolios. Address – Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.

e. **VAT Inspection Contingency Planning**

The Trustees have implemented a robust contingency plan in response to the ongoing HMRC VAT inspection, ensuring financial stability and operational continuity. Working closely with auditors and advisors, they have assessed potential financial impacts, reviewed cash flow resilience, and identified operational efficiencies to mitigate any liabilities. A group VAT structure has been adopted from June 2025 to streamline compliance, and capital expenditure has been minimised during this period.

Governance and Transparency
Professional consultation with VAT and legal specialists has supported a thorough compliance review and staff training. The Trustees have maintained open communication with stakeholders and the Charity Commission, providing regular updates and disclosures. An internal inspection team has been established to oversee the process and ensure that governance systems are updated as necessary.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial entity. 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of another entity.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and

- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information, and
- the enterprise, that is the Charity and its wholly owned trading subsidiary, remains a viable Going Concern.

AUDITORS

This year marked the second consecutive year in which Thompson Jenner LLP has served as the Trust's appointed auditors. The Trustees continue to be impressed by the firm's meticulous attention to detail, professionalism, and capacity to provide additional services when required.

The benchmarking exercise conducted two years ago indicated that Thompson Jenner LLP would be a strong candidate for the role, and this assessment has thus far proven accurate. To ensure continued good governance, the Trustees have resolved that future benchmarking exercises will be undertaken every five years.

Thompson Jenner LLP has expressed its willingness to continue in office. Accordingly, the designated Trustees will propose a resolution to reappoint the auditors at the Trustees' meeting in December.

APPROVAL OF THE TRUSTEES' ANNUAL REPORT:

Approved by order of the members of the board of Trustees and signed on their behalf by:

Signature: .....

Date: 01/12/25

Alastair Keith Camp
Chair of the Trustees
China Fleet Trust

China Fleet Trust

Independent Auditor's Report to the Members of China Fleet Trust

Opinion

We have audited the financial statements of China Fleet Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 May 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows 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 group's and parent charity's affairs as at 31 May 2025 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 group 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 group'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.

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 Chair's Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 13), 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.

Independent Auditor's Report to the Members of China Fleet Trust

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006,Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental, fire safety and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

Independent Auditor's Report to the Members of China Fleet Trust

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent 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 group'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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Simon Lewis (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

Date: 18/12/25

China Fleet Trust

Consolidated Statement of Financial Activities for the Year Ended 31 May 2025 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
Income and Endowments from:				
Donations and legacies	3	1,000	260,000	261,000
Charitable activities	4	1,401,352	-	1,401,352
Other trading activities		5,703,819	-	5,703,819
Investment income	5	34,835	-	34,835
Other income	6	35,561	-	35,561
Total income		7,176,567	260,000	7,436,567
Expenditure on:				
Raising funds		(4,996,750)	-	(4,996,750)
Charitable activities	7	(1,907,380)	(22,297)	(1,929,677)
Total expenditure		(6,904,130)	(22,297)	(6,926,427)
Gains/losses on investment assets		23,118	-	23,118
Net income		295,555	237,703	533,258
Transfers between funds		82,864	(82,864)	-
Net movement in funds		378,419	154,839	533,258
Reconciliation of funds				
Total funds brought forward		8,517,742	311,193	8,828,935
Total funds carried forward	22	8,896,161	466,032	9,362,193

The notes on pages 25 to 46 form an integral part of these financial statements.

China Fleet Trust

Consolidated Statement of Financial Activities for the Year Ended 31 May 2025 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Prior Period	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	4,406	-	4,406
Charitable activities	4	1,272,892	-	1,272,892
Other trading activities		5,434,828	-	5,434,828
Investment income	5	38,344	-	38,344
Total income		6,750,470	-	6,750,470
Expenditure on:				
Raising funds		(4,896,938)	-	(4,896,938)
Charitable activities	7	(1,865,004)	(12,319)	(1,877,323)
Total expenditure		(6,761,942)	(12,319)	(6,774,261)
Gains/losses on investment assets		71,238	-	71,238
Net income/(expenditure)		59,766	(12,319)	47,447
Net movement in funds		59,766	(12,319)	47,447
Reconciliation of funds				
Total funds brought forward		8,457,976	323,512	8,781,488
Total funds carried forward	22	8,517,742	311,193	8,828,935

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

The funds breakdown for 2024 is shown in note 22.

China Fleet Trust

(Registration number: 07100967)
Consolidated Balance Sheet as at 31 May 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	9,623,966	8,870,016
Investments	13	1,004,273	944,727
		10,628,239	9,814,743
Current assets			
Stocks	14	159,113	172,660
Debtors	15	118,591	140,121
Cash at bank and in hand	16	604,018	681,732
		881,722	994,513
Creditors: Amounts falling due within one year	17	(1,550,843)	(1,510,624)
Net current liabilities		(669,121)	(516,111)
Total assets less current liabilities		9,959,118	9,298,632
Creditors: Amounts falling due after more than one year	18	(596,925)	(469,697)
Net assets		9,362,193	8,828,935
Funds of the group:			
Restricted income funds			
Restricted funds	22	466,032	311,193
Unrestricted income funds			
Unrestricted funds		8,896,161	8,517,742
Total funds	22	9,362,193	8,828,935

The financial statements on pages 19 to 46 were approved by the trustees, and authorised for issue on 01/12/25 and signed on their behalf by:

Alastair Keith Camp
Chair of the Trustees
China Fleet Trust

China Fleet Trust

(Registration number: 07100967)
Balance Sheet as at 31 May 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	9,617,439	8,857,895
Investments	13	1,005,273	945,727
		10,622,712	9,803,622
Current assets			
Debtors	15	622,076	461,930
Cash at bank and in hand	16	182,368	201,042
		804,444	662,972
Creditors: Amounts falling due within one year	17	(1,502,968)	(1,246,064)
Net current liabilities		(698,524)	(583,092)
Total assets less current liabilities		9,924,188	9,220,530
Creditors: Amounts falling due after more than one year	18	(589,128)	(427,958)
Net assets		9,335,060	8,792,572
Funds of the charity:			
Restricted income funds			
Restricted funds	22	466,032	311,193
Unrestricted income funds			
Unrestricted funds		8,869,028	8,481,379
Total funds	22	9,335,060	8,792,572

The financial statements on pages 19 to 46 were approved by the trustees, and authorised for issue on 01/12/25 ... and signed on their behalf by:

Alastair Keith Camp
Chair of the Trustees
China Fleet Trust

China Fleet Trust

Consolidated Statement of Cash Flows for the Year Ended 31 May 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income		533,258	47,447
Adjustments to cash flows from non-cash items			
Depreciation		350,821	397,129
Investment income	5	(34,835)	(38,344)
(Profit)/loss on disposal of tangible fixed assets		(35,561)	82,444
Revaluation of investments		(23,118)	(71,238)
		790,565	417,438
Working capital adjustments			
Decrease/(increase) in stocks	14	13,547	(27,095)
Decrease in debtors	15	21,530	49,257
(Decrease)/increase in creditors	17	(48,839)	50,576
Increase in deferred income	18	43,098	66,075
Net cash flows from operating activities		819,901	556,251
Cash flows from investing activities			
Interest receivable and similar income	5	34,835	38,344
Purchase of tangible fixed assets	12	(1,121,056)	(670,541)
Sale of tangible fixed assets		51,846	-
Purchase of investments	13	(36,428)	(14,036)
Sale of investments	13	-	83,344
Net cash flows from investing activities		(1,070,803)	(562,889)
Cash flows from financing activities			
Value of new loans obtained during the period		324,000	91,921
Repayment of loans and borrowings	17	(146,557)	(245,580)
Repayment of capital element of finance leases and HP contracts	19	(4,255)	(4,186)
Net cash flows from financing activities		173,188	(157,845)
Net decrease in cash and cash equivalents		(77,714)	(164,483)
Cash and cash equivalents at 1 June		681,732	846,215
Cash and cash equivalents at 31 May		604,018	681,732

All of the cash flows are derived from continuing operations during the above two periods.

China Fleet Trust

Statement of Cash Flows for the Year Ended 31 May 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income		542,488	47,447
Adjustments to cash flows from non-cash items			
Depreciation		345,227	391,534
Investment income	5	(27,039)	(29,809)
(Profit)/loss on disposal of tangible fixed assets		(35,561)	82,444
Revaluation of investments	13	(23,118)	(71,238)
		801,997	420,378
Working capital adjustments			
Increase in debtors	15	(160,146)	(166,559)
Increase in creditors	17	210,944	157,627
Net cash flows from operating activities		852,795	411,446
Cash flows from investing activities			
Interest receivable and similar income	5	27,039	29,809
Purchase of tangible fixed assets	12	(1,121,056)	(670,541)
Sale of tangible fixed assets		51,846	-
Purchase of investments	13	(36,428)	(14,036)
Sale of investments	13	-	83,344
Net cash flows from investing activities		(1,078,599)	(571,424)
Cash flows from financing activities			
Value of new loans obtained during the period		324,000	91,921
Repayment of loans and borrowings	17	(116,870)	(104,968)
Net cash flows from financing activities		207,130	(13,047)
Net decrease in cash and cash equivalents		(18,674)	(173,025)
Cash and cash equivalents at 1 June		201,042	374,067
Cash and cash equivalents at 31 May		182,368	201,042

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
China Fleet Country Club
Saltash
Cornwall
PL12 6LJ

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
China Fleet 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.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 May 2025.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a profit after tax for the financial year of £542,488 (2024 - £47,447).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

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

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.

Grants receivable

Grants are recognised when the group 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.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received.

Deferred income relates to memberships and events paid for in advance.

Other trading activities

Income derived from other trading activities represents income from the Trust's trading subsidiary, China Fleet Country Club Limited. It comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the subsidiary's activities. Income from other trading activities is shown net of sales/value added tax, returns, rebates and discounts.

Income in relation to money received in advance for annual membership is initially deferred upon receipt and released to income on a monthly proportional basis throughout the term of membership. Similarly, deposits received in advance for one off events and accommodation are deferred and released to income on the date of the event or over the period of stay.

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.

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.

Tangible fixed assets
Individual fixed assets 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:

Asset class	Depreciation method and rate
Land	not depreciated
Buildings	2-4% straight line
Fixtures, fittings and equipment	15% - 33% straight line
Fixtures, fittings and equipment (Solar Panels)	4% straight line
Motor vehicles, tractors & mowers	20% straight line
Plant & machinery	16% straight line

Business combinations
Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

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.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds that have been set aside by the trustees for particular purposes and the use of each designated fund is set out in the notes to the financial statements.

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.

Financial instruments

Classification

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Grants, including capital grants;			
Government grants	-	260,000	260,000
Grants from companies	1,000	-	1,000
	1,000	260,000	261,000

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Grants, including capital grants;			
Grants from companies	4,406	-	4,406
	4,406	-	4,406

4 Income from charitable activities

	Unrestricted funds General £	Total 2025 £
Direct charitable income from beneficiaries	1,401,352	1,401,352

	Unrestricted funds General £	Total 2024 £
Direct charitable income from beneficiaries	1,272,892	1,272,892

5 Investment income

	Unrestricted funds General £	Total 2025 £
Other investment income	34,835	34,835
	34,835	34,835

	Unrestricted funds General £	Total 2024 £
Other investment income	38,344	38,344
	38,344	38,344

6 Other income

	Unrestricted funds General £	Total funds £
Gains on sale of tangible fixed assets for charity's own use	35,561	35,561
Total for 2025	35,561	35,561

7 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Depreciation, amortisation and other similar costs	322,930	22,297	345,227
Staff costs	818,576	-	818,576
Other operating charges	757,571	-	757,571
Governance costs	8,303	-	8,303
	1,907,380	22,297	1,929,677

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Depreciation, amortisation and other similar costs	461,659	12,319	473,978
Staff costs	713,978	-	713,978
Other operating charges	685,330	-	685,330
Governance costs	4,037	-	4,037
	1,865,004	12,319	1,877,323

8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2025 £	2024 £
Operating lease rentals	157,682	147,530
Audit fees	4,500	4,024
Other non-audit services	19,860	12,476
Profit on disposal of tangible fixed assets	(35,561)	-
Loss on disposal of fixed assets held for the group's own use	-	82,444
Depreciation of fixed assets	350,821	397,129

9 Trustees' remuneration and expenses

During the year, 3 trustees (2024: 2) received remuneration totalling £15,227 (2024: £15,787) from China Fleet Country Club for their roles as non executive directors of the Charity's 100% subsidiary, China Fleet Country Club Limited.

During the year, no trustees received any remuneration or other benefits from China Fleet Trust (2024: 0).

During the year expenses totalling £3,618 were reimbursed to trustees (2024: £3,216).

10 Staff costs

The aggregate payroll costs were as follows:

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Staff costs during the year were:				
Wages and salaries	3,175,234	2,949,886	747,558	634,125
Social security costs	219,441	169,509	54,542	48,591
Pension costs	61,751	53,748	16,283	31,262
	3,456,426	3,173,143	818,383	713,978

The Charity staff costs include a recharge from the subsidiary company for managing the facility in accordance with the operating licence. These costs were £751,593 (2024: £655,308) with actual Trust staff costs of £66,790 (2024: £58,670)

The monthly average number of persons (including senior management / leadership team) employed by the group during the year was as follows:

	2025 No	2024 No
Apartments	29	26
Golf	20	19
Leisure	72	77
Food and beverage	59	62
Administration and establishment	45	49
	225	233

The number of employees whose emoluments fell within the following bands was:

	2025 No	2024 No
£70,001 - £80,000	1	1

The total employee benefits of the key management personnel of the group were £429,591 (2024 - £397,564).

11 Taxation

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

12 Tangible fixed assets

Group and charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost					
At 1 June 2024	9,074,679	2,874,357	64,096	27,972	12,041,104
Additions	22,965	1,098,091	-	-	1,121,056
Disposals	-	(170,779)	-	-	(170,779)
At 31 May 2025	9,097,644	3,801,669	64,096	27,972	12,991,381
Depreciation					
At 1 June 2024	1,053,781	2,037,360	64,096	15,851	3,171,088
Charge for the year	144,861	200,366	-	5,594	350,821
Eliminated on disposals	-	(154,494)	-	-	(154,494)
At 31 May 2025	1,198,642	2,083,232	64,096	21,445	3,367,415
Net book value					
At 31 May 2025	7,899,002	1,718,437	-	6,527	9,623,966
At 31 May 2024	8,020,898	836,997	-	12,121	8,870,016

The plant and machinery total above relates solely to China Fleet Country Club Limited. The remainder relates to the trust.

13 Fixed asset investments

Group

	2025	2024
	£	£
Other investments	1,004,273	944,727

Other investments

	Listed investments	Total
	£	£
Cost or Valuation		
At 1 June 2024	944,727	944,727
Additions	36,428	36,428
Revaluation	23,118	23,118
At 31 May 2025	1,004,273	1,004,273
Net book value		
At 31 May 2025	1,004,273	1,004,273
At 31 May 2024	944,727	944,727

Charity

	2025 £	2024 £
Shares in group undertakings and participating interests	1,000	1,000
Other investments	1,004,273	944,727
	1,005,273	945,727

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 June 2024	1,000	1,000
At 31 May 2025	1,000	1,000
Net book value		
At 31 May 2025	1,000	1,000
At 31 May 2024	1,000	1,000

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 June 2024	944,727	944,727
Revaluation	23,118	23,118
Additions	36,428	36,428
At 31 May 2025	1,004,273	1,004,273
Net book value		
At 31 May 2025	1,004,273	1,004,273
At 31 May 2024	944,727	944,727

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2025	2024
Subsidiary undertakings				
China Fleet Country Club Limited	England & Wales	Ordinary	100%	100%

Subsidiaries

The profit for the financial period of China Fleet Country Club Limited was £614,855 (2024 : £446,415) and the aggregate amount of capital and reserves at the end of the period was £28,133 (2024 : £37,363).

The principal activity of China Fleet Country Club Limited is the provision of leisure facilities, golf, spa, accommodation, conferences and weddings.

14 Stock

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Raw materials	13,638	12,413	-	-
Finished goods	145,475	160,247	-	-
	159,113	172,660	-	-

15 Debtors

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	21,544	18,024	-	-
Due from group undertakings	-	-	622,076	446,415
Other debtors	97,047	122,097	-	15,515
	118,591	140,121	622,076	461,930

16 Cash and cash equivalents

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Cash at bank	604,018	681,732	182,368	201,042

17 Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	182,687	136,727	153,000	107,040
Trade creditors	279,875	298,117	360	400
Hire purchase and finance leases	4,188	4,188	-	-
Due to group undertakings	-	-	1,320,544	1,134,364
Other taxation and social security	134,459	143,044	18,964	-
Other creditors	28,237	42,798	-	-
Accruals	255,000	262,451	10,100	4,260
Deferred income	666,397	623,299	-	-
	1,550,843	1,510,624	1,502,968	1,246,064

Deferred income

	2025	2024
	£	£
Deferred income at 1 June 2024	623,299	557,224
Resources deferred in the period	666,397	623,299
Amounts released from previous periods	(623,299)	(557,224)
Deferred income at year end	666,397	623,299

Deferred income relates to memberships and events paid in advance.

18 Creditors: amounts falling due after one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	589,128	457,645	589,128	427,958
Hire purchase and finance leases	7,797	12,052	-	-
	596,925	469,697	589,128	427,958

Charity

Included in the creditors are the following amounts due after more than five years:

	2025	2024
	£	£
After more than five years by instalments	129,571	37,887

19 Operating lease commitments

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Within one year	173,772	147,530	-	-
Between one and five years	365,198	398,532	-	-
	538,970	546,062	-	-

20 Pension and other schemes

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £61,751 (2024: £53,748).

Contributions totalling £13,504 (2024: £12,605) were payable to the fund at the balance sheet date and are included in other creditors.

21 Contingent liabilities

China Fleet Trust is in communication with HMRC regarding a routine VAT inspection following the raising of an assessment of a previous VAT return. HMRC have indicated that the inspection may be extended to consider later VAT returns submitted following the original assessment and that the assessment of these returns, conclusion and outcome of such inspections will not be completed prior to the accounts filing deadline. At this stage it is therefore impractical to determine the outcome of such assessments or any financial implications.

22 Funds

Group

	Balance at 1 June 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2025 £
Unrestricted funds						
General						
General Funds	-	7,113,967	(6,575,606)	(538,361)	-	-
Designated						
Designated Funds	944,727	27,039	-	(472,857)	23,118	522,027
Tangible Fixed Asset Reserve	7,573,015	35,561	(328,524)	1,094,082	-	8,374,134
	8,517,742	62,600	(328,524)	621,225	23,118	8,896,161
Total unrestricted funds	8,517,742	7,176,567	(6,904,130)	82,864	23,118	8,896,161
Restricted funds						
LIBOR Grant - Capital	28,448	-	(2,000)	1,432	-	27,880
RNRMC Grant - Capital	282,745	-	(9,897)	(84,296)	-	188,552
Cornwall & Isles of Scilly Good Growth Shared Prosperity Fund Grant - Capital	-	260,000	(10,400)	-	-	249,600
Total restricted funds	311,193	260,000	(22,297)	(82,864)	-	466,032
Total funds	8,828,935	7,436,567	(6,926,427)	-	23,118	9,362,193

China Fleet Trust

Notes to the Financial Statements for the Year Ended 31 May 2025

	Balance at 1 June 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2024 £
Unrestricted funds						
General						
General Funds	22,404	6,720,661	(6,513,875)	(229,190)	-	-
Designated						
Designated Funds	942,797	29,809	-	(99,117)	71,238	944,727
Tangible Fixed Asset Reserve	7,492,775	-	(248,067)	328,307	-	7,573,015
	8,435,572	29,809	(248,067)	229,190	71,238	8,517,742
Total unrestricted funds	8,457,976	6,750,470	(6,761,942)	-	71,238	8,517,742
Restricted funds						
LIBOR Grant - Capital	31,496	-	(3,048)	-	-	28,448
RNRMC Grant - Capital	292,016	-	(9,271)	-	-	282,745
Total restricted funds	323,512	-	(12,319)	-	-	311,193
Total funds	8,781,488	6,750,470	(6,774,261)	-	71,238	8,828,935

Notes to the Financial Statements for the Year Ended 31 May 2025

Charity

	Balance at 1 June 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2025 £
Unrestricted funds						
General						
General Funds	-	2,126,447	(1,584,449)	(541,998)	-	-
Designated						
Designated Funds	945,727	27,039	-	(494,463)	23,118	501,421
Tangible Fixed Asset Reserve	7,535,652	35,561	(322,931)	1,119,325	-	8,367,607
	8,481,379	62,600	(322,931)	624,862	23,118	8,869,028
Total unrestricted funds	8,481,379	2,189,047	(1,907,380)	82,864	23,118	8,869,028
Restricted funds						
LIBOR Grant - Capital	28,448	-	(2,000)	1,432	-	27,880
RNRMC Grant - Capital	282,745	-	(9,897)	(84,296)	-	188,552
Cornwall & Isles of Scilly Good Growth Development Fund Grant - Capital	-	260,000	(10,400)	-	-	249,600
Total restricted funds	311,193	260,000	(22,297)	(82,864)	-	466,032
Total funds	8,792,572	2,449,047	(1,929,677)	-	23,118	9,335,060

China Fleet Trust

Notes to the Financial Statements for the Year Ended 31 May 2025

	Balance at 1 June 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2024 £
Unrestricted funds						
General						
General Funds	-	1,823,723	(1,616,937)	(206,786)	-	-
Designated						
Designated Funds	942,797	29,809	-	(98,117)	71,238	945,727
Tangible Fixed Asset Reserve	7,478,816	-	(248,067)	304,903	-	7,535,652
	8,421,613	29,809	(248,067)	206,786	71,238	8,481,379
Total unrestricted funds	8,421,613	1,853,532	(1,865,004)	-	71,238	8,481,379
Restricted funds						
LIBOR Grant - Capital	31,496	-	(3,048)	-	-	28,448
RNRMC Grant - Capital	292,016	-	(9,271)	-	-	282,745
Total restricted funds	323,512	-	(12,319)	-	-	311,193
Total funds	8,745,125	1,853,532	(1,877,323)	-	71,238	8,792,572

The specific purposes for which the funds are to be applied are as follows:

Designated Funds - represents funds allocated for the replacement, long term maintenance and improvements of buildings and equipment in line with the reserves policy.

Tangible Fixed Asset Reserve - represents the net book value of the Tangible Fixed Assets (excluding amounts held in restricted funds) less loans secured against the asset.

Restricted Funds - represents income received with specific donor imposed conditions on its use. This includes LIBOR and RNRMC grant income used for the refurbishment of apartment blocks and changing rooms, and grant funding from the Cornwall and Isles of Scilly Good Growth Shared Prosperity Fund for the purchase and installation of solar panels. The balance of restricted funds reflects the net book value of the assets acquired or improved using this restricted income.

23 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2025 £
Tangible fixed assets	9,157,934	466,032	9,623,966
Fixed asset investments	1,004,273	-	1,004,273
Current assets	881,722	-	881,722
Current liabilities	(1,550,843)	-	(1,550,843)
Creditors over 1 year	(596,925)	-	(596,925)
Total net assets	8,896,161	466,032	9,362,193

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2024 £
Tangible fixed assets	8,558,823	311,193	8,870,016
Fixed asset investments	944,727	-	944,727
Current assets	994,513	-	994,513
Current liabilities	(1,510,624)	-	(1,510,624)
Creditors over 1 year	(469,697)	-	(469,697)
Total net assets	8,517,742	311,193	8,828,935

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2025 £
Tangible fixed assets	9,151,407	466,032	9,617,439
Fixed asset investments	1,005,273	-	1,005,273
Current assets	804,444	-	804,444
Current liabilities	(1,502,968)	-	(1,502,968)
Creditors over 1 year	(589,128)	-	(589,128)
Total net assets	8,869,028	466,032	9,335,060

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2024 £
Tangible fixed assets	8,546,702	311,193	8,857,895
Fixed asset investments	945,727	-	945,727
Current assets	662,972	-	662,972
Current liabilities	(1,246,064)	-	(1,246,064)
Creditors over 1 year	(427,958)	-	(427,958)
Total net assets	8,481,379	311,193	8,792,572

24 Analysis of net funds

Group

	At 1 June 2024 £	Financing cash flows £	At 31 May 2025 £
Cash at bank and in hand	681,732	(77,714)	604,018
Debt due within one year	(140,915)	(45,960)	(186,875)
Debt due after more than one year	(469,697)	(127,228)	(596,925)
Net debt	71,120	(250,902)	(179,782)

	At 1 June 2023 £	Financing cash flows £	At 31 May 2024 £
Cash at bank and in hand	846,215	(164,483)	681,732
Debt due within one year	(160,159)	19,244	(140,915)
Debt due after more than one year	(608,298)	138,601	(469,697)
Net debt	77,758	(6,638)	71,120

25 Related party transactions

The Charity has one 100% owned subsidiary as detailed in note 13.

As this subsidiary is wholly owned by China Fleet Trust, the Charity has taken advantage of the exemption contained in FRS 102 Section 33.1A not to disclose transactions or balances with entities which form part of a group.

CHINA FLEET TRUST

England & Wales - Charity number 1135918

Accounts

Company registration number: 07100967

Charity registration number: 1135918

China Fleet Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 May 2024

Thompson Jenner LLP
28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

China Fleet Trust

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China Fleet Trust

Reference and Administrative Details

Trustees	Rear Admiral John Stuart Weale CB OBE (Ret'd) Robert Alan Seabrook Baldry Alastair Keith Camp Ian Robert Douglas Maj Stephen Cox RM Cllr Hilary Anne Frank Cdr Claire Marie Frances Lees MBE RN Lt Cdr Rebecca French RN WO1 Paul Andrew Todd – Resigned 27 Nov 2023 Sarah Adkins – Resigned 27 Nov 2023 WO1 Andrew Collacott RM – Joined 27 Nov 2023 Capt Roma Jane Roe ADC RN – Joined 27 Nov 2023 Nicola Sarah Jonas – Joined 27 Nov 2023
Company Registered Number	07100967
Charity Registered Number	1135918
Chief Executive Officer	Gordon Charles Hannah
Independent Auditors	Thompson Jenner LLP 28 Alexandra Terrace Exmouth Devon EX8 1BD
Bankers	HSBC Forder House 20 William Prance Road Plymouth Devon PL6 5WR
Solicitors	Womble Bond Dickinson Ballard House West Hoe Road Plymouth Devon PL1 3AE
Accountants	Wills Accountants 2 Endeavour House Parkway Court Longbridge Rd Plymouth PL6 8LR

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MAY 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1 June 2023 to 31 May 2024. The Annual Report serves the purposes of both a Trustees' report and Directors' report under Company Law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2022).

CHAIR OF TRUSTEES REPORT

Having now been in the role as Chair of Trustees for a little over 18 months, the Trust CEO and I have set about ensuring that every aspect of the enterprise is performing and delivering against the Strategic Priorities and measured against a thorough risk management profile.

Several key areas of the charity have been studied with several new pieces of legislation produced consequently, ensuring good governance is maintained in every aspect of the enterprise.

The conclusion of the Return to Growth Trust Sub Working group (TSWG) has mapped out an ambitious growth agenda for the charity and our wholly owned trading subsidiary over the next 5 years. This focus will require continued investment in a modernisation programme of the Club by the Trust and together with a more efficient trading subsidiary will see the potential for further growth and expansion of the offering to our beneficiaries.

A detailed TSWG was instigated into the Trust's Reserves Policy, with new doctrine published, this has been honed using the experience gained during the financial shocks of the CV19 Pandemic and war in Ukraine / cost of living crisis. A more realistic figure for minimum reserves has now been approved by applying scientific logic to produce requisite levels.

In the beneficiary space the previous Strategic Plan (SP) targets for expected usage had been regularly exceeded over the period of the last 3 years. A new set of beneficiary Key Performance Indicators (KPIs) have now been set, more reflective of the current increased usage figures and will provide a stern challenge for all connected with the Club to maintain.

The Financial Year (FY) has provided, once more, a fresh set of challenges, achievements and possibilities. The FY commenced with a bumper summer 2023 season in terms of revenue and profit generation, this set the enterprise on a sound footing to realise its growth targets for the FY. However, a challenging autumn, winter and spring weather picture provided a sage reminder that a guarantee of success in the delivery of growth cannot be relied upon without some external factors aligning. The last 8 months of the FY saw revenue maintain at good levels within our trading subsidiary, however its profitability was hit by the triumvirate of emergent defects, higher than expected payroll costs and an inclement weather picture. At the end of Qtr 1 of the FY forecasts were predicting a potential Gift Aid for the FY of c. £600k, at the end of the FY this has fallen to a figure c.£446k. This figure will be a record for the enterprise and although lower than had been forecast, the fact that all are disappointed by the end figure, the growth ambition remains a realistic target.

The Enterprise undertook a review of its 5-year Strategic Plan (SP), amending priorities and objectives in line with the changing business outlook. The plan has become more ambitious, set amongst the backdrop of cautious but optimistic growth ambition. The following principal Strategic Themes underpin the SP objectives for the future period:

- Providing excellent beneficiary propositions and sustaining strong levels of usage.
- Ensure the successful performance and growth of our business.
- Ensure that the Group's business is relevant, vibrant, commercially successful, sustainable, and focused on customer needs.
- Maintain high standards of governance and financial management.

China Fleet Trust

Trustees' Report

In support of the principal themes 9 key workstreams were identified and this instigated a series of Trust Sub-Working Groups (TSWG) to facilitate delivery against the SP:

Workstreams	
1.	Produce bottom-up assessment to support £1m Company profit ambition by 2027/28 and identify key supporting steps and sensitivities.
2.	Review and redefine Trust Reserves Policy.
3.	Company budget 2024/25 to reflect baseline capex/repairs and renewals in support of growth and energy sustainability agenda.
4.	Company to work up business cases on revenue growth/energy sustainability from menu of options, for agreement with Trustees during the year.
5.	Consider merits of a pre-planning application for new lodge-style accommodation.
6.	Implement new Company IT system.
7.	Continue development of the plan for increasing energy self-sufficiency/sustainability, and carbon emissions reductions, building on recent TSWG work.
8.	Develop options for use of 'spare land'.
9.	Conclude stakeholder outreach work and produce implementation plan.

Outcomes are reported to Trustees regularly and at each Trust Board meeting.
Several workstreams have concluded and the outcomes are now being realised.

The enterprise's number one priority remains to provide quality leisure and recreational facilities for our beneficiaries. This priority has been reaffirmed in the latest Strategic Plan, where a new KPI of a minimum of 15,000 visits by serving beneficiaries per annum is now set. This figure is double the previous target and indicative of the Club being used in record numbers by our beneficiaries. During the FY the Club recorded over 44,400 visits by both serving and ex/former serving beneficiaries.

The board of Trustees has been enhanced with some changes over the last FY. The Commanding Officer of HMS Raleigh has been welcomed onto the board. This key Royal Navy (RN) appointment brings the number of serving Trustees to five of eleven. Another key change saw Sarah Adkins stand down as a Trustee after serving the maximum term of 10 years. The Trust was delighted that Sarah accepted a role to continue as an ambassador of the charity. Her legal expertise on the board had contributed to many facets of the Trust's business and the Trustees were pleased to recruit a successor, Nikki Jonas, who brings a wealth of legal knowledge to bear.

The board of Trustees have backed the growth agenda of the enterprise and have approved some key improvements to the Club over the last 12 months. The refurbishment of the Club's Brasserie restaurant was a particular highlight, where the Trust invited the Royal Navy's Chef of the Year to officially open the upgraded facility in March. Further investments over the year saw the second phase of solar PV installation complete. With the addition of 225kWH of further electrical energy now generated onsite this takes the total Solar PV self-generation to c.400kWh.

Looking ahead to the coming Financial Year, the Trust continues to back the Enterprise's growth ambition with record levels of investment in Capital Expenditure approved in the budget which will enhance, improve and modernise the Club to ensure it remains the venue of choice for our beneficiaries, members and visitors.

Signature: .....

Date: 3 Feb 25
Rear Admiral J S Weale CB OBE
Chair of the Trustees
China Fleet Trust

China Fleet Trust

Trustees' Report

OBJECTIVES AND ACTIVITIES

a. Policies and Objectives

The objective of the Trust is to provide leisure and recreational facilities for all officers and ratings of the Royal Naval forces, including Reserves, Royal Fleet Auxiliary personnel, their families, and dependants (collectively known as "the beneficiaries"). Additional beneficiary classes include ex Royal Naval Forces and other Forces attached to or embedded within Royal Navy Units and their families thus satisfying the public benefit test (the promotion of the efficiency of the armed forces of the crown). The declaration of Trust provides the Trustees with wide discretionary investment powers to achieve the objective of the Trust.

To further its objective the Trust has developed the China Fleet Country Club at Saltash ("the Club").

b. Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the Charity should undertake and have directed the Company accordingly. The Trustees consider that their Charitable activities fall within the descriptions of charitable purposes set out in the Charities Act and are for the public benefit as set out below.

"The promotion of the efficiency of the Armed Forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services".

The Charity satisfies the public benefit test in the provision of sporting, leisure and recreational facilities, including accommodation for the use of their beneficiaries, being ALL serving personnel of the Royal Navy and Royal Marines, Reserves and Royal Fleet Auxiliary personnel and their immediate families and additional specified personnel as outlined in para a, numbering in total over 800,000.

The Trustees believe that by providing such facilities, the beneficiaries return to active duty refreshed, relaxed and ready to face their next task, thus maintaining and increasing their efficiency in the defence of the realm. This conviction continues to be endorsed, commended and encouraged by the Royal Navy's chain of command.

The Trustees have considered the matter of detriment and harm and are content that neither arises from the Trust's charitable activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Trading Subsidiary (China Fleet Country Club Limited – 'the Company')

The 2023 to 2028 Strategic Plan recognises that the financial stability of the Charity is dependent upon the good husbandry of the Charity's own assets and the revenue generated and commercial viability of its trading subsidiary.

The Company has achieved much during this FY and have realised record revenue figures for the Club. This is a fantastic accolade and testament to the Company rising to the challenges as set in the Trust's Strategic Plan. Although a record revenue was generated, the profitability forecast in the budget was not achieved and the Company management team have been directed to provide more accurate forecasting of budget spend and profitability in future iterations. This area for improvement does not detract from the fact the trading subsidiary has generated the largest Gift Aid payment to the Trust on record, at £446k.

The Company team successfully implemented several new facilities, improvements and upgrades to the Club over the course of the FY. Some of the key projects completed included a major refurbishment of the Brasserie restaurant (with menu relaunch), installation of a new Waste Treatment Plant as part of ongoing essential infrastructure upgrades, new golf course signage throughout the course, a new short game area for the golf course, refurbishment of the golf shop, new Conference & Events tables which will speed up turnaround times of the facility, installation of an easily accessible ramp to the upper tier of the accommodation complex and a plethora of minor enhancements throughout the Club.

The Company has been rewarded for their service to the Club's patrons and visitors with many awards during the year. Winning the SW wedding venue of the year (Town category) for the 3rd year in a row being a highlight, along with the Company being recognised as a Silver Armed Forces Covenant recipient of the Employer Recognition Scheme.

Employing 244 personnel in Southeast Cornwall, sees the Company as one of the larger employers in the area, this enhances the local economy, provides employment opportunities for locals and helps attract visitors from afar into the region.

b. China Fleet Trust

2023/24 has been a stellar year for engagement with our beneficiaries, senior leaders and charity partners. This pivotal aspect of Trust business ensures the Trust, its Club and trading subsidiary remain alive to and able to offer counters to the pressures, challenges and stresses of service. The Trust has been proud to host visitation by the Second Sea Lord, the first for almost a decade, and the Fleet Commander during this FY. Having 2 of the 3 principals of the Royal Navy visit demonstrates that the Club continues to be an important asset for the Royal Navy and its personnel.

The Trust was especially proud to support the endeavour of the submariners of HMS Oardacious through the year. The team launched their 2023 campaign to row the Atlantic Ocean, in the "The Toughest Row", at the Club with a naming ceremony for their boat which saw "Captain Jim" blessed as part of the evening. All involved with the Club were tracking the progress of team throughout their feat of endurance during the winter months. It was thrilling to see HMS Oardacious arrive in first place at the finish line in Antigua after their 3,000 mile row and 35 days aboard Captain Jim. The enterprise intends to continue its support to HMS Oardacious in the coming year with the first ever serving military women's crew (the Valkyries) attempt the crossing in December 2024.

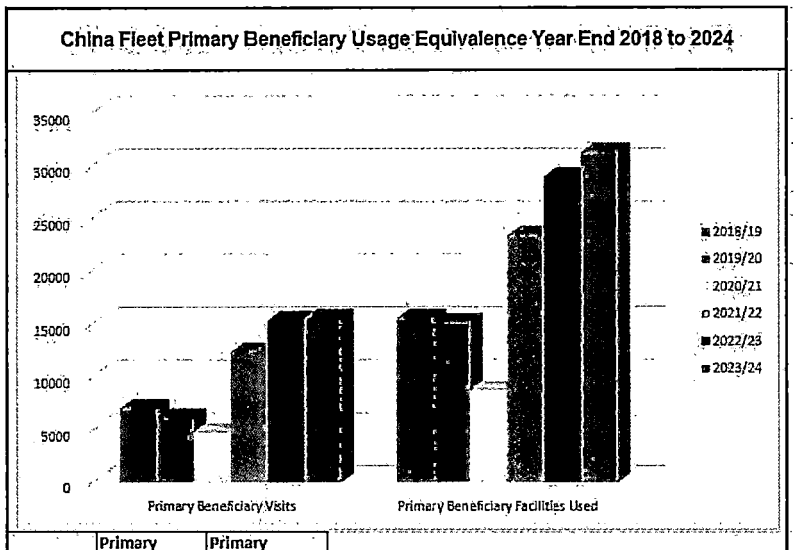
China Fleet Trust

Trustees' Report

Routine visitation occurred throughout the year by key beneficiary groups, partner charities and command teams which included: BRNC, 47 Cdo, EWO Desig Courses, Commanding Officer Desig Courses, Submarine Coxn courses, HMS Raleigh, HMS Victorious, RNRMC, RNBT, RMA, RNA, RN FPS, NCC, FEC, WEA, SSAFA, Greenwich Hospital, 29 Cdo, CTCRM, NBC(D), CTP, Devon URNU, HMS Audacious, HMS Northumberland, JHG(SW), HMS Tamar, RM's PT Branch, HMS Drake, HMS Courageous Volunteers, RNAS Culdrose, RNAS Yeovilton, HMS Bulwark, attendance at 1SL's conference for WO1s, Capt R&A, 30 Cdo IX, Vice Admiral Sir Chris Gardner of SDA, RN Rugby Union, support to the Ten Tors, National AFD support in Falmouth and RN Golf. All new recruits and officer candidates joining the Royal Navy and Royal Marines now have the opportunity to visit the Club during phase 1 training with an acquaintance visit to their Club. This offer is set to expand to include RFA personnel in the coming year.

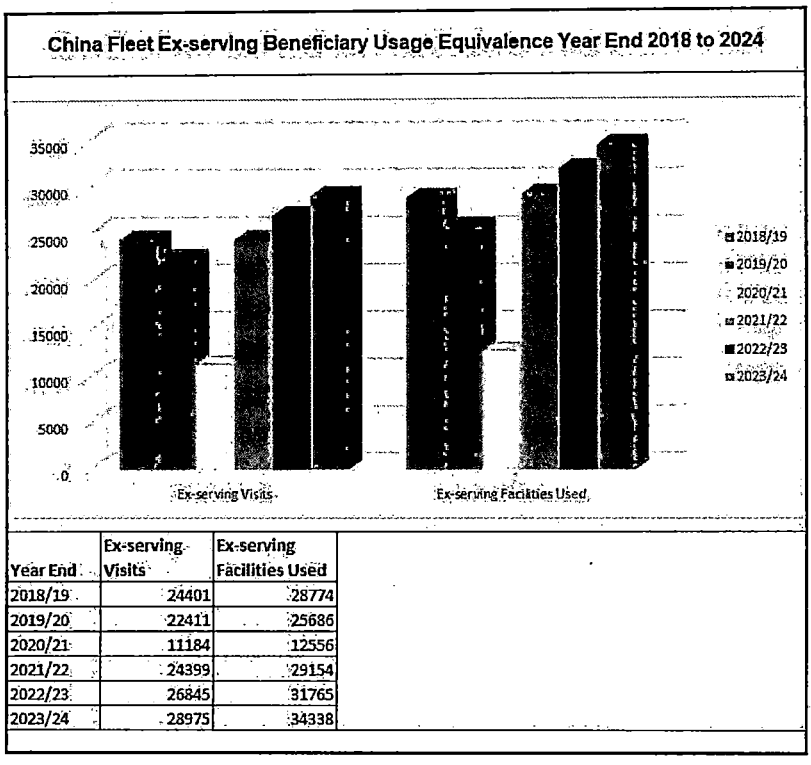
The Trust's Beneficiary Committee (BenCom) chair changed hands with WO1 Andrew Collacott RM taking on the role from the departing WO1 Paul Todd. The BenCom was extensively reinvigorated in previous years, with new Terms of Reference produced to enable the committee to be more involved in the decision making at key times in the enterprise's calendar year. The committee continues to deliver and provide beneficiary focus at all levels of the Club, with 28 devoted serving, ex/former-serving and external partner organisation representatives all working hard to extol the virtues of the Club in their domain.

The cumulative effort of the visit programme for senior leaders, Beneficiary Committee support, the Company's staff, Trustees and the CEO have seen beneficiary numbers rise to record levels of visitation. Tables 1 and 2 show the rise in beneficiary usage in both the serving and ex / former serving beneficiary cadres, with total visitation figures exceeding 44,400 visits over the year. This level of visitation means that the Club retains its credibility amongst our beneficiaries and is a key metric of how the charity is delivering on its charitable objective:



Year End	Primary Beneficiary Visits	Primary Beneficiary Facilities Used
2018/19	7061	15495
2019/20	6187	15099
2020/21	4736	8714
2021/22	12352	23315
2022/23	15281	28887
2023/24	15494	31198

Table 1. Serving Beneficiary Usage Trend Analysis – last 6 years



Year End	Ex-serving Visits	Ex-serving Facilities Used
2018/19	24401	28774
2019/20	22411	25686
2020/21	11184	12556
2021/22	24399	29154
2022/23	26845	31765
2023/24	28975	34338

Table 2. Ex / Former Serving Beneficiary Usage Trend Analysis

FINANCIAL REVIEW

a. Financial Review

The Trustees present their report and financial statements for year ended 31 May 2024.

The enterprise has registered its best year of revenue generation over the FY with consolidated revenue for the year posted as £6,750k compared to the previous year of 2022/23 which generated income of £6,351k.

Within total Income is the China Fleet Country Club Limited (the Company), which carries out non charitable trading activities for the Charity. The Company generated sales (net of Trust) of £5,435k (2023 £5,201k), generating a profit of £446k (2023: £227k). This will represent a potential Gift Aid to the Trust of £446k (2023: £227k).

This Gift Aid payment is a record for the Company. As the enterprise provides consolidated accounts this Gift Aid is not apparent as it is eliminated when the accounts of the Company and Trust are combined.

The Trust report a net movement in funds of £47k (2023 negative movement of £226k). Although the movement of £47k is after depreciation has been taken off of £397k and losses on disposals of £82k, thus excluding depreciation and losses on disposals there is a net positive moment in funds of £526k. The consolidated cash at bank at the year-end is £682k (2023: £846k).

The enterprise has strived to drive down debt exposure over the last few years, that said the Trust are aware of the need to invest and may accrue some additional debt in the years ahead to fund their growth ambition. The balance of the Green SME loan opened to fund the solar PV installation has been drawn down further to complete the installation through the FY and at year end stood at £222k (2023: £159k). The Coronavirus Business Interruption Loan Scheme (CBILS) has been steadily reduced through the FY and at year end stands at £54k outstanding (2023: £195k). When added to a long-term HSBC consolidated business loan of £313k outstanding at year end (2023: £389k). Despite drawing down against the new green SME loan during the FY, the overall debt for the enterprise has fallen to £589k at year end (2023: £743k). Trustees have approved the pay down of the CBILS loan before October 2024, which will take effect during the coming FY.

The Trust commissions Sarasin and Partner LLP to manage its main assets, the long and medium-term investment portfolios. The Trust gains regular updates from the portfolio management team, who attend Trust meetings to talk through performance. Performance of Sarasin & Partner has been behind the benchmark for some time and Trustees are, as part of a wider reserves and investment strategy investigating options to ensure that the best possible returns are being made of the Trust's assets for the good of the charity. A decision was made at the Trust's May 24 board meeting to close the medium-term portfolio held with Sarasin & Partners and invest the money in a high interest Money Market account with HSBC. The medium-term portfolio had stagnated and had not generated any income for the Trust over the last 3 years. At year end the value of the medium-term portfolio was £84k (2023: £82k). The long-term portfolio has benefited from the switch to more globally focussed indices and finished the year strong after market turbulence had been experienced through the FY. At year end the long-term portfolio stands at £967k (2023: £867k). In total the year end investments stand at £1,051k (2023: 943k).

Total Reserves now stand at £8,828k (2023: £8,781k) of which £311k (2023: £324k) are restricted funds. Of the £8,517k (2023: £8,457k) in Unrestricted Reserves, designated reserves stand at £8,517k (2023: £8,699k), with £nil (2023: £24k) as general unrestricted reserves.

The Trust is in communication with HMRC regarding a routine VAT Inspection following the raising of an assessment of a previous VAT return. HMRC have indicated that the inspection is to be extended to consider later VAT returns submitted, following the original assessment. This assessment of returns, conclusion and outcome will not be concluded prior to the filing deadline for this financial year. At this stage it is impossible to determine the outcome of HMRC's inspection or if any financial implications may arise. The Trustees have approved the addition of a contingent liability note in relation to this within the consolidated accounts.

b. Going Concern

The Charity is dependent upon its wholly owned subsidiary, The China Fleet Country Club Ltd ("The Company") to manage the facility on behalf of its beneficiaries.

The Trustees take confidence in the continued strong performance of our Company and are reassured that their metrics for gauging and considering "Going Concern" are accurate and fit for purpose. Having emerged from a period of financial uncertainty, due to global factors, in recent FYs, the return to growth of the enterprise has enabled confidence to invest in infrastructure and additional facilities, a true measure of a positive going concern.

The Trustees remain confident that the Going Concern of the enterprise remains credible and are confident of an enduring period of growth and increasing Gift Aid potential.

A Going Concern assessment of the enterprise is recorded at each Trust meeting and the forecasts for this coming financial year provide sufficient evidence for Trustees to remain confident that the business remains viable and in good shape to deal with any possible scenarios that may present.

c. Reserves Policy

The Trustees initiated a Sub Working Group to undertake a reserves study during this FY. This study concluded that the level of unrestricted designated reserves (that is those funds that are freely available and does not include the designated land and buildings reserve, but does include investment portfolio and cash in the Trust's business bank account) are held to cover the following:

- The continuing need to maintain the infrastructure, fabric and plant licensed by the Company.
- To cover the need to finance the evolution and development of the facility to create new and innovative income streams.
- To provide a financial buffer against a slump in the economic marketplace resulting in a dramatic fall in the market value of the investments.
- To provide for a contingency for the Company should it become necessary.

As of 31 May 2024, the attached financial statements show an unrestricted reserve of £8,518k (2023: £8,458k) and restricted reserves of £311k (2023: £324k) giving total reserves of £8,828k (2023: £8,781k). Freehold property within tangible fixed assets stand at a net book value of £8,021k (2023: £8,215k), within total tangible fixed assets of £8,870k (2023: £8,679k).

PLANS FOR THE FUTURE

- Trustees have approved a gym refurbishment in September 24, which will see the renewal of CV, static equipment with a full modernisation overhaul of facilities.
- A new mezzanine level will be created by utilising some of the spare void space that was cleverly designed into the main fabric of the Club's internal dimensions during the build of the Club. This clever future proofing will enable a new "Box 12" fitness suite to be installed encompassing a technology based 12-station boxing themed circuit. The lower half of the mezzanine will be used to enhance the staff facilities by providing a new, larger staff room.
- Install a 600kWh ground mounted solar array in the Club's spare 10-acre piece of land – subject to a successful £200k matched funding bid through Cornwall Council's Shared Prosperity Fund and requisite planning permission (£665k project).
- Trustees will consider a proposal to install a Deep Green data centre which would allow the harnessing of power generated by the data centre to be used to heat the Club's swimming pool. This will reduce carbon emissions and the enterprise's reliance on gas. Legal due diligence checks are ongoing to assess feasibility of this proposal for the charity.
- Allocate and approve budget CapEx and Repairs & Renewals funding for our trading subsidiary to keep the Club looking fit for purpose, modern and a venue of choice for our beneficiaries, members and visitors (£584k approved vice 2023: £433k).
- Pay off remaining balance of CBILS loan by Oct 24.
- Develop the Trust's Investment strategy, collaborating with fellow RN charity partners to ensure that the Trust sees the best return on investment for the charity's reserve portfolio.
- Ensure every decision made by the enterprise is viewed through the lens of our beneficiaries and meets with our charitable objectives.

- Continue to be relevant and remain a viable leisure and recreational facility for our beneficiaries and their families.
- Continue to learn from the experience and implement any Lessons Identified into future Risk Management.
- Capitalise on grant opportunities to drive towards our net zero commitments.
- Continue to engage with and collaborate with our beneficiary facing businesses, such as Costain, Slimstock, AEUK, Babcock International, Jacobs.

LONG TERM ASPIRATIONS

- Once conditions allow and finances are in place there is a long-held aspiration to increase the accommodation offering at the Club to include lodge style facilities. This project has been the subject of several feasibility studies in previous years and Trustees feel that the conditions are not favourable currently to advance this project. It remains a longer-term goal within the current Strategic Plan timeframe.
- Plan to install a High Ropes, Jump Tower and Zip Wire facility at the Club when financial conditions allow, which will enhance the family friendly facilities available to our beneficiaries.
- Consider the potential of land acquisition of the neighbouring plots. There may a once in a generation opportunity to acquire additional land bordering the Club. This would be used to future proof the Club further and provide opportunities for further expansion of facilities and essential infrastructure which will pave the way for further growth.
- Continue to drive towards halving the Club's net zero emissions by 2030, the Club has done much to advance this process and the Trustees are confident of meeting this initial target ahead of 2030.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

China Fleet Trust is registered as a charitable company limited by guarantee, number 1135918 and was set up by a Trust deed. It is governed by its Memorandum of Association dated 10 December 2009 and Articles of Association dated 3 February 2020.

The Trust is governed and directed by its Board of Trustees with operational management delegated to the Chairman and a Chief Executive. The Board of Trustees meet as required but at least three times a year. The Trust maintains an office at Saltash where the Chief Executive executes his duties. The Chairman makes regular visits to the office to deal with matters arising and is a co-signatory with the Chief Executive plus two other Trustees for signing cheques. The declaration of Trust requires that the total number of Trustees shall not be less than four. New Trustees are appointed either by virtue of military appointment or an open recruitment process. The current Trustees are listed above.

The Trust operate a Governance and Remuneration (G&R) Committee to advise the wider Trust Board on matters of Governance and Remuneration. This Committee is made up of a minimum of three unconflicted Trustees. This Committee does not absolve the wider Trustees of their responsibilities towards overall Governance of the Charity.

The facilities of the Club are operated by a wholly owned subsidiary company, China Fleet Country Club Limited ("the Company"). The Trust has a 5-year nonexclusive Operating Agreement (OA)(signed on 31st March 2023) for the Company to operate the Club and act as agent for the Trust in providing on site leisure and recreational facilities for the beneficiaries. The performance of this agreement is reviewed annually by the Trust and Company, with any variations signed by both parties and filed with the Trust's solicitors, Womble Bond Dickinson (UK) LLP. Mr Robert Baldry is currently the non-executive chairman of the Board of Directors of the Company.

The China Fleet Country Club Beneficiaries Committee (BenCom) is chaired by a Serving Trustee, Warrant Officer First Class Paul Todd, who also attends the Company board meetings. WO1 Todd resigned as a Trustee in November 2023 in preparation for leaving service and has now handed over the role as a Trustee and BenCom Chair to another serving Warrant Officer First Class, Andrew Collacott Royal Marines. Mr Dean Bennett (Company MD) attends meetings of the Trustees and meetings of the China Fleet Country Club BenCom.

The Trust follows the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 Jan 2022 edition).

b. Risk Management

The Trustees meet regularly to assess business risks and implement risk management strategies. This process is managed by the Trust CEO, assessed by the Governance and Remuneration committee and approved by the wider board of Trustees. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks identified in the Trust Risk Register, which is aligned with the Company Risk Register regularly. The Trustees are pleased to report that the Charity's internal financial controls comply in all respects with guidelines issued by the Charity Commission. The Trustees continue to promote procedures to ensure that forward looking, continuous risk management processes become part of the operating culture of the charity and its trading Company.

The risk management systems have been fully tested over the last few years and the Trust are confident that their performance has helped to ensure the continued success of the enterprise despite the volatile operating environment that has pertained due to the impacts of CV19, War in Ukraine, Inflation and cost-of-living crisis. These systems continue to offer assurance that the enterprise is well placed to deal with any emergent events.

c. Remuneration

The Trust's only salaried employee, the Chief Executive is appraised annually by the Chairman of the Trustees and one other Trustee with recommendations made to the Governance and Remuneration Committee for the approval of any rise in salary. A benchmarking exercise was conducted by the Governance and Remuneration committee during the FY to ensure that the salary offered is proportional, fair and measured against similar military charities.

Senior Company staff, including the NE Chairman, are also appraised annually and recommendations for their remuneration are also presented to Trustees for approval via the Governance and Remuneration Committee and detailed within the annual budget.

d. Other Relevant Sources of Professional Advice

Investment Managers – Sarasin and Partners LLP. This company manages the Trust's long-term and medium-term investment portfolios. Address – Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial entity. 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

China Fleet Trust

Trustees' Report

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS
There are no funds held as custodian trustee on behalf of another entity.

DISCLOSURE OF INFORMATION TO AUDITORS
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information, and
- the enterprise, that is the Charity and its wholly owned trading subsidiary, remains a viable Going Concern.

AUDITORS
The Trustees undertook a benchmarking exercise to ensure value for money was being achieved from the firm of auditors during the FY after a proposed increase in audit premiums of some 40% was received from the enterprise's previous auditors (Bishop Fleming LLP). This process saw 5 firms examined, with Thompson Jenner LLP being offered the contract. This FY's audit has been Thompson Jenners first audit with the enterprise and Trustees have been impressed with their professionalism, thoroughness and drive to understand all aspects of the enterprise.

The auditors, Thompson Jenner LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees in November.

APPROVAL OF THE TRUSTEES' ANNUAL REPORT:
Approved by order of the members of the board of Trustees and signed on their behalf by:

Signature:.....

Date: ..... 3 Feb 25
Rear Admiral J S Weale CB OBE
Chair of the Trustees
China Fleet Trust

China Fleet Trust

Independent Auditor's Report to the Members of China Fleet Trust

Opinion

We have audited the financial statements of China Fleet Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 May 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows 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 group's and parent charity's affairs as at 31 May 2024 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 group 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.

Other matter

The financial statements of the Charity for the year ended 31 May 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 7 December 2023.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee 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 group'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is 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.

Independent Auditor's Report to the Members of China Fleet Trust

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.

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 Chair's Report and Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's Report and Trustee's 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Report and the Trustee's 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 11), the trustee 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 trustee 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 trustee 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 trustee 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:

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006,Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental, fire safety and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

Independent Auditor's Report to the Members of China Fleet Trust

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company trustee 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 group's trustee 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 parent company and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Simon Lewis (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

Date: 19/02/25

China Fleet Trust

Consolidated Statement of Financial Activities for the Year Ended 31 May 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	4,406	-	4,406
Charitable activities	4	1,272,892	-	1,272,892
Other trading activities		5,434,828	-	5,434,828
Investment income	5	38,344	-	38,344
Total income		6,750,470	-	6,750,470
Expenditure on:				
Raising funds		(4,896,938)	-	(4,896,938)
Charitable activities	6	(1,865,004)	(12,319)	(1,877,323)
Total expenditure		(6,761,942)	(12,319)	(6,774,261)
Gains/losses on investment assets		71,238	-	71,238
Net income/(expenditure)		59,766	(12,319)	47,447
Net movement in funds		59,766	(12,319)	47,447
Reconciliation of funds				
Total funds brought forward		8,457,976	323,512	8,781,488
Total funds carried forward	21	8,517,742	311,193	8,828,935

The notes on pages 23 to 44 form an integral part of these financial statements.

China Fleet Trust

Consolidated Statement of Financial Activities for the Year Ended 31 May 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Prior Period	Note	Unrestricted funds £	Restricted funds £	(As restated) Total 2023 £
Income and Endowments from:				
Donations and legacies	3	14,650	-	14,650
Charitable activities	4	1,097,730	-	1,097,730
Other trading activities		5,204,228	-	5,204,228
Investment income	5	33,910	-	33,910
Total income		6,350,518	-	6,350,518
Expenditure on:				
Raising funds		(4,883,491)	-	(4,883,491)
Charitable activities	6	(1,635,621)	(12,319)	(1,647,940)
Total expenditure		(6,519,112)	(12,319)	(6,531,431)
Gains/losses on investment assets		(44,797)	-	(44,797)
Net expenditure		(213,391)	(12,319)	(225,710)
Net movement in funds		(213,391)	(12,319)	(225,710)
Reconciliation of funds				
Total funds brought forward		8,671,367	335,831	9,007,198
Total funds carried forward	21	8,457,976	323,512	8,781,488

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

The funds breakdown for 2023 is shown in note 21.

China Fleet Trust

(Registration number: 07100967)
Consolidated Balance Sheet as at 31 May 2024

	Note	2024 £	(As restated) 2023 £
Fixed assets			
Tangible assets	11	8,870,016	8,679,048
Investments	12	944,727	942,797
		9,814,743	9,621,845
Current assets			
Stocks	13	172,660	145,565
Debtors	14	140,121	189,378
Cash at bank and in hand	15	681,732	846,215
		994,513	1,181,158
Creditors: Amounts falling due within one year	16	(1,510,624)	(1,413,217)
Net current liabilities		(516,111)	(232,059)
Total assets less current liabilities		9,298,632	9,389,786
Creditors: Amounts falling due after more than one year	17	(469,697)	(608,298)
Net assets		8,828,935	8,781,488
Funds of the group:			
Restricted income funds			
Restricted funds	21	311,193	323,512
Unrestricted income funds			
Unrestricted funds		8,517,742	8,457,976
Total funds	21	8,828,935	8,781,488

The financial statements on pages 17 to 44 were approved by the trustees, and authorised for issue on 3/2/25 and signed on their behalf by:

Rear Admiral J S Weale CB OBE
Chair of the Trustees
China Fleet Trust

China Fleet Trust

(Registration number: 07100967)
Balance Sheet as at 31 May 2024

	Note	2024 £	(As restated) 2023 £
Fixed assets			
Tangible assets	11	8,857,895	8,661,332
Investments	12	945,727	943,797
		9,803,622	9,605,129
Current assets			
Debtors	14	461,930	295,371
Cash at bank and in hand	15	201,042	374,067
		662,972	669,438
Creditors: Amounts falling due within one year	16	(1,246,064)	(1,092,859)
Net current liabilities		(583,092)	(423,421)
Total assets less current liabilities		9,220,530	9,181,708
Creditors: Amounts falling due after more than one year	17	(427,958)	(436,583)
Net assets		8,792,572	8,745,125
Funds of the charity:			
Restricted income funds			
Restricted funds	21	311,193	323,512
Unrestricted income funds			
Unrestricted funds		8,481,379	8,421,613
Total funds	21	8,792,572	8,745,125

The financial statements on pages 17 to 44 were approved by the trustees, and authorised for issue on 3.12.25 and signed on their behalf by:

.....

Rear Admiral J S Weale CB OBE
Chair of the Trustees
China Fleet Trust

China Fleet Trust

Consolidated Statement of Cash Flows for the Year Ended 31 May 2024

	Note	2024 £	(As restated) 2023 £
Cash flows from operating activities			
Net cash income/(expenditure)		47,447	(225,710)
Adjustments to cash flows from non-cash items			
Depreciation		397,129	351,691
Investment income	5	(38,344)	(33,910)
Loss on disposal of tangible fixed assets		82,444	47,582
Loss on disposal of fixed assets held for the group's own use	7	-	1,492
Revaluation of investments		(71,238)	44,797
		417,438	185,942
Working capital adjustments			
Increase in stocks	13	(27,095)	(28,795)
Decrease in debtors	14	49,257	40,352
Increase in creditors	16	50,576	10,442
Increase in deferred income	17	66,075	18,748
Net cash flows from operating activities		556,251	226,689
Cash flows from investing activities			
Interest receivable and similar income	5	38,344	33,910
Purchase of tangible fixed assets	11	(670,541)	(457,655)
Purchase of investments	12	(14,036)	(34,278)
Sale of investments	12	83,344	-
Net cash flows from investing activities		(562,889)	(458,023)
Cash flows from financing activities			
Value of new loans obtained during the period		91,921	165,446
Repayment of loans and borrowings	16	(245,580)	(222,002)
Repayment of capital element of finance leases and HP contracts	18	(4,186)	20,426
Net cash flows from financing activities		(157,845)	(36,130)
Net decrease in cash and cash equivalents		(164,483)	(267,464)
Cash and cash equivalents at 1 June		846,215	1,113,679
Cash and cash equivalents at 31 May		681,732	846,215

All of the cash flows are derived from continuing operations during the above two periods.

China Fleet Trust

Statement of Cash Flows for the Year Ended 31 May 2024

	Note	2024 £	(As restated) 2023 £
Cash flows from operating activities			
Net cash income/(expenditure)		47,447	(225,710)
Adjustments to cash flows from non-cash items			
Depreciation		391,534	346,097
Investment income	5	(29,809)	(27,716)
Loss on disposal of tangible fixed assets		82,444	47,590
Revaluation of investments	12	(71,238)	44,797
Loss on disposal of fixed assets held for the charity's own use	7	-	1,492
		420,378	186,550
Working capital adjustments			
(Increase)/decrease in debtors	14	(166,559)	230,618
Increase in creditors	16	157,627	99,262
Net cash flows from operating activities		411,446	516,430
Cash flows from investing activities			
Interest receivable and similar income	5	29,809	27,716
Purchase of tangible fixed assets	11	(670,541)	(457,655)
Purchase of investments	12	(14,036)	(34,278)
Sale of investments	12	83,344	-
Net cash flows from investing activities		(571,424)	(464,217)
Cash flows from financing activities			
Value of new loans obtained during the period		91,921	165,446
Repayment of loans and borrowings	16	(104,968)	(76,600)
Net cash flows from financing activities		(13,047)	88,846
Net (decrease)/increase in cash and cash equivalents		(173,025)	141,059
Cash and cash equivalents at 1 June		374,067	233,008
Cash and cash equivalents at 31 May		201,042	374,067

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustee is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
China Fleet Country Club
Saltash
Cornwall
PL12 6LJ

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
China Fleet 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.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 May 2024.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a profit after tax for the financial year of £47,447 (2023 - loss of £225,710).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

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

Prior period errors
The accounts have been restated to incorporate the impact of casting errors in relation to the fixed asset register where the errors related to the depreciation charged and disposals of tangible fixed assets which subsequently impact the prior period's tangible fixed asset balance and unrestricted designated fund balances carried forward.

A breakdown of the impacted areas and restated balances within the current year's financial statements are listed below:

Summary of the prior year accounting impact	£ **2023**	£ **Pre 2023**	£ **Total**
Tangible fixed assets land and buildings	(3,036)	(86,784)	(89,820)
Tangible fixed assets fixtures, fittings and equipment	(34,042)	(139,639)	(173,681)
Depreciation charge land and buildings	3,036	-	3,036
Depreciation charge fixtures, fittings and equipment	34,042	-	34,042
Unrestricted designated fixed asset reserves impacts	(37,078)	(226,423)	(263,501)

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.

Grants receivable

Grants are recognised when the group 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.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received.

Deferred income relates to memberships and events paid for in advance.

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.

Governance costs

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

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.

Tangible fixed assets

Individual fixed assets 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:

Asset class	Depreciation method and rate
Land	not depreciated
Buildings	2-4% straight line
Fixtures, fittings and equipment	15% - 33% straight line
Motor vehicles, tractors & mowers	20% straight line
Plant & machinery	16% straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

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.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds that have been set aside by the trustees for particular purposes and the use of each designated fund is set out in the notes to the financial statements.

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.

Financial instruments

Classification

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3 Income from donations and legacies

	Unrestricted funds General £	Total 2024 £
Grants, including capital grants;		
Grants from companies	4,406	4,406
	4,406	4,406

	Unrestricted funds General £	Total 2023 £
Grants, including capital grants;		
Grants from companies	14,650	14,650
	14,650	14,650

4 Income from charitable activities

	Unrestricted funds General £	Total 2024 £
Direct charitable income from beneficiaries	1,272,892	1,272,892

	Unrestricted funds General £	Total 2023 £
Direct charitable income from beneficiaries	1,097,730	1,097,730

5 Investment income

	Unrestricted funds General £	Total 2024 £
Other investment income	38,344	38,344
	38,344	38,344

	Unrestricted funds General £	Total 2023 £
Other investment income	33,910	33,910
	33,910	33,910

6 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Depreciation, amortisation and other similar costs	461,659	12,319	473,978
Staff costs	713,978	-	713,978
Other operating charges	685,330	-	685,330
Governance costs	4,037	-	4,037
	1,865,004	12,319	1,877,323

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Depreciation, amortisation and other similar costs	381,368	12,319	393,687
Staff costs	602,830	-	602,830
Other operating charges	637,475	-	637,475
Governance costs	13,948	-	13,948
	1,635,621	12,319	1,647,940

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024	2023
	£	£
Operating lease rentals	147,530	235,504
Audit fees	4,024	4,260
Other non-audit services	12,476	11,370
Loss on disposal of fixed assets held for the group's own use	82,444	47,582
Depreciation of fixed assets	397,129	351,691

8 Trustee remuneration and expenses

During the year, 2 Trustees (2023: 2) received remuneration totalling £15,787 (2023: £14,010) from China Fleet Country Club for their roles as non executive directors of the Charity's 100% subsidiary, China Fleet Country Club Limited.

During the year, no trustees received any remuneration or other benefits from China Fleet Trust (2023: 0).

During the year expenses totalling £3,216 were reimbursed to Trustees (2023: £1,953).

9 Staff costs

The aggregate payroll costs were as follows:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Staff costs during the year were:				
Wages and salaries	2,949,886	2,735,936	634,125	555,089
Social security costs	169,509	167,354	48,591	36,108
Pension costs	53,748	51,390	31,262	11,633
	3,173,143	2,954,680	713,978	602,830

The Charity staff costs include a recharge from the subsidiary company for managing the facility in accordance with the operating licence. These costs were £655,308 (2023: £550,070) with actual Trust staff costs of £58,670 (2023: £52,760)

The monthly average number of persons (including senior management / leadership team) employed by the group during the year was as follows:

	2024 No	2023 No
Apartments	26	24
Golf	19	18
Leisure	77	77
Food and beverage	62	66
Administration and establishment	49	45
	233	230

The number of employees whose emoluments fell within the following bands was:

	2024 No	2023 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

The total employee benefits of the key management personnel of the group were £397,564 (2023 - £385,281).

10 Taxation

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

11 Tangible fixed assets

Group and charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost					
At 1 June 2023	9,163,149	2,291,215	84,531	27,972	11,566,867
Additions	32,405	638,136	-	-	670,541
Disposals	(120,875)	(54,994)	(20,435)	-	(196,304)
At 31 May 2024	9,074,679	2,874,357	64,096	27,972	12,041,104
Depreciation					
At 1 June 2023	948,607	1,844,425	84,531	10,256	2,887,819
Charge for the year	143,605	247,929	-	5,595	397,129
Eliminated on disposals	(38,431)	(54,994)	(20,435)	-	(113,860)
At 31 May 2024	1,053,781	2,037,360	64,096	15,851	3,171,088
Net book value					
At 31 May 2024	8,020,898	836,997	-	12,121	8,870,016
At 31 May 2023	8,214,542	446,790	-	17,716	8,679,048

The plant and machinery total above relates solely to China Fleet Country Club Limited. The remainder relates to the trust.

The above disclosure includes a prior year adjustment as noted within the accounting policies on page 25. This adjustment has therefore resulted in a restatements of the brought forward net book value of assets totalling £263,501.

12 Fixed asset investments

Group

	2024	2023
	£	£
Other investments	944,727	942,797

Other investments

	Listed investments	Total
	£	£
Cost or Valuation		
At 1 June 2023	942,797	942,797
Additions	14,036	14,036
Revaluation	71,238	71,238
Disposals	(83,344)	(83,344)
At 31 May 2024	944,727	944,727
Net book value		
At 31 May 2024	944,727	944,727
At 31 May 2023	942,797	942,797

Charity

	2024 £	2023 £
Shares in group undertakings and participating interests	1,000	1,000
Other investments	944,727	942,797
	945,727	943,797

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 June 2023	1,000	1,000
At 31 May 2024	1,000	1,000
Net book value		
At 31 May 2024	1,000	1,000
At 31 May 2023	1,000	1,000

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 June 2023	942,797	942,797
Revaluation	71,238	71,238
Additions	14,036	14,036
Disposals	(83,344)	(83,344)
At 31 May 2024	944,727	944,727
Net book value		
At 31 May 2024	944,727	944,727
At 31 May 2023	942,797	942,797

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2024	2023
Subsidiary undertakings				
China Fleet Country Club Limited	England & Wales	Ordinary	100%	100%

Subsidiaries

The profit for the financial period of China Fleet Country Club Limited was £446,415 (2023 : £226,920) and the aggregate amount of capital and reserves at the end of the period was £37,363 (2023 : £37,363).

The principal activity of China Fleet Country Club Limited is the provision of leisure facilities, golf, spa, accommodation, conferences and weddings.

13 Stock

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Raw materials	12,413	15,502	-	-
Finished goods	160,247	130,063	-	-
	172,660	145,565	-	-

14 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	18,024	18,167	-	-
Due from group undertakings	-	-	446,415	226,920
Other debtors	122,097	171,211	15,515	68,451
	140,121	189,378	461,930	295,371

15 Cash and cash equivalents

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Cash at bank	681,732	846,215	201,042	374,067

16 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	136,727	155,972	107,040	111,462
Trade creditors	298,117	298,443	400	447
Hire purchase and finance leases	4,188	4,187	-	-
Due to group undertakings	-	-	1,134,364	976,450
Other taxation and social security	143,044	101,390	-	-
Other creditors	42,798	50,213	-	-
Accruals	262,451	245,788	4,260	4,500
Deferred income	623,299	557,224	-	-
	1,510,624	1,413,217	1,246,064	1,092,859

Deferred income

	2024	2023
	£	£
Deferred income at 1 June 2023	557,224	538,476
Resources deferred in the period	623,299	557,224
Amounts released from previous periods	(557,224)	(538,476)
Deferred income at year end	623,299	557,224

Deferred income relates to memberships and events paid in advance.

17 Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	457,645	592,059	427,958	436,583
Hire purchase and finance leases	12,052	16,239	-	-
	469,697	608,298	427,958	436,583

18 Operating lease commitments

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Within one year	147,530	256,657	-	-
Between one and five years	398,532	558,429	-	-
	546,062	815,086	-	-

19 Pension and other schemes

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £53,748 (2023: £51,390).

Contributions totalling £12,605 (2023: £10,871) were payable to the fund at the balance sheet date and are included in other creditors.

20 Contingent liabilities

China Fleet Trust is in communication with HMRC regarding a routine VAT inspection following the raising of an assessment of a previous VAT return. HMRC have indicated that the inspection may be extended to consider later VAT returns submitted following the original assessment and that the assessment of these returns, conclusion and outcome of such inspections will not be completed prior to the accounts filing deadline. At this stage it is therefore impractical to determine the outcome of such assessments or any financial implications.

21 Funds

Group

	Balance at 1 June 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2024 £
Unrestricted funds						
General						
General Funds	22,404	6,720,661	(6,513,875)	(229,190)	-	-
Designated						
Designated Funds	942,797	29,809	-	(99,117)	71,238	944,727
Freehold Property Reserve	7,492,775	-	(248,067)	328,307	-	7,573,015
	8,435,572	29,809	(248,067)	229,190	71,238	8,517,742
Total unrestricted funds	8,457,976	6,750,470	(6,761,942)	-	71,238	8,517,742
Restricted funds						
LIBOR Grant - Capital	31,496	-	(3,048)	-	-	28,448
RNRMC Grant - Capital	292,016	-	(9,271)	-	-	282,745
Total restricted funds	323,512	-	(12,319)	-	-	311,193
Total funds	8,781,488	6,750,470	(6,774,261)	-	71,238	8,828,935

Notes to the Financial Statements for the Year Ended 31 May 2024

	Balance at 1 June 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2023 £
Unrestricted funds						
General						
General Funds	120,000	6,322,935	(6,328,441)	(92,090)	-	22,404
Designated						
Designated Funds	955,735	27,583	-	4,276	(44,797)	942,797
Freehold Property Reserve	7,595,632	-	(190,671)	87,814	-	7,492,775
	8,551,367	27,583	(190,671)	92,090	(44,797)	8,435,572
Total unrestricted funds	8,671,367	6,350,518	(6,519,112)	-	(44,797)	8,457,976
Restricted funds						
LIBOR Grant - Capital	34,544	-	(3,048)	-	-	31,496
RNRMC Grant - Capital	301,287	-	(9,271)	-	-	292,016
Total restricted funds	335,831	-	(12,319)	-	-	323,512
Total funds	9,007,198	6,350,518	(6,531,431)	-	(44,797)	8,781,488

The above fund note for the period 31 May 2023 includes prior year errors that have resulted in a restatement of the brought forward results reducing the Freehold Property Reserve by £226,423 and subsequently has also resulted in an increase to the resources expended in the year ending 31 May 2023 of £37,078 as noted on page 25 giving a total reduction to the carried forward reserves of £263,501.

Charity

	Balance at 1 June 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2024 £
Unrestricted funds						
General						
General Funds	-	1,823,723	(1,616,937)	(206,786)	-	-
Designated						
Designated Funds	942,797	29,809	-	(98,117)	71,238	945,727
Freehold Property Reserve	7,478,816	-	(248,067)	304,903	-	7,535,652
	8,421,613	29,809	(248,067)	206,786	71,238	8,481,379
Total unrestricted funds	8,421,613	1,853,532	(1,865,004)	-	71,238	8,481,379
Restricted funds						
LIBOR Grant - Capital	31,496	-	(3,048)	-	-	28,448
RNRMC Grant - Capital	292,016	-	(9,271)	-	-	282,745
Total restricted funds	323,512	-	(12,319)	-	-	311,193
Total funds	8,745,125	1,853,532	(1,877,323)	-	71,238	8,792,572

Notes to the Financial Statements for the Year Ended 31 May 2024

	Balance at 1 June 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2023 £
Unrestricted funds						
General						
General Funds	83,637	1,439,444	(1,444,950)	(78,131)	-	-
Designated						
Designated Funds	955,735	27,583	-	4,276	(44,797)	942,797
Freehold Property Reserve	7,595,632	-	(190,671)	73,855	-	7,478,816
	8,551,367	27,583	(190,671)	78,131	(44,797)	8,421,613
Total unrestricted funds	8,635,004	1,467,027	(1,635,621)	-	(44,797)	8,421,613
Restricted funds						
LIBOR Grant - Capital	34,544	-	(3,048)	-	-	31,496
RNRMC Grant - Capital	301,287	-	(9,271)	-	-	292,016
Total restricted funds	335,831	-	(12,319)	-	-	323,512
Total funds	8,970,835	1,467,027	(1,647,940)	-	(44,797)	8,745,125

The above fund note for the period 31 May 2023 includes prior year errors that have resulted in a restatement of the brought forward results reducing the Freehold Property Reserve by £226,423 and subsequently has also resulted in an increase to the resources expended in the year ending 31 May 2023 of £37,078 as noted on page 25 giving a total reduction to the carried forward reserves of £263,501.

The specific purposes for which the funds are to be applied are as follows:

Designated Funds - represents funds allocated for the replacement, long term maintenance and improvements of buildings and equipment in line with the reserves policy.

Freehold Property Reserve - represents the net book value of the freehold property (excluding amounts held in restricted funds) less loans secured against the asset.

Restricted Funds - represents LIBOR and RNRMC grant income that has been used in the refurbishment of apartment blocks and refurbishment of changing rooms. The balance equals the net book value of the assets purchased.

22 Analysis of net assets between funds

Group

	Unrestricted funds General	Restricted funds	Total funds at 31 May 2024
	£	£	£
Tangible fixed assets	8,558,824	311,192	8,870,016
Fixed asset investments	944,727	-	944,727
Current assets	994,513	-	994,513
Current liabilities	(1,510,624)	-	(1,510,624)
Creditors over 1 year	(469,697)	-	(469,697)
Total net assets	8,517,743	311,192	8,828,935

	Unrestricted funds General	Restricted funds	Total funds at 31 May 2023
	£	£	£
Tangible fixed assets	8,355,536	323,512	8,679,048
Fixed asset investments	942,797	-	942,797
Current assets	1,181,158	-	1,181,158
Current liabilities	(1,413,217)	-	(1,413,217)
Creditors over 1 year	(608,298)	-	(608,298)
Total net assets	8,457,976	323,512	8,781,488

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2024 £
Tangible fixed assets	8,546,703	311,192	8,857,895
Fixed asset investments	945,727	-	945,727
Current assets	662,972	-	662,972
Current liabilities	(1,246,064)	-	(1,246,064)
Creditors over 1 year	(427,958)	-	(427,958)
Total net assets	8,481,380	311,192	8,792,572

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2023 £
Tangible fixed assets	8,337,820	323,512	8,661,332
Fixed asset investments	943,797	-	943,797
Current assets	669,438	-	669,438
Current liabilities	(1,092,859)	-	(1,092,859)
Creditors over 1 year	(436,583)	-	(436,583)
Total net assets	8,421,613	323,512	8,745,125

23 Analysis of net funds

Group

	At 1 June 2023 £	Financing cash flows £	At 31 May 2024 £
Cash at bank and in hand	846,215	(164,483)	681,732
Debt due within one year	(160,159)	19,244	(140,915)
Debt due after more than one year	(608,298)	138,601	(469,697)
Net debt	77,758	(6,638)	71,120

	At 1 June 2022 £	Financing cash flows £	At 31 May 2023 £
Cash at bank and in hand	1,113,679	(267,464)	846,215
Debt due within one year	(158,129)	(2,030)	(160,159)
Debt due after more than one year	(646,458)	38,160	(608,298)
Net debt	309,092	(231,334)	77,758

24 Related party transactions

The Charity has one 100% owned subsidiary as detailed in note 12.

As this subsidiary is wholly owned by China Fleet Trust, the Charity has taken advantage of the exemption contained in FRS 102 Section 33.1A not to disclose transactions or balances with entities which form part of a group.

CHINA FLEET TRUST

England & Wales - Charity number 1135918

Accounts

Registered number: 07100967
Charity number: 1135918

CHINA FLEET TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

Bishop Fleming

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

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CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MAY 2023

Trustees	Rear Admiral John Stuart Weale CB, OBE, Chairman (appointed 2 December 2022) Mrs Hilary Anne Frank (appointed 2 December 2022) Mrs Sarah Adkins Mr Robert Alan Seabrook Baldry Mr Alastair Keith Camp Mr Ian Robert Douglas Lt Cdr Rebecca French RN Commander Claire Marie Frances Lees MBE RN Michael James Dukes (resgined 9 September 2022) Major Steve Cox RM Rear Admiral Michael George Wood CBE, DL, JP (resgined 2 December 2022) Warrant Officer First Class Paul Todd
Company registered number	07100967
Charity registered number	1135918
Chief executive officer	Mr G C Hannah
Independent auditors	Bishop Fleming LLP Chartered Accountants Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	HSBC Forder House 20 William Prance Road Plymouth Devon PL6 5WR
Solicitors	Womble Bond Dickinson Ballard House West Hoe Road Plymouth Devon PL1 3AE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1 June 2022 to 31 May 2023. The Annual Report serves the purposes of both a Trustees' report and Directors' report under Company Law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2022).

CHAIRMAN'S REPORT

I had the pleasure of taking over as Chair of the China Fleet Trust in December 2022 and thank my predecessor, Rear Admiral Mike Wood CBE DL, for his outstanding leadership and achievements during his near 10-year tenure as the Trust Chair. His legacy endures and the enterprise is in excellent shape due to his stewardship of the charity.

This financial year has provided some fresh challenges for the enterprise to deal with, caused by global events which have impacted on the cost of living, soaring inflation, and the utilities market. However, the charity and our wholly owned trading subsidiary had fortunately recovered from the impacts of the CV19 Pandemic with a stellar 2021/22 financial year under our belts, which had given the enterprise confidence and the requisite financial regain to enable the Club to be in a strong position to deal with the impacts of another financial shock.

The financial year started in good shape with strong performance in revenue and profitability but there was a realisation that utility costs were heading towards hugely expensive increases. The utility contract that the enterprise started the financial year with was due to expire in October 2022 and this ultimately occurred at the height of the cost rises and meant the enterprise was locked into a short period of being tethered to the wholesale cost for utilities. This cost borne was some 6 times more than had been experienced under the previous contract. HM's Government's support for business was welcomed for a 6-month period, however realised cost to the enterprise was c.£520k more than the previous year once the support received had been taken into account. This had a significant impact on profitability and there was a fear that we may slide into a loss-making endeavour towards the end of 2022. The escalating UK utility costs cost in the last year were of a major concern, as it was being driven by forces outside of the control of the Trust. The regular forum consisting of the Trust Chair, Trust CEO and the Club Chair and Club MD (the "2 x 2" committee) who meet periodically, were charged with managing the utility cost issue and due to their due diligence and swift action, secured a significantly cheaper utility contact in Feb 2023, which eased these concerns.

Due to the turbulent global outlook, the charity made the decision to conduct another review of the 5-year Strategic Plan (SP), with a re-write undertaken to map out a pathway to growth and ensure future viability is retained. The SP outlined 4 significant principal objectives:

- Ensuring the recovery and growth of our business.
- Providing excellent beneficiary propositions and growing strongly their number and usage.
- Ensuring that the Group's business is vibrant, commercially successful, sustainable, and focused on customer needs.
- Maintain high standards of governance and financial management.

In support of the principal objectives 8 key workstreams were identified and this instigated a series of Trust Sub-Working Groups (TSWG) to facilitate delivery against the SP:

1.	Financial modelling (1-5 years) with scenarios and sensitivity analysis. Including determination of spend needed to maintain the core fabric of the estate.
2.	Develop and maintain a 'challenged environment' scenario, and review of efficiency drive.
3.	TSWG: Return to Growth planning.
4.	Set a sub-target for usage by 'out of area' beneficiaries.
5.	TSWG: Renewable energy investment (incl. hybrid options) and funding options.
6.	Establish environmental/carbon footprint targets and associated tracking arrangements. Adaption of previous TSWG.
7.	TSWG: Develop stakeholder outreach plan.
8.	TSWG: Develop Organisational Development proposals.

Outcomes are reported to Trustees regularly and at each Trust Board meeting.

Several workstreams have concluded and the outcomes are now being realised.

The enterprise's number one priority remains to provide quality leisure and recreational facilities for our beneficiaries. A legacy of our previous SP was to increase serving beneficiary usage by 40% over a period of 5 years commencing from 2021 and set against a usage target with baseline from 2019 (pre-Covid). This target was originally deemed to be quite an ambitious one which would have expected to see serving beneficiary visits rise to around 7745 by 2026. This target has now been exceeded, with enduring beneficiary growth observed in both the serving and ex-serving cadre of our beneficiaries. This led to some 42,000 visits to the Club by our beneficiaries with over 15,500 of those visits being made by serving personnel. The challenge is now to ensure this level of beneficiary usage endures.

A significant challenge was set to counter the increase in utility costs, whilst improving the Club's green credentials and working towards carbon neutrality by 2030. Trustees approved a £270k Capital Investment in solar PV, which recognised another 225KWh of energy self-provision. This total, when added to a previous 165KWh installation in last year's FY, has led to around 390KWh of self-provided electrical generation per annum and has helped reduce the cost of energy. The secondary benefit of the installation has been reducing our carbon footprint. Another phase of renewable energy procurement is being considered for future investment.

The enterprise's efforts in sustainability have been recognised by the Devon & Plymouth Chamber of Commerce, who voted the Club "Green Business of the Year" at their May 2023 awards ceremony and Green Tourism upped their assessment of the Club from silver to gold in May 2023. This is substantial acknowledgement of the strides made in our sustainability measures, which also include; provision of own water supply; led lighting throughout the Club, EV charging points; locally sourced food & drink; plastic free culture; promotion of healthy living; zero to landfill & recycling policy; bee hives; tree planting and organic products used in the Spa and accommodation.

The return to growth of the enterprise has been swift and it is particularly heartening to see that many of our long-standing beneficiaries and members continue to use the Club despite the cost-of-living impacts to all. A Gift Aid payment of £227k generated by our wholly owned trading subsidiary is a great achievement and is more than had been anticipated in the middle of our FY. The enterprise's future looks bright, and with continued momentum being made with internal efficiencies, clever use of technology, and further investment in sustainability the prospects for the enterprise look very encouraging. Trustees look forward to continued years of growth and a return to investment in new facilities and broadening our excellent attractions for our beneficiaries, members, and visitors alike.

OBJECTIVES AND ACTIVITIES

a. Policies and Objectives

The objective of the Trust is to provide leisure and recreational facilities for all officers and ratings of the Royal Naval forces, including Reserves, their families, and dependants (collectively known as "the beneficiaries"). Additional beneficiary classes include ex Royal Naval Forces and other Forces attached to or embedded within Royal Navy Units and their families thus satisfying the public benefit test (the promotion of the efficiency of the armed forces of the crown). The declaration of trust provides the Trustees with wide discretionary investment powers to achieve the objective of the Trust.

To further its objective the Trust has developed the China Fleet Country Club at Saltash ("the Club").

b. Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the Charity should undertake and have directed the Company accordingly. The Trustees consider that their Charitable activities fall within the descriptions of charitable purposes set out in the Charities Act and are for the public benefit as set out below.

"The promotion of the efficiency of the Armed Forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services".

The Charity satisfies the public benefit test in the provision of sporting, leisure and recreational facilities, including accommodation for the use of their beneficiaries, being ALL serving personnel of the Royal Navy and Royal Marines, Reserves and Royal Fleet Auxiliary personnel and their immediate families and additional specified personnel as outlined in para a, numbering in total over 800,000.

The Trustees believe that by providing such facilities, the beneficiaries return to active duty refreshed, relaxed and ready to face their next task, thus maintaining and increasing their efficiency in the defence of the realm. This conviction continues to be endorsed, applauded and encouraged by the Royal Navy's chain of command.

The Trustees have considered the matter of detriment and harm and are content that neither arises from the Trust's charitable activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Trading Subsidiary (China Fleet Country Club Limited – 'the Company')

The 2022 to 2027 Strategic Plan recognises that the financial stability of the Charity is dependent upon the good husbandry of the Charity's own assets and the revenue generated and commercial viability of its trading subsidiary.

The Company has dealt with the challenge that arose from the onset of the war in Ukraine and impacts to global markets, commodities and produce, working hand in hand with the Trust (2 x 2 process) to measure risk, propose mitigations to counter and implement change, efficiencies and short notice requirements. This effort is acknowledged by the Trust and all Trustees are thankful to the subsidiary for their efforts.

Experience and lessons identified from dealing with the turbulence brought about by the CV19 Pandemic have stood the Company in good stead to deal with the challenges faced during the FY.

The Company has worked hard to recruit and retain staff, something which has been an additional challenge during the financial year but has managed to keep the workforce steady at between 220 and 230 employees.

The payroll cost has increased in-line with recent increases to the minimum wage and living wage, which have added another £228k to payroll costs over the FY.

b. China Fleet Trust

2022/23 saw a busy year of visitation by the RN / RM / RFA senior leaders. This pivotal facet of our beneficiary engagement ensures that the upper-echelons of the RN remain apprised of our ability to assist with the ever more challenging aspects of retention. The focus on the benefits of CFCC for families of those deployed as well as the health and well-being for all sailors, marines and officers means the Club retains its credibility with our beneficiaries.

Several key focus groups were conducted by our Company to ensure they remain aware of the challenges and operating environment of the beneficiaries, whilst allowing a unique insight into what offerings and attractions they would like to see at the Club in future. This when used with the beneficiary Committee input, provides a great deal of beneficiary knowledge for our Company to use when forming future CapEx aspirations for the Trust to consider.

Visitation throughout the year included; the Fleet Commander; COMFOST; Commanding Officer's of Raleigh and BRNC; Naval Base Commanders of Devonport, Clyde and Portsmouth; CO Desigs course; EWO desigs course; SM Cox'n course; support for HMS MONTROSE's homecoming was a highlight; HMS NORTHUMBERLAND's Command team, 47 Cdo (Raiding Group) RM; JHG(SW); HMS ALBION; HMS VIVID; HMS VANGUARD; RFA board; Devon URNU; RN Police SIB; HMS Oardacious.

Building on the Trust's affiliation with HMS TAMAR remains key whilst they are deployed, and the Trust CEO meets with fellow affiliates from Cornwall County Council and Truro City to discuss support to Tamar whilst she is deployed to the Asia Pacific region. Regular updates are received from the ship and displayed in the Club's heritage area.

The Fleet Commander approved a second affiliation for the Trust with 47 Cdo (Raiding Group) RM. This affiliation showcases a neat synergy with the Club's roots in Hong Kong (HK). 47 Cdo is based at RM Tamar (Devonport), with compliments beautifully existing affiliation with the current HMS Tamar and nods back to the Club's past history in Hong Kong (HK) at the old HMS Tamar in HK, which was the home to the original RN Canteen, which went on to become the first China Fleet Club. The Trust is acutely aware of ensuring both precious affiliations are nurtured, and their personnel are regarded as our most important beneficiaries.

The Trust's standing amongst its RN charity peers goes from strength to strength. Routinely invited to events held by NCHQ for the charity sector and also to the 1SL's annual admiralty service in London gives a good indication of the high regard the charity is held.

The completion of the new Trust and RNRMC office complex in July 2022 is drawing the benefit envisaged by both parties, with the new office complex being utilised by many other charity partners during its first year of opening. Usage included from RNA, WEA, SSAFA, WRNS BT, RBLI, SSAFA, as well as providing RNRMC with a permanent office at the Club for their Transition Support Guide.

The Trust CEO retains a seat, and is a respected contributor, at the RN charity CEO forum and also sits on Cobseo's serving cluster committee.

The Board of Trustees succession planning is constantly monitored and reported at Trust board meetings. In year saw the departure of Admiral Mike Wood, who had completed his 2nd term of 5 years as a Trustee. He was replaced by rear Admiral John Weale CB OBE, who took the helm at the Trust board meeting in December 2022. Mike's tenure as Trust chair spanned almost a decade and his legacy endures alongside the enterprise's continued success.

The Trust continues to look for calibre Trustees to enhance the Trust's already impressive skill set and are open to further recruitment if the right candidates are identified. However the current number of 10 Trustees,

is deemed to be optimal, with a healthy balance of 4 current serving RN / RM Trustees and 6 industry professionals.

The Beneficiary Committee reinvigoration instigated last FY has proven to be effective with 25 devoted serving, ex-serving and external partner organisations representatives all working hard to extol the virtues of the Club in their domain, whilst providing feedback on offerings and future plans to both Trust and Company boards. This pivotal committee, along with the efforts of the Trust and Company personnel have enabled a record year of beneficiary usage of the Club.

FINANCIAL REVIEW

a. Financial Review

The Trustees present their report and financial statements for year ended 31 May 2023.

The enterprise has registered its best year of revenue generation over the FY with consolidated revenue for the year posted as £6,351k compared to the previous stellar year of 2021/22 which generated income of £6,309k.

Within total Income is the China Fleet Country Club Limited (the Company), which carries out non charitable trading activities for the Charity. The Company generated sales (net of Trust) of £5,204k (2022 £5,104k), generating a profit of £227k (2022: £761k). This will represent a potential Gift Aid to the Trust of £227k (2022: £392k).

The provision of a Gift Aid payment to the Trust of £227k represents a remarkable achievement when set amidst the context of the impacts experienced during this Financial Year. As consolidated accounts are disclosed this Gift Aid is not apparent as it is eliminated when the accounts of the Company and Trust are consolidated.

The Trust reports a negative net movement in funds of £189k (2022 £638k). The consolidated cash at bank at the year-end is £846k (2022: £1,114k).

Although balancing the uncertainties of the financial impact of the cost-of-living crisis throughout the FY, the enterprise has managed to drive down some of the outstanding debt accrued through previous bank funded expenditure and CBILS loan. The Coronavirus Business Interruption Loan Scheme (CBILS) loan has been reduced steadily with monthly payments and lump sum reductions and as of the year end stood at £195k outstanding (2022: £311k). When added to the long-term HSBC consolidated business loan of £389k outstanding as of the year end (2022: £459k), and other smaller loans, the overall debt for the enterprise now stands at £768k (2022: £810k). There is a plan to reduce the CBILS loan down early in the next financial year by a further £100,000 lump sum payment, in part due to the high interest rate costs. This has been approved by Trustees in July 2023 and will be seen in next year's consolidated accounts.

The Trust commissions Sarasin and Partner LLP to manage its main assets, the long and medium-term investment portfolios. The Trust gains regular updates from the portfolio management team, who attend Trust meetings to talk through performance. This year has been particularly challenging for the markets, and this has seen the portfolio value drop in market value by around £10k. Benchmarking of performance is regularly monitored to ensure that the Trust is receiving the best possible return on investment. Trustees took the decision in Jan 2023 to switch the focus of their portfolio from domestic to global indices, as advised by Sarasin & Partners, and as many other charities have done in recent years. There is an expectation of improved returns as a result of this switch of focus and Trustees remain regularly apprised as to the impacts of this decision. At the year-end investments, at market value, stood at £943k (2022; £953k).

Total Reserves now stand at £9,045k (2022: £9,234k) of which £324k (2022: £336k) are restricted funds. Of the £8,721k (2022: £8,898k) in Unrestricted Reserves, designated reserves stand at £8,699k (2022: £8,778k), with £22k (2022: £120k) as general unrestricted reserves.

The following grant was received from our charity partner (RNRMC) over the financial year:

- £10,000 from RNRMC to enable Reward, Recognition and Respite breaks at the Club for serving beneficiaries and their families.

b. Going Concern

The Charity is dependent upon its wholly owned subsidiary, The China Fleet Country Club Ltd ("The Company") to manage the facility on behalf of its beneficiaries.

The Trustees take confidence in the continued strong recovery of our Company and are reassured that their metrics for gauging and considering "Going Concern" are accurate and fit for purpose. Having navigated through another FY of potential financial struggles and returning a surplus, which will enable a significant Gift Aid payment demonstrates how robust the enterprise has become.

The Trustees remain confident that the Going Concern of the enterprise remains credible and are confident of an enduring period of growth and increasing Gift Aid potential.

Going Concern of the enterprise is assessed and recorded at each Trust meeting and the forecasts for this coming financial year provide sufficient evidence for there to be no concerns that the business remains viable and in good shape to deal with any possible scenarios that may present.

c. Reserves Policy

The Trustees have established that the level of unrestricted designated reserves (that is those funds that are freely available and does not include the designated land and buildings reserve) are held to cover the following:

- The continuing need to maintain the infrastructure, fabric and plant licensed by the Company.
- To cover the need to finance the evolution and development of the facility to create new and innovative income streams.
- To provide a financial buffer against a slump in the economic marketplace resulting in a dramatic fall in the market value of the investments.
- To provide for a contingency for the Company should it become necessary.

The year end unrestricted reserves of £8,721k (2022: £8,898k) consist of Freehold property reserves of £7,756k (2022: £7,822k) and unrestricted reserves of £965k (2022: £1,076k) of which £943k (2022: £956k) is deemed designated reserves. The Trustees' target for these unrestricted reserves is a fund between £1,500k and £2,000k, and thus at £965k (2022: 1,076k) falls short of that policy target.

PLANS FOR THE FUTURE

- Install a new waste treatment Plant - £168k approved for FY 2023/24
- Provide budget approval to ensure sufficient Capital Expenditure and R&R is in place to improve the standard of facilities and offerings - £442k approved in 2023/24 budget
- Assess impacts of interest rate rise - further pay down debt – CBILS £100k approved in July 2023
- Assess viability of reserves portfolio and best use of financial reserves – market returns vs bank interest savings accounts
- Assess any new Capital Expenditure in terms of beneficiary need ensuring it meets with our Charitable Objectives – a range of propositions in development
- Continue to realise Beneficiary Usage growth and ensure that this level exceeds SP targets
- Continue to be relevant and viable proposition for our beneficiaries and their families
- Continue to learn from the experience and implement LIs into future Risk Management
- Continue to realise gains from phase 1 of renewable energy provision CapEx and study feasibility of phase 2 of this project.

- Look to engage with and collaborate with our beneficiary facing businesses, such as Babcock International, BAE, Atlas Elektronik UK
- Improve engagement with, awareness of, and usage by our Submarine Service beneficiaries

Longer Term Aspirations

- Study the outcomes of the accommodation feasibility studies and decide when the right time will be to move forward with the aspiration to increase our accommodation offering, utilising some of the under used land more efficiently – accommodation occupancy rates remain high and indicates additional capacity could be advantageous.
- Increase the enterprise's green credentials; further increase access to greener sources of energy; work towards carbon net zero targets; understand our Biodiversity Net Gain position to assist with any future expansion plans.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

China Fleet Trust is registered as a charitable company limited by guarantee, number 1135918 and was set up by a Trust deed. It is governed by its Memorandum of Association dated 10 December 2009 and Articles of Association dated 3 February 2020.

The Trust is governed and directed by its Board of Trustees with operational management delegated to the Chairman and a Chief Executive. The Board of Trustees meet as required but at least three times a year. The Trust maintains an office at Saltash where the Chief Executive executes his duties. The Chairman makes regular visits to the office to deal with matters arising and is a co-signatory with the Chief Executive plus two other Trustees for signing cheques. The declaration of Trust requires that the total number of Trustees shall not be less than four. New Trustees are appointed either by virtue of military appointment or an open recruitment process. The current Trustees are listed above.

The Trust operate a Governance and Remuneration (G&R) Committee to advise the wider Trust Board on matters of Governance and Remuneration. This Committee is made up of a minimum of three unconflicted Trustees. This Committee does not absolve the wider Trustees of their responsibilities towards overall Governance of the Charity.

The facilities of the Club are operated by a wholly owned subsidiary company, China Fleet Country Club Limited ("the Company"). The Trust has a 5-year nonexclusive licence and operating agreement (signed on 31st March 2023) for the Company to operate the Club and act as agent for the Trust in providing on site leisure and recreational facilities for the beneficiaries. During this FY the 5-year review of the Operating Agreement was conducted and a new agreement was endorsed by all parties in March 2023. The performance of this agreement will now be reviewed annually by the Trust and Company, with any variations signed by both parties and filed with the Trust's solicitors, Womble Bond and Dickinson (UK) LLP. Mr Robert Baldry is currently the non-executive chairman of the Board of Directors of the Company.

The China Fleet Country Club Beneficiaries Committee (BenCom) is chaired by a Serving Trustee, Warrant Officer First Class Paul Todd, who also attends the Company board meetings. Mr Dean Bennett (Company MD) attends meetings of the Trustees and meetings of the China Fleet Country Club BenCom.

The Trust has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 Jan 2022 edition).

b. Risk Management

The Trustees meet regularly to assess business risks and implement risk management strategies. This process is managed by a Governance and Remuneration committee. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks identified in the Trust Risk Register, which is aligned with the Company Risk Register regularly. The Trustees are pleased to report that the Charity's internal financial controls comply in all respects with guidelines issued by the Charity Commission. The Trustees continue to promote procedures to ensure that forward looking, continuous risk management processes become part of the operating culture of the charity and our trading Company.

The risk management systems have been fully tested over the last few years and the Trust are confident that their performance has helped to ensure the continued success of the enterprise despite the volatile operating environment that has pertained due to the impacts of CV19, War in Ukraine, Inflation and cost-of-living crisis. These systems continue to offer assurance that the enterprise is well placed to deal with any unknown or unexpected emergent events.

c. Remuneration

The Trust's only salaried employee, the Chief Executive is appraised annually by the Chairman of the Trustees and one other Trustee with recommendations made to the Governance and Remuneration Committee for the approval of any rise in salary.

Senior Company staff, including the NE Chairman, are also appraised annually and recommendations for their remuneration are also presented to Trustees for approval via the Governance and Remuneration Committee and detailed within the annual budget.

d. Other Relevant Sources of Professional Advice

Investment Managers – Sarasin and Partners LLP. This company manages the Trust's long-term and medium-term investment portfolios. Address – Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.

Trust Accountant – Wills Accountants Limited. Address – 2 Endeavour House, Parkway Court, Longbridge Rd, Plymouth, PL6 8LR.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of another entity.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information, and
- the enterprise, that is the Charity and its wholly owned trading subsidiary, remains a viable Going Concern.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ..... and signed on its behalf by:

Rear Admiral J S Weale, CB, OBE
Chair of the Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINA FLEET TRUST

OPINION

We have audited the financial statements of China Fleet Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 May 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Charity Statement of Financal Position, the Consolidated Statement of Cash Flows and the related notes, including a summary of 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 Group's and of the parent charitable company's affairs as at 31 May 2023 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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 Annual Report other than the financial statements and our Auditors' 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 AUDITORS' REPORT TO THE MEMBERS OF CHINA FLEET TRUST (CONTINUED)

OPINION ON OTHER MATTERS 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the Group;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have identified any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act, Charities Act 2011, Charity SORP 2019 and FRS 102.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation and food hygiene legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an Auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP.

Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 7/12/23

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	**14,650**	**-**	**14,650**	160,458
Charitable activities	5	**1,097,730**	**-**	**1,097,730**	739,709
Other trading activities		**5,204,228**	**-**	**5,204,228**	5,268,337
Investments	6	**33,910**	**-**	**33,910**	45,366
Total income		**6,350,518**	**-**	**6,350,518**	6,213,870
Expenditure on:					
Raising funds		**4,883,490**	**-**	**4,883,490**	4,372,872
Charitable activities	7	**1,598,544**	**12,319**	**1,610,863**	1,160,614
Total expenditure		**6,482,034**	**12,319**	**6,494,353**	5,533,486
Net (expenditure)/income before net losses on investments		**(131,516)**	**(12,319)**	**(143,835)**	680,384
Net losses on investments		**(44,797)**	**-**	**(44,797)**	(42,236)
Net movement in funds before other recognised gains		**(176,313)**	**(12,319)**	**(188,632)**	638,148
Net movement in funds		**(176,313)**	**(12,319)**	**(188,632)**	638,148
Reconciliation of funds:					
Total funds brought forward		**8,897,790**	**335,831**	**9,233,621**	8,595,473
Net movement in funds		**(176,313)**	**(12,319)**	**(188,632)**	638,148
Total funds carried forward		**8,721,477**	**323,512**	**9,044,989**	9,233,621

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 38 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07100967

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	12		**8,942,549**		8,848,589
Investments	13		**942,797**		953,316
			9,885,346		9,801,905
Current assets					
Stocks	14	**145,565**		116,770	
Debtors	15	**189,378**		229,730	
Cash at bank and in hand		**846,215**		1,113,679	
		1,181,158		1,460,179	
Creditors: amounts falling due within one year	16	**(1,413,217)**		(1,382,005)	
Net current assets/(liabilities)			**(232,059)**		78,174
Total assets less current liabilities			**9,653,287**		9,880,079
Creditors: amounts falling due after more than one year	17		**(608,298)**		(646,458)
Total net assets			**9,044,989**		9,233,621
Charity funds					
Restricted funds	18		**323,512**		335,831
Unrestricted funds	18		**8,721,477**		8,897,790
Total funds			**9,044,989**		9,233,621

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Rear Admiral J S Weale, CB, OBE

Date: 27 NOV 23

The notes on pages 19 to 38 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07100967

CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MAY 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	12		**8,924,833**		8,825,279
Investments	13		**943,797**		954,316
			9,868,630		9,779,595
Current assets					
Debtors	15	**295,371**		525,989	
Cash at bank and in hand		**374,067**		233,008	
		669,438		758,997	
Creditors: amounts falling due within one year	16	**(1,092,859)**		(952,660)	
Net current (liabilities)			**(423,421)**		(193,663)
Total assets less current liabilities			**9,445,209**		9,585,932
Creditors: amounts falling due after more than one year	17		**(436,583)**		(388,674)
Total net assets			**9,008,626**		9,197,258
Charity funds					
Restricted funds	18		**323,512**		335,831
Unrestricted funds	18		**8,685,114**		8,861,427
Total funds			**9,008,626**		9,197,258

The Charity's net movement in funds for the year was £(188,632) (2022- £269,164).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Rear Admiral J S Weale, CB, OBE

Date: 27 NOV 23

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	**226,780**	1,007,833
Cash flows from investing activities			
Purchase of tangible fixed assets		**(457,656)**	(180,588)
Proceeds from sale of investments		**-**	14
Purchase of investments		**(34,278)**	(167,970)
Investment income received		**33,910**	45,366
New loan		**165,446**	-
Net cash used in investing activities		**(292,578)**	**(303,178)**
Cash flows from financing activities			
Repayments of borrowing		**(201,666)**	(253,913)
Net cash used in financing activities		**(201,666)**	**(253,913)**
Change in cash and cash equivalents in the year		**(267,464)**	**450,742**
Cash and cash equivalents at the beginning of the year		**1,113,679**	662,937
Cash and cash equivalents at the end of the year	22	**846,215**	1,113,679

The notes on pages 19 to 38 form part of these financial statements

1. GENERAL INFORMATION

The Charity is a limited charitable company, incorporated in England and Wales, company number 07100967. The registered office is China Fleet Country Club, Saltash, Cornwall, PL12 6LJ. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in pounds sterling as that is considered to be the entities' functional currency and are rounded to the nearest £.

China Fleet 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

The financial statements have been prepared on the going concern basis.

The Charity has net current liabilities at the year end of £423,421. Within current liabilities is deferred income of £557,803 (see Note 17), this will be recognised as income on the Statement of Financial Activities within the next 12 months as the service is delivered. Accounting standards dictate that deferred income is shown within current liabilities.

As it is unlikely these amounts will be repaid the true position if deferred income were excluded would be net current assets of £134,382 (2022 - £ 344,821).

The Trustees are regularly briefed by the Company's Managing Director with departmental performance reports, beneficiary usage and cash flow forecasts that provide evidence so that the Trustees can be satisfied that the Charity and its wholly owned trading subsidiary remain a going concern. This is supported by a glance into the next FY which shows a continued recovery. As a result of the profit in the trading subsidiary, in the year a donation of £226,920 (2022 - £391,616) was made to the Charity.

The Trustees consider the Group and Charity is a going concern for this reason.

2. ACCOUNTING POLICIES (continued)

2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 INCOME

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

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The Subsidiary recognises revenue as follows:

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. ACCOUNTING POLICIES (continued)

2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Building element: 4% straight line, land not depreciated
Plant and machinery	- 16% straight line
Motor vehicles, tractors & mowers	- 20% straight line
Fixtures, fittings and equipment	- 15% - 33% straight line
Timeshares	- 2% straight line/over the term of the ownership

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2. ACCOUNTING POLICIES (continued)

2.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 LIABILITIES AND PROVISIONS

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

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Investment valuation - in relation to the value of the investments held at year end.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	**Restricted funds 2023 £**	**Total funds 2023 £**
Grants	14,650	-	**14,650**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Grants	6,000	154,458	160,458

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	**Total funds 2023 £**
Direct charitable income from beneficiaries	1,097,730	**1,097,730**
COVID Relief grants	-	-
TOTAL 2023	1,097,730	**1,097,730**

5. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Direct charitable income from beneficiaries	735,020	-	735,020
COVID Relief grants	-	4,689	4,689
TOTAL 2022	735,020	4,689	739,709

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	**Total funds 2023 £**
Investment income	33,910	**33,910**

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	45,366	45,366

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	**Restricted funds 2023 £**	**Total 2023 £**
Direct charitable cost for beneficiaries	1,598,544	12,319	**1,610,863**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

(continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Direct charitable cost for beneficiaries	1,137,179	23,435	1,160,614

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	**Total funds 2023 £**
Direct charitable cost for beneficiaries	1,610,863	**1,610,863**

	Activities undertaken directly 2022 £	Total funds 2022 £
Direct charitable cost for beneficiaries	1,160,614	1,160,614

ANALYSIS OF DIRECT COSTS

	Direct charitable income 2023 £	**Total funds 2023 £**
Staff costs	602,830	**602,830**
Depreciation	309,020	**309,020**
Other operating charges	685,065	**685,065**
Governance costs	13,948	**13,948**
	1,610,863	**1,610,863**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS (continued)

	Direct charitable income 2022 £	Total funds 2022 £
Staff costs	523,912	523,912
Depreciation	177,823	177,823
Other operating charges	457,519	457,519
Governance costs	1,360	1,360
	1,160,614	1,160,614

9. NET INCOME/(EXPENDITURE)

	2023 £	2022 £
Depreciation of tangible fixed assets - owned	**314,163**	280,426
Auditor's remuneration - audit	**4,260**	3,875
Auditors' remuneration - other services	**11,370**	9,825
Operating lease rentals	**235,504**	268,999
Losses on sale of fixed assets	**47,582**	-
	612,879	563,125

10. STAFF COSTS

	Group 2023 £	Group 2022 (Restated) £	**Charity 2023 £**	Charity 2022 (Restated) £
Wages and salaries	**2,735,936**	2,542,426	**555,089**	482,031
Social security costs	**167,354**	145,114	**36,108**	30,247
Other pension costs	**51,390**	45,354	**11,633**	11,633
	2,954,680	2,732,894	**602,830**	523,911

The Charity staff costs include a recharge from the Subsidiary company for managing the facility in accordance with the operating licence. These costs were £550,070 (2022: £472,725), with actual Trust staff costs of £52,760 (2022: £51,186).

10. STAFF COSTS (CONTINUED)

The average number of persons employed by the Group during the year was as follows:

	Group 2023 No.	Group 2022 No.	**Charity 2023 No.**	Charity 2022 No.
Apartments	**24**	26	**-**	-
Golf	**18**	17	**-**	-
Leisure	**77**	73	**-**	-
Food and beverage	**66**	65	**-**	-
Administration and establishment	**45**	41	**1**	1
	230	222	**1**	1

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.	**Charity 2023 No.**	Charity 2022 No.
Total	**112**	115	**1**	1

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	**1**	1

All Trustees and the Directors of the trading company, along with certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration including employers national insurance and pension contributions in respect of these individuals is £385,281 (2022: £318,072).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 2 Trustees (2022 - 2) received remuneration totalling £14,010 (2022: £13,750) for their roles as non executive directors of the Charity's 100% subsidiary, China Fleet Country Club Limited.

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 May 2023, expenses totalling £1,953 were reimbursed to Trustees (2022 - £1,360 to Trustees.)

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Timeshares £	Total £
COST OR VALUATION						
At 1 June 2022	**8,976,596**	**27,972**	**115,668**	**2,107,561**	**9,000**	**11,236,797**
Additions	**178,648**	**-**	**-**	**279,007**	**-**	**457,655**
Disposals	**(4,024)**	**-**	**(31,137)**	**(202,535)**	**(9,000)**	**(246,696)**
At 31 May 2023	**9,151,220**	**27,972**	**84,531**	**2,184,033**	**-**	**11,447,756**
DEPRECIATION						
At 1 June 2022	**695,343**	**4,662**	**115,668**	**1,565,241**	**7,294**	**2,388,208**
Charge for the year	**152,554**	**5,594**	**-**	**156,251**	**214**	**314,613**
On disposals	**(1,039)**	**-**	**(31,137)**	**(157,930)**	**(7,508)**	**(197,614)**
At 31 May 2023	**846,858**	**10,256**	**84,531**	**1,563,562**	**-**	**2,505,207**
NET BOOK VALUE						
At 31 May 2023	**8,304,362**	**17,716**	**-**	**620,471**	**-**	**8,942,549**
At 31 May 2022	8,281,253	23,310	-	542,320	1,706	8,848,589

12. TANGIBLE FIXED ASSETS (CONTINUED)

GROUP AND CHARITY (CONTINUED)

The plant and machinery total above relates solely to China Fleet Country Club Limited. The remainder relates to the Trust.

13. FIXED ASSET INVESTMENTS

CHARITY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 June 2022	**1,000**	**953,316**	**954,316**
Additions	**-**	**34,278**	**34,278**
Revaluations	**-**	**(44,797)**	**(44,797)**
AT 31 MAY 2023	**1,000**	**942,797**	**943,797**
NET BOOK VALUE			
AT 31 MAY 2023	**1,000**	**942,797**	**943,797**
AT 31 MAY 2022	1,000	953,316	954,316

14. STOCKS

	Group 2023 £	Group 2022 £
Raw materials and consumables	**15,502**	12,066
Finished goods and goods for resale	**130,063**	104,704
	145,565	116,770

15. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
DUE WITHIN ONE YEAR				
Trade debtors	**18,167**	17,751	**-**	-
Amounts owed by group undertakings	**-**	-	**226,920**	-
Other debtors	**171,211**	211,979	**68,451**	525,989
	189,378	229,730	**295,371**	525,989

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Bank loans	**160,159**	158,129	**111,462**	70,525
Trade creditors	**298,443**	293,582	**447**	388
Amounts owed to group undertakings	**-**	-	**976,450**	877,157
Other taxation and social security	**101,390**	116,355	**-**	-
Other creditors	**50,213**	66,228	**-**	-
Accruals and deferred income	**803,012**	747,711	**4,500**	4,590
	1,413,217	1,382,005	**1,092,859**	952,660

	Group 2023 £	Group 2022 £
Deferred income at 1 June 2022	**538,476**	477,323
Resources deferred during the year	**557,224**	538,476
Amounts released from previous periods	**(538,476)**	(477,323)
	557,224	538,476

Deferred income relates to memberships and events paid for in advance.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £	Group 2022 £	**Charity 2023 £**	Charity 2022 £
Bank loans	**608,298**	646,458	**436,583**	388,674

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	955,735	27,583	-	4,276	(44,797)	942,797
Freehold Property	7,822,055	-	(153,593)	87,814	-	7,756,276
	8,777,790	27,583	(153,593)	92,090	(44,797)	8,699,073
GENERAL FUNDS						
General Funds	120,000	6,322,935	(6,328,441)	(92,090)	-	22,404
TOTAL UNRESTRICTED FUNDS	8,897,790	6,350,518	(6,482,034)	-	(44,797)	8,721,477
RESTRICTED FUNDS						
LIBOR Grant - Capital	34,544	-	(3,048)	-	-	31,496
RNRMC Grant - Capital	301,287	-	(9,271)	-	-	292,016
	335,831	-	(12,319)	-	-	323,512
TOTAL OF FUNDS	9,233,621	6,350,518	(6,494,353)	-	(44,797)	9,044,989

18. STATEMENT OF FUNDS (CONTINUED)

Designated Funds - represents funds allocated for the replacement, long term maintenance and improvements of buildings and equipment in line with the reserves policy.

Freehold Property - represents the net book value of the freehold property (excluding amounts held in restricted funds) less loans secured against the asset.

Restricted fund - represents LIBOR and RNRMC grant income that has been used in the refurbishment of apartment blocks and refurbishment of changing rooms. The balance equals the net book value of the assets purchased.

COVID Relief Grants represent CJRS funding to support the group through COVID.

18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	767,023	25,769	-	205,179	(42,236)	955,735
Freehold Property	7,628,331	-	(142,937)	336,661	-	7,822,055
	8,395,354	25,769	(142,937)	541,840	(42,236)	8,777,790
GENERAL FUNDS						
General Funds	-	6,028,954	(5,367,114)	(541,840)	-	120,000
TOTAL UNRESTRICTED FUNDS	8,395,354	6,054,723	(5,510,051)	-	(42,236)	8,897,790
RESTRICTED FUNDS						
LIBOR Grant - Capital	37,592	-	(3,048)	-	-	34,544
RNRMC Grant - Capital	162,527	154,458	(15,698)	-	-	301,287
COVID Relief Grants	-	4,689	(4,689)	-	-	-
	200,119	159,147	(23,435)	-	-	335,831
TOTAL OF FUNDS	8,595,473	6,213,870	(5,533,486)	-	(42,236)	9,233,621

19. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 June 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2023 £
Designated funds	**8,777,790**	**27,583**	**(153,593)**	**92,090**	**(44,797)**	**8,699,073**
General funds	**120,000**	**6,322,935**	**(6,328,441)**	**(92,090)**	**-**	**22,404**
Restricted funds	**335,831**	**-**	**(12,319)**	**-**	**-**	**323,512**
	9,233,621	**6,350,518**	**(6,494,353)**	**-**	**(44,797)**	**9,044,989**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 June 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2022 £
Designated funds	8,395,354	25,769	(142,937)	541,840	(42,236)	8,777,790
General funds	-	6,028,954	(5,367,114)	(541,840)	-	120,000
Restricted funds	200,119	159,147	(23,435)	-	-	335,831
	8,595,473	6,213,870	(5,533,486)	-	(42,236)	9,233,621

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	8,619,037	323,512	**8,942,549**
Fixed asset investments	942,797	-	**942,797**
Current assets	1,181,158	-	**1,181,158**
Creditors due within one year	(1,413,217)	-	**(1,413,217)**
Creditors due in more than one year	(608,298)	-	**(608,298)**
TOTAL	8,721,477	323,512	**9,044,989**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,512,758	335,831	8,848,589
Fixed asset investments	953,316	-	953,316
Current assets	1,460,179	-	1,460,179
Creditors due within one year	(1,382,005)	-	(1,382,005)
Creditors due in more than one year	(646,458)	-	(646,458)
TOTAL	8,897,790	335,831	9,233,621

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(188,632)**	638,148
ADJUSTMENTS FOR:		
Depreciation charges	**314,613**	280,426
Losses on investments	**44,797**	42,232
Investment income	**(33,913)**	(45,366)
Loss on the sale of fixed assets	**49,082**	14,920
(Increase)/decrease in stocks	**(28,795)**	(22,572)
(Increase) in debtors	**40,446**	(133,068)
Increase in creditors	**29,182**	233,113
NET CASH PROVIDED BY OPERATING ACTIVITIES	**226,780**	1,007,833

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand	**846,215**	1,113,679
TOTAL CASH AND CASH EQUIVALENTS	**846,215**	1,113,679

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2022 £	Cash flows £	At 31 May 2023 £
Cash at bank and in hand	**1,113,679**	**(267,464)**	**846,215**
Debt due within 1 year	**(158,129)**	**(2,030)**	**(160,159)**
Debt due after 1 year	**(646,458)**	**38,160**	**(608,298)**
	309,092	**(231,334)**	**77,758**

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £51,390 (2022 - £45,354). Contributions totalling £10,871 (2022: £10,142) were payable to the fund at the balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 May 2023 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £
Not later than 1 year	**256,657**	189,889
Later than 1 year and not later than 5 years	**558,429**	533,264
	815,086	723,153

China Fleet Country Club Ltd entered into an operating lease on 11 May 2022 for 165kWp array of solar panels which will save 95,000kg of carbon per year and provides 16% of the club's total energy requirements. The total cost over six years is £146k.

26. RELATED PARTY TRANSACTIONS

The Charity has one 100% owned subsidiary as detailed in note 29.

As this subsidiary is wholly owned by the China Fleet Trust, the Charity has taken advantage of the exemption contained in FRS 102 Section 33.1A not to disclose transactions or balances with entities which form part of a group.

During the year, trustees of the Charity, were paid £13,560 (2022: £12,816) and £450 (2022: £750) respectively for their roles as non executive directors of the China Fleet Country Club Limited, a 100% subsidiary of the China Fleet Trust.

27. CONTROLLING PARTY

The Charity is controlled and governed by the Board of Trustees, as detailed on page 1 of these Financial Statements.

28. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
China Fleet Country Club Limited	02527923	Saltash, Plymouth, PL12 6LJ	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
China Fleet Country Club Limited	**5,210,422**	**(4,983,502)**	**226,920**	**37,363**

CHINA FLEET TRUST

England & Wales - Charity number 1135918

Accounts

Registered number: 07100967
Charity number: 1135918

CHINA FLEET TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

Bishop Fleming

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

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CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MAY 2022

Trustees	Rear Admiral Michael George Wood CBE, DL, JP, Chairman Mrs Sarah Adkins Mr Robert Alan Seabrook Baldry Mr Alastair Keith Camp Mr Ian Robert Douglas Lt Cdr Rebecca French RN Lt Cdr Claire Marie Frances Lees MBE RN Michael James Dukes Warrant Officer First Class Paul Todd Major Steve Cox RM
Company registered number	07100967
Charity registered number	1135918
Chief executive officer	Mr G C Hannah
Independent auditors	Bishop Fleming LLP Chartered Accountants Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	HSBC Forder House 20 William Prance Road Plymouth Devon PL6 5WR
Solicitors	Womble Bond Dickinson Ballard House West Hoe Road Plymouth Devon PL1 3AE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1 June 2021 to 31 May 2022. The Annual Report serves the purposes of both a Trustees' report and Directors' report under Company Law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015).

CHAIRMAN'S REPORT

This financial year has provided clear evidence of the recovery from 2 years of operating under the constraints of the CV19 Pandemic. This recovery has been the manifestation of hard work and due diligence instigated by the Trust and its wholly owned trading subsidiary (the Company) during this time.

Throughout this report you will see the achievements in year have been exceptional and have exceeded our predictions for recovery. The fact that the previous year's trading loss has been recovered and the Company will be able to Gift Aid £391k to Trust, a record delivery of Gift Aid, all serve to illustrate the resilience and robustness of the enterprise.

Due to the impacts of the Pandemic and in line with our self-governance cycle, a full review of the Trust's Strategic Plan was undertaken in year which reset the core priorities of the enterprise moving forward, setting out a plan for the next 5 years. The principal objectives from which were:

- Post-Pandemic recovery & restoration and future commercial ambition
- Providing excellent beneficiary propositions and growing strongly their number and usage
- Ensuring that the enterprise's business is vibrant, commercially successful, and focused on customer needs
- Maintain high standards of governance and financial management

In support of these principal objectives several working groups were convened during the reporting period:

- Accommodation feasibility study – for the possible expansion of our accommodation offering – JSWG 01-21
- Review of Conference and Events business, including beneficiary usage – JSWG 02-21
- Environmental sustainability and carbon neutrality – research options and potential targets – JSWG 03-21
- Accommodation – complete environmental and biodiversity impact review of potential locations – JSWG 04-21

Their work is ongoing.

These Sub working groups were formed of Trustees and Company directors and reported their initial findings at the Trust's November board meeting, with updates at the March extraordinary meeting of Trustees.

The enterprise's number one priority remains to provide quality leisure and recreational facilities for our beneficiaries. Set within the Strategic Plan objectives was an ambitious target to increase the usage by serving beneficiaries by 40% above a pre-CV19 baseline (Mar 2019) over a 5-year period from 2021 to 2026. The beneficiary challenge has been tackled in several ways:

- Created a new committee to oversee this area specifically – Beneficiary Engagement and Usage Committee (BEUC)
- The Company employed a Beneficiary Engagement Executive (BEE)
- The Beneficiary Committee has been refreshed to allow this important element to add value and contribute to future plans
- An extensive beneficiary visitation and marketing campaign
- Increase collaborations with our RN charity partners

These initiatives and investment have seen immediate reward with our KPI data indicating an increase in serving beneficiary usage over the year of 122% ahead of the 2019 usage figure. Although this figure is well ahead of the 5-year target, the Trust and the Company are aware of the post CV19 bow wave of activity in the leisure industry and remain cognisant of the looming challenges ahead in the forthcoming financial year. Much remains to be done to secure greater usage by beneficiaries and their families who do not reside or serve in the Club's immediate catchment area.

The focus on our beneficiaries has recognised the impacts that the cost-of-living crisis is having on them; this subsequently led a decision being made not to increase prices this financial year for our serving beneficiaries. With price increases introduced for the general members of between 5 and 10% throughout the estate this equates to beneficiary discounts that have never been more attractive.

The Trust takes great pride in the knowledge that the difficult decisions made during the period of uncertainty have been proven to have been correct. This gives the Trust Board increased confidence that the enterprise can weather any future uncertainties. The events in Ukraine, impacts of increased inflation and the general cost of living provide a stark reminder that global events are increasingly unpredictable and increasing in frequency.

OBJECTIVES AND ACTIVITIES

a. Policies and Objectives

The objective of the Trust is to provide leisure and recreational facilities for all officers and ratings of the Royal Naval forces, including Reserves, their families, and dependants (collectively known as "the beneficiaries"). Additional beneficiary classes include ex Royal Naval Forces and other Forces attached to or embedded within Royal Navy Units and their families thus satisfying the public benefit test (the promotion of the efficiency of the armed forces of the crown). The declaration of trust provides the Trustees with wide discretionary investment powers to achieve the objective of the Trust.

To further its objective the Trust has developed the China Fleet Country Club at Saltash ("the Club").

b. Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the Charity should undertake and have directed the Company accordingly. The Trustees consider that their Charitable activities fall within the descriptions of charitable purposes set out in the Charities Act and are for the public benefit as set out below.

"The promotion of the efficiency of the Armed Forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services".

The Charity satisfies the public benefit test in the provision of sporting, leisure and recreational facilities, including accommodation for the use of their beneficiaries, being ALL serving personnel of the Royal Navy and Royal Marines, Reserves and Royal Fleet Auxiliary personnel and their immediate families and additional specified personnel as outlined in para a, numbering in total over 800,000.

The Trustees believe that by providing such facilities, the beneficiaries return to active duty refreshed, relaxed and ready to face their next task, thus maintaining and increasing their efficiency in the defence of the realm. This conviction continues to be endorsed, applauded and encouraged by the Royal Navy's chain of command.

The Trustees have considered the matter of detriment and harm and are content that neither arises from the Trust's charitable activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Trading Subsidiary (China Fleet Country Club Limited – 'the Company')

The 2021 to 2026 Strategic Plan recognised that the financial stability of the Charity is dependent upon the good husbandry of the Charity's own assets and the revenue generated and commercial viability of its trading subsidiary.

The Company has managed the enterprise's emergence from the constraints of the Pandemic well. Each phase of re-opening was orchestrated and approved by the Trust in a proportionate and safe manner, which gained the confidence of both Trust Board and our end users. This led to the reputation of the enterprise increasing and with it usage returned, exceeding forecasts throughout the financial year.

The Company has not been immune to the difficulties experienced throughout the sector in relation to staff recruitment and retention. However, it is helpful that the working environment engenders a family feel to the workforce and the number of staff has increased back to pre-Pandemic levels of around 220.

The Trust has throughout this period acknowledged the Company's efforts to reverse the losses of the previous financial year and for revitalising the fiscal outlook.

b. China Fleet Trust

The Trust has had a busy year of engagement with the senior figures in the Royal Navy chain of command, exposing them to the benefits that the Club has to offer for their people

and families (the Trust's beneficiaries). The positive effects on the Moral Component of Operational Capability (MC of OC) are evident by each visiting senior officer and they leave enthused about their Club and how it can be used more effectively by their officers, sailors, marines, and their families.

The Trust has been buoyed by the visits of two 3-star Admirals, including the Fleet Commander, as well as a number of other senior RN / RM and RFA Officers, Warrant Officers and Ratings throughout the year.

The Trust's affiliation with HMS TAMAR has gone from strength to strength with several engagements made with the Ship's Company and their families over the course of the year. Although the ship is now physically deployed for 5 years; the crew rotate every few months and this enables visitation during their watch rotation periods back in the UK. The Trust is extremely proud of this affiliation and receives regular newsletters and photo sets from the Ship's Company during their period of deployment, these are then exhibited in a multimedia display in our heritage area of the Club. The affiliation has illustrated to the Navy at large the benefits the Club can deliver to its people and families.

The Trust has built on existing strong relationships with our RN charity partners. This year has seen a MoU developed with RNRMC to cement the collaborations between both charities, as well as the Trust joining the Sliver Bridge Corporate Partnership.

RNRMC have funded an office redevelopment to house a new office space for their on-site Transition Support Guide (TSG) and a new China Fleet Trust office, which is due to open in July 2022. This office will enable other RN charities to operate pop-ups and provide tangible benefit for our mutual beneficiaries. The RNRMC also enabled 24 in number 3-night breaks to be offered to families of serving individuals under the banner of Reward, Recognition and Respite. This pilot scheme has enabled Command teams to recognise exceptional endeavour or, equally provide some respite for those who may be struggling with family or service life. This pilot has proven to be popular and there is an aspiration to secure funding to make this an enduring offer.

The Board of Trustees has been resolute this year with no changes to report. A succession plan is evolving for the Trust Chairman who is due to end his tenure during the coming financial year, with an aspiration for a handover to take place in December 2022.

The reinvigoration of the Beneficiary Committee is ongoing and was precipitated by the impacts of CV19 and the reassignment of previous incumbents. It was decided to take stock and provide a new set of TsOR for the Committee, to enable them to add value and hold the Trust and Company to account on matters concerning beneficiaries. As part of this process the Committee will be streamlined to a chosen 25 representatives from the major units, establishments and supporting partners of the RN family.

FINANCIAL REVIEW

a. Financial Review

The Trustees present their report and financial statements for year ended 31 May 2022.

The recovery witnessed over this financial year has heralded the enterprise's best set of financial figures in terms of revenue and profit generation. The total Income for the year is £6,213,870 compared to £3,309,309 in 2021. Within total Income is the China Fleet Country Club Limited (the Company), carries out non charitable trading activities for the

Charity. The Company generated sales (net of Trust) of £5,103,910 (2021 £2,003,677), generating a profit of £760,000 (2021: LOSS £356,786). This will represent a potential Gift Aid to the Trust of £391,616 (2021: £Nil). This is the Company's highest provision of Gift Aid to the Trust and a remarkable achievement considering that the previous year's loss had to be considered. As consolidated accounts are disclosed this Gift Aid is not apparent as it is eliminated when the accounts of the Company and Trust are consolidated.

The Trust report a positive net movement in funds of £638,148 (2021 Loss £560,629). The consolidated cash at bank at the year-end is £1,113,679 (2021: 662,937).

Throughout this year of unprecedented trading, the enterprise has strived to pay down some of the debt accrued from accessing the support for businesses to ease the financial impacts of the CV19 on the leisure sector. The Coronavirus Business Interruption Loan Scheme (CBILS) loan has been reduced steadily with monthly payments and several lump sum reductions and as of the year end stood at £310,989 outstanding (2021: £500,000). When added to the long-term HSBC business loan of £459,199 outstanding as of the year end (2021: £534,050), and other smaller loans, the overall debt for the enterprise now stands at £809,877 (2021: £1,058,501).

The Trust commissions Sarasin and Partner LLP to manage its main assets, the long and medium-term investment portfolios. The Trust gains regular updates from the portfolio management team, who attend Trust meetings to talk through performance. This year has been particularly challenging for the markets, and this has seen the portfolio value drop in value 2.6% over the financial year. Although sub-optimal in the short term, the Trust retains full confidence in the management of the accounts by Sarasin and Partner and are assured that the current downturn will be overcome in the long term. Benchmarking of performance is regularly monitored to ensure that the Trust is receiving the best possible return on investment. At the year-end investments at market value stood at £953,315 (2021; £827,592). The growth in the year was funded by £150,000 being re-invested from liquid funds.

Total Reserves now stand at £9,233,621 (2021: £8,595,473) of which £335,831 (2021: £200,119) are restricted funds. Of the £8,897,790 (2021: £8,395,354) in Unrestricted Reserves, designated reserves stand at £8,777,790 (2021: £8,395,534), with £120,000 (2021: NIL) as general unrestricted reserves.

Several grants have been secured from our charity partners over the financial year:

- £7,032 from RNRMC for Reward, Recognition and Respite breaks for serving beneficiaries
- £38,897 from RNRMC to fund office complex development. Providing new Trust office and RNRMC office and supporting communal area
- £108,528 from Nuffield Trust via RNRMC for a glazing project in the main complex – due to commence Sep 22

b. Going Concern

The Charity is dependent upon its wholly owned subsidiary, The China Fleet Country Club Ltd ("The Company") to manage the facility on behalf of its beneficiaries.

The Trustees measurement of Going Concern as alluded to last year have been found to be correct in that the Company and enterprise, as a whole, has now recovered well from

a loss making previous financial year and posted a record year of revenue and profit generation.

Trustees are aware that an element of the buoyant financial recovery is due to the immediate post Pandemic reaction of members and beneficiaries and also to a supressed employee wage bill whilst recruiting efforts were underway.

The Trustees remain confident that the Going Concern of the enterprise remains credible, although all are cognisant of the many challenges to be faced in the coming financial year; cost of living, impacts of the war in Ukraine, inflation, utility bill costs.

Going Concern of the enterprise is assessed and recorded at each Trust meeting and the forecasts for this coming financial year provide sufficient evidence for there to be no concerns that the business remains viable and in good shape to deal with any possible scenarios that may present.

c. Reserves Policy

The Trustees have established that the level of unrestricted designated reserves (that is those funds that are freely available and does not include the designated land and buildings reserve) are held to cover the following:

- The continuing need to maintain the infrastructure, fabric and plant licensed by the Company.
- To cover the need to finance the evolution and development of the facility to create new and innovative income streams.
- To provide a financial buffer against a slump in the economic marketplace resulting in a dramatic fall in the market value of the investments.
- To provide for a contingency for the Company should it become necessary.

The Trustees consider a target sum between £1,500,000 to £2,000,000 would be sufficient for these purposes. At the year-end these designated reserves stood at £8,777,790 (2021: £8,395,354). This Reserves policy is subject to continued ongoing review.

As of 31 May 2022, the designated unrestricted investment reserve was £8,777,790 (2021: £8,395,354). Freehold property within tangible fixed assets stand at a net book value of £8,281,254 (2021: £8,362,499), within total tangible fixed assets of £8,825,274 (2021: £8,963,347).

PLANS FOR THE FUTURE

Trustees continue to map the enterprise's full recovery from the impacts of the CV19 Pandemic in terms of reserves rebuilding and debt reduction, which has constrained spending over the last few years. The Strategic direction continues to remain cautious in its approach to expenditure, but with a good financial year under its belt the Trust is starting to look ahead once more at the requirements for capital expenditure in the coming years. The key areas for investment remain:

- Re-build reserves to previously agreed figure - £1.5m to £2m reserve requirement
- Further pay down debt – CBILS
- Provide budget approval to ensure sufficient Capital Expenditure and R&R is in place to retain the standard of facilities and offerings
- Assess any new Capital Expenditure in terms of beneficiary need ensuring it meets with our Charitable Objectives

- Continue to realise Beneficiary Usage growth and ensure that this level exceeds the target of 40% increase above the pre CV19 benchmark
- Continue to be relevant and viable proposition for our beneficiaries and their families
- Continue to learn from the experience and implement LIs into future Risk Management
- Commence a reglazing project for the main Club complex, with funding support from the Nuffield Trust via RNRMC.
- Scope, gain funding for and implement a pilot to introduce serving beneficiary family accommodation for separated serving personnel who gain access to their children occasionally and who have nowhere to accommodate them other than SLA on their establishment

Longer Term Aspirations

- Study the outcomes of the accommodation feasibility studies and decide when the right time will be to move forward with the aspiration to increase our accommodation offering, utilising some of the under used land more efficiently – accommodation occupancy rates remain high and indicate additional capacity could be advantageous
- Increase the enterprise's green credentials; further increase access to greener sources of energy; work towards carbon net zero targets; understand our Biodiversity Net Gain position to assist with any future expansion plans

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

China Fleet Trust is registered as a charitable company limited by guarantee, number 1135918 and was set up by a Trust deed. It is governed by its Memorandum of Association dated 10 December 2009 and Articles of Association dated 3 February 2020.

The Trust is governed and directed by its Board of Trustees with operational management delegated to the Chairman and a Chief Executive. The Board of Trustees meet as required but at least three times a year. The Trust maintains an office at Saltash where the Chief Executive executes his duties. The Chairman makes regular visits to the office to deal with matters arising and is a co-signatory with the Chief Executive plus two other Trustees for signing cheques. The declaration of Trust requires that the total number of Trustees shall not be less than four. New Trustees are appointed either by virtue of military appointment or an open recruitment process. The current Trustees are listed above.

The Trust operate a Governance and Remuneration (G&R) Committee to advise the wider Trust Board on matters of Governance and Remuneration. This Committee is made up of a minimum of three unconflicted Trustees. This Committee does not absolve the wider Trustees of their responsibilities towards overall Governance of the Charity.

The facilities of the Club are operated by a wholly owned subsidiary company, China Fleet Country Club Limited ("the Company"). The Trust has a 5-year nonexclusive licence and operating agreement (signed on 23rd March 2018) for the Company to operate the Club and act as agent for the Trust in providing on site leisure and recreational facilities for the beneficiaries. The performance of this agreement is reviewed annually by the Trust and Company, with any variations signed by both parties and filed with the Trust's solicitors

(Variation Agreement dated 1st January 2022). Mr Robert Baldry is currently the non-executive chairman of the Board of Directors of the Company.

The China Fleet Country Club Beneficiaries Committee (BenCom) is chaired by a Serving Trustee, Warrant Officer First Class Paul Todd, who also attends the Company board meetings. Mr Dean Bennett (Company MD) attends meetings of the Trustees and meetings of the China Fleet Country Club BenCom.

The Trust has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 Jan 2022 edition).

b. Risk Management

The Trustees meet regularly to assess business risks and implement risk management strategies. This process is managed by a Governance and Remuneration committee. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks identified in the Trust Risk Register, which is aligned with the Company Risk Register. The Trustees are pleased to report that the Charity's internal financial controls comply in all respects with guidelines issued by the Charity Commission. The Trustees continue to promote procedures to ensure that forward looking, continuous risk management processes become part of the operating culture of the charity.

The risk management systems have been fully tested during the CV19 Pandemic and the Trust are confident that the systems in place are sufficiently robust to enable the Trust to deal with any emerging and unexpected situations.

c. Remuneration

The Trust's only salaried employee, the Chief Executive is appraised annually by the Chairman of the Trustees and one other Trustee with recommendations made to the Governance and Remuneration Committee for the approval of any rise in salary.

Senior Company staff, including the NE Chairman, are also appraised annually and recommendations for their remuneration are also presented to Trustees for approval via the Governance and Remuneration Committee and detailed within the annual budget.

d. Other Relevant Sources of Professional Advice

Investment Managers – Sarasin and Partners LLP. This company manages the Trust's long-term and medium-term investment portfolios. Address – Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.

Trust Accountant – Wills Accountants Limited. Address – 2 Endeavour House, Parkway Court, Longbridge Rd, Plymouth, PL6 8LR.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 May 2022

Company law requires the Trustees to prepare financial statements for each financial. 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of another entity.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information, and
- the enterprise, that is the Charity and its wholly owned trading subsidiary, remains a viable Going Concern.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 May 2022

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Signature:

Date: 2/12/22

Rear Admiral M G Wood CBE, DL, JP
Chairman of the Trustees
China Fleet Trust

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINA FLEET TRUST

OPINION

We have audited the financial statements of China Fleet Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Charity Statement of Financal Position, the Consolidated Statement of Cash Flows and the related notes, including a summary of 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 Group's and of the parent charitable company's affairs as at 31 May 2022 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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 Annual Report other than the financial statements and our Auditors' 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 AUDITORS' REPORT TO THE MEMBERS OF CHINA FLEET TRUST (CONTINUED)

OPINION ON OTHER MATTERS 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the Group;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have idetinfied any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act, Charities Act 2011, Charity SORP 2019 and FRS 102.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation and food hygiene legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an Auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 7/12/22

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	**160,458**	**154,458**	**314,916**	50,125
Charitable activities	5	**735,020**	**4,689**	**739,709**	1,205,236
Other trading activities		**5,113,879**	**-**	**5,113,879**	2,003,677
Investments	6	**45,366**	**-**	**45,366**	50,271
Total income		**6,054,723**	**159,147**	**6,213,870**	3,309,309
Expenditure on:					
Raising funds		**4,372,872**	**-**	**4,372,872**	3,160,933
Charitable activities	7	**1,137,179**	**23,435**	**1,160,614**	819,882
Total expenditure		**5,510,051**	**23,435**	**5,533,486**	3,980,815
Net income/(expenditure) before net (losses)/gains on investments		**544,672**	**135,712**	**680,384**	(671,506)
Net (losses)/gains on investments		**(42,236)**	**-**	**(42,236)**	110,877
Net movement in funds before other recognised gains		**502,436**	**135,712**	**638,148**	(560,629)
Net movement in funds		**502,436**	**135,712**	**638,148**	(560,629)
Reconciliation of funds:					
Total funds brought forward		**8,395,354**	**200,119**	**8,595,473**	9,156,102
Net movement in funds		**502,436**	**135,712**	**638,148**	(560,629)
Total funds carried forward		**8,897,790**	**335,831**	**9,233,621**	8,595,473

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 39 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07100967

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	12		**8,848,589**		8,963,347
Investments	13		**953,316**		827,594
			9,801,905		9,790,941
Current assets					
Stocks	14	**116,770**		94,198	
Debtors	15	**229,730**		96,662	
Cash at bank and in hand		**1,113,679**		662,937	
		1,460,179		853,797	
Creditors: amounts falling due within one year	16	**(1,382,005)**		(1,170,841)	
Net current assets/(liabilities)			**78,174**		(317,044)
Total assets less current liabilities			**9,880,079**		9,473,897
Creditors: amounts falling due after more than one year	17		**(646,458)**		(878,424)
Total net assets			**9,233,621**		8,595,473
Charity funds					
Restricted funds	18		**335,831**		200,119
Unrestricted funds	18		**8,897,790**		8,395,354
Total funds			**9,233,621**		8,595,473

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Rear Admiral M G Wood CBE, DL

Date: 2/12/22

The notes on pages 20 to 39 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07100967

CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MAY 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	12		**8,825,279**		8,963,347
Investments	13		**954,316**		828,594
			9,779,595		9,791,941
Current assets					
Debtors	15	**525,989**		17,881	
Cash at bank and in hand		**233,008**		358,329	
		758,997		376,210	
Creditors: amounts falling due within one year	16	**(952,660)**		(776,532)	
Net current (liabilities)			**(193,663)**		(400,322)
Total assets less current liabilities			**9,585,932**		9,391,619
Creditors: amounts falling due after more than one year	17		**(388,674)**		(463,525)
Total net assets			**9,197,258**		8,928,094
Charity funds					
Restricted funds	18		**335,831**		200,119
Unrestricted funds	18		**8,861,427**		8,727,975
Total funds			**9,197,258**		8,928,094

The Charity's net movement in funds for the year was £(122,452) (2021 - £(203,843)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Rear Admiral M G Wood CBE, DL

Date: 2/12/22

The notes on pages 20 to 39 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	**1,007,833**	(238,337)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(180,588)**	(167,845)
Proceeds from sale of investments		**14**	400,094
Purchase of investments		**(167,970)**	(36,422)
Investment Income received		**45,366**	50,271
Net cash (used in)/provided by investing activities		**(303,178)**	**246,098**
Cash flows from financing activities			
Repayments of borrowing		**(253,913)**	(37,432)
Net cash used in financing activities		**(253,913)**	**(37,432)**
Change in cash and cash equivalents in the year		**450,742**	**(29,671)**
Cash and cash equivalents at the beginning of the year		**662,937**	692,608
Cash and cash equivalents at the end of the year	22	**1,113,679**	662,937

The notes on pages 20 to 39 form part of these financial statements

1. GENERAL INFORMATION

The Charity is a limited charitable company, incorporated in England and Wales, company number 07100967. The registered office is China Fleet Country Club, Saltash, Cornwall, PL12 6LJ. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in pounds sterling as that is considered to be the entities' functional currency and are rounded to the nearest £.

China Fleet 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

The financial statements have been prepared on the going concern basis.

The Charity has net current liabilities at the year end of £193,655. Within current liabilities is deferred income of £538,476 (see Note 17), this will be recognised as income on the Statement of Financial Activities within the next 12 months as the service is delivered. Accounting standards dictate that deferred income is shown within current liabilities.

As it is unlikely these amounts will be repaid the true position if deferred income were excluded would be net current assets of £344,821 (2021 - £ 160,279).

The Trustees are regularly briefed by the Company's Managing Director with departmental performance reports, beneficiary usage and cash flow forecasts that provide evidence so that the Trustees can be satisfied that the Charity and its wholly owned trading subsidiary remain a going concern. This is supported by a glance into the next FY which shows a continued recovery. As a result of the profit in the trading subsidiary, in the year a donation of £391,616 was made to the Charity.

The Trustees consider the Group and Charity is a going concern for this reason.

2. ACCOUNTING POLICIES (continued)

2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 INCOME

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

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. ACCOUNTING POLICIES (continued)

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Building element: 4% straight line, land not depreciated
Plant and machinery	- 16% straight line
Motor vehicles, tractors & mowers	- 20% straight line
Fixtures, fittings and equipment	- 15% - 33% straight line
Timeshares	- 2% straight line/over the term of the ownership

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.12 LIABILITIES AND PROVISIONS

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

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Deferred Income - this relates to membership fees paid for a period which spans the year end.
Investment valuation - in relation to the value of the investments held at year end.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Grants	160,458	154,458	**314,916**

	Unrestricted funds 2021 £	Total funds 2021 £
Grants	50,125	50,125

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Direct charitable income from beneficiaries	735,020	-	**735,020**
COVID Relief grants	-	4,689	**4,689**
TOTAL 2022	735,020	4,689	**739,709**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Direct charitable income from beneficiaries	424,866	-	424,866
COVID Relief grants	-	780,370	780,370
TOTAL 2021	424,866	780,370	1,205,236

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	45,366	**45,366**

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	50,271	50,271

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Direct charitable cost for beneficiaries	1,137,179	23,435	**1,160,614**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Direct charitable cost for beneficiaries	29,720	790,162	819,882

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Total funds 2022 £
Direct charitable cost for beneficiaries	1,160,614	**1,160,614**

	Activities undertaken directly 2021 £	Total funds 2021 £
Direct charitable cost for beneficiaries	819,882	819,882

ANALYSIS OF DIRECT COSTS

	Direct charitable income 2022 £	Total funds 2022 £
Staff costs	523,912	**523,912**
Depreciation	177,823	**177,823**
Other operating charges	457,519	**457,519**
Governance costs	1,360	**1,360**
	1,160,614	**1,160,614**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS (continued)

	Direct charitable income 2021 £	Total funds 2021 £
Staff costs	284,521	284,521
Depreciation	268,256	268,256
Other operating charges	261,337	261,337
Governance costs	5,768	5,768
	819,882	819,882

9. NET INCOME/(EXPENDITURE)

	2022 £	2021 £
Depreciation of tangible fixed assets - owned	**280,426**	268,256
Auditor's remuneration - audit	**3,875**	5,100
Auditors' remuneration - other services	**9,825**	7,475
Operating lease rentals	**268,999**	141,787
	563,125	422,618

10. STAFF COSTS

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Wages and salaries	**2,372,846**	2,081,763	**357,480**	260,087
Social security costs	**268,920**	137,678	**123,805**	18,347
Other pension costs	**91,128**	42,169	**42,626**	6,087
	2,732,894	2,261,610	**523,911**	284,521

10. STAFF COSTS (CONTINUED)

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	Group 2021 No.	**Charity 2022 No.**	Charity 2021 No.
Apartments	**26**	16	**-**	-
Golf	**17**	16	**-**	-
Leisure	**73**	65	**-**	-
Food and beverage	**65**	47	**-**	-
Administration and establishment	**41**	42	**1**	1
	222	186	**1**	1

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.	**Charity 2022 No.**	Charity 2021 No.
Total	**115**	88	**1**	1

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	**1**	1

All Trustees and the Directors of the trading company, along with certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration including employers national insurance and pension contributions in respect of these individuals is £318,072 (2021: £350,243).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 2 Trustees (2021 - 3) received remuneration totalling £13,750 (2021: £23,767) for their roles as non executive directors of the Charity's 100% subsidiary, China Fleet Country Club Limited.

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 May 2022, expenses totalling £Nil were reimbursed to Trustees (2021 - £Nil to Trustees.

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Timeshares £	Total £
COST OR VALUATION						
At 1 June 2021	**8,928,543**	**-**	**138,570**	**2,030,712**	**21,210**	**11,119,035**
Additions	**48,053**	**27,972**	**-**	**104,563**	**-**	**180,588**
Disposals	**-**	**-**	**(22,902)**	**(27,714)**	**(12,210)**	**(62,826)**
At 31 May 2022	**8,976,596**	**27,972**	**115,668**	**2,107,561**	**9,000**	**11,236,797**
DEPRECIATION						
At 1 June 2021	**566,045**	**-**	**138,546**	**1,438,032**	**13,065**	**2,155,688**
Charge for the year	**129,298**	**4,662**	**24**	**146,103**	**339**	**280,426**
On disposals	**-**	**-**	**(22,902)**	**(18,894)**	**(6,110)**	**(47,906)**
At 31 May 2022	**695,343**	**4,662**	**115,668**	**1,565,241**	**7,294**	**2,388,208**
NET BOOK VALUE						
At 31 May 2022	**8,281,253**	**23,310**	**-**	**542,320**	**1,706**	**8,848,589**
At 31 May 2021	8,362,498	-	24	592,680	8,145	8,963,347

12. TANGIBLE FIXED ASSETS (CONTINUED)

GROUP AND CHARITY (CONTINUED)

The plant and machinery total above relates solely to China Fleet Country Club Limited. The remainder relates to the Trust.

13. FIXED ASSET INVESTMENTS

GROUP	Listed investments £
COST OR VALUATION	
At 1 June 2021	**827,592**
Additions	**167,970**
Disposals	**(14)**
Revaluations	**(42,232)**
AT 31 MAY 2022	**953,316**
NET BOOK VALUE	
AT 31 MAY 2022	**953,316**
AT 31 MAY 2021	827,592

CHARITY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 June 2021	**1,000**	**827,592**	**828,592**
Additions	**-**	**167,970**	**167,970**
Disposals	**-**	**(14)**	**(14)**
Revaluations	**-**	**(42,232)**	**(42,232)**
AT 31 MAY 2022	**1,000**	**953,316**	**954,316**
NET BOOK VALUE			
AT 31 MAY 2022	**1,000**	**953,316**	**954,316**
AT 31 MAY 2021	1,000	827,592	828,592

14. STOCKS

	Group 2022 £	Group 2021 £
Raw materials and consumables	**12,066**	8,745
Finished goods and goods for resale	**104,704**	85,453
	116,770	94,198

15. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
DUE WITHIN ONE YEAR				
Trade debtors	**17,751**	9,511	**-**	-
Other debtors	**211,979**	87,151	**525,989**	17,881
	229,730	96,662	**525,989**	17,881

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Bank loans	**158,129**	180,076	**70,525**	70,525
Trade creditors	**293,582**	201,822	**388**	1,476
Amounts owed to group undertakings	**-**	-	**877,157**	700,528
Other taxation and social security	**116,355**	103,558	**-**	-
Other creditors	**66,228**	39,692	**-**	-
Accruals and deferred income	**747,711**	645,693	**4,590**	4,003
	1,382,005	1,170,841	**952,660**	776,532

	Group 2022 £	Group 2021 £
Deferred income at 1 June 2021	**477,323**	326,694
Resources deferred during the year	**538,476**	477,323
Amounts released from previous periods	**(477,323)**	(326,694)
Deferred income at 31 May 2021	**538,476**	477,323

Deferred income relates to memberships and events paid for in advance.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	Group 2021 £	**Charity 2022 £**	Charity 2021 £
Bank loans	**646,458**	878,424	**388,674**	463,525

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	767,023	25,769	-	205,179	(42,236)	955,735
Freehold Property	7,628,331	-	(142,937)	336,661	-	7,822,055
	8,395,354	25,769	(142,937)	541,840	(42,236)	8,777,790
GENERAL FUNDS						
General Funds	-	6,028,954	(5,367,114)	(541,840)	-	120,000
TOTAL UNRESTRICTED FUNDS	8,395,354	6,054,723	(5,510,051)	-	(42,236)	8,897,790
RESTRICTED FUNDS						
LIBOR Grant - Capital	37,592	-	(3,048)	-	-	34,544
RNRMC Grant - Capital	162,527	154,458	(15,698)	-	-	301,287
COVID Relief Grants	-	4,689	(4,689)	-	-	-
	200,119	159,147	(23,435)	-	-	335,831
TOTAL OF FUNDS	8,595,473	6,213,870	(5,533,486)	-	(42,236)	9,233,621

Designated Funds - represents funds allocated for the replacement, long term maintenance and improvements of buildings and equipment in line with the reserves policy.

Freehold Property - represents the net book value of the freehold property (excluding amounts held in restricted funds) less loans secured against the asset.

Restricted fund - represents LIBOR and RNRMC grant income that has been used in the refurbishment of apartment blocks and refurbishment of changing rooms. The balance equals the net book value of the assets purchased.

COVID Relief Grants represent CJRS funding to support the group through COVID.

18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	1,364,134	30,057	-	(738,045)	110,877	767,023
Freehold Property	7,582,057	-	(117,584)	163,858	-	7,628,331
	8,946,191	30,057	(117,584)	(574,187)	110,877	8,395,354
GENERAL FUNDS						
General Funds	-	2,498,882	(3,073,069)	574,187	-	-
TOTAL UNRESTRICTED FUNDS	8,946,191	2,528,939	(3,190,653)	-	110,877	8,395,354
RESTRICTED FUNDS						
LIBOR Grant - Capital	40,640	-	(3,048)	-	-	37,592
RNRMC Grant - Capital	169,271	-	(6,744)	-	-	162,527
COVID Relief Grants	-	780,370	(780,370)	-	-	-
	209,911	780,370	(790,162)	-	-	200,119
TOTAL OF FUNDS	9,156,102	3,309,309	(3,980,815)	-	110,877	8,595,473

19. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 June 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2022 £
Designated funds	**8,395,354**	**25,769**	**(142,937)**	**541,840**	**(42,236)**	**8,777,790**
General funds	**-**	**6,028,954**	**(5,367,114)**	**(541,840)**	**-**	**120,000**
Restricted funds	**200,119**	**159,147**	**(23,435)**	**-**	**-**	**335,831**
	8,595,473	**6,213,870**	**(5,533,486)**	**-**	**(42,236)**	**9,233,621**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
Designated funds	8,946,191	30,057	(117,584)	(574,187)	110,877	8,395,354
General funds	-	2,498,882	(3,073,069)	574,187	-	-
Restricted funds	209,911	780,370	(790,162)	-	-	200,119
	9,156,102	3,309,309	(3,980,815)	-	110,877	8,595,473

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,512,758	335,831	**8,848,589**
Fixed asset investments	953,316	-	**953,316**
Current assets	1,460,179	-	**1,460,179**
Creditors due within one year	(1,382,005)	-	**(1,382,005)**
Creditors due in more than one year	(646,458)	-	**(646,458)**
TOTAL	8,897,790	335,831	**9,233,621**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8,763,228	200,119	8,963,347
Fixed asset investments	827,594	-	827,594
Current assets	853,797	-	853,797
Creditors due within one year	(1,170,841)	-	(1,170,841)
Creditors due in more than one year	(878,424)	-	(878,424)
TOTAL	8,395,354	200,119	8,595,473

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**638,148**	(560,629)
ADJUSTMENTS FOR:		
Depreciation charges	**280,426**	268,257
Gains/(losses) on investments	**42,232**	(107,939)
Investment income	**(45,366)**	(50,271)
Profit on the sale of fixed assets	**14,920**	212
(Increase)/decrease in stocks	**(22,572)**	3,454
(Increase) in debtors	**(133,068)**	(13,610)
Increase in creditors	**233,113**	222,189
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**1,007,833**	(238,337)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	**1,113,679**	662,937
TOTAL CASH AND CASH EQUIVALENTS	**1,113,679**	662,937

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2021 £	Cash flows £	At 31 May 2022 £
Cash at bank and in hand	**662,937**	**450,742**	**1,113,679**
Debt due within 1 year	**(180,076)**	**21,947**	**(158,129)**
Debt due after 1 year	**(878,424)**	**231,966**	**(646,458)**
	(395,563)	**704,655**	**309,092**

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £39,127 (2020 - £37,157). Contributions totalling £7,023 (2020: £8,250) were payable to the fund at the balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 May 2022 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	**189,889**	141,787
Later than 1 year and not later than 5 years	**533,264**	261,708
	723,153	403,495

China Fleet Country Club Ltd entered into an operating lease on 11 May 2022 for 165kWp array of solar panels which will save 95,000kg of carbon per year and will provide 16% of the club's total energy requirements. The total cost over six years is £146k.

26. RELATED PARTY TRANSACTIONS

The Charity has one 100% owned subsidiary as detailed in note 29.

As this subsidiary is wholly owned by the China Fleet Trust, the Charity has taken advantage of the exemption contained in FRS 102 Section 33.1A not to disclose transactions or balances with entities which form part of a group.

During the year, trustees of the Charity, were paid £13,000 (2021: £12,413), £750 (2021: £600) and £Nil (2021: £10,754) respectively for their roles as non executive directors of the China Fleet Country Club Limited, a 100% subsidiary of the China Fleet Trust.

27. CONTROLLING PARTY

The Charity is controlled and governed by the Board of Trustees, as detailed on page 1 of these Financial Statements.

28. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
China Fleet Country Club Limited	02527923	Saltash, Plymouth, PL12 6LJ	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
China Fleet Country Club Limited	**5,127,472**	**(4,366,872)**	**760,600**	**37,363**

CHINA FLEET TRUST

England & Wales - Charity number 1135918

Accounts

Registered number: 07100967
Charity number: 1135918

CHINA FLEET TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

Bishop Fleming

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

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CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MAY 2021

Trustees	R/Admiral M G Wood CBE, DL, Chairman Mrs S Adkins Mr R Baldry Mr A Camp Mr I Douglas Lt Cdr Rebecca French RN (appointed 15 February 2021) Lt Cdr Claire Lees RN (appointed 19 February 2021) Mr M Dukes Warrant Officer First Class Paul Todd (appointed 15 April 2021) Major Steve Cox RM (appointed 2 July 2020) Commander J Sheriff MBE (resigned 10 December 2020) Warrant Officer G Hannah (resigned 14 April 2021) Mr C Green (resigned 30 October 2020) Major T Smith RM (resigned 31 July 2020)
Company registered number	07100967
Charity registered number	1135918
Chief executive officer	Mr G C Hannah (appointed wef 15 April 2021) Mr A Sharpe MBE (Resigned as Chief Executive wef 15 Apr 2021)
Independent auditors	Bishop Fleming LLP Chartered Accountants Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	HSBC Forder House 20 William Prance Road Plymouth Devon PL6 5WR
Solicitors	Womble Bond Dickinson Ballard House West Hoe Road Plymouth Devon PL1 3AE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MAY 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1 June 2020 to 31 May 2021. The Annual Report serves the purposes of both a Trustees' report and Directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

CHAIRMAN'S REPORT

This reporting period has seen the extreme impacts of Covid 19 effect the Charity and its wholly owned trading subsidiary's ability to operate due to the mandatory Covid restrictions and closures which have impacted the business throughout the financial year. This unprecedented event has had an enduring impact on the financial affairs described throughout this report.

On the 1st of June 2020 the Charity and its trading subsidiary (the Company) experienced the start of the financial year with most of our facilities in lockdown, with only the golf course open at this point. Lockdown restrictions started to ease with further areas of the estate gradually opening through June and July 2020. The main hotel opened for accommodation on the 4th of July 2020. Local lockdowns in Devon provided a challenge for the Company staff who had to monitor and implement different requirements for our beneficiaries and members using the Club from areas outside of Cornwall. The main recreation facilities opened on the 25th of July 2020; this was followed by the Brasserie restaurant opening on the 3rd of August 2020. Social distancing measures, strict Covid safe protocols and restrictions on numbers in each facility were fastidiously supervised and enforced by our Company staff.

The second national lockdown occurred on the 5th of November 2020 and the Club acted swiftly with a well-rehearsed operating procedure to close the Club safely and with minimum fuss once more. At this point most of the 200 staff were once again placed on furlough until the easing of the second lockdown on the 2nd of December 2020. A third national lockdown was implemented on the 4th of January 2021 where the Club once again closed, this time for a longer period. It was not until late March 2021 that the facilities started to re-emerge from the forced closure. Golf once again led the recovery re-opening on the 29th of March 2021, with the outdoor cabin facilities opening shortly after on the 1st of April 2021. The main facilities of the Club have continued to open in line with the HM Government's guidance. The Company had proposed a comprehensive 4 phased re-opening plan to Trustees during this time which Trustees subsequently examined and approved prior to each phase. As of 31 May 2021, the Club continues to operate with some Covid restrictions still in place.

During the near 6-month period of closure and remainder of the year operating under Covid secure restrictions, these factors have led to turnover forecasts being revised from an expected £4.5m to a recognised figure somewhere nearer £2.49m. Clearly this loss of revenue has led to a change of tack in terms of Strategic intent and some difficult decisions made in terms of financial expenditure priorities.

During this year of turmoil and uncertainty for the Charity the focus of the Trust remained on supporting the Company through the agreed strategy to maximise financial assistance offered by HM's Government (HMG) whilst minimising overheads such as staff costs, maintenance, services and produce. The Trust's direction was articulated at the Company Board meetings as well as via a newly adapted senior management meeting, known as the '2 x 2' which saw the Trust's Chairman and CEO meet with the Company's Chairman and Managing Director on a fortnightly basis. These meetings reinforced the already strong working relationship between the Charity and its trading subsidiary and meant that a cohesive approach evolved to deal with the impacts of the pandemic at every stage. The new Strategic direction that emerged from these discussions to mitigate to as low as reasonably practicable the impacts of the Pandemic was that once we emerged from Covid operating restrictions the focus should be on financial recovery, thus strict limits on spending and a moratorium on CAPEX projects was imposed. This had a direct impact on our stated ambitions for growth as articulated in the extant Strategic Plan (SP), which was subsequently placed in abeyance. The Trust quickly realised the need to reframe its SP to recognise the financial recovery requirements, post Covid changes to the leisure industry and subsequent impacts on our beneficiaries. This detailed work is now underway and will

culminate in a new Strategic Plan, agreed by both Trustees and Company Directors, by the planned Trust Board meeting in November.

Within this new strategic direction, the Trust understood that beneficiary usage recovery would be particularly challenging when taken in context with the requirement to increase usage beyond the February 2020 figure (Approx. 23%). Accordingly, the balance of Trustees was adjusted with 3 new serving Trustees appointed to enhance the impressive credentials of the Trust board. There is now a satisfactory blend of civilian industry, legal, banking, and military experience held within the Trust. A 5-year succession plan tracks and forecasts Trustee appointments, scoring key attributes to ensure the Trust retains the right blend of continuity and fresh initiative. There had been prolonged periods of disruption caused by the availability of the then CEO, which were compensated for in part by the efforts of the Chairman of the Trustees and by the temporary appointment of a deputy CEO. This ultimately resulted in a decision by the previous CEO to resign due to factors beyond his control. After 8 years as CEO the Trust was saddened to learn of the resignation, but quickly managed to recruit an extremely credible replacement with no real loss in continuity observed and many gains in terms of currency and beneficiary knowledge.

The Trust has been proactive in the delivery of greater beneficiary awareness and engagement with the Royal Navy. A prolonged period of lobbying to secure an affiliation was rewarded with a rare affiliation being granted to the Trust with HMS TAMAR by the Fleet Commander. As the Covid restrictions begin to ease within the RN estate, a series of senior leaders and key influencers have been engaged and visited the Club. These visits help to keep the Club at the front and centre in the minds of our beneficiaries, help us to understand the complex and changing operational patterns of our beneficiary cadre and enable us to better understand the needs of our beneficiaries and their families. This all ensures that the Charity remains current, credible and delivers against our charitable object.

The Trust has exerted greater pressure on the Company to enhance its beneficiary marketing and engagement capability and articulate a realistic and deliverable beneficiary marketing plan with adequate funding budgeted. The Trust has initiated a new Beneficiary Engagement and Usage Committee chaired by the Trust CEO to assess and hold to account expected performance in this domain, capitalising on the KPI information as presented by the new data capture system Power BI.

Although the focus of the Trust and Company has been on dealing with the emergent requirements of its response to the global Pandemic on an operational front, the Trust retained its future vision maintaining an eye on post Pandemic recovery and its future aspirations. This led to the Trust commissioning 4 Sub Working Groups to investigate and report on the following key topics:

- TSWG 01-20 Review of the Beneficiary Offering
- JSWG 05-20 Feasibility of River Tamar Site for Accommodation
- JSWG 06-20 Spare Land Utilisation
- JSWG 08-20 Opportunities to Increase Leisure / Sport Offering

The results of these studies will help to underpin the new Strategic Plan being developed and shows the Trust's belief that the impacts of the Pandemic will be short lived, with an expectation that a return to 'business as usual' will occur within the next 12 to 24 months.

The Trust continues to be more involved in the military charity sector retaining its membership of Cobseo and forging an ever-closer relationship with the RNRMC. On the latter, several key collaborations have evolved over the course of this reporting year; a developing closer joint marketing strategy, support of RNRMC's Transition Support Guide initiative, funding additional beneficiary reward and recognition breaks. RNRMC has chaired a monthly RN charity CEO meeting during the Pandemic which has proved to be a helpful forum for sharing best practice, enabling strategic discussions for like-minded charities, and ensuring a cohesive approach was adopted across the sector.

Whilst there is still much ground to recover, the impact of Covid on the business was minimised through effective and proactive management by the Trust and Company, and this combined enterprise has emerged

having proven its robustness and resilience. The Charity is poised to recover and then prosecute its growth ambitions.

OBJECTIVES AND ACTIVITIES

a. Policies and Objectives

The objective of the Trust is to provide leisure and recreational facilities for all officers and ratings of the Royal Naval forces, including Reserves, their families, and dependants (collectively known as "the beneficiaries"). Additional beneficiary classes include ex Royal Naval Forces and other Forces attached to or embedded within Royal Navy Units and their families thus satisfying the public benefit test (the promotion of the efficiency of the armed forces of the crown). The declaration of trust provides the Trustees with wide discretionary investment powers to achieve the objective of the Trust.

To further its objective the Trust has developed the China Fleet Country Club at Saltash ("the Club").

b. Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the Charity should undertake. The Trustees consider that their Charitable activities fall within the descriptions of charitable purposes set out in the Charities Act and are for the public benefit as set out below.

"The promotion of the efficiency of the Armed Forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services".

The Charity satisfies the public benefit test in the provision of sporting, leisure and relaxation facilities, including accommodation for the use of their beneficiaries, being ALL serving personnel of the Royal Navy and Royal Marines, Reserves and Royal Fleet Auxiliary personnel and their immediate families and additional specified personnel as outlined in para a, totalling over 800,000.

The Trustees believe that by providing such facilities the beneficiaries return to active duty refreshed, relaxed and ready to face their next task, thus maintaining and increasing their efficiency in the defence of the realm.

The Trustees have considered the matter of detriment and harm and are content that neither arises from the Trust's charitable activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Trading Subsidiary (China Fleet Country Club Limited – 'the Company')

The 2020 to 2025 Strategic Plan recognised that the financial stability of the Charity is dependent upon the good husbandry of the Charity's own assets and the profitability and commerciality of its trading subsidiary. This Strategic plan was held in abeyance through the periods of closure due to the need to adapt to the evolving pace of restrictions and conditions of service as required in response to the Pandemic. This necessitated regular Trust and Company management '2 x 2' meetings being held to deal with a more operational focus required by the Covid situation. These meetings have been pivotal to maintaining the required oversight by the Charity and its Company and will now remain as a best practice initiative, albeit at a reduced periodicity moving forward.

The focus of the Trust remained on supporting the Company in its strategy to maximise financial assistance offered by HMG, whilst minimising overheads; staff, maintenance etc. Maintaining Club cashflow remained the immediate priority and the Company directors responded quickly to initiate HM Government's financial support measures, which in turn alleviated pressure on cashflow.

Each phase of re-opening was proposed by the Company, via a road map of risk assessments and advice from SME before being approved by Trustees. This process was proven to be very effective and ensure that due diligence had been considered and achieved before every change in operational activity commenced.

The Company utilised the furlough scheme to retain around 170 of 200 employees throughout the year on a mix of flexi and full furlough in line with the various periods of closure and partial re-opening. Recruitment of employees has been underway since Apr 21, and like many other employers in the sector, have found this element challenging. Proactive HR oversight by directors has ensured staffing levels have endured and prevented unnecessary closures of attractions or facilities.

The Company continues to carefully manage its workforce and resources to ensure that costs are minimised whilst continuing to deliver a safe and high-quality service within HMG's guidelines. This has been appreciated by members and has generated a great deal of positive PR, which has seen several new members joining from other facilities.

The Club membership, both beneficiaries and public have remained loyal to the Club during the Pandemic, with many choosing to maintain their fees throughout.

The Club assisted the NHS mass vaccination roll out with the China Fleet venue used as a vaccination site from January 2021 to the 31st of May 21. During this period more than 89,000 personnel received their Covid vaccination at the Club. This endeavour received accolades from many avenues and should help draw in new members who were impressed with the facilities whilst they attended to receive their jabs.

The pathway to full re-opening is underway and it is hoped that a full summer of trading will occur. Advanced bookings are indicative of a swift recovery and bodes well for the next financial year.

b. China Fleet Trust

The Charity instigated a new Beneficiary Engagement and Usage Committee (BEUC) with the goal of increasing beneficiary usage by 40% over pre-Covid 19 levels set against a Feb 20 baseline over the next 5 years. This committee and both the Trust and Company boards will assess the effectiveness of the Company's performance as measured against a series of agreed KPIs and the beneficiary marketing plan.

The Chairman of the Trustees secured an affiliation from the Fleet Commander with one of the Royal Navy's newest and greenest warships, HMS TAMAR. The Batch 2 OPV carries a historic name for the China Fleet Trust, being that HMS TAMAR was where the Club first evolved in Hong Kong and the fact that the current China Fleet Club is situated on the banks of the River Tamar in Cornwall. This affiliation affirms the Club's relevance and credibility with the current generation of Royal Navy personnel.

4 new attractions were opened during this financial year, some of which had been commissioned during the previous FY, however delayed due to the early impacts of the Pandemic:

- A new 18-hole adventure golf course opened in September 2020
- A new outdoor eatery 'The Cabin' opened in August 2020
- A new Woodland Trail experience opened in June 2020
- TopTracer Technology introduced at the Driving Range opened May 2021

A Royal Navy senior leaders awareness campaign is now under way to showcase the facilities to our key beneficiary influencers. This drive will increase in pace and frequency in the coming months as the RN Covid restrictions ease further.

The Beneficiary Committee has increased in numbers to a representative strength of 25. All areas of the Royal Navy are now represented, with additional attendees from the Royal Navy's partner organisations who will assist the Trust in raising awareness amongst the family members of our beneficiaries. NFF, RFEA, Aggies, RMA, RNA, RN FPS, RFA personnel are among a few of the new groups who have joined the committee.

The charity has offered 12 reward and recognition breaks to serving beneficiaries and their families who have demonstrated endeavour or dedication to duty. To date 11 of 12 breaks have been awarded, there is an aspiration to increase this offering with funding from RNRMC to 24 in number 3-night breaks per year.

The previous CEO of the Trust, who had been with the charity for 8 years had to resign due to family circumstances and this led to a recruitment of a credible relief who was in the process of departing the Royal Navy. Although sub-optimal due to timing, the incoming CEO has brought a wealth of currency and contacts from within the beneficiary community, which will assist in the continual drive to increase beneficiary awareness and ultimately usage.

FINANCIAL REVIEW

a. Financial Review

The Trustees present their report and financial statements for year ended 31 May 2021.

The Pandemic has had a dramatic impact on the Charity and its wholly owned trading subsidiary's ability to operate, and thus the financial impact has been severe. With the Club either closed or operating at reduced levels due to Covid secure trading for the entirety of this financial year, this has led to an inevitable loss of earnings for the Club and thus charity. With no gift-aid possible from the Company due to a net trading loss of £356,786 the impact on planned CAPEX and R&R spend has been profound, with the Trustees agreeing a necessary curb on any unnecessary spending until the financial affairs have returned to business as usual.

At the end of the financial year the charity is now exposed to a substantial debt (£1,034,050) with the addition of a CBILS loan of £500,000 with HSBC in addition to the HSBC Business Loan which was already in use and with a balance as at 31 May 21 of £534,050.

The Trust commissions Sarasin and Partner LLP to manage its main assets, the long and medium-term investment portfolios. The Trust gains regular updates from the portfolio management team, who attend Trust meetings to talk through performance. Although a volatile year for the markets, the portfolio has seen a general growth of 2.9% through the financial year and the Trust remain content with the management of the accounts by Sarasin and Partner, though monitor competitor performance to ensure value for money is achieved.

The China Fleet Country Club Limited (the Company), carries out non charitable trading activities for the Charity. The circumstances laid out due to the impacts of the Covid 19 Pandemic have meant that the Company have made a trading loss for the FY year of £356,786 (2020 +£112,006). This precludes the ability to provide the charity with Gift-Aid this year and will mean that no Gift-Aid is possible until the Company performance outstrips this financial year's loss.

b. The Impact of Covid 19 on Going Concern

The Charity is dependent upon its wholly owned subsidiary, The China Fleet Country Club Ltd ("The Company") to manage the facility on behalf of its beneficiaries.

The unprecedented worldwide impact of the Coronavirus Covid 19 has completely changed the circumstances under which the Company operated during 2020/21. Social distancing measures and several lockdowns have had far reaching implications for the whole leisure and hospitality sector.

Although this FY has been very challenging and tested the reserves, tenacity and resolve of all, the due diligence and financial planning and reserves policy have all proved to be effective. The Trustees are patently aware of the generous support that HM's Government (HMG) has provided and are cognisant that any future lockdown requirements may not be supported by HMG to the same level as during this FY.

As of 31 May 2021, there were 26,573 beneficiaries registered with the Club compared to 26,554 on 31 May 2020.

HMS RALEIGH and BRNC recruit visits ceased throughout the reporting year due to RN Covid safety protocols, despite recruiting and training carrying on throughout the pandemic. BRNC acquaint visits are due to commence Jul 21, with an aspiration for HMS RALEIGH recruit acquaints to re-commence in Sep 21. This has led to some 3000 fewer beneficiary visits to the Club and the Trust proactively looked at strategies to engage with the recruits who had not visited once they had moved into their phase 2 training and operational units. The Trust capitalised on the Beneficiary Committee's expansion to over 25 representatives and these committee members assisted to engage with their personnel on the ground in units, establishments and ships, which has helped to raise awareness of the Club during the periods of closure.

The Trustees are regularly briefed by the Company's Managing Director with departmental performance reports, beneficiary usage and cash flow forecasts that have given a good indication that the Trustees can be satisfied that the Charity and its wholly owned trading subsidiary **remains a going concern.** This statement is backed up by a glance into the next FY and the recovery that is already evident, plus the extended accounts forecast out to Dec 22.

c. Reserves Policy

The Trustees have established that the level of unrestricted designated reserves (that is those funds that are freely available and does not include the designated land and buildings reserve) are held to cover the following:

- The continuing need to maintain the fabric and plant licensed by the Company.
- To cover the need to finance the evolution of the facility to create new and innovative income streams.
- To provide a buffer against a slump in the economic marketplace resulting in a dramatic fall in the market value of the investments.
- To provide for a contingency for the Company should it become necessary.

The Trustees consider a target sum between a range of £1,500,00 to £2,000,000 would be sufficient for these purposes. This Reserves policy is subject to continued ongoing review.

As of 31 May 2021, the designated unrestricted investment reserve was £767,023 (2020: £1,364,134). Freehold property are detailed at a net book value of £7,628,331 (2020: £7,582,057). General Funds are reported as £Nil (2020: £Nil).

PLANS FOR FUTURE PERIODS

Trustees are currently preparing an updated Strategic Plan taking into account the impacts and effects of the Pandemic on the previous aspirations and implementing a new Strategy based on the following key principles:

- Re-build reserves to previously agreed figure - £1.5m to £2m reserve requirement
- Pay down debt – CBILS
- Recover business to pre-Covid levels – turnover of approx. £5m to £6m
- Limit Capital Expenditure and R&R to essential only until the recovery is complete
- Assess each phase against the Charity's objectives
- Realise Beneficiary usage growth by 40% of pre-Covid levels over the next 5-year period
- Continue to be relevant and viable proposition for our Beneficiaries
- Continue to learn from the experience and implement LIs into future Risk Management
- Increase the offering for beneficiary reward and recognition breaks in conjunction with partnering agreement with RNRMC and the Royal Navy's SCWOs

Longer Term Aspirations

- Increase accommodation footprint to incorporate some of the spare land – accommodation occupancy rates are very high and indicate a need for additional capacity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

China Fleet Trust is registered as a charitable company limited by guarantee, number 1135918 and was set up by a Trust deed. It is governed by its Memorandum of Association dated 10 December 2009 and Articles of Association dated 6 December 2019.

The Trust is governed and directed by its Board of Trustees with operational management delegated to the Chairman and a Chief Executive. The Board of Trustees meet as required but at least three times a year. The Trust maintains an office at Saltash where the Chief Executive executes his duties. The Chairman makes regular visits to the office to deal with matters arising and is a co-signatory with the Chief Executive plus two other Trustees for signing cheques. The declaration of Trust requires that the total number of Trustees shall not be less than four. New Trustees are appointed either by virtue of military appointment or an open recruitment process. The Trustees are listed on page 2.

The facilities of the Club are operated by a wholly owned subsidiary company, China Fleet Country Club Limited ("the Company"). The Trust has a 5-year nonexclusive licence agreement (signed on 23rd March 2018) for the Company to operate the Club and act as agent for the Trust in providing on site leisure and recreational facilities for the beneficiaries. The performance of this agreement is reviewed annually by the Trust and Company. Mr Robert Baldry is currently chairman of the Board of Directors of the Company.

The China Fleet Club Beneficiaries Committee is chaired by a Trustee, Warrant Officer Paul Todd, who also attends the Company board meetings. Mr Dean Bennett (Company MD) attends meetings of the Trustees and meetings of the China Fleet Club Beneficiaries Committee.

The Trust has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102).

b. Risk Management

The Trustees meet regularly to assess business risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks identified in the Trust Risk Register, which is aligned to the Company Risk Register. The Trustees are pleased to report that the Charity's internal financial controls, in particular, comply in all respects with guidelines issued by the Charity Commission. The Trustees continue to promote procedures to ensure that forward looking, continuous risk management processes become part of the operating culture of the charity.

The risk management systems have been fully tested during the Covid Pandemic and combined with prompt actions and directions by Trustees proved effective in meeting the emergent challenges throughout the reporting year.

c. Remuneration

The Trust's only salaried employee, the Chief Executive is appraised annually by the Chairman of the Trustees and one other Trustee with recommendations made to the Governance and Remuneration Committee for the approval of any rise in salary.

Senior Company staff are also appraised annually and recommendations for their remuneration are also presented to Trustees for approval via the Governance and Remuneration Committee and detailed within the annual budget.

d. Other Relevant Sources of Professional Advice

Investment Managers – Sarasin and Partners LLP. This company manages the Trust's long-term and medium-term investment portfolios. Address – Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.

Trust Accountant – Wills Accountants Limited. Address – 2 Endeavour House, Parkway Court, Longbridge Rd, Plymouth, PL6 8LR.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial. 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP (FRS 102).
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of another entity.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information, and
- the enterprise, that is the Charity and its wholly owned trading subsidiary, remains a viable Going Concern.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Signature:

Date: 26/11/21

Rear Admiral M G Wood CBE, DL, JP
Chairman of the Trustees
China Fleet Trust

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINA FLEET TRUST

OPINION

We have audited the financial statements of China Fleet Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of 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 Group's and of the parent charitable company's affairs as at 31 May 2021 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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 Annual Report other than the financial statements and our Auditors' 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 AUDITORS' REPORT TO THE MEMBERS OF CHINA FLEET TRUST (CONTINUED)

OPINION ON OTHER MATTERS 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the Group; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have idetinfied any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019 and FRS 102.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation and food hygiene legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an Auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date:

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	**50,125**	**-**	**50,125**	-
Charitable activities	5	**424,866**	**780,370**	**1,205,236**	896,578
Other trading activities		**2,003,677**	**-**	**2,003,677**	3,375,446
Investments	6	**50,271**	**-**	**50,271**	32,497
Total income		**2,528,939**	**780,370**	**3,309,309**	4,304,521
Expenditure on:					
Raising funds		**3,160,933**	**-**	**3,160,933**	3,163,957
Charitable activities	7	**29,720**	**790,162**	**819,882**	1,292,777
Total expenditure		**3,190,653**	**790,162**	**3,980,815**	4,456,734
Net expenditure before net gains on investments		**(661,714)**	**(9,792)**	**(671,506)**	(152,213)
Net gains on investments		**110,877**	**-**	**110,877**	66,010
Net movement in funds before other recognised gains		**(550,837)**	**(9,792)**	**(560,629)**	(86,203)
Net movement in funds		**(550,837)**	**(9,792)**	**(560,629)**	(86,203)
Reconciliation of funds:					
Total funds brought forward		**8,946,191**	**209,911**	**9,156,102**	9,242,305
Net movement in funds		**(550,837)**	**(9,792)**	**(560,629)**	(86,203)
Total funds carried forward		**8,395,354**	**200,119**	**8,595,473**	9,156,102

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 39 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07100967

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	12		**8,963,347**		9,063,971
Investments	13		**827,594**		1,083,327
			9,790,941		10,147,298
Current assets					
Stocks	14	**94,198**		97,652	
Debtors	15	**96,662**		83,052	
Cash at bank and in hand		**662,937**		692,608	
		853,797		873,312	
Creditors: amounts falling due within one year	16	**(1,170,841)**		(843,954)	
Net current (liabilities) / assets			**(317,044)**		29,358
Total assets less current liabilities			**9,473,897**		10,176,656
Creditors: amounts falling due after more than one year	17		**(878,424)**		(1,020,554)
Total net assets			**8,595,473**		9,156,102
Charity funds					
Restricted funds	18		**200,119**		209,911
Unrestricted funds	18		**8,395,354**		8,946,191
Total funds			**8,595,473**		9,156,102

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Rear Admiral M G Wood CBE, DL

Date: 23/12/21

The notes on pages 19 to 39 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07100967

CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MAY 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	12		**8,963,347**		9,063,971
Investments	13		**828,594**		1,084,327
			9,791,941		10,148,298
Current assets					
Debtors	15	**17,881**		124,780	
Cash at bank and in hand		**358,329**		71,368	
		376,210		196,148	
Creditors: amounts falling due within one year	16	**(776,532)**		(716,711)	
Net current (liabilities)			**(400,322)**		(520,563)
Total assets less current liabilities			**9,391,619**		9,627,735
Creditors: amounts falling due after more than one year	17		**(463,525)**		(495,798)
Total net assets			**8,928,094**		9,131,937
Charity funds					
Restricted funds	18		**200,119**		209,911
Unrestricted funds	18		**8,727,975**		8,922,026
Total funds			**8,928,094**		9,131,937

The Charity's net movement in funds for the year was £(203,843) (2020 - £(86,203)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Rear Admiral M G Wood CBE, DL

Date: 23/12/21

The notes on pages 19 to 39 form part of these financial statements.

CHINA FLEET TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	21	**(22,459)**	39,884
Cash flows from investing activities			
Purchase of tangible fixed assets		**(167,846)**	(345,751)
Proceeds from sale of investments		**362,723**	69,884
Net cash provided by/(used in) investing activities		**194,877**	**(275,867)**
Cash flows from financing activities			
Cash inflows from new borrowing		**-**	500,000
Repayments of borrowing		**(37,432)**	(63,525)
Net cash (used in)/provided by financing activities		**(37,432)**	**436,475**
Change in cash and cash equivalents in the year		**134,986**	**200,492**
Cash and cash equivalents at the beginning of the year		**692,608**	492,116
Cash and cash equivalents at the end of the year	22	**827,594**	692,608

The notes on pages 19 to 39 form part of these financial statements

1. GENERAL INFORMATION

The Charity is a limited charitable company, incorporated in England and Wales, company number 07100967. The registered office is China Fleet Country Club, Saltash, Cornwall, PL12 6LJ. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

China Fleet 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

The financial statements have been prepared on the going concern basis.

The Group and Charity has net current liabilities at the year end. Within current liabilities is deferred income of £477,323 (see Note 16 on page 22), this will be recognised as income on the Statement of Financial Activities within the next 12 months as the service is delivered. Accounting standards dictate that deferred income is shown within current liabilities.

As it is unlikely these amounts will be repaid the true position if deferred income were excluded would be net current assets of £160,279 (2020 - £ 356,052).

The Trustees consider the Group and Charity is a going concern for this reason.

2. ACCOUNTING POLICIES (continued)

2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 INCOME

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 income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. ACCOUNTING POLICIES (continued)

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- Building element: 4% straight line, land not depreciated
Motor vehicles, tractors & mowers	- 20% straight line
Equipment and furnishings	- 15% - 33% straight line
Timeshares	- 2% straight line/over the term of the ownership

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. ACCOUNTING POLICIES (continued)

2.12 LIABILITIES AND PROVISIONS

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

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates, assumptions or judgementsthat have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants	50,125	**50,125**	-

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Direct charitable income from beneficiaries	424,866	-	**424,866**
COVID Relief grants	-	780,370	**780,370**
TOTAL 2021	424,866	780,370	**1,205,236**

	Unrestricted funds 2020 £	Total funds 2020 £
Direct charitable income from beneficiaries	896,578	896,578

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	50,271	**50,271**

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	32,497	32,497

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Direct charitable cost for beneficiaries	29,720	790,162	**819,882**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Direct charitable cost for beneficiaries	1,279,961	12,816	1,292,777

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	**Total funds 2021 £**
Direct charitable cost for beneficiaries	819,882	**819,882**

	Activities undertaken directly 2020 £	Total funds 2020 £
Direct charitable cost for beneficiaries	1,292,777	1,292,777

ANALYSIS OF DIRECT COSTS

	Direct charitable income 2021 £	**Total funds 2021 £**
Staff costs	284,521	**284,521**
Depreciation	268,256	**268,256**
Other operating charges	261,337	**261,337**
Governance costs	5,768	**5,768**
	819,882	**819,882**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS (continued)

	Direct charitable income 2020 £	Total funds 2020 £
Staff costs	521,252	521,252
Depreciation	266,559	266,559
Other operating charges	487,984	487,984
Governance costs	16,982	16,982
	1,292,777	1,292,777

ANALYSIS OF SUPPORT COSTS

9. NET INCOME/(EXPENDITURE)

	2021 £	2020 £
Depreciation of tangible fixed assets - owned	**268,256**	266,559
Auditor's remuneration - audit	**5,100**	5,000
Auditors' remuneration - other services	**7,475**	7,250
Operating lease rentals	**141,787**	80,155
	422,618	358,964

10. STAFF COSTS

	Group 2021 £	Group 2020 £	**Charity 2021 £**	Charity 2020 £
Wages and salaries	**2,081,763**	1,955,871	**260,087**	454,062
Social security costs	**137,678**	155,070	**18,347**	56,449
Other pension costs	**42,169**	44,778	**6,087**	10,741
	2,261,610	2,155,719	**284,521**	521,252

10. STAFF COSTS (CONTINUED)

The average number of persons employed by the Group during the year was as follows:

	Group 2021 No.	Group 2020 No.	**Charity 2021 No.**	Charity 2020 No.
Apartments	**16**	20	**-**	-
Golf	**16**	15	**-**	-
Leisure	**65**	74	**-**	-
Food and beverage	**47**	60	**-**	-
Administration and establishment	**42**	45	**1**	1
	186	214	**1**	1

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.	**Charity 2021 No.**	Charity 2020 No.
Total	**88**	101	**1**	1

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	**1**	1

All Trustees and the Directors of the trading company, along with certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total remuneration including employers national insurance and pension contributions in respect of these individuals is £350,243 (2020: £295,991).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, 3 Trustees (2020 - 2) received remuneration totalling £23,767 (2020: £11,284) for their roles as non executive directors of the Charity's 100% subsidiary, China Fleet Country Club Limited.

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 May 2021, expenses totalling £NIL were reimbursed to nil Trustees (2020 - £1,069 to 3 Trustees).

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Timeshares £	Total £
COST OR VALUATION					
At 1 June 2020	**8,792,868**	**138,570**	**2,027,543**	**21,210**	**10,980,191**
Additions	**135,675**	**-**	**32,170**	**-**	**167,845**
Disposals	**-**	**-**	**(29,001)**	**-**	**(29,001)**
At 31 May 2021	**8,928,543**	**138,570**	**2,030,712**	**21,210**	**11,119,035**
DEPRECIATION					
At 1 June 2020	**438,667**	**138,470**	**1,326,357**	**12,726**	**1,916,220**
Charge for the year	**127,378**	**76**	**140,464**	**339**	**268,257**
On disposals	**-**	**-**	**(28,789)**	**-**	**(28,789)**
At 31 May 2021	**566,045**	**138,546**	**1,438,032**	**13,065**	**2,155,688**
NET BOOK VALUE					
At 31 May 2021	**8,362,498**	**24**	**592,680**	**8,145**	**8,963,347**
At 31 May 2020	8,354,201	100	701,186	8,484	9,063,971

13. FIXED ASSET INVESTMENTS

GROUP	Listed investments £
COST OR VALUATION	
At 1 June 2020	**1,083,327**
Additions	**36,422**
Disposals	**(400,094)**
Revaluations	**107,939**
AT 31 MAY 2021	**827,594**
NET BOOK VALUE	
AT 31 MAY 2021	**827,594**
AT 31 MAY 2020	1,083,327

CHARITY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 June 2020	**1,000**	**1,083,327**	**1,084,327**
Additions	**-**	**36,422**	**36,422**
Disposals	**-**	**(400,094)**	**(400,094)**
Revaluations	**-**	**107,939**	**107,939**
AT 31 MAY 2021	**1,000**	**827,594**	**828,594**
NET BOOK VALUE			
AT 31 MAY 2021	**1,000**	**827,594**	**828,594**
AT 31 MAY 2020	1,000	1,083,327	1,084,327

14. STOCKS

	Group 2021 £	Group 2020 £
Raw materials and consumables	**8,745**	22,969
Finished goods and goods for resale	**85,453**	74,683
	94,198	97,652

15. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
DUE WITHIN ONE YEAR				
Trade debtors	**9,511**	13,031	**-**	-
Amounts owed by group undertakings	**-**	-	**-**	112,006
Other debtors	**87,151**	70,021	**17,881**	12,774
	96,662	83,052	**17,881**	124,780

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	**Charity 2021 £**	Charity 2020 £
Bank loans	**180,076**	75,378	**70,525**	66,435
Trade creditors	**201,822**	170,684	**1,476**	1,624
Amounts owed to group undertakings	**-**	-	**700,528**	643,894
Other taxation and social security	**103,558**	101,567	**-**	-
Other creditors	**39,692**	39,357	**-**	-
Accruals and deferred income	**645,693**	456,968	**4,003**	4,758
	1,170,841	843,954	**776,532**	716,711

	Group 2021 £	Group 2020 £
Deferred income at 1 June 2020	**326,694**	422,192
Resources deferred during the year	**477,323**	326,694
Amounts released from previous periods	**(326,694)**	(422,192)
Deferred income at 31 May 2021	**477,323**	326,694

Deferred income relates to memberships and events paid for in advance.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	Group 2020 £	**Charity 2021 £**	Charity 2020 £
Bank loans	**878,424**	1,020,554	**463,525**	495,798

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2021 £	Group 2020 £	**Charity 2021 £**	Charity 2020 £
Payable or repayable by instalments	**-**	280,070	**-**	280,070
	-	280,070	**-**	280,070

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Group 2021	Group 2020	**Charity 2021**	Charity 2020
£	£	**£**	£

The bank loans include:

A loan with HSBC UK Bank plc. The loan facility is £47,000 of which £24,451 was outstanding at 31 May 2021. The loan is secured against specific property assets of the company. Interest on the loan is being charged at 2.4% per annum over the Bank of England Base Rate. The balance is repayable in monthly instalments of £847.80.

A Coronavirus Business Interruption Loan with HSBC UK Bank plc. The loan facility is £500,000 of which £500,000 was outstanding at 31 May 2021. No capital repayments are due for the first 12 months after the date of drawing down the loan (May 2020). Interest is charged at 3.99% per annum over the Bank of England Base Rate. The balance is repayable in monthly instalments of £8,333.33.

A loan with HSBC UK Bank plc The loan facility is £740,000 of which £534,050 was outstanding at 31 May 2021. The loan is secured against the Charity;s freehold property. Interest on the loan is being charged at 2.45% per annum above the Bank of England Base Eate. The balance is repayable in monthly instalments of £7,044.78.

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	1,364,134	30,057	-	(738,045)	110,877	767,023
Freehold Property	7,582,057	-	(117,584)	163,858	-	7,628,331
	8,946,191	30,057	(117,584)	(574,187)	110,877	8,395,354
GENERAL FUNDS						
General Funds	-	2,498,882	(3,073,069)	574,187	-	-
TOTAL UNRESTRICTED FUNDS	8,946,191	2,528,939	(3,190,653)	-	110,877	8,395,354
RESTRICTED FUNDS						
LIBOR Grant - Capital	40,640	-	(3,048)	-	-	37,592
RNRMC Grant - Capital	169,271	-	(6,744)	-	-	162,527
COVID Relief Grants	-	780,370	(780,370)	-	-	-
	209,911	780,370	(790,162)	-	-	200,119
TOTAL OF FUNDS	9,156,102	3,309,309	(3,980,815)	-	110,877	8,595,473

18. STATEMENT OF FUNDS (CONTINUED)

Other Designated Funds - represents funds allocated for the replacement, long term maintenance and improvements of buildings and equipment in line with the reserves policy.

Freehold Property - represents the net book value of the freehold property (excluding amounts held in restricted funds) less loans secured against the asset.

Restricted fund - represents LIBOR and RNRMC grant income that has been used in the refurbishment of apartment blocks and refurbishment of changing rooms. The balance equals the net book value of the assets purchased.

COVID Relief Grants represent CJRS funding to support the group through COVID.

18. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	1,644,786	32,497	-	(379,159)	66,010	1,364,134
Freehold Property	7,317,021	-	(94,137)	359,173	-	7,582,057
	8,961,807	32,497	(94,137)	(19,986)	66,010	8,946,191
GENERAL FUNDS						
General Funds	57,771	4,272,024	(4,349,781)	19,986	-	-
TOTAL UNRESTRICTED FUNDS	9,019,578	-	(4,443,918)	-	66,010	8,946,191
RESTRICTED FUNDS						
LIBOR Grant - Capital	43,688	-	(3,048)	-	-	40,640
RNRMC Grant - Capital	179,039	-	(9,768)	-	-	169,271
	222,727	-	(12,816)	-	-	209,911
TOTAL OF FUNDS	9,242,305	-	(4,456,734)	-	66,010	9,156,102

19. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
Designated funds	**8,946,191**	**30,057**	**(117,584)**	**(574,187)**	**110,877**	**8,395,354**
General funds	**-**	**2,498,882**	**(3,073,069)**	**574,187**	**-**	**-**
Restricted funds	**209,911**	**780,370**	**(790,162)**	**-**	**-**	**200,119**
	9,156,102	**3,309,309**	**(3,980,815)**	**-**	**110,877**	**8,595,473**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2020 £
Designated funds	8,961,807	32,497	(94,137)	(19,986)	66,010	8,946,191
General funds	57,771	4,272,024	(4,349,781)	19,986	-	-
Restricted funds	222,727	-	(12,816)	-	-	209,911
	9,242,305	4,304,521	(4,456,734)	-	66,010	9,156,102

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8,763,228	200,119	**8,963,347**
Fixed asset investments	827,594	-	**827,594**
Current assets	853,797	-	**853,797**
Creditors due within one year	(1,170,841)	-	**(1,170,841)**
Creditors due in more than one year	(878,424)	-	**(878,424)**
TOTAL	8,395,354	200,119	**8,595,473**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	8,854,060	209,911	9,063,971
Fixed asset investments	1,083,327	-	1,083,327
Current assets	873,312	-	873,312
Creditors due within one year	(843,954)	-	(843,954)
Creditors due in more than one year	(1,020,554)	-	(1,020,554)
TOTAL	8,946,191	209,911	9,156,102

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £
Net expenditure for the year (as per Statement of Financial Activities)	**(560,629)**	(86,203)
ADJUSTMENTS FOR:		
Depreciation charges	**268,257**	266,559
Gains on investments	**107,939**	66,010
Dividends, interest and rents from investments	**(50,271)**	(31,980)
Loss/(profit) on the sale of fixed assets	**212**	(750)
Decrease/(increase) in stocks	**3,454**	(5,879)
(Increase)/decrease in debtors	**(13,610)**	37,158
Increase/(decrease) in creditors	**222,189**	(205,031)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**(22,459)**	39,884

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand	**827,594**	692,608
TOTAL CASH AND CASH EQUIVALENTS	**827,594**	692,608

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2020	Cash flows	At 31 May 2021
	£	£	£
Cash at bank and in hand	**692,608**	**(29,671)**	**662,937**
Debt due within 1 year	**(75,378)**	**(104,698)**	**(180,076)**
Debt due after 1 year	**(1,020,554)**	**142,130**	**(878,424)**
	(403,324)	**7,761**	**(395,563)**

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £39,127 (2020 - £37,157). Contributions totalling £7,023 (2020: £8,250) were payable to the fund at the balance sheet date and are included in creditors.

25. OPERATING LEASE COMMITMENTS

At 31 May 2021 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021	Group 2020
	£	£
Not later than 1 year	**141,787**	151,609
Later than 1 year and not later than 5 years	**133,435**	129,358
	275,222	280,967

26. RELATED PARTY TRANSACTIONS

The Charity has one 100% owned subsidiary as detailed in note 28.

As this subsidiary is wholly owned by the China Fleet Trust, the Charity has taken advantage of the exemption contained in FRS 102 Section 33.1A not to disclose transactions or balances with entities which form part of a group.

During the year, Mr R Baldy, Mr I Douglas and Mrs L Johnson, trustees of the Charity, were paid £12,413 (2020: £10,750), £600 (2020: £750) and £10,754 (2020: £nil) respectively for their roles as non executive directors of the China Fleet Country Club Limited, a 100% subsidiary of the China Fleet Trust.

27. CONTROLLING PARTY

The Charity is controlled and governed by the Board of Trustees, as detailed on page 1 of these Financial Statements.

28. PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
China Fleet Country Club Limited	02527923	Saltash, Plymouth, PL12 6LJ	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Loss for the year £	Net assets £
China Fleet Country Club Limited	**2,804,247**	**(3,161,033)**	**(356,786)**	**(331,621)**