

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

China Fleet Trust

Trustees' Report

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.

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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

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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.

China Fleet Trust

Trustees' Report

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.

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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, CTRM, 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:

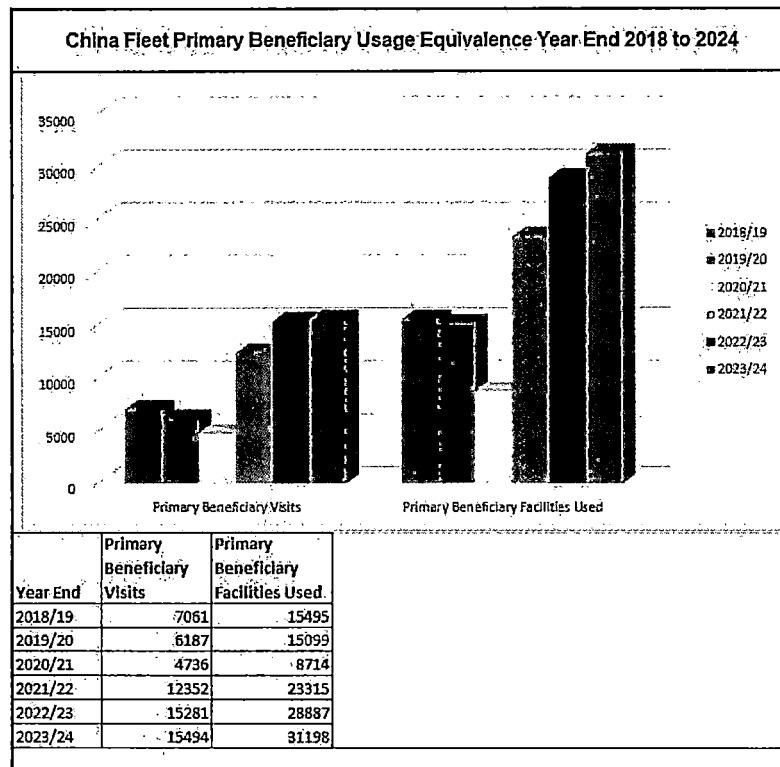


Table 1. Serving Beneficiary Usage Trend Analysis – last 6 years

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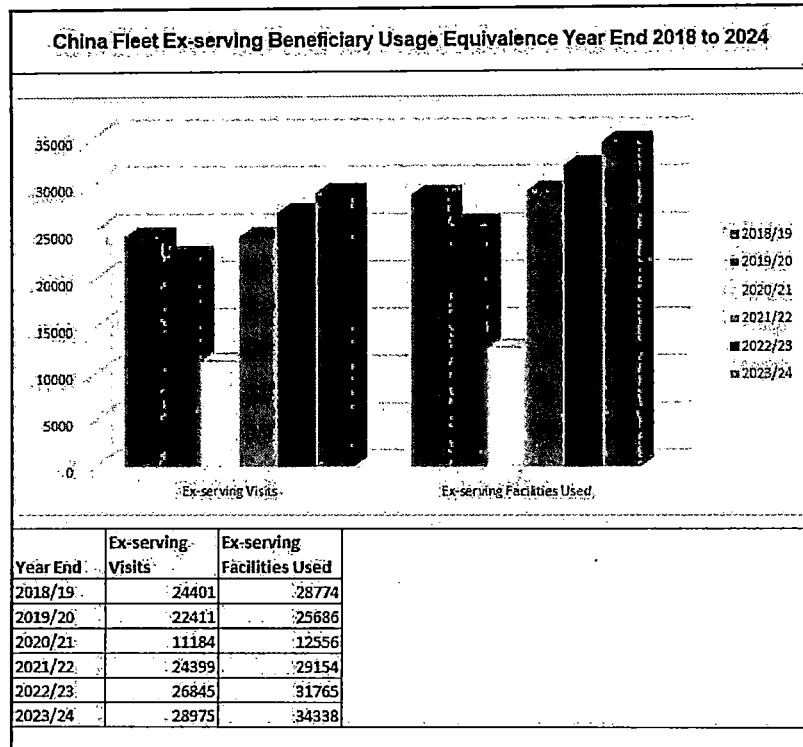


Table 2. Ex / Former Serving Beneficiary Usage Trend Analysis

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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.

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Trustees' Report

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.

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- 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 be 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 operates 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).

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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.

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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.

China Fleet Trust

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.

China Fleet Trust

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.

China Fleet Trust

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

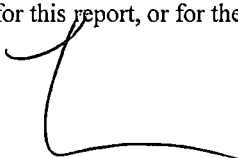
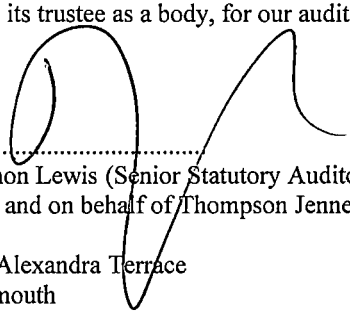
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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

LLP

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		<u>6,750,470</u>	<u>-</u>	<u>6,750,470</u>
Expenditure on:				
Raising funds		(4,896,938)	-	(4,896,938)
Charitable activities	6	<u>(1,865,004)</u>	<u>(12,319)</u>	<u>(1,877,323)</u>
Total expenditure		<u>(6,761,942)</u>	<u>(12,319)</u>	<u>(6,774,261)</u>
Gains/losses on investment assets		<u>71,238</u>	<u>-</u>	<u>71,238</u>
Net income/(expenditure)		<u>59,766</u>	<u>(12,319)</u>	<u>47,447</u>
Net movement in funds		59,766	(12,319)	47,447
Reconciliation of funds				
Total funds brought forward		<u>8,457,976</u>	<u>323,512</u>	<u>8,781,488</u>
Total funds carried forward	21	<u><u>8,517,742</u></u>	<u><u>311,193</u></u>	<u><u>8,828,935</u></u>

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		<u>6,350,518</u>	<u>-</u>	<u>6,350,518</u>
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		<u>(213,391)</u>	<u>(12,319)</u>	<u>(225,710)</u>
Net movement in funds		(213,391)	(12,319)	(225,710)
Reconciliation of funds				
Total funds brought forward		<u>8,671,367</u>	<u>335,831</u>	<u>9,007,198</u>
Total funds carried forward	21	<u>8,457,976</u>	<u>323,512</u>	<u>8,781,488</u>

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.

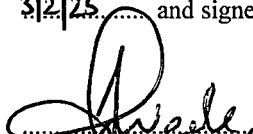
The notes on pages 23 to 44 form an integral part of these financial statements.

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

The financial statements on pages 17 to 44 were approved by the trustees, and authorised for issue on 31/2/25 and signed on their behalf by:


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

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

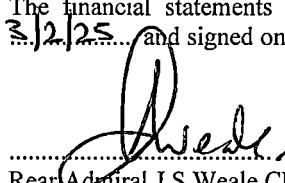
China Fleet Trust

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

The financial statements on pages 17 to 44 were approved by the trustees, and authorised for issue on 31/2/25 and signed on their behalf by:


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

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

China Fleet Trust

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

		2024	(As restated) 2023
	Note	£	£
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
		<u>417,438</u>	<u>185,942</u>
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		<u>556,251</u>	<u>226,689</u>
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		<u>(562,889)</u>	<u>(458,023)</u>
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		<u>(157,845)</u>	<u>(36,130)</u>
Net decrease in cash and cash equivalents		(164,483)	(267,464)
Cash and cash equivalents at 1 June		<u>846,215</u>	<u>1,113,679</u>
Cash and cash equivalents at 31 May		<u><u>681,732</u></u>	<u><u>846,215</u></u>

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

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

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
		<u>420,378</u>	<u>186,550</u>
Working capital adjustments			
(Increase)/decrease in debtors	14	(166,559)	230,618
Increase in creditors	16	<u>157,627</u>	<u>99,262</u>
Net cash flows from operating activities		<u>411,446</u>	<u>516,430</u>
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	<u>83,344</u>	<u>-</u>
Net cash flows from investing activities		<u>(571,424)</u>	<u>(464,217)</u>
Cash flows from financing activities			
Value of new loans obtained during the period		91,921	165,446
Repayment of loans and borrowings	16	<u>(104,968)</u>	<u>(76,600)</u>
Net cash flows from financing activities		<u>(13,047)</u>	<u>88,846</u>
Net (decrease)/increase in cash and cash equivalents		(173,025)	141,059
Cash and cash equivalents at 1 June		<u>374,067</u>	<u>233,008</u>
Cash and cash equivalents at 31 May		<u><u>201,042</u></u>	<u><u>374,067</u></u>

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

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

China Fleet Trust

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

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).

China Fleet Trust

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

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.

China Fleet Trust

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

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:

	£	£	£
	2023	Pre 2023	Total
Summary of the prior year accounting impact			
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.

China Fleet Trust

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

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.

China Fleet Trust

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

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.

China Fleet Trust

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

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
	<u>4,406</u>	<u>4,406</u>
	Unrestricted funds General £	Total 2023 £
Grants, including capital grants;		
Grants from companies	14,650	14,650
	<u>14,650</u>	<u>14,650</u>

4 Income from charitable activities

	Unrestricted funds General £	Total 2024 £
Direct charitable income from beneficiaries	1,272,892	1,272,892
	<u>1,272,892</u>	<u>1,272,892</u>
	Unrestricted funds General £	Total 2023 £
Direct charitable income from beneficiaries	1,097,730	1,097,730
	<u>1,097,730</u>	<u>1,097,730</u>

China Fleet Trust

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

5 Investment income

	Unrestricted funds General £	Total 2024 £
Other investment income	38,344	38,344
	<u>38,344</u>	<u>38,344</u>

	Unrestricted funds General £	Total 2023 £
Other investment income	33,910	33,910
	<u>33,910</u>	<u>33,910</u>

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
	<u>1,865,004</u>	<u>12,319</u>	<u>1,877,323</u>

	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
	<u>1,635,621</u>	<u>12,319</u>	<u>1,647,940</u>

China Fleet Trust

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

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	<u>397,129</u>	<u>351,691</u>

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	<u>53,748</u>	<u>51,390</u>	<u>31,262</u>	<u>11,633</u>
	<u>3,173,143</u>	<u>2,954,680</u>	<u>713,978</u>	<u>602,830</u>

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)

China Fleet Trust

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

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
	<u>233</u>	<u>230</u>

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	<u>1</u>	<u>-</u>

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.

China Fleet Trust

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

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	<u>9,074,679</u>	<u>2,874,357</u>	<u>64,096</u>	<u>27,972</u>	<u>12,041,104</u>
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	<u>1,053,781</u>	<u>2,037,360</u>	<u>64,096</u>	<u>15,851</u>	<u>3,171,088</u>
Net book value					
At 31 May 2024	<u>8,020,898</u>	<u>836,997</u>	<u>-</u>	<u>12,121</u>	<u>8,870,016</u>
At 31 May 2023	<u>8,214,542</u>	<u>446,790</u>	<u>-</u>	<u>17,716</u>	<u>8,679,048</u>

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.

China Fleet Trust

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

12 Fixed asset investments

Group

	2024	2023
	£	£
Other investments	<u>944,727</u>	<u>942,797</u>

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	<u>(83,344)</u>	<u>(83,344)</u>
At 31 May 2024	<u>944,727</u>	<u>944,727</u>
Net book value		
At 31 May 2024	<u>944,727</u>	<u>944,727</u>
At 31 May 2023	<u>942,797</u>	<u>942,797</u>

China Fleet Trust

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

Charity

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

Shares in group undertakings and participating interests

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

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	<u>(83,344)</u>	<u>(83,344)</u>
At 31 May 2024	<u>944,727</u>	<u>944,727</u>
Net book value		
At 31 May 2024	<u>944,727</u>	<u>944,727</u>
At 31 May 2023	<u>942,797</u>	<u>942,797</u>

China Fleet Trust

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

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	-	-
	<u>172,660</u>	<u>145,565</u>	<u>-</u>	<u>-</u>

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
	<u>140,121</u>	<u>189,378</u>	<u>461,930</u>	<u>295,371</u>

15 Cash and cash equivalents

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

China Fleet Trust

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

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	-	-
	<u>1,510,624</u>	<u>1,413,217</u>	<u>1,246,064</u>	<u>1,092,859</u>

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	<u>(557,224)</u>	<u>(538,476)</u>
Deferred income at year end	<u>623,299</u>	<u>557,224</u>

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	<u>12,052</u>	<u>16,239</u>	<u>-</u>	<u>-</u>
	<u>469,697</u>	<u>608,298</u>	<u>427,958</u>	<u>436,583</u>

China Fleet Trust

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

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	-	-
	<u>546,062</u>	<u>815,086</u>	<u>-</u>	<u>-</u>

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.

China Fleet Trust

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

21 Funds

Group

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

China Fleet Trust

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						
<i>General</i>						
General Funds	120,000	6,322,935	(6,328,441)	(92,090)	-	22,404
<i>Designated</i>						
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
	<u>8,551,367</u>	<u>27,583</u>	<u>(190,671)</u>	<u>92,090</u>	<u>(44,797)</u>	<u>8,435,572</u>
Total unrestricted funds	<u>8,671,367</u>	<u>6,350,518</u>	<u>(6,519,112)</u>	<u>-</u>	<u>(44,797)</u>	<u>8,457,976</u>
Restricted funds						
LIBOR Grant - Capital	34,544	-	(3,048)	-	-	31,496
RNRMC Grant - Capital	301,287	-	(9,271)	-	-	292,016
Total restricted funds	<u>335,831</u>	<u>-</u>	<u>(12,319)</u>	<u>-</u>	<u>-</u>	<u>323,512</u>
Total funds	<u>9,007,198</u>	<u>6,350,518</u>	<u>(6,531,431)</u>	<u>-</u>	<u>(44,797)</u>	<u>8,781,488</u>

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.

China Fleet Trust

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

Charity

	Balance at 1 June 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 May 2024 £
Unrestricted funds						
<i>General</i>						
General Funds	-	1,823,723	(1,616,937)	(206,786)	-	-
<i>Designated</i>						
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
	<u>8,421,613</u>	<u>29,809</u>	<u>(248,067)</u>	<u>206,786</u>	<u>71,238</u>	<u>8,481,379</u>
Total unrestricted funds	<u>8,421,613</u>	<u>1,853,532</u>	<u>(1,865,004)</u>	<u>-</u>	<u>71,238</u>	<u>8,481,379</u>
Restricted funds						
LIBOR Grant - Capital	31,496	-	(3,048)	-	-	28,448
RNRMC Grant - Capital	292,016	-	(9,271)	-	-	282,745
	<u>323,512</u>	<u>-</u>	<u>(12,319)</u>	<u>-</u>	<u>-</u>	<u>311,193</u>
Total restricted funds	<u>323,512</u>	<u>-</u>	<u>(12,319)</u>	<u>-</u>	<u>-</u>	<u>311,193</u>
Total funds	<u>8,745,125</u>	<u>1,853,532</u>	<u>(1,877,323)</u>	<u>-</u>	<u>71,238</u>	<u>8,792,572</u>

China Fleet Trust

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						
<i>General</i>						
General Funds	83,637	1,439,444	(1,444,950)	(78,131)	-	-
<i>Designated</i>						
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
	<u>8,551,367</u>	<u>27,583</u>	<u>(190,671)</u>	<u>78,131</u>	<u>(44,797)</u>	<u>8,421,613</u>
Total unrestricted funds	<u>8,635,004</u>	<u>1,467,027</u>	<u>(1,635,621)</u>	<u>-</u>	<u>(44,797)</u>	<u>8,421,613</u>
Restricted funds						
LIBOR Grant - Capital	34,544	-	(3,048)	-	-	31,496
RNRMC Grant - Capital	301,287	-	(9,271)	-	-	292,016
Total restricted funds	<u>335,831</u>	<u>-</u>	<u>(12,319)</u>	<u>-</u>	<u>-</u>	<u>323,512</u>
Total funds	<u>8,970,835</u>	<u>1,467,027</u>	<u>(1,647,940)</u>	<u>-</u>	<u>(44,797)</u>	<u>8,745,125</u>

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.

China Fleet Trust

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

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	<u>8,517,743</u>	<u>311,192</u>	<u>8,828,935</u>
	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	<u>8,457,976</u>	<u>323,512</u>	<u>8,781,488</u>

China Fleet Trust

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

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	<u>8,481,380</u>	<u>311,192</u>	<u>8,792,572</u>
	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	<u>8,421,613</u>	<u>323,512</u>	<u>8,745,125</u>

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	<u>77,758</u>	<u>(6,638)</u>	<u>71,120</u>
	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	<u>309,092</u>	<u>(231,334)</u>	<u>77,758</u>

China Fleet Trust

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

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.