THE GRENADIER GUARDS CHARITY

England & Wales · Charity number 1062257

Details

Other names	2ND BATTALION CHARITY, 3RD BATTALION CHARITY, GRENADIER GUARDS REGIMENTAL CHARITY, GRENADIER GUARDS RELIEF IN NEED CHARITY, THE COLONEL'S FUND GRENADIER GUARDS, THE GRENADIER GUARDS REGIMENTAL & BATTALION RELIEF CHARITY
Status	Registered
Legal form	Other
Registered	1997-05-08
Register	View on the Charity Commission register

Contact

Address	Rhq Grenadier Guards Wellington Barracks Birdcage Walk London SW1E 6HQ
Phone	02074143280
Email	regtladjt@grengds.com
Website	www.grengds.com

Activities

Objects: THE OBJECTS OF THE CHARITY ARE:(1) TO PROMOTE THE EFFICIENCY OF THE GRENADIER GUARDS, BY FOSTERING ESPRIT DECORPS AND BY SUCH OTHER MEANS AS THE TRUSTEES SHALL FROM TIME TO TIMEDETERMINE.(2) TO COMMEMORATE AND REMEMBER THOSE MEMBERS, OR FORMER MEMBERS, OF THEGRENADIER GUARDS WHO HAVE LOST THEIR LIVES OR SUFFERED INJURY, OR PUTTHEMSELVES AT RISK OF LOSS OF LIFE OR INJURY, IN SERVICE TO THE PUBLIC.(3) TO RELIEVE EITHER GENERALLY OR INDIVIDUALLY PERSONS WHO ARE SERVING OR WHOHAVE SERVED IN THE GRENADIER GUARDS OR THE DEPENDANTS OF SUCH PERSONS WHOARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS.(4) TO ADVANCE THE EDUCATION OF THE PUBLIC, INCLUDING MEMBERS OF THE GRENADIERGUARDS, IN THE HISTORY DEEDS TRADITIONS AND ROLE OF THE GRENADIER GUARDS.

Activities: Provision of funds to aid both serving and non serving soldiers and their dependents

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Classification

- **How:** Makes Grants To Individuals
- **What:** Disability, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£649,268	£861,128	£10,293,337	3
2023-12-31	£495,386	£805,437	-	-
2022-12-31	£559,511	£788,815	£10,070,321	4
2021-12-31	£433,311	£628,393	-	-
2020-12-31	£403,748	£654,526	-	-

Trustees

Name	Role	Appointed
BRIGADIER DAVID MADDAN		
Charles Albury Bennett		2020-06-02
General Sir Charles Walker KCB, DSO		2017-08-03
Lieutenant General Sir George Pemberton Ross Norton KCVO CBE		2013-08-06
Major General James Maurice Hannan Bowder OBE		2022-06-18
The Earl of Derby		

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THE GRENADIER GUARDS CHARITY

England & Wales - Charity number 1062257

Accounts

THE GRENADIER GUARDS CHARITY

(Registered No. 1062257)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

THE GRENADIER GUARDS CHARITY

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THE GRENADIER GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Commission Scheme	The Grenadier Guards Charity was formed by a Charity Commission Scheme dated 17 September 2015 which merged the Grenadier Guards Regimental and Battalion Charity, The Grenadier Guards 2nd Battalion Suspended Animation Charity, The Grenadier Guards 3rd Battalion Suspended Animation Charity and The Grenadier Guards Regimental and Battalion Relief Charity. The Scheme took effect on 1 January 2016 following which the assets and liabilities of The Regimental and Battalion Charities of the Grenadier Guards Common Investment Fund were transferred to the new charity and that charity closed.
Ex-officio Trustee	The Regimental Lieutenant Colonel of the Grenadier Guards (Major General J M H Bowder OBE)
Co-opted Trustees	Brigadier D J H Maddan, DL Captain C A G Bennett Lieutenant General Sir George Norton KCVO CBE General Sir Roly Walker KCB DSO The Rt Hon The Earl of Derby, DL
Election	Replacement Co-opted Trustees are appointed by the Trustees
Regimental Adjutant	Major JPW Gatehouse
Treasurer	Lieutenant Colonel J A Keeley MBE
Address	Wellington Barracks Birdcage Walk London SW1E 6HQ
Registered Charity Number	1062257

Bankers	Lloyds TSB Bank Plc Cox's & King's P O Box 1000 Andover BX11 1LT	**Auditors**	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG	**Investment Managers**	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Property Managers	The Hedley Foundation 1 College Hill London EC4R 2RA		P J Smith Associates The Old Place, Lockpath Dorney, Windsor SL4 6QQ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their Report and financial statements for the year which have been prepared in accordance with the Charities Act 2011 and UK generally accepted accounting practice. The information on page 1 forms part of the Trustees' Report.

Objects

The objects of the Charity are:
(1) To promote the efficiency of the Grenadier Guards, by fostering esprit de corps and by such other means as the trustees shall from time to time determine.
(2) To commemorate and remember those members, or former members, of the Grenadier Guards who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service to the public.
(3) To relieve either generally or individually persons who are serving or who have served in the Grenadier Guards or the dependants of such persons who are in conditions of need, hardship, or distress.
(4) To advance the education of the public, including members of the Grenadier Guards, in the history, deeds, traditions and role of the Grenadier Guards.

Appointment, induction and training of Trustees

Trustees are selected so that the charity can draw on a wide range of experience and skills. New trustees are briefed by the Regimental Adjutant and provided with copies of accounts and minutes of meetings. Trustees are regularly briefed on relevant matters by the charity's advisors. Trustees are encouraged to partake in any training that they consider would be useful to them and to the Charity.

Meetings

The Trustees meet formally every six months with their advisors inter alia to make policy, approve budgets and review progress. Implementation is achieved by the Regimental Adjutant and the Regimental Treasurer on the authority of the Ex-officio Trustee.

Key management personnel

Key management personnel comprise the Regimental Adjutant and Treasurer. Part of their remuneration is met by the MoD. In addition, they are paid remuneration set by the Trustees in the light of their responsibilities and performance. Also the Trustees are considered as key management personnel, but they are not remunerated.

Grant making policy

In recent years funds have been allocated on a consistent basis to the heads of expenditure detailed in the Statement of Financial Activities and current policy is to appoint expenditure on broadly similar lines in the forthcoming year.
The Trustees consider that the current policies for making grants deliver public benefit. When reviewing the aims of the charity, and in planning future activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have regard to public benefit guidance published by the Charity Commission.

Risk management

The Trustees have formally reviewed their operations and believe that risk is appropriately contained in the context of their asset backing, the nature and pattern of their activities and the contractual arrangements associated with them, formal quarterly reporting and suitable compliance with current safety and employment legislation.

The principal risk is that poor investment performance could severely deplete the Charity's reserves and ability to generate sufficient funds to meet needs. This risk is managed by appointing reputable, experienced investment managers and regular review of their performance at Trustees' meetings, at which those managers are present. The risk of inappropriate expenditure is covered by authorisation procedures and review of detailed management and year-end accounts by Trustees.

Review of activities
The Charity aims to fulfil the objects through grants and donations supporting a range of activities for both serving and former soldiers, supporting regimental commitments, and maintaining Regimental property, all of which provide public benefit.

The routine work of the Charity has continued in a manner that is consistent with policy and with previous years. Details of the grants and donations made may be found in note 7 of the financial statements. There are no significant changes or developments to report in 2024. The aims and objectives of the Charity do not change fundamentally from year to year although the Trustees always seek to respond to changes in the needs of serving and former soldiers in the Regiment.

The success and impact of the Charity's activities are assessed in many ways, including feedback from both the Regimental Lieutenant Colonel, the Commanding Officer of the 1st Battalion and from detailed reports by the Regimental Casualty Officer on wounded Grenadiers and their relatives, many of whom have been helped by the Charity.

The Colonel's Fund
Following deployment on Op Herrick 6 to Afghanistan in 2007, where the Battalion suffered five Killed in Action and 35 wounded with life changing injuries, it was recognised that there would be an urgent need to raise funds to deal with the multitude of new requests for welfare support by Grenadiers and their families.

In response to this The Colonel's Fund, with HRH The Duke of Edinburgh as patron, was established to raise funds to assist those injured on active service and those who might later develop problems (such as complex PTSD) as a result of active service. The provision of care and support is not limited to those affected by their service in Afghanistan, but also from other operations, namely Northern Ireland, Bosnia and Iraq. The Fund also supports the families of those who have been killed on operations.

The care and support of our wounded Guardsmen (All Ranks) and our bereaved families is carried out by the Regimental Casualty Officer, Mr Matt Ellmer. During 2024 he actively supported 18 bereaved families and 86 wounded Grenadiers, many with their own families now, including another four more new cases taken on during the year. Of the 86, 56 are suffering with PTSD. The RCO is the "fixer", mentor, counsellor, and friend" to our seriously wounded and bereaved. In addition, a separate specialist trauma psychotherapist provides invaluable support to a handful of Grenadiers with very complex injuries and needs.

Income received by the Colonel's Fund during 2024 totalled £452,701, made up mostly of investment income (dividends and interest) of £242,350, event income of £148,141 and donations and legacies of £62,210. Expenditure amounted to £320,573, with welfare and RCO costs totalling £210,900, event expenditure of £85,277 and Administration costs of £24,396. The principal fundraising for 2024 was a Colonels Fund shoot and auction which took place in May.

The Colonel's Fund is within the restricted Relief in Need Fund and is a sub fund of the Grenadier Guards Charity.

Investment policy and performance

Cazenove Capital is the appointed investment manager. They manage the Regiment's financial market investments on a total return basis, the target being CPI plus 3%, to maintain the real value of the investments over the long term and against inflation. They also meet the drawdown requirements as requested by the Trustees (currently £250,000 per annum). The drawdown ratio is currently 3% and this is deemed by the Trustees and Cazenove to be sustainable.

Cazenove's Investment Manager Commentary

Valuation. *The value of the Common Investment Fund's portfolio was £5,289,033 at 31st December 2024. This compares with a value of £5,044,564 at 31st December 2023. Not including distributions, over 12 months the portfolio is up £475,364 (+9.7%) over 12 months.*

Income. *The annual requirement from the portfolio is now £250,000.*

Performance. *Over 2024 to date, the portfolio has returned +9.7%, over the same period the benchmark, CPI+3.0%, returned +5.6%.*

Equities enjoyed a strong 2024, with global equity markets increasing by 20% as measured by the MSCI All Country World Index. Positive returns were driven by encouraging economic fundamentals, including a gradual decrease in inflation, the first-interest rate cuts since 2020, and robust global growth.

While headline global equity returns were very strong, this did mask some dispersion in underlying markets. A high proportion of returns continue to be generated by the so-called 'Magnificent 7' tech stocks in the US which were up 67% alone, with Nvidia nearly tripling in value over the year. The broader US market was further buoyed by Trump's election victory in anticipation of stronger growth, lower taxes and reduced regulation.

Equities outside of the US delivered more subdued growth with the MSCI All Country World ex USA rising just 7.9% over 2024. Europe lagged, with its two largest economies, France and Germany, facing economic stagnation. The latter continues to face headwinds from a flagging manufacturing sector. Outside of Europe, emerging markets again underperformed developed markets but there were the first signs of a recovery in China following fresh stimulus from the government.

Outside of equities, government bonds faced challenges and posted negative returns as central banks delivered fewer interest rate cuts than markets anticipated. This led to a rise in bond yields and therefore a fall in bond prices. Within portfolios, we remain wary of the risks a resurgence of inflation would pose and therefore favour bonds with short maturities. This stood portfolios in good stead last year.

Looking ahead, we anticipate that the global economy will continue to grow at around 2.5-3% over the next couple of years. Although this aligns with the performance seen in 2023 and 2024, we expect notable shifts at the country level and stronger growth in the US may be tempered by slower growth in other regions. President Trump's tax cuts and regulatory changes are likely to further stimulate US growth in 2025 and 2026. However, this could also heighten inflationary pressures, particularly from potential tariffs and immigration policies, making the interest rate outlook more uncertain. Furthermore, the prospect of an all-out trade war looms large and conflicts in Ukraine and Middle East remain ongoing.

Given these dynamics, whilst we are optimistic about equities in 2025, we are also conscious of the increasing downside risks and are taking this opportunity to slightly reduce our equity allocation, securing profits after the strong performance of the asset class. Diversification should also help to mitigate some of these risks. In multi-asset portfolios, bonds should provide some protection against risks to growth, while gold and other commodities help to manage the risk of inflation and elevated geopolitical tensions.

Commercial Property
In order to spread risk over a broad range of uncorrelated assets, many years ago the Trustees diversified the Charity's investments into commercial property. This element of the total portfolio represents some 35% of the Common investment Fund, i.e., excluding The Colonel's Fund. There are three retail premises, one in each of Sherborne, Tenterden and Wimborne, managed for the Trustees by The Hedley Foundation. As of 31 December 2021, the Trustees commissioned a RICS Red Book valuation of the three properties, producing a total valuation of £1,880,000, in November 2024 this valuation was updated to £1,765,000, this includes £70k of land at Middle Green. The Charity relies upon rental incomes from these properties to fund some of its activities and grants. Generally, yields are deemed to be satisfactory, with a total rental income in 2024 of £138,572. Forecast income to be received in 2025 in the region of £135,150. At the November 2024 Trustees Meeting the decision was made by The Trustees, to sell all 3 properties, hopefully, by 2026.

In addition to these three properties, within The Colonel's Fund investment portfolio there is a holding in the Charities Property Fund, valued at £187,870 (up from £186,846 in 2023).

Fundraising
The Trustees are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and have considered the implications for their fundraising activities. The Charity relies on voluntary donations to fund a proportion of its activities and it receives these in two main ways: firstly, through the One Day's Pay Scheme, which encourages serving Grenadiers (all ranks) to donate one day's pay per year to the Charity to fund its charitable activities. Such donations are entirely voluntary. The second is through donations to the Charity's funds from individual donors through regular and one-off donations as well as externally organised fundraising events. The Yukon 700 is an example of this. In May 2024, the Charity ran a fundraising shoot event and auction which raised net income of £61,468. The Charity does not engage professional fundraisers, but it gratefully receives donations raised on its behalf. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Financial Review
Income for the year increased from £495,386 to £649,268. The increase of £153,882 comes from an increase in donations received of £48,802, partially offset by a decrease in investment income of £18,587 and an increase in trading activities of £123,667. Expenditure totalled £861,128 producing a deficit of £211,860 (2023: £310,051). After net investment gains of £546,542 (2023: investment gains of £198,385), the Charity's funds increased by £334,682 (2023: decreased by £111,666). The Trustees consider these results to be fair given the points made within the Investment Manager's Commentary regarding global investment markets. The Trustees intend to balance income and expenditure more closely so negating the need for in-year additional drawdowns with a tightening-up of our processes.

Reserves policy
The Trustees have a reserves policy which uses a combination of balances to achieve their aim which is to reserve up to one year's total incoming resources (excluding the Colonel's Fund) in order to redress any fluctuations in income flow.

Total funds at 31 December 2024 were £10,293,337 (2023: £9,958,655) of which £3,780,390 (2023: £3,611,682) was held in the Relief in Need fund and Colonel's Fund (which are restricted) leaving unrestricted funds of £6,512,947 (2023: £6,346,973) most of which is represented by fixed assets and investments which are held for the long term to provide a return which forms a significant part of the Charity's annual income.

The trustees agree on a draw down rate from investments annually. When necessary additional amounts can be drawn down to fund certain non-recurring items of expenditure, however, better planning will reduce this in future. After deducting investments and fixed assets, free reserves (excluding amounts held in restricted funds) amounted to a deficit of £43,183 (2023: a deficit of: £43,303). The Trustees consider the investments within the

general fund to represent a form of expendable endowment which they intend to retain to generate income to support future beneficiaries but can draw down on as needed. Therefore they are satisfied with the level of reserves available and continue to manage cashflows carefully.

The Colonel's Fund held £2,510,258 at 31 December 2024 (2023: £2,370,573) and is likely to be expended over a relatively long period as described above.

Going Concern
Based on the fact that the Charity continues to manage its cashflow and investments prudently, the Trustees have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term.

Future Plans
The Charity plans to continue to allocate funds to the same heads of expenditure as before. The Charity's ability to maintain and increase the level of grants and donations will depend on the performance of the investment portfolio and on the success of any fundraising efforts.

Trustees' responsibilities statement
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the Charity Commission Scheme. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In March 2024, a Finance Committee was formed to closely scrutinise the Charity's Finances and to better align expenditure with income as part of our move towards better governance.

On behalf of the trustees

.....
Major General J M H Bowder OBE
19TH MAY 2025

Opinion
We have audited the financial statements of The Grenadier Guards Charity for the year ended 31 December 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of Cash flows and the notes to the financial statements, 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 charity's affairs as at 31 December 2024 and of its incoming resources and application of resources 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 Charities Act 2011.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 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.

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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Auditors' responsibilities for the audit of the financial statements
We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Saffery LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 19 May 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	£ Unrestricted Funds	£ Restricted Funds	2024 £ Total	2023 £ Total
Income from:					
Donations and legacies	2	54,562	124,302	178,864	130,062
Trading activities	3	26,168	150,354	176,522	52,855
Investments	4	198,689	95,193	293,882	312,469
Total income		279,419	369,849	649,268	495,386
Expenditure on:					
Raising funds	5	105,550	87,240	192,790	124,813
Charitable activities	6	323,336	345,002	668,338	680,624
Total resources expended		428,886	432,242	861,128	805,437
Net expenditure before investment movements		(149,467)	(62,393)	(211,860)	(310,051)
Other recognised gains and losses					
Realised and unrealised gains/ (losses):	13				
on investments		347,093	249,449	596,542	263,385
on property		(41,375)	(8,625)	(50,000)	(65,000)
Net (expenditure)		156,251	178,431	334,682	(111,666)
Transfers between funds	14	9,723	(9,723)	-	-
Net movement in funds		165,974	168,708	334,682	(111,666)
Funds balance brought forward		6,346,973	3,611,682	9,958,655	10,070,321
Funds balance carried forward	15	6,512,947	3,780,390	10,293,337	9,958,655

The notes and information on pages 13 to 26 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible fixed assets	12		721,747		714,717
Investments	13		9,499,343		9,213,565
			10,221,090		9,928,282
Current assets					
Stocks		2,598		2,673	
Sundry debtors		56,264		49,523	
Cash at bank and in hand		73,160		35,159	
		132,022		87,355	
Current liabilities					
Sundry creditors		(59,775)		(56,982)	
Net current assets			72,247		30,373
Net assets			10,293,337		9,958,655
Funds					
Restricted funds:	14				
Relief in Need			1,270,132		1,241,109
Colonel's Fund			2,510,258		2,370,573
Unrestricted funds			6,512,947		6,346,973
			10,293,337		9,958,655

The notes and information on pages 13 to 26 form part of these financial statements.

Approved by the Trustees & signed on 19 MAY 2025 on their behalf by:

.....
Major General J M H Bowder OBE
Trustee

.....
Lieutenant Colonel J A Keeley MBE
Treasurer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Net cash (used) by operating activities (see note below)	(504,298)	(610,347)
Cash flows from investing activities		
Investment income	293,882	312,469
Purchase of tangible fixed assets	(9,013)	(20,881)
Purchase of investments	(2,228,138)	(3,076,893)
Proceeds on disposal of investment	2,485,568	3,387,249
Net cash provided by investing activities	542,299	601,944
Change in cash and cash equivalents in the year	**38,001**	**(8,403)**
Cash and cash equivalents at 1 January	35,159	43,562
Cash and cash equivalents at 31 December	**73,160**	**35,159**

NOTE **Reconciliation of net (expenditure) to net cash flow from operating activities**	**2024** **£**	**2023** **£**
Net (expenditure) for the reporting period as per the statement of financial activities	334,682	(111,666)
Adjustments for		
Depreciation charges	1,983	2,435
Realised/unrealised (gains)/losses on investments	(546.542)	(198,385)
Investment income	(293,882)	(312,469)
Decrease in stock	75	345
Decrease/(increase) in debtors	(6,741)	18,006
(Decrease)/increase in creditors	6,127	(8,613)
Net cash used by operating activities	(504,298)	(610,347)

Analysis of cash and cash equivalents

	At 1 January 2024 £	Movement in the year £	At 31 December 2024 £
Cash at bank and in hand	35,159	38,001	73,160

1. Accounting policies

1.1 Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, with the exception of the investments which are held at market value. The financial statements have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. Liabilities are recognised when there is a legal or constructive obligation to pay for expenditure.

1.2 Going Concern

At the time of approving the financial statements The Trustees are cautiously optimistic, based on the fact that the Charity continues to manage its cashflow and investments prudently and they have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Voluntary income

Donations under deeds of covenant or gift aid, together with the associated income tax recoverable, and subscriptions are recognised as income when the amounts are receivable. Donated assets are recognised at their market value within both income and expenditure.

1.4 Investment income

Investment income, including associated recoverable tax credits, is credited to the statement of financial activities when notified as due.

1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Support costs are the costs which relate to the general running of the Charity.

Grants and donations payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

1.6 **Staff costs**
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

1.7 **Taxation**
The Grenadier Guards Charity is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

1.8 **Tangible fixed assets and depreciation**
Fixed assets are stated at cost less depreciation. Depreciation is provided in order to write off the cost of each asset evenly over its expected useful life at the following rates:-

Furniture, fixtures and equipment	10% to 20% per annum on cost
Band instruments	5% per annum on cost

No depreciation is provided on pictures, silver, medals etc which are maintained to a standard which ensures that any depreciation charge would not be material.

1.9 **Investments**
Investments are stated at market value at the balance sheet date. Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value at the reporting date. The surplus or deficit on revaluation is recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.10 **Stocks**
Stocks are valued at the lower of cost and net realisable value.

1.11 **Funds**
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Charity.

Restricted income funds are funds subject to specific restrictions imposed by donors. The purpose and use of the restricted funds is set out in the notes to the financial statements.

1.12 **Financial instruments**
The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost.

1.13 **Critical estimates and judgements and key sources of estimation uncertainty**
In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates or accounting judgements in 2024 or 2023 except in relation to the investment property valuation.

2. Donations and legacies

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
One Day's Pay Scheme	-	51,562	51,562	51,156
Donations – Colonel's Fund	-	72,740	72,740	30,382
Donations - other	54,562	-	54,562	48,524
	54,562	124,302	178,864	130,062

Donation and legacy income in the prior year included £81,538 which was restricted.

3. Trading activities

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Band Fund income	414	-	414	278
Colonel's Fund fundraising	-	150,354	150,354	38,088
Sale of regimental goods	12,041	-	12,041	14,489
Other income	13,713	-	13,713	-
	26,168	150,354	176,522	52,855

Trading activity income in the prior year included £38,088 which was restricted.

4. Investment income

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Dividends	85,510	17,827	103,337	128,625
Dividends – Colonel's Fund	-	53,844	53,844	45,068
Rental income	112,829	23,522	136,351	138,572
Deposit interest	350	-	350	204
	198,689	95,193	293,882	312,469

Investment income in the prior year included £91,162 which was restricted.

	2024 £	2023 £
Rents receivable:		
10 High Street, Tenterden, Kent	58,000	58,000
7 and 15 High Street, Wimborne, Dorset	53,701	55,921
Land at Middle Green, Langley, Slough, Berkshire	2,650	2,650
Sherborne	20,000	20,000
Other income – wayleave rent/grazing land rent	2,000	2,000
	136,351	138,571

5. Raising funds

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Colonel's Fund fundraising expenses	-	74,088	74,088	31,778
Cost of gazette and sundry purchases	33,083	-	33,083	29,582
Band Fund expenditure	9,378	-	9,378	5,948
Investment management fees	38,024	7,927	45,951	44,655
Rental expenses	25,065	5,225	30,290	12,850
	105,550	87,240	192,790	124,813

Raising funds expenditure in the prior year included £41,699 which was restricted.

6. Charitable activities

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Grants and donations (note 7)	140,764	270,896	411,660	412,753
Support costs (note 8)	182,572	74,106	256,678	267,871
	323,336	345,002	668,338	680,624

Charitable activities expenditure in the prior year included £339,744 which was restricted.

7. Grants and donations

	2024	2024 Total	2023	2023 Total
	£	£	£	£
Unrestricted specific:				
Adventure and individual training:				
Battalion/Company	12,841		4,813	
Officers' welfare: Battalion messes	10,000		10,000	
Sports, recreation and other activities: Battalion/Company	51,500		46,500	
Welfare grants – serving soldiers:				
Education	600		900	
Charitable donations	190		240	
Recruiting and publicity	6,899		8,653	
		82,030		71,106
Unrestricted other grants:				
Queen's Guard subsidy	2,090		2,055	
Penn Award	-		470	
Fagan Award	1,000		1,000	
First Guards Club-Wedding Present Grant	-		-	
First Guards Club-Handbook	-		1,750	
Sergeants' (Past and Present) Club	1,750		1,750	
ABF The Soldiers' Charity	8,000		8,000	
Lieutenant Colonel's Contingency Fund	22,625		22,685	
Special Events	14,529		33,347	
Other grants	8,740		8,414	
		58,734		79,471
Total unrestricted		140,764		150,577
Restricted:				
Welfare grant to Association	30,000		30,000	
Colonel's Fund (including casualty support)	240,896		232,176	
Total restricted		270,896		262,176
		411,660		412,753

8. Support costs

	2024	2024 Total	2023	2023 Total
	£	£	£	£
Administration:				
Printing, postage and stationery	5,167		3,481	
Staff costs	117,262		125,643	
Accounting support, tax and other advice	31,106		34,417	
GDPR project	35		35	
Computer	13,331		12,565	
Audit and accountancy	19,750		19,530	
Legal and professional fees	5,187		1,532	
		191,838		197,203
Regimental property:				
Repairs, maintenance etc	29,711		24,793	
Insurance	8,627		8,260	
Valuation of property	-		6,900	
Depreciation	1,983		2,435	
Sundry	303		162	
		40,625		42,550
Regimental commitments:				
Grenadier Day	8,826		8,486	
Remembrance Day	7,535		6,741	
Travelling and entertaining	4,515		7,823	
Presentations	3,339		5,068	
		24,215		28,118
		256,678		267,871

9. Emoluments of employees

	2024 £	2023 £
Wages	151,291	155,843
Social Security	11,517	10,967
Pension Costs	4,534	4,378
	167,342	171,188
Allocated to:		
Grants and donations (note 7)	50,080	45,545
Support costs (note 8)	117,262	125,643
	167,342	171,188

There were 3 (2023: 3) employees during the year whose total emoluments (including MOD contributions) were £167,342 (2023: £171,188), the decrease in Wages of £3k, arises from CPI increases effective 1/1/24 of 3.1% - £2k fully offset by £5k of unclaimed 2022/2023 Employers Allowance. Two of these, the Regimental Adjutant and Treasurer are key management personnel and their remuneration was £130,877 (2023: £128,158).

One employee earned between £60,000 and £70,000 during the year (2023: One employee between £60,000 and £70,000).

10. Auditors' remuneration

	2024 £	2023 £
Audit fees	16,340	16,340
Taxation and other advice	4,400	3,030
	20,740	19,370

11. Operating leases

The Charity had the following commitments under non-cancellable operating leases as at 31 December 2024:

	2024 £	2023 £
Payable in:		
Less than one year	7,599	3,516
Between two and five years	12,665	-
	20,264	3,516

12. Tangible fixed assets

	Pictures, Silver, etc £	Furniture fixtures & equipment £	Band instruments £	Total £
Cost				
At 1 January 2024	706,059	72,618	89,843	868,520
Additions	9,013	-	-	9,013
At 31 December 2024	715,072	72,618	89,843	877,533
Depreciation				
At 1 January 2024	-	63,960	89,843	153,803
Charge for the year	-	1,983	-	1,983
At 31 December 2024	-	65,943	89,843	155,786
Net book value				
At 31 December 2024	715,072	6,675	-	721,747
At 31 December 2023	706,059	8,658	-	714,717

Regimental property (excluding Band Fund property) is currently insured for £4,965,584 (2023: £4,965,584).

Band Fund property is currently insured for £Nil (2023: £Nil).

13. Investments

Total investments at market value at the year-end are:

	2024 £	2023 £
Land and Property	1,765,000	1,815,000
Managed Portfolio of quoted investments	5,285,699	5,043,765
Colonel's Fund quoted investments	2,448,644	2,354,800
Total investments held at year end	9,499,343	9,213,565

Freehold interest in land and buildings

	2024 £	2023 £
10 High Street Tenterden, Kent	725,000	725,000
7 and 15 High Street, Wimborne, Dorset	700,000	750,000
Sherborne	270,000	270,000
Land at Middle Green – Grazing land	70,000	70,000
Total	1,765,000	1,815,000
Market value at 31 December 2023	1,815,000	1,880,000
(Loss) on revaluation	(50,000)	(65,000)
Market value at 31 December 2024	1,765,000	1,815,000

The original purchase price of the aforementioned properties is as follows: Tenterden-£105k, Wimborne-£160k and Sherborne-£350k. The land at Middle Green was gifted to the Charity by an ex-Grenadier.

13. **Investments (continued)**

Managed Portfolio of quoted investments

	2024		2023	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	1,351,049	1,385,549	1,611,419	1,637,503
Other International	-	-	-	-
Equities				
United Kingdom	118,342	129,937	118,342	118,715
Other International	3,019,100	3,592,972	2,593,755	3,061,268
Cash				
United Kingdom	180,575	180,575	226,279	226,279
Total Assets	4,669,066	5,289,033	4,549,795	5,043,765
Market value at 31 December 2023		5,043,765		5,010,905
Acquisitions		1,613,068		2,056,947
Disposals		(1,787,453)		(2,258,753)
Investment gains		419,653		234,666
Market value at 31 December 2024		5,289,033		5,043,765

13. Investments (continued)

Colonel's Fund quoted investments

	2024		2023	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	578,636	590,048	678,119	688,464
Other International	-	-	38,660	41,650
Equities				
United Kingdom	55,436	60,854	55,436	55,611
Other International	1,296,312	1,561,847	1,117,141	1,314,791
Property				
Charities Property Fund	144,506	187,870	144,506	186,846
Cash				
United Kingdom	48,025	48,025	67,438	67,438
Total Assets	2,122,915	2,448,644	2,101,300	2,354,800
Market value at 31 December 2023		2,354,800		2,434,631
Acquisitions		615,070		1,019,946
Disposals		(698,115)		(1,128,496)
Investment gains		176,889		28,719
Market value at 31 December 2024		2,448,644		2,354,800

14. Restricted funds

The Relief in Need fund is to relieve either individually or generally those who are serving or have served in the Grenadier Guards, and their dependents.

The Colonel's Fund is a fund within the Relief in Need Fund. As described in the Trustees' Report its purpose is to assist those who have been injured on active service and their dependents, including those who develop problems later in life as a result of active service. It may also be spent on other purposes within the purposes of the Relief in Need Fund.

	Relief in Need Fund £	Colonel's Fund £	2024 Total £
Balance at 1 January 2024	1,241,109	2,370,573	3,611,682
Income	92,911	276,938	369,849
Expenditure	(118,100)	(314,142)	(432,242)
Gains	63,935	176,889	240,824
Transfers between funds	(9,723)	-	(9,723)
Balance at 31 December 2024	1,270,132	2,510,258	3,780,390

The transfer between unrestricted and restricted funds represents a correction of an allocation between funds made in the year which relates to the Relief In Need's Share of the 2023 audit fee paid in July 2024 from unrestricted funds.

The Colonel's Fund figure above of £2,510,258, differs from the balance held at Cazenove of £2,448,644, by £61,614, this relates to the amount held with Lloyds Bank - £37,911, plus debtors - £35,990, less creditors – (£12,287).

	Relief in Need Fund £	Colonel's Fund £	2023 Total £
Balance at 1 January 2023	1,245,724	2,453,669	3,699,393
Income	97,249	113,539	210,788
Expenditure	(117,489)	(263,954)	(381,443)
Gains and Losses	22,611	67,319	89,930
Transfers between funds	(6,986)	-	(6,986)
Balance at 31 December 2023	1,241,109	2,370,573	3,611,682

The transfer between unrestricted and restricted funds represents a correction of an allocation between funds made in the year which relates to the Relief In Need's Share of the 2022 audit fee paid in July 2023 from unrestricted funds.

15. Analysis of Net Assets between funds

	Unrestricted £	Restricted £	2024 Total £
Tangible Fixed Assets	721,747	-	721,747
Land and Property	1,460,520	304,480	1,765,000
Managed Portfolio of quoted investments	4,373,863	3,360,480	7,734,343
Net Current Assets /(Liabilities)	(43,183)	115,430	72,247
	6,512,947	3,780,390	10,293,337

	Unrestricted £	Restricted £	2023 Total £
Tangible Fixed Assets	714,717	-	714,717
Land and Property	1,501,894	313,106	1,815,000
Managed Portfolio of quoted investments	4,173,665	3,224,900	7,398,565
Net Current Assets /(Liabilities)	(43,303)	73,676	30,373
	6,346,973	3,611,682	9,958,655

16. Transactions with trustees and related party transactions

No Trustee received any remuneration from the Charity during the year for their role as a Trustee. Travel expenses of £nil were paid to trustees (2023: £nil) during the year.

The Charity made a grant of £30,000 (2023: £30,000) in the year to the Grenadier Guards Association (Charity Registration number 287265). All of the Trustees of the Grenadier Guards Charity are also Trustees of the Grenadier Guards Association. The grant was paid during the year and no balance remained outstanding at the year end.

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2023 Total £
Income from:			
Donations and legacies	48,524	81,538	130,062
Trading activities	14,767	38,088	52,855
Investments	221,307	91,162	312,469
	284,598	210,788	495,386
Total			
Expenditure on:			
Raising funds	83,114	41,699	124,813
Charitable activities	340,880	339,744	680,624
Total resources expended	423,994	381,443	805,437
Net (expenditure)	(139,396)	(170,655)	(310,051)
Other recognised gains and losses			
Realised and unrealised gains/(losses):			
on investments	162,242	101,143	263,385
on property	(53,787)	(11,213)	(65,000)
Net (expenditure)	(30,941)	(80,725)	(111,666)
Transfers between funds	6,986	(6,986)	-
Net movement in funds	(23,955)	(87,711)	(111,666)
Funds balance brought forward	6,370,928	3,699,393	10,070,321
Funds balance carried forward	6,346,973	3,611,682	9,958,655

THE GRENADIER GUARDS CHARITY

England & Wales - Charity number 1062257

Accounts

THE GRENADIER GUARDS CHARITY

(Registered No. 1062257)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

THE GRENADIER GUARDS CHARITY

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THE GRENADIER GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Commission Scheme	The Grenadier Guards Charity was formed by a Charity Commission Scheme dated 17 September 2015 which merged the Grenadier Guards Regimental and Battalion Charity, The Grenadier Guards 2nd Battalion Suspended Animation Charity, The Grenadier Guards 3rd Battalion Suspended Animation Charity and The Grenadier Guards Regimental and Battalion Relief Charity. The Scheme took effect on 1 January 2016 following which the assets and liabilities of The Regimental and Battalion Charities of the Grenadier Guards Common Investment Fund were transferred to the new charity and that charity closed.
Ex-officio Trustee	The Regimental Lieutenant Colonel of the Grenadier Guards (Major General J M H Bowder OBE)
Co-opted Trustees	Brigadier D J H Maddan, DL Captain C A G Bennett Lieutenant General Sir George Norton KCVO CBE Lieutenant General Sir Roly Walker KCB DSO The Rt Hon The Earl of Derby, DL
Election	Replacement Co-opted Trustees are appointed by the Trustees
Regimental Adjutant	Major JPW Gatehouse
Treasurer	Lieutenant Colonel J A Keeley MBE
Address	Wellington Barracks Birdcage Walk London SW1E 6HQ
Registered Charity Number	1062257

Bankers	Lloyds TSB Bank Plc Cox's & King's P O Box 1000 Andover BX11 1LT	**Auditors**	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG	**Investment Managers**	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Property Managers	The Hedley Foundation 1 College Hill London EC4R 2RA		P J Smith Associates The Old Place, Lockpath Dorney, Windsor SL4 6QQ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their Report and financial statements for the year which have been prepared in accordance with the Charities Act 2011 and UK generally accepted accounting practice. The information on page 1 forms part of the Trustees' Report.

Objects
The objects of the Charity are:
(1) To promote the efficiency of the Grenadier Guards, by fostering esprit de corps and by such other means as the trustees shall from time to time determine.
(2) To commemorate and remember those members, or former members, of the Grenadier Guards who have lost their lives or suffered injury,or put themselves at risk of loss of life or injury, in service to the public.
(3) To relieve either generally or individually persons who are serving or who have served in the Grenadier Guards or the dependants of such persons who are in conditions of need, hardship or distress.
(4) To advance the education of the public, including members of the Grenadier Guards, in the history, deeds, traditions and role of the Grenadier Guards.

Appointment, induction and training of Trustees
Trustees are selected so that the charity can draw on a wide range of experience and skills. New trustees are briefed by the Regimental Adjutant and provided with copies of accounts and minutes of meetings. Trustees are regularly briefed on relevant matters by the charity's advisors. Trustees are encouraged to partake in any training that they consider would be useful to them and to the Charity.

Meetings
The Trustees meet formally every six months with their advisors inter alia to make policy, approve budgets and review progress. Implementation is achieved by the Regimental Adjutant and the Regimental Treasurer on the authority of the Ex-officio Trustee.

Key management personnel
Key management personnel comprise the Regimental Adjutant and Treasurer. Part of their remuneration is met by the MoD. In addition, they are paid remuneration set by the Trustees in the light of their responsibilities and performance. Also the Trustees are considered as key management personnel, but they are not remunerated.

Grant making policy
In recent years funds have been allocated on a consistent basis to the heads of expenditure detailed in the Statement of Financial Activities and current policy is to appoint expenditure on broadly similar lines in the forthcoming year.
The Trustees consider that the current policies for making grants deliver public benefit. When reviewing the aims of the charity, and in planning future activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have regard to public benefit guidance published by the Charity Commission.

Risk management
The Trustees have formally reviewed their operations and believe that risk is appropriately contained in the context of their asset backing, the nature and pattern of their activities and the contractual arrangements associated with them, formal quarterly reporting and suitable compliance with current safety and employment legislation.

The principal risk is that poor investment performance could severely deplete the Charity's reserves and ability to generate sufficient funds to meet needs. This risk is managed by appointing reputable, experienced investment managers and regular review of their performance at Trustees' meetings, at which those managers are present. The risk of inappropriate expenditure is covered by authorisation procedures and review of detailed management and year-end accounts by Trustees.

Review of activities
The Charity aims to fulfil the objects through grants and donations supporting a range of activities for both serving and former soldiers, supporting regimental commitments, and maintaining Regimental property, all of which provide public benefit.

The routine work of the Charity has continued in a manner that is consistent with policy and with previous years. Details of the grants and donations made may be found in note 7 of the financial statements. There are no significant changes or developments to report in 2023. The aims and objectives of the Charity do not change fundamentally from year to year although the Trustees always seek to respond to changes in the needs of serving and former soldiers in the Regiment.

The success and impact of the Charity's activities are assessed in many ways, including feedback from both the Regimental Lieutenant Colonel, the Commanding Officer of the 1st Battalion and from detailed reports by the Regimental Casualty Officer on wounded Grenadiers and their relatives, many of whom have been helped by the Charity.

The Colonel's Fund
Following deployment on Op Herrick 6 to Afghanistan in 2007, where the Battalion suffered five Killed in Action and 35 wounded with life changing injuries, it was recognised that there would be an urgent need to raise funds to deal with the multitude of new requests for welfare support by Grenadiers and their families.

In response to this The Colonel's Fund, with HRH The Duke of Edinburgh as patron, was established to raise funds to assist those injured on active service and those who might later develop problems (such as complex PTSD) as a result of active service. The provision of care and support is not limited to those affected by their service in Afghanistan, but also from other operations, namely Northern Ireland, Bosnia and Iraq. The Fund also supports the families of those who have been killed on operations.

The care and support of our wounded Guardsmen (All Ranks) and our bereaved families is carried out by the Regimental Casualty Officer, Mr Matt Ellmer. During 2023 he actively supported 18 bereaved families and 85 wounded Grenadiers, many with their own families now, including another four more new cases taken on during the year. Of the 85, 55 are suffering with PTSD. The RCO is the "fixer", mentor, counsellor, and friend" to our seriously wounded and bereaved. In addition, a separate specialist trauma psychotherapist provides invaluable support to a handful of Grenadiers with very complex injuries and needs.

Income received by the Colonel's Fund during 2023 totalled £113,538, made up mostly of investment income (dividends and interest) of £45,068, event income of £38,088 and donations and legacies of £30,382. Expenditure amounted to £265,954, with welfare and RCO costs totalling £204,106, event expenditure of £31,778 and Administration costs of £30,070. The Yukon 700 Expedition to Canada, whereby five wounded Guardsmen accompanied by Lt Col Guy Denison-Smith, Major Jon Frith and Captain Ben Stephens, canoed 700 kms down the uncharted Yukon in the North Western Territories went ahead in June 2023, raising in excess of £30,000 net of both expedition costs and sizeable donations to Combat Stress and SSAFA. The proportion of the Yukon fundraising taken in the year ended December 2023 was £22,970.

The Colonel's Fund is within the restricted Relief in Need Fund and is a sub fund of the Grenadier Guards Charity.

Investment policy and performance

Cazenove Capital is the appointed investment manager. They manage the Regiment's financial market investments on a total return basis, the target being CPI plus 3%, to maintain the real value of the investments over the long term and against inflation. They also meet the drawdown requirements as requested by the Trustees (currently £245,000 per annum). The drawdown ratio is currently 3% and this is deemed by the Trustees and Cazenove to be sustainable. Over 2023, the portfolio has returned 5.8%, over the same period the benchmark, CPI+3.0%, returned +7.1%.

Cazenove's Investment Manager Commentary

Valuation. *The value of the Common Investment Fund portfolio was £5,043,765 as at 31st December 2023. This compares with a value of £5,010,905 as at 31st December 2022. Not including distributions over 12 months, the portfolio was up £278,008 over 12 months.*

Income. *The annual requirement from the portfolio is now £245,000, which is distributed quarterly.*

Performance. *Over 2023, the portfolio has returned 5.8%, over the same period the benchmark, CPI+3.0%, returned +7.1%. For reference, the MSCI All World Index returned +15.3% and the UK Gilt Index returned +3.7 over 2023.*

At the start of 2022, prior to the invasion of Ukraine, we reduced risk within portfolios in favour of holding more defensive assets. This served portfolios well in 2022 but was more of a headwind through the first half of 2023 when the global economy and stock markets performed better than we had anticipated. As economic conditions improved however, we steadily increased risk again, focussing on adding to equities. As a result, portfolios were positioned well for the rally we saw over the final three months of the year.

Much of the strength seen in the global economy came from the US, driven by consumers spending surplus savings built up throughout the pandemic. Broadly speaking, companies have been able to pass through cost increases directly to customers without damaging demand. This has been most pronounced in some of the largest companies in the market, namely Amazon, Meta, Alphabet, Apple, Tesla and Microsoft, where we saw a very strong rebound in stock prices after sharp falls in 2022. This was also fuelled, in part, by the excitement around Artificial Intelligence (AI) where chip manufacturer Nvidia emerged as a market leader. These stocks combined led the world equity index to a return of just over 15% over 2023.

The equities held within your portfolio lagged those of the world equity index. The principal headwind was holding a lower allocation to the narrow set of tech stocks listed above. Instead, portfolios have had more exposure to defensive companies as well as thematic funds investing into sectors with structural tailwinds such as healthcare and the energy transition. Valuations in these areas of market look compelling and we expect a broadening out of returns in 2024, providing a better backdrop for our active fund managers. This started to take place in the final quarter of the year.

Outside of equities, we have been active in both the bond and alternatives allocation. More recent additions to equities have been funded by reducing exposure to commodities, including gold, and hedge funds. We still believe gold can act as a valuable hedge against shocks. However, it has performed far better than we would have expected in a rising interest rate environment and looks vulnerable at current levels(near to record high).

The bond market has been through a turbulent period since the pandemic with interest rates falling to near zero before rising at the fastest rate in history. This led to a very sharp fall in bond prices over 2022 and the first half of 2023. For example, the UK Government Bond index fell by a staggering 26.5% over the period. We had been concerned about this for some time and therefore worked to ensure portfolios were protected from the worst of the falls. Over the second half of 2023 we finally became positive on bonds again, taking the view interest rate rises were largely priced in by the market. This position helped in the final quarter of the year with bond markets enjoying one of their strongest periods on record across November and December.

Outlook

To guide our transition to a more positive stance on equities, we have been monitoring four key indicators. The most important of these is a peak in interest rates which is typically supportive for stock markets. Inflation continues to fall, with the latest US readings at the lowest level in over two years and US wage increases, a key driver of inflation, appear to have at least plateaued as unemployment slowly ticks up.

Other indicators are less clear cut. Company profit expectations for 2024 look relatively optimistic. Equity valuations and market sentiment also look less supportive. Both are currently elevated, which could be a signal of excessive optimism in markets in the short term. Against this backdrop, we would not be surprised to see volatility in markets over the first quarter of 2024.

There are of course other risks, not least geopolitics, with 50 countries and two billion people expected to go to the polls this year. For the first time since 1992, the US and UK will be holding elections in the same year (assuming the UK government does not hold out for an election in January 2025). Along with India's election, these will be the first major votes held in the age of AI. Politicians, regulators, and investors will all be closely monitoring its impact.

A UK election probably won't alter the trajectory of global markets, but it will have significant implications for UK financial markets and could usher in changes to personal taxation. A new government's room for manoeuvre looks severely limited. The recent Autumn Statement made much of the UK's "fiscal headroom" – and used it to fund two large tax cuts. However, it was far less frank about the fact that this headroom assumes minimal increases in public spending over the coming years. Given the state of many of the UK's public services, this is likely to lead to further battles over tax and spending – and potentially further volatility in UK markets.

Commercial Property

In order to spread risk over a broad range of uncorrelated assets, many years ago the Trustees diversified the Charity's investments into commercial property. This element of the total portfolio represents some 26.5% of the Common investment Fund, i.e., excluding The Colonel's Fund. There are three retail premises, one in each of Sherborne, Tenterden and Wimborne, managed for the Trustees by The Hedley Foundation. As of 31 December 2021, the Trustees commissioned a RICS Red Book valuation of the three properties, producing a total valuation of £1,880,000, in November 2023 this valuation was updated to £1,815,000, this includes £70k of land at Middle Green. The Charity relies upon rental incomes from these properties to fund some of its activities and grants. Generally, yields are deemed to be satisfactory, with a total rental income in 2023 of £138,572. Forecast income to be received in 2024 in the region of £127,650, takes into account the fact that the Sherborne, Tenterden and Wimborne leases all expire in 2024, wherein, market forces will lead to a reduction in rents receivable in the region of £11k.

In addition to these three properties, within The Colonel's Fund investment portfolio there is a holding in the Charities Property Fund, valued at £186,846 (down from £198,756 in 2022).

Fundraising

The Trustees are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and have considered the implications for their fundraising activities. The Charity relies on voluntary donations to fund a proportion of its activities and it receives these in two main ways: firstly, through the One Day's Pay Scheme, which encourages serving Grenadiers (all ranks) to donate one day's pay per year to the Charity to fund its charitable activities. Such donations are entirely voluntary. The second is through donations to the Charity's funds from individual donors through regular and one-off donations as well as externally organised fundraising events. The Yukon 700 is an example of this. The Charity did not run any specific fundraising events in the year, nor does it engage professional fundraisers, but it gratefully receives donations raised on its behalf. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Financial Review
Income for the year decreased from £559,511 to £495,386. The decrease of £64,125 comes from a decrease in donations received of £100,093, partially offset by an increase in investment income of £29,415 and an increase in trading activities of £6,553. Expenditure totalled £805,437 producing a deficit of £310,051 (2022: £229,304). After net investment gains of £198,385 (2022: investment losses of £882,745), the Charity's funds decreased by £111,666 (2022: decreased by £1,112,049). The Trustees consider these results to be fair given the points made within the Investment Manager's Commentary regarding global investment markets.

Reserves policy
The Trustees have a reserves policy which uses a combination of balances to achieve their aim which is to reserve up to one year's total incoming resources (excluding the Colonel's Fund) in order to redress any fluctuations in income flow.

Total funds at 31 December 2023 were £9,958,655 (2022: £10,070,321) of which £3,616,668 (2022: £3,699,393) was held in the Relief in Need fund and Colonel's Fund (which are restricted) leaving unrestricted funds of £6,346,973 (2022: £6,370,928) most of which is represented by fixed assets and investments which are held for the long term to provide a return which forms a significant part of the Charity's annual income.

The trustees agree on a draw down rate from investments annually. When necessary additional amounts can be drawn down to fund certain non-recurring items of expenditure. After deducting investments and fixed assets, free reserves (excluding amounts held in restricted funds) amounted to a deficit of £43,303 (2022: a deficit of: £27,498). The Trustees consider the investments within the general fund to represent a form of expendable endowment which they intend to retain to generate income to support future beneficiaries but can draw down on as needed. Therefore they are satisfied with the level of reserves available and continue to manage cash flows carefully.

The Colonel's Fund held £2,370,573 at 31 December 2023 (2022: £2,453,669) and is likely to be expended over a relatively long period as described above.

Going Concern
Based on the fact that the Charity continues to manage its cashflow and investments prudently, the Trustees have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term.

Future Plans
The Charity plans to continue to allocate funds to the same heads of expenditure as before. The Charity's ability to maintain and increase the level of grants and donations will depend on the performance of the investment portfolio and on the success of any fundraising efforts.

Trustees' responsibilities statement
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the Charity Commission Scheme. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the trustees

.....
Major General J M H Bowder OBE
20 MAY 2024

Opinion
We have audited the financial statements of The Grenadier Guards Charity for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of Cash flows and the notes to the financial statements, 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 charity's affairs as at 31 December 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 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.

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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Auditors' responsibilities for the audit of the financial statements
We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Saffery LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 23 May 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GRENADIER GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	£ Unrestricted Funds	£ Restricted Funds	2023 £ Total	2022 £ Total
Income from:					
Donations and legacies	2	48,524	81,538	130,062	230,155
Trading activities	3	14,767	38,088	52,855	46,302
Investments	4	221,307	91,162	312,469	283,054
Total income		284,598	210,788	495,386	559,511
Expenditure on:					
Raising funds	5	83,114	41,699	124,813	137,379
Charitable activities	6	340,880	339,744	680,624	651,436
Total resources expended		423,994	381,443	805,437	788,815
Net expenditure before investment movements		(139,396)	(170,655)	(310,051)	(229,304)
Other recognised gains and losses					
Realised and unrealised gains/ (losses):	13				
on investments		162,242	101,143	263,385	(882,745)
on property		(53,787)	(11,213)	(65,000)	-
Net (expenditure)		(30,941)	(80,725)	(111,666)	(1,112,049)
Transfers between funds	14	6,986	(6,986)	-	-
Net movement in funds		(23,955)	(87,711)	(111,666)	(1,112,049)
Funds balance brought forward		6,370,928	3,699,393	10,070,321	11,182,370
Funds balance carried forward	15	6,346,973	3,611,682	9,958,655	10,070,321

The notes and information on pages 14 to 27 form part of these financial statements.

THE GRENADIER GUARDS CHARITY

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	12		714,717		696,271
Investments	13		9,213,565		9,325,536
			9,928,282		10,021,807
Current assets					
Stocks		2,673		3,018	
Sundry debtors		49,523		67,529	
Cash at bank and in hand		35,159		43,562	
		87,355		114,109	
Current liabilities					
Sundry creditors		(56,982)		(65,595)	
Net current assets			30,373		48,514
Net assets			9,958,655		10,070,321
Funds					
Restricted funds:	14				
Relief in Need			1,241,109		1,245,724
Colonel's Fund			2,370,573		2,453,669
Unrestricted funds			6,346,973		6,370,928
			9,958,655		10,070,321

The notes and information on pages 14 to 27 form part of these financial statements.

Approved by the Trustees & signed on 20 MAY 2024 on their behalf by:

.....
Major General J M H Bowder OBE
Trustee

.....
Lieutenant Colonel J A Keeley MBE
Treasurer

THE GRENADIER GUARDS CHARITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Net cash (used) by operating activities (see note below)	(610,347)	(533,709)
Cash flows from investing activities		
Investment income	312,469	283,054
Purchase of tangible fixed assets	(20,881)	(6,701)
Purchase of investments	(3,076,893)	(2,798,329)
Proceeds on disposal of investment	3,387,249	2,938,849
Net cash provided by investing activities	601,944	416,873
Change in cash and cash equivalents in the year	**(8,403)**	**(116,836)**
Cash and cash equivalents at 1 January	43,562	160,398
Cash and cash equivalents at 31 December	**35,159**	**43,562**

NOTE **Reconciliation of net (expenditure) to net cash flow from operating activities**	**2023** **£**	**2022** **£**
Net (expenditure) for the reporting period as per the statement of financial activities	(111,666)	(1,112,049)
Adjustments for		
Depreciation charges	2,435	2,427
Realised/unrealised (gains)/losses on investments	(198,385)	882,745
Investment income	(312,469)	(283,054)
Decrease in stock	345	154
Decrease/(increase) in debtors	18,006	(28,016)
(Decrease)/increase in creditors	(8,613)	4,084
Net cash used by operating activities	(610,347)	(533,709)

Analysis of cash and cash equivalents

	At 1 January 2023 **£**	**Movement in the year** **£**	**At 31 December 2023** **£**
Cash at bank and in hand	43,562	(8,403)	35,159

1. Accounting policies

1.1 Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, with the exception of the investments which are held at market value. The financial statements have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. Liabilities are recognised when there is a legal or constructive obligation to pay for expenditure.

1.2 Going Concern

At the time of approving the financial statements The Trustees are cautiously optimistic, based on the fact that the Charity continues to manage its cashflow and investments prudently and they have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Voluntary income

Donations under deeds of covenant or gift aid, together with the associated income tax recoverable, and subscriptions are recognised as income when the amounts are receivable. Donated assets are recognised at their market value within both income and expenditure.

1.4 Investment income

Investment income, including associated recoverable tax credits, is credited to the statement of financial activities when notified as due.

1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Support costs are the costs which relate to the general running of the Charity.

Grants and donations payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

1.6 Staff costs
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

1.7 Taxation
The Grenadier Guards Charity is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

1.8 Tangible fixed assets and depreciation
Fixed assets are stated at cost less depreciation. Depreciation is provided in order to write off the cost of each asset evenly over its expected useful life at the following rates:-

Furniture, fixtures and equipment	10% to 20% per annum on cost
Band instruments	5% per annum on cost

No depreciation is provided on pictures, silver, medals etc which are maintained to a standard which ensures that any depreciation charge would not be material.

1.9 Investments
Investments are stated at market value at the balance sheet date. Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value at the reporting date. The surplus or deficit on revaluation is recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.10 Stocks
Stocks are valued at the lower of cost and net realisable value.

1.11 Funds
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Charity.

Restricted income funds are funds subject to specific restrictions imposed by donors. The purpose and use of the restricted funds is set out in the notes to the financial statements.

1.12 Financial instruments
The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost.

1.13 Critical estimates and judgements and key sources of estimation uncertainty
In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.
There are no critical estimates or accounting judgements in 2023 or 2022 except in relation to the investment property valuation.

2. Donations and legacies

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
One Day's Pay Scheme	-	51,156	51,156	51,175
Donations – Colonel's Fund	-	30,382	30,382	125,861
Donations - other	48,524	-	48,524	53,119
	48,524	81,538	130,062	230,155

Donation and legacy income in the prior year included £177,036 which was restricted.

3. Trading activities

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Band Fund income	278	-	278	863
Colonel's Fund fundraising	-	38,088	38,088	33,531
Sale of regimental goods	14,489	-	14,489	11,908
	14,767	38,088	52,855	46,302

Trading activity income in the prior year included £33,531 which was restricted.

4. Investment income

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Dividends	106,436	22,189	128,625	110,489
Dividends – Colonel's Fund	-	45,068	45,068	39,899
Rental income	114,667	23,905	138,572	132,650
Deposit interest	204	-	204	16
	221,307	91,162	312,469	283,054

Investment income in the prior year included £81,844 which was restricted.

	2023 £	2022 £
Rents receivable:		
10 High Street, Tenterden, Kent	58,000	58,000
7 and 15 High Street, Wimborne, Dorset	55,921	50,000
Land at Middle Green, Langley, Slough, Berkshire	2,650	2,650
Sherborne	20,000	20,000
Other income – wayleave rent/grazing land rent	2,000	2,000
	138,572	132,650

5. Raising funds

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Colonel's Fund fundraising expenses	-	31,778	31,778	46,977
Cost of regimental goods sold	29,582	-	29,582	25,975
Band Fund expenditure	5,948	-	5,948	2,498
Investment management fees	36,951	7,704	44,655	47,949
Rental expenses	10,633	2,217	12,850	13,980
	83,114	41,699	124,813	137,379

Raising funds expenditure in the prior year included £57,661 which was restricted.

6. Charitable activities

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Grants and donations (note 7)	150,577	262,176	412,753	389,500
Support costs (note 8)	190,303	77,568	267,871	261,936
	340,880	339,744	680,624	651,436

Charitable activities expenditure in the prior year included £298,909 which was restricted.

7. Grants and donations

	2023	2023 Total	2022	2022 Total
	£	£	£	£
Unrestricted specific:				
Adventure and individual training:				
Battalion/Company	4,813		8,642	
Officers' welfare: Battalion messes	10,000		10,000	
Sports, recreation and other activities: Battalion/Company	46,500		47,004	
Welfare grants – serving soldiers:				
Education	900		900	
Charitable donations	240		854	
Recruiting and publicity	8,653		6,604	
		71,106		74,004
Unrestricted other grants:				
Queen's Guard subsidy	2,055		1,050	
Penn Award	470		-	
Fagan Award	1,000		-	
First Guards Club-Wedding Present Grant	-		4,500	
First Guards Club-Handbook	1,750		-	
Sergeants' (Past and Present) Club	1,750		1,750	
ABF The Soldiers' Charity	8,000		8,000	
Lieutenant Colonel's Contingency Fund	22,685		17,019	
Special Events	33,347		9,703	
Other grants	8,414		46,509	
		79,471		88,531
Total unrestricted		150,577		162,535
Restricted:				
Welfare grant to Association	30,000		30,000	
Colonel's Fund (including casualty support)	232,176		196,965	
Total restricted		262,176		226,965
		412,753		389,500

8. Support costs

	2023 £	2023 Total £	2022 £	2022 Total £
Administration:				
Printing, postage and stationery	3,481		3,860	
Staff costs	125,643		85,878	
Accounting support, tax and other advice	34,417		27,917	
GDPR project	35		998	
Computer	12,565		10,397	
Audit and accountancy	19,530		18,740	
Legal and professional fees	1,532		32,636	
		197,203		180,426
Regimental property:				
Repairs, maintenance etc	24,793		33,945	
Insurance	8,260		7,899	
Valuation of property	6,900		-	
Depreciation	2,435		2,427	
Sundry	162		228	
		42,550		44,499
Regimental commitments:				
Grenadier Day	8,486		8,406	
Remembrance Day	6,741		7,802	
Travelling and entertaining	7,823		12,032	
Presentations	5,068		8,771	
		28,118		37,011
		267,871		261,936

9. Emoluments of employees

	2023 £	2022 £
Wages	155,843	120,049
Social Security	10,967	6,913
Pension Costs	4,378	2,724
	171,188	129,686
Allocated to:		
Grants and donations (note 7)	45,545	43,808
Support costs (note 8)	125,643	85,878
	171,188	129,686

There were 3 (2022: 4) employees during the year whose total emoluments (including MOD contributions) were £171,188 (2022: £129,686), the increase in Wages of £36k, arises from the incoming Treasurer's salary being treated as a Legal and professional fee cost in 2022 - £25k, plus, CPI increases effective 1/1/23 of 8.6% - £8k and an increase to the MOD BIK Charge of £3k. Two of these, the Regimental Adjutant and Treasurer are key management personnel and their remuneration was £128,158 (2022: £94,245).

One employee earned between £60,000 and £70,000 during the year (2022: One employee between £60,000 and £70,000).

10. Auditors' remuneration

	2023 £	2022 £
Audit fees	16,340	15,645
Taxation and other advice	3,030	3,095
	19,370	18,740

11. Operating leases

The Charity had the following commitments under non-cancellable operating leases as at 31 December 2023:

	2023 £	2022 £
Payable in:		
Less than one year	3,516	6,025
Between two and five years	-	3,516
	3,516	9,541

12. Tangible fixed assets

	Pictures, Silver, etc £	Furniture fixtures & equipment £	Band instruments £	Total £
Cost				
At 1 January 2023	692,033	65,763	89,843	847,639
Additions	14,026	6,855	-	20,881
At 31 December 2023	706,059	72,618	89,843	868,520
Depreciation				
At 1 January 2023	-	61,525	89,843	151,368
Charge for the year	-	2,435	-	2,435
At 31 December 2023	-	63,960	89,843	153,803
Net book value				
At 31 December 2023	706,059	8,658	-	714,717
At 31 December 2022	692,033	4,238	-	696,271

Regimental property (excluding Band Fund property) is currently insured for £4,965,584 (2022: £4,965,584).

Band Fund property is currently insured for £Nil (2022: £Nil).

13. Investments

Total investments at market value at the year end are:

	2023	2022
	£	£
Land and Property	1,815,000	1,880,000
Managed Portfolio of quoted investments	5,043,765	5,010,905
Colonel's Fund quoted investments	2,354,800	2,434,631
Total investments held at year end	9,213,565	9,325,536

Freehold interest in land and buildings

	2023	2022
	£	£
10 High Street Tenterden, Kent	725,000	770,000
7 and 15 High Street, Wimborne, Dorset	750,000	770,000
Sherborne	270,000	270,000
Land at Middle Green – Grazing land	70,000	70,000
Total	1,815,000	1,880,000
Market value at 31 December 2022	1,880,000	1,880,000
(Loss) on revaluation	(65,000)	-
Market value at 31 December 2023	1,815,000	1,880,000

The original purchase price of the aforementioned properties is as follows: Tenterden-£105k, Wimborne-£160k and Sherborne-£350k. The land at Middle Green was gifted to the Charity by an ex-Grenadier.

13. **Investments (continued)**

Managed Portfolio of quoted investments

	2023		2022	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	1,611,419	1,637,503	1,465,313	1,451,884
Other International	-	-	326,652	314,342
Equities				
United Kingdom	118,342	118,715	222,356	245,132
Other International	2,593,755	3,061,268	2,243,596	2,655,558
Cash				
United Kingdom	226,279	226,279	343,989	343,989
Total Assets	4,549,795	5,043,765	4,601,906	5,010,905
Market value at 31 December 2022		5,010,905		5,764,606
Acquisitions		2,056,947		1,926,740
Disposals		(2,258,753)		(2,088,938)
Investment gains		234,666		(591,503)
Market value at 31 December 2023		5,043,765		5,010,905

13. Investments (continued)

Colonel's Fund quoted investments

	2023		2022	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	678,119	688,464	636,805	631,517
Other International	38,660	41,650	162,020	155,708
Equities				
United Kingdom	55,436	55,611	89,154	97,073
Other International	1,117,141	1,314,791	992,943	1,182,540
Property				
Charities Property Fund	144,506	186,846	144,506	198,756
Cash				
United Kingdom	67,438	67,438	169,037	169,037
Total Assets	2,101,300	2,354,800	2,194,465	2,434,631
Market value at 31 December 2022		2,434,631		2,704,195
Acquisitions		1,019,946		871,589
Disposals		(1,128,496)		(849,911)
Investment gains		28,719		(291,242)
Market value at 31 December 2023		2,354,800		2,434,631

14. Restricted funds

The Relief in Need fund is to relieve either individually or generally those who are serving or have served in the Grenadier Guards, and their dependents.

The Colonel's Fund is a fund within the Relief in Need Fund. As described in the Trustees' Report its purpose is to assist those who have been injured on active service and their dependents, including those who develop problems later in life as a result of active service. It may also be spent on other purposes within the purposes of the Relief in Need Fund.

	Relief in Need Fund £	Colonel's Fund £	2023 Total £
Balance at 1 January 2023	1,245,724	2,453,669	3,699,393
Income	97,249	113,539	210,788
Expenditure	(117,489)	(263,954)	(381,443)
Gains	22,611	67,319	89,930
Transfers between funds	(6,986)	-	(6,986)
Balance at 31 December 2023	1,241,109	2,370,573	3,611,682

The transfer between unrestricted and restricted funds represent a correction of an allocation between funds made in the year which relates to the Relief In Need's Share of the 2022 audit fee paid in July 2023 from unrestricted funds.

The Colonel's Fund figure above of £2,370,573, differs from the balance held at Cazenove of £2,354,800, by £15,773, this relates to the amount held with Lloyds Bank - £19,969, plus debtors - £7,551, less creditors – (£11,747).

	Relief in Need Fund £	Colonel's Fund £	2022 Total £
Balance at 1 January 2022	1,371,975	2,791,564	4,163,539
Income	84,005	208,406	292,411
Expenditure	(101,512)	(255,058)	(356,570)
Gains and Losses	(102,040)	(291,243)	(393,283)
Transfers between funds	(6,704)	-	(6,704)
Balance at 31 December 2022	1,245,724	2,453,669	3,699,993

The transfer between unrestricted and restricted funds represent a correction of an allocation between funds made in the year which relates to the Relief In Need's Share of the 2021 audit fee paid in September 2022 from unrestricted funds.

15. Analysis of Net Assets between funds

	Unrestricted £	Restricted £	2023 Total £
Tangible Fixed Assets	714,717	-	714,717
Land and Property	1,501,894	313,106	1,815,000
Managed Portfolio of quoted investments	4,173,665	3,224,900	7,398,565
Net Current Assets /(Liabilities)	(43,303)	73,676	30,373
	6,346,973	3,611,682	9,958,655

	Unrestricted £	Restricted £	2022 Total £
Tangible Fixed Assets	696,271	-	696,271
Land and Property	1,555,681	324,319	1,880,000
Managed Portfolio of quoted investments	4,146,474	3,299,062	7,445,536
Net Current Assets /(Liabilities)	(27,498)	76,012	48,514
	6,370,928	3,699,393	10,070,321

16. Transactions with trustees and related party transactions

No Trustee received any remuneration from the Charity during the year for their role as a Trustee. Travel expenses of £nil were paid to trustees (2022: £nil) during the year.

The Charity made a grant of £30,000 (2022: £30,000) in the year to the Grenadier Guards Association (Charity Registration number 287265). All of the Trustees of the Grenadier Guards Charity are also Trustees of the Grenadier Guards Association. The grant was paid during the year and no balance remained outstanding at the year end.

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2022 Total £
Income from:			
Donations and legacies	53,119	177,036	230,155
Trading activities	12,771	33,531	46,302
Investments	201,210	81,844	283,054
	267,100	292,411	559,511
Total			
Expenditure on:			
Raising funds	79,718	57,661	137,379
Charitable activities	352,727	298,909	651,436
Total resources expended	432,245	356,570	788,815
Net (expenditure)	(165,145)	(64,159)	(229,304)
Other recognised gains and losses			
Realised and unrealised gains/(losses):			
on investments	(489,462)	(393,283)	(882,745)
on property	-	-	-
Net (expenditure)	(654,607)	(457,442)	(1,112,049)
Transfers between funds	6,704	(6,704)	-
Net movement in funds	(647,903)	(464,146)	(1,112,049)
Funds balance brought forward	7,018,831	4,163,539	11,182,370
Funds balance carried forward	6,370,928	3,699,393	10,070,321

THE GRENADIER GUARDS CHARITY

England & Wales - Charity number 1062257

Accounts

THE GRENADIER GUARDS CHARITY

(Registered No. 1062257)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2022

THE GRENADIER GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Commission Scheme	The Grenadier Guards Charity was formed by a Charity Commission Scheme dated 17 September 2015 which merged the Grenadier Guards Regimental and Battalion Charity, The Grenadier Guards 2nd Battalion Suspended Animation Charity, The Grenadier Guards 3rd Battalion Suspended Animation Charity and The Grenadier Guards Regimental and Battalion Relief Charity. The Scheme took effect on 1 January 2016 following which the assets and liabilities of The Regimental and Battalion Charities of the Grenadier Guards Common Investment Fund were transferred to the new charity and that charity closed.
Ex-officio Trustee	The Regimental Lieutenant Colonel of the Grenadier Guards (Major General J M H Bowder OBE)
Co-opted Trustees	Brigadier D J H Maddan, DL Captain C A G Bennett Lieutenant General Sir George Norton KCVO CBE Lieutenant General Sir Charles Walker KCB DSO The Rt Hon The Earl of Derby, DL
Election	Replacement Co-opted Trustees are appointed by the Trustees
Regimental Adjutant	Major JPW Gatehouse
Treasurer	Lieutenant Colonel J A Keeley MBE
Address	Wellington Barracks Birdcage Walk London SW1E 6HQ
Registered Charity Number	1062257

Bankers	Lloyds TSB Bank Plc Cox's & King's P O Box 1000 Andover BX11 1LT	**Auditors**	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG	**Investment Managers**	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Property Managers	The Hedley Foundation 1 College Hill London EC4R 2RA		P J Smith Associates The Old Place, Lockpath Dorney, Windsor SL4 6QQ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their Report and financial statements for the year which have been prepared in accordance with the Charities Act 2011 and UK generally accepted accounting practice. The information on page 1 forms part of the Trustees' Report.

Objects
The objects of the Charity are:

(1) To promote the efficiency of the Grenadier Guards, by fostering esprit de corps and by such other means as the trustees shall from time to time determine.
(2) To commemorate and remember those members, or former members, of the Grenadier Guards who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service to the public.
(3) To relieve either generally or individually persons who are serving or who have served in the Grenadier Guards or the dependants of such persons who are in conditions of need, hardship or distress.
(4) To advance the education of the public, including members of the Grenadier Guards, in the history, deeds, traditions and role of the Grenadier Guards.

Appointment, induction and training of Trustees
Trustees are selected so that the charity can draw on a wide range of experience and skills. New trustees are briefed by the Regimental Adjutant and provided with copies of accounts and minutes of meetings. Trustees are regularly briefed on relevant matters by the charity's advisors. Trustees are encouraged to partake in any training that they consider would be useful to them and to the Charity.

Meetings
The Trustees meet formally every six months with their advisors inter alia to make policy, approve budgets and review progress. Implementation is achieved by the Regimental Adjutant and the Regimental Treasurer on the authority of the Ex-officio Trustee.

Key management personnel
Key management personnel comprise the Regimental Adjutant and Treasurer. Part of their remuneration is met by the MoD. In addition, they are paid remuneration set by the Trustees in the light of their responsibilities and performance. Also the Trustees are considered as key management personnel, but they are not remunerated.

Grant making policy
In recent years funds have been allocated on a consistent basis to the heads of expenditure detailed in the Statement of Financial Activities and current policy is to appoint expenditure on broadly similar lines in the forthcoming year. The Trustees have referred to the guidance issued by the Charity Commission on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Trustees consider that the current policies for making grants deliver public benefit.

Risk management
The Trustees have formally reviewed their operations and believe that risk is appropriately contained in the context of their asset backing, the nature and pattern of their activities and the contractual arrangements associated with them, formal quarterly reporting and suitable compliance with current safety and employment legislation.

The principal risk is that poor investment performance could severely deplete the Charity's reserves and ability to generate sufficient funds to meet needs. This risk is managed by appointing reputable, experienced investment managers and regular review of their performance at Trustees' meetings, at which those managers are present. The risk of inappropriate expenditure is covered by authorisation procedures and review of detailed management and year-end accounts by Trustees.

Review of activities
The Charity aims to fulfil the objects through grants and donations supporting a range of activities for both serving and former soldiers, supporting regimental commitments, and maintaining Regimental property, all of which provide public benefit.

The routine work of the Charity has continued in a manner that is consistent with policy and with previous years. Details of the grants and donations made may be found in note 7 of the financial statements. There are no significant changes or developments to report in 2022. The aims and objectives of the Charity do not change fundamentally from year to year although the Trustees always seek to respond to changes in the needs of serving and former soldiers in the Regiment.

The success and impact of the Charity's activities are assessed in many ways, including feedback from both the Regimental Lieutenant Colonel, the Commanding Officer of the 1st Battalion and from detailed reports by the Regimental Casualty Officer on wounded Grenadiers and their relatives, many of whom have been helped by the Charity.

Coronavirus
International efforts in 2020 and 2021 to thwart the COVID19 global pandemic, which resulted in many Regimental gatherings and events being cancelled, were no longer in effect in 2022, so the "normal" resumed.

The Colonel's Fund
Following deployment on Op Herrick 6 to Afghanistan in 2007, where the Battalion suffered five Killed in Action and 35 wounded with life changing injuries, it was recognised that there would be an urgent need to raise funds to deal with the multitude of new requests for welfare support by Grenadiers and their families. In response to this The Colonel's Fund, with HRH The Duke of Edinburgh as patron, was established to raise funds to assist those injured on active service and those who might later develop problems (such as complex PTSD) as a result of active service. The provision of care and support is not limited to those affected by their service in Afghanistan, but also from other operations, namely Northern Ireland, Bosnia and Iraq. The Fund also supports the families of those who have been killed on operations.

The care and support of our wounded Guardsmen and the bereaved families is carried out by the Regimental Casualty Officer, Matt Ellmer. During 2022 he actively supported 18 bereaved families and 49 wounded Grenadiers, most with their own families now, including another four more new cases taken on during the year. The RCO is the "fixer", mentor, counsellor, and friend" to our seriously wounded and bereaved. In addition, a separate specialist trauma psychotherapist provides invaluable support to a handful of Grenadiers with very complex injuries and needs.

Income received by the Colonel's Fund during 2022 totalled £199,291, made up mostly of investment income (dividends and interest) of £39,899, event income of £33,531 and donations and legacies of £125,861. Expenditure amounted to £243,942, with welfare and RCO costs totalling £169,276. The Yukon 700 Expedition to Canada, whereby five wounded Guardsmen accompanied by Lt Col Guy Denison-Smith, Major Jon Frith and Captain Ben Stephens, canoed 700 kms down the uncharted Yukon in the North Western Territories went ahead in June 2022, raising in excess of £55,000 net of both expedition costs and sizeable donations to Combat Stress and SSAFA. The proportion of the Yukon fundraising taken in the year ended December 2022 was £26,501.

The Colonel's Fund is within the restricted Relief in Need Fund and is a sub fund of the Grenadier Guards Charity.

Investment policy and performance
Cazenove Capital is the appointed investment manager. They manage the Regiment's financial market investments on a total return basis, the target being CPI plus 3%, to maintain the real value of the investments over the long term and against inflation. They also meet the drawdown requirements as requested by the Trustees (currently £345,000 per annum). The drawdown ratio is currently 3% and this is deemed by the Trustees and Cazenove to be sustainable. Over the year 2022, the portfolio has shown a disappointing return of -9.6%. Over the same period the benchmark of CPI+3.0% - returned +13.8%.

Cazenove's Investment Manager Commentary
Valuation. The value of the Common Investment Fund portfolio was £5,010,905 as at 31st December 2022. This compares with a value of £5,764,606 as at 31st December 2021. Not including distributions over 12 months, the portfolio is down £542,651 over 12 months.

Income. The annual requirement from the portfolio is £200,000, which is distributed quarterly.

Performance. Over 2022, the portfolio has returned -9.5%, over the same period the benchmark – CPI+3.0% - returned +13.8%. For reference, the MSCI All World Index returned -8.1% and the UK Gilt Index returned -23.8% over 2022.

At the turn of 2022, markets and central bankers alike were concerned about inflation. Russia's invasion of Ukraine only compounded the issue with soaring commodity prices pushing up inflation to levels not seen since the 1970s. Jump forward nine months and the term 'poly-crisis' perhaps best sums up 2022. In the UK alone, rising interest rates, anaemic economic growth, political upheaval, a slowing property market and the cost of living crisis have all dominated headlines.

It is remarkable to think interest rates here in the UK were just 0.1% as recently as December 2021. We have since seen nine consecutive hikes from the Bank of England taking the headline rate to 3.5% by the end of the year. It has been a similar story across much of the developed world. While Central Banks have had to act to curb inflation, the rate of rises is unprecedented and can explain, for the most part, the fall in asset prices. While headline writers often focus on stock markets, the bond market was responsible for the much of the value destruction. This is highlighted by a 23.8% fall in the value of the UK gilt index over the year. Corporate bonds experienced a similar re-pricing.

Within equities, we saw a continuation of the rotation out of COVID winners, principally technology, into defensive sectors, financials and energy. If you buy an expensive stock, it has to do well to justify its valuation. When results disappoint, falls in stock prices can be significant. In 2022 alone, Netflix, Amazon and META (formerly Facebook) fell over 50% in USD terms. In contrast, the energy sector as a whole rose by more than 50% over the same period. These moves largely explain why the US stock market underperformed Europe and the FTSE 100.

Over the course of 2022, we reduced risk in portfolios. We did this by firstly reducing equities in favour of cash and alternatives and secondly, by taking profits in technology and smaller companies, and rotating into defensive stocks less exposed to higher interest rates and a slowing economy. Examples of these include insurance and healthcare stocks both of which delivered positive returns. Within the bond allocation, we were relatively well positioned having reduced exposure over the course of the last couple of years.

As we enter 2023, the global economic outlook remains very challenging. Businesses, consumers and investors seem to have adjusted to the idea a recession is coming. We all know recessions can be very nasty indeed; some

200,000 lay-offs by US technology companies in 2022 have perhaps given us a sense of the pain to come. From an investment perspective however, these periods can of course present great opportunities.

Timing is important and, to be clear, we believe we are still in the bear market phase and remain cautiously positioned. At some stage, however, markets will find a turning point. While the headlines are likely to remain gloomy, the outlook now is far better than it was 12 months ago. Markets have priced in much of the bad news and will therefore start to look towards a recovery during which there will be money to be made for patient investors.

One cause for optimism is the recent re-opening of China. Lunar New Year started the weekend of 21st/22nd January 2023 and brings the Year of the Rabbit. Rabbits are apparently a symbol of good luck and after a difficult 2022, a rebound in China's economy would certainly be a welcome boost to global economic growth.

Commercial Property
In order to spread risk over a broad range of uncorrelated assets, many years ago the Trustees diversified the Charity's investments into commercial property. This element of the total portfolio represents some 32.5% of the Common investment Fund, i.e., excluding The Colonel's Fund. There are three retail premises, one in each of Sherborne, Tenterden and Wimborne, managed for the Trustees by The Hedley Foundation. As of 31 December 2021, the Trustees commissioned a RICS Red Book valuation of the three properties, producing a total valuation of £1,880,000. The Charity relies upon rental incomes from these properties to fund some of its activities and grants. Generally, yields are deemed to be satisfactory, with a total rental income in 2022 of £132,650. Forecast income to be received in 2023 in the region of £138,400.

In addition to these three properties, within The Colonel's Fund investment portfolio there is a holding in the Charities Property Fund, valued at £198,756 (down from £215,739 in 2021).

Fundraising
The Trustees are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and have considered the implications for their fundraising activities. The Charity relies on voluntary donations to fund a proportion of its activities and it receives these in two main ways: firstly, through the One Day's Pay Scheme, which encourages serving Grenadiers (all ranks) to donate one day's pay per year to the Charity to fund its charitable activities. Such donations are entirely voluntary. The second is through donations to the Charity's funds from individual donors through regular and one-off donations as well as externally organised fundraising events. The Yukon 700 is an example of this. The Charity did not run any specific fundraising events in the year, nor does it engage professional fundraisers, but it gratefully receives donations raised on its behalf. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Financial Review
Income for the year increased from £433,311 to £559,511. The increase of £126,200 comes from an increase in investment income of £83,635, an increase in donations received of £87,133, less a decrease in trading activity income of (£44,568). Expenditure totalled £788,815 producing a deficit of £229,304 (2021: £195,082). After net investment losses of (£882,745) (2021: investment gains of £884,238), the Charity's funds decreased by (£1,112,049) (2021: increased by £689,156). The Trustees consider these results to be very disappointing though not unexpected given the points made within the Investment Manager's Commentary regarding global investment markets.

Reserves policy
The Trustees have a reserves policy which uses a combination of balances to achieve their aim which is to reserve up to one year's total incoming resources (excluding the Colonel's Fund) in order to redress any fluctuations in income flow.

Total funds at 31 December 2022 were £10,070,321 (2021: £11,182,370) of which £3,699,393 (2021: £4,163,539) was held in the Relief in Need fund and Colonel's Fund (which are restricted) leaving unrestricted funds of £6,370,928 (2021: £7,018,831) most of which is represented by fixed assets and investments which are held for the long term to provide a return which forms a significant part of the Charity's annual income.

The trustees agree on a draw down rate from investments annually. When necessary additional amounts can be drawn down to fund certain non-recurring items of expenditure. After deducting investments and fixed assets; reserves (excluding amounts held in the Relief in Need fund) amounted to £48,514 (2021: £253,005), though this is £204,491 less than 2021 this does not concern the Trustees given the value of the fund stands at £10,070,321 as at 31/12/22.

The Colonel's Fund held £2,453,669 at 31 December 2022 (2021: £2,791,564) and is likely to be expended over a relatively long period as described above.

Going Concern
Based on the fact that the Charity continues to manage its cashflow and investments prudently, the Trustees have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term.

Future Plans
The Charity plans to continue to allocate funds to the same heads of expenditure as before. The Charity's ability to maintain and increase the level of grants and donations will depend on the performance of the investment portfolio and on the success of any fundraising efforts.

Trustees' responsibilities statement
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the Charity Commission Scheme. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the trustees

.....
Major General J M H Bowder OBE
22 May 2023

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Grenadier Guards Charity for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the notes to the financial statements, 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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources 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 Charities Act 2011.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 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.

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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Auditors' responsibilities for the audit of the financial statements
We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 30 May 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GRENADIER GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	£ Unrestricted Funds	£ Restricted Funds	2022 £ Total	2021 £ Total
Income from:					
Donations and legacies	2	53,119	177,036	230,155	143,022
Trading activities	3	12,771	33,531	46,302	90,870
Investments	4	201,210	81,844	283,054	199,419
Total income		267,100	292,411	559,511	433,311
Expenditure on:					
Raising funds	5	79,718	57,661	137,379	110,882
Charitable activities	6	352,527	298,909	651,436	517,511
Total resources expended		432,245	356,570	788,815	628,393
Net expenditure before investment movements		(165,145)	(64,159)	(229,304)	(195,082)
Other recognised gains and losses					
Realised and unrealised gains/ (losses):	13				
on investments		(489,462)	(393,283)	(882,745)	839,238
on property		-	-	-	45,000
Net income/(expenditure)		(654,607)	(457,442)	(1,112,049)	689,156
Transfers between funds	14	6,704	(6,704)	-	-
Net movement in funds		(647,903)	(464,146)	(1,112,049)	689,156
Funds balance brought forward		7,018,831	4,163,539	11,182,370	10,493,214
Funds balance carried forward		6,370,928	3,699,393	10,070,321	11,182,370

The notes and information on pages 13 to 26 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	12		696,271		691,998
Investments	13		9,325,536		10,348,800
			10,021,807		11,040,798
Current assets					
Stocks		3,018		3,172	
Sundry debtors		67,529		39,513	
Cash at bank and in hand		43,562		160,398	
		114,109		203,083	
Current liabilities					
Sundry creditors		(65,595)		(61,511)	
Net current assets/(liabilities)			48,514		141,572
Net assets			10,070,321		11,182,370
Funds					
Restricted funds:	14				
Relief in Need			1,245,724		1,371,975
Colonel's Fund			2,453,669		2,791,564
Unrestricted funds			6,370,928		7,018,831
			10,070,321		11,182,370

The notes and information on pages 13 to 26 form part of these financial statements.

Approved by Trustees on 22 May 2023

.....
Major General J M H Bowder OBE
Trustee

.....
Lieutenant Colonel J A Keeley MBE
Treasurer

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Net cash (used)/provided by operating activities (see note below)	(533,709)	(419,427)
Cash flows from investing activities		
Investment income	283,054	199,419
Purchase of tangible fixed assets	(6,701)	(7,599)
Proceeds from disposals of fixed assets	-	-
Purchase of investments	(2,798,329)	(1,531,532)
Proceeds on disposal of investment	2,938,849	1,836,557
Net cash provided/(used) by investing activities	416,873	496,845
Change in cash and cash equivalents in the year	**(116,836)**	**77,418**
Cash and cash equivalents at 1 January	160,398	82,980
Cash and cash equivalents at 31 December	**43,562**	**160,398**

NOTE **Reconciliation of net (expenditure)/income to net cash flow from operating activities**	**2022** **£**	**2021** **£**
Net (expenditure)/income for the reporting period as per the statement of financial activities	(1,112,049)	689,156
Adjustments for		
Depreciation charges	2,427	2,770
Realised/unrealised (gains)/losses on investments	882,745	(839,238)
Unrealised (gains)/losses on property	-	(45,000)
Investment income	(283,054)	(199,419)
Decrease in stock	154	49
Decrease/(increase) in debtors	(28,016)	(11,934)
(Decrease)/increase in creditors	4,084	(15,811)
Net cash provided by operating activities	(533,709)	(419,427)

Analysis of cash and cash equivalents

	At 1 January 2022 **£**	**Movement in the year** **£**	**At 31 December 2022** **£**
Cash at bank and in hand	160,398	(116,836)	43,562

1. Accounting policies

1.1 Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of the investments which are held at market value. The financial statements have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. Liabilities are recognised when there is a legal or constructive obligation to pay for expenditure.

1.2 Going Concern

At the time of approving the financial statements The Trustees are cautiously optimistic, based on the fact that the Charity continues to manage its cashflow and investments prudently and they have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Voluntary income

Donations under deeds of covenant or gift aid, together with the associated income tax recoverable, and subscriptions are recognised as income when the amounts are receivable. Donated assets are recognised at their market value.

1.4 Investment income

Investment income, including associated recoverable tax credits, is credited to the statement of financial activities when notified as due.

1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Support costs are the costs which relate to the general running of the Charity.

Grants and donations payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

1.6 Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided in order to write off the cost of each asset evenly over its expected useful life at the following rates:-

Furniture, fixtures and equipment	10% to 20% per annum on cost
Band instruments	5% per annum on cost

No depreciation is provided on pictures, silver, medals etc which are maintained to a standard which ensures that any depreciation charge would not be material.

1.7 Investments

Investments are stated at market value at the balance sheet date.

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value at the reporting date. The surplus or deficit on revaluation is recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.9 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted income funds are funds subject to specific restrictions imposed by donors. The purpose and use of the restricted funds is set out in the notes to the financial statements.

1.10 Financial instruments

The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost.

1.11 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates or accounting judgements in 2022 or 2021 except in relation to the investment property valuation.

2. Donations and legacies

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
One Day's Pay Scheme	-	51,175	51,175	51,313
Donations – Colonel's Fund	-	125,861	125,861	45,540
Donations - other	53,119	-	53,119	46,169
	53,119	177,036	230,155	143,022

3. Trading activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Band Fund income	863	-	863	182
Colonel's Fund fundraising	-	33,531	33,531	80,229
Sale of regimental goods	11,908	-	11,908	10,459
	12,771	33,531	46,302	90,870

4. Investment income

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Dividends	91,428	19,061	110,489	47,490
Dividends – Colonel's Fund	-	39,899	39,899	33,308
Rental income	109,766	22,884	132,650	118,608
Deposit interest	16	-	16	13
	201,210	81,844	283,054	199,419

	2022 £	2021 £
Rents receivable:		
10 High Street, Tenterden, Kent	58,000	53,167
7 and 15 High Street, Wimborne, Dorset	50,000	50,479
Land at Middle Green, Langley, Slough, Berkshire	2,650	2,650
Sherborne	20,000	10,312
Other income – wayleave rent/grazing land rent	2,000	2,000
	132,650	118,608

5. Raising funds

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Colonel's Fund fundraising expenses	-	46,977	46,977	20,607
Cost of regimental goods sold	25,975	-	25,975	27,892
Band Fund expenditure	2,498	-	2,498	2,530
Investment management fees	39,677	8,272	47,949	49,526
Rental expenses	11,568	2,412	13,980	10,237
	79,718	57,661	137,379	110,882

6. Charitable activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Grants and donations (note 7)	162,535	226,965	389,500	298,115
Support costs (note 8)	189,992	71,944	261,936	219,396
	352,527	298,909	651,436	517,511

7. Grants and donations

	2022	2022 Total	2021	2021 Total
	£	£	£	£
Unrestricted specific:				
Adventure and individual training:				
Battalion/Company	8,642		4,400	
Officers' welfare: Battalion messes	10,000		10,000	
Sports, recreation and other activities: Battalion/Company	47,004		47,000	
Welfare grants – serving soldiers:				
Education	900		1,550	
Charitable donations	854		290	
Recruiting and publicity	6,604		5,217	
		74,004		68,457
Unrestricted other grants:				
Queen's Guard subsidy	1,050		1,498	
First Guards Club-Wedding Present Grant	4,500		-	
Sergeants' (Past and Present) Club	1,750		1,750	
ABF The Soldiers' Charity	8,000		7,500	
Lieutenant Colonel's Contingency Fund	17,019		15,632	
Special Events	9,703		-	
Other grants	46,509		13,500	
		88,531		39,880
Total unrestricted		162,535		108,337
Restricted:				
Welfare grant to Association	30,000		30,000	
Colonel's Fund (including casualty support)	196,965		159,778	
Total restricted		226,965		189,778
		389,500		298,115

8. Support costs

	2022	2022 Total	2021	2021 Total
	£	£	£	£
Administration:				
Printing, postage and stationery	3,860		3,735	
Staff costs	85,878		110,776	
Accounting support, tax and other advice	27,917		31,918	
GDPR project	998		1,236	
Computer	10,397		9,592	
Audit and accountancy	18,740		19,580	
Legal and professional fees	32,636		-	
		180,426		176,837
Regimental property:				
Repairs, maintenance etc	33,945		20,219	
Insurance	7,899		5,058	
Leased vehicle	-		(555)	
Valuation of property	-		7,129	
Depreciation	2,427		2,770	
Sundry	228		-	
		44,499		34,621
Regimental commitments:				
Grenadier Day	8,406		317	
Remembrance Day	7,802		471	
Travelling and entertaining	12,032		4,206	
Presentations	8,771		2,944	
		37,011		7,938
		261,936		219,396

9. Emoluments of employees

	2022 £	2021 £
Wages	120,049	140,524
Social Security	6,913	5,172
Pension Costs	2,724	3,431
	129,686	149,127
Allocated to:		
Grants and donations (note 7)	43,808	38,351
Support costs (note 8)	85,878	110,776
	129,686	149,127

There were 4 (2021: 3) employees during the year whose total emoluments (including MOD contributions) were £129,686 (2021: £149,127). Two of these, the Regimental Adjutant and Treasurer are key management personnel and their total remuneration was £48,378 (2021: £110,776).

One employee earned between £60,000 and £70,000 during the year (2021: One employee between £60,000 and £70,000).

10. Auditors' remuneration

	2022 £	2021 £
Audit fees	15,645	15,575
Accounting support	1,400	1,400
Taxation and other advice	1,695	1,605
	18,740	18,580

11. Operating leases

The Charity had the following commitments under non-cancellable operating leases as at 31 December 2022:

	2022 £	2021 £
Payable in:		
Less than one year	6,025	6,025
Between two and five years	3,516	9,540
	9,541	15,565

12. Tangible fixed assets

	Pictures, Silver, etc £	Furniture fixtures & equipment £	Band instruments £	Total £
Cost				
At 1 January 2022	685,333	65,763	89,843	840,939
Additions	6,700	-	-	6,700
At 31 December 2022	692,033	65,763	89,843	847,639
Depreciation				
At 1 January 2022	-	59,098	89,843	148,941
Charge for the year	-	2,427	-	2,427
At 31 December 2022	-	61,525	89,843	151,368
Net book value				
At 31 December 2022	692,033	4,238	-	696,271
At 31 December 2021	685,333	6,665	-	691,998

Regimental property (excluding Band Fund property) is currently insured for £4,965,584 (2021: £4,965,584).

Band Fund property is currently insured for £Nil (2021: £Nil).

13. Investments

Total investments at market value at the year end are:

	2022	2021
	£	£
Land and Property	1,880,000	1,880,000
Managed Portfolio of quoted investments	5,010,905	5,764,605
Colonel's Fund quoted investments	2,434,631	2,704,195
Total investments held at year end	9,325,536	10,348,800

Freehold interest in land and buildings

	2022	2021
	£	£
10 High Street Tenterden, Kent	770,000	770,000
7 and 15 High Street, Wimborne, Dorset	770,000	770,000
Sherborne	270,000	270,000
Land at Middle Green – Grazing land	70,000	70,000
Total	1,880,000	1,880,000
Market value at 31 December 2021	1,880,000	1,835,000
Costs of additions	-	-
Gain/(Loss) on revaluation	-	45,000
Market value at 31 December 2022	1,880,000	1,880,000

13. Investments (continued)

Managed Portfolio of quoted investments

	2022		2021	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	1,465,313	1,451,884	1,230,081	1,463,286
Other International	326,652	314,342	274,799	264,341
Equities				
United Kingdom	222,356	245,132	559,149	690,294
Other International	2,243,596	2,655,558	2,251,894	3,120,513
Cash				
United Kingdom	343,989	343,989	226,172	226,172
Total Assets	4,601,906	5,010,905	4,542,095	5,764,606
Market value at 31 December 2021		5,764,606		5,397,856
Acquisitions		1,926,740		1,034,501
Disposals		(2,088,938)		(1,254,452)
Investment gains		(591,503)		586,701
Market value at 31 December 2022		5,010,905		5,764,606

13. Investments (continued)

Colonel's Fund quoted investments

	2022		2021	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	636,805	631,517	530,997	630,629
Other International	162,020	155,708	132,823	138,008
Equities				
United Kingdom	89,154	97,073	237,412	291,974
Other International	992,943	1,182,540	928,683	1,318,699
Property				
Charities Property Fund	144,506	198,756	144,506	215,739
Cash				
United Kingdom	169,037	169,037	109,146	109,146
Total Assets	2,194,465	2,434,631	2,083,567	2,704,195
Market value at 31 December 2021		2,704,195		2,536,731
Acquisitions		871,589		497,031
Disposals		(849,911)		(582,104)
Investment gains		(291,242)		252,537
Market value at 31 December 2022		2,434,631		2,704,195

14. Restricted funds

The Relief in Need fund is to relieve either individually or generally those who are serving or have served in the Grenadier Guards, and their dependents.

The Colonel's Fund is a fund within the Relief in Need Fund. As described in the Trustees' Report its purpose is to assist those who have been injured on active service and their dependents, including those who develop problems later in life as a result of active service. It may also be spent on other purposes within the purposes of the Relief in Need Fund.

	Relief in Need Fund £	Colonel's Fund £	2022 Total £
Balance at 1 January 2022	1,371,975	2,791,564	4,163,539
Income	84,005	208,406	292,411
Expenditure	(101,512)	(255,058)	(356,570)
Gains and Losses	(102,040)	(291,243)	(393,283)
Transfers between funds	(6,704)	-	(6,704)
Balance at 31 December 2022	1,245,724	2,453,669	3,699,393

The transfer between unrestricted and restricted funds represent a correction of an allocation between funds made in the year which relates to the Relief In Need's Share of the 2021 audit fee paid in September 2022 from unrestricted funds.

	Relief in Need Fund £	Colonel's Fund £	2021 Total £
Balance at 1 January 2021	1,296,581	2,560,284	3,856,865
Income	79,910	159,076	238,986
Expenditure	(112,985)	(180,385)	(293,370)
Gains and Losses	60,015	252,537	312,552
Transfers between funds	48,454	52	48,506
Balance at 31 December 2021	1,371,975	2,791,564	4,163,539

The transfers between unrestricted and restricted funds represent a correction of an allocation between funds made in the prior year which is not considered material to the financial statements.

15. Net Assets between funds

	Unrestricted £	Restricted £	2022 Total £
Tangible Fixed Assets	696,271	-	696,271
Investments	5,702,155	3,623,381	9,325,536
Net Current Assets /(Liabilities)	(27,498)	76,012	48,514
	6,370,928	3,699,393	10,070,321

	Unrestricted £	Restricted £	2021 Total £
Tangible Fixed Assets	691,998	-	691,998
Investments	6,325,834	4,022,966	10,348,800
Net Current Assets /(Liabilities)	999	140,573	141,572
	7,018,831	4,163,539	11,182,370

16. Transactions with trustees and related party transactions

No Trustee received any remuneration from the Charity during the year for their role as a Trustee. Travel expenses of £nil were paid to trustees (2021: £nil) during the year.

The Charity made a grant of £30,000 (2021: £30,000) in the year to the Grenadier Guards Association (Charity Registration number 287265). All of the Trustees of the Grenadier Guards Charity are also Trustees of the Grenadier Guards Association. The grant was paid during the year and no balance remained outstanding at the year end.

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Income from:			
Donations and legacies	46,169	96,853	143,022
Trading activities	10,641	80,229	90,870
Investments	137,515	61,904	199,419
	194,325	238,986	433,311
Total			
Expenditure on:			
Raising funds	79,965	30,917	110,882
Charitable activities	255,058	262,453	517,511
Total resources expended	335,023	293,370	628,393
Net (expenditure)	(140,698)	(54,384)	(195,082)
Other recognised gains and losses			
Realised and unrealised gains/(losses):			
on investments	534,449	304,789	839,238
on property	37,237	7,763	45,000
Net (expenditure)/income	430,988	258,168	689,156
Transfers between funds	(48,506)	48,506	-
Net movement in funds	382,482	306,674	689,156

THE GRENADIER GUARDS CHARITY

England & Wales - Charity number 1062257

Accounts

THE GRENADIER GUARDS CHARITY

(Registered No. 1062257)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2021

THE GRENADIER GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Commission Scheme	The Grenadier Guards Charity was formed by a Charity Commission Scheme dated 17 September 2015 which merged the Grenadier Guards Regimental and Battalion Charity, The Grenadier Guards 2nd Battalion Suspended Animation Charity, The Grenadier Guards 3rd Battalion Suspended Animation Charity and The Grenadier Guards Regimental and Battalion Relief Charity. The Scheme took effect on 1 January 2016 following which the assets and liabilities of The Regimental and Battalion Charities of the Grenadier Guards Common Investment Fund were transferred to the new charity and that charity closed.
Ex-officio Trustee	The Regimental Lieutenant Colonel of the Grenadier Guards (Lieutenant General C R V Walker DSO)
Co-opted Trustees	Brigadier D J H Maddan, DL Captain C A G Bennett Lieutenant General Sir George Norton KCVO CBE The Rt Hon The Earl of Derby, DL
Election	Replacement Co-opted Trustees are appointed by the Trustees
Regimental Adjutant	Major JPW Gatehouse
Treasurer	Major A J Green
Address	Wellington Barracks Birdcage Walk London SW1E 6HQ
Registered Charity Number	1062257

Bankers	Lloyds TSB Bank Plc Cox's & King's P O Box 1000 Andover BX11 1LT	**Auditors**	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG	**Investment Managers**	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Property Managers	The Hedley Foundation 1 College Hill London EC4R 2RA		P J Smith Associates The Old Place, Lockpath Dorney, Windsor SL4 6QQ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their Report and financial statements for the year which have been prepared in accordance with the Charities Act 2011 and UK generally accepted accounting practice. The information on page 1 forms part of the Trustees' Report.

Objects
The objects of the Charity are:

(1) To promote the efficiency of the Grenadier Guards, by fostering esprit de corps and by such other means as the trustees shall from time to time determine.
(2) To commemorate and remember those members, or former members, of the Grenadier Guards who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service to the public.
(3) To relieve either generally or individually persons who are serving or who have served in the Grenadier Guards or the dependants of such persons who are in conditions of need, hardship or distress.
(4) To advance the education of the public, including members of the Grenadier Guards, in the history, deeds, traditions and role of the Grenadier Guards.

Appointment, induction and training of Trustees
Trustees are selected so that the charity can draw on a wide range of experience and skills. New trustees are briefed by the Regimental Adjutant and provided with copies of accounts and minutes of meetings. Trustees are regularly briefed on relevant matters by the charity's advisors. Trustees are encouraged to partake in any training that they consider would be useful to them and to the Charity.

Meetings
The Trustees meet formally every six months with their advisors inter alia to make policy, approve budgets and review progress. Implementation is achieved by the Regimental Adjutant and the Regimental Treasurer on the authority of the Ex-officio Trustee.

Key management personnel
Key management personnel comprise the Regimental Adjutant and Treasurer. Part of their remuneration is met by the MoD. In addition they are paid remuneration set by the trustees in the light of their responsibilities and performance. The Trustees are also considered to be key management personnel but they are not remunerated.

Grant making policy
In recent years funds have been allocated on a consistent basis to the heads of expenditure detailed in the Statement of Financial Activities and current policy is to appoint expenditure on broadly similar lines in the forthcoming year. The Trustees have referred to the guidance issued by the Charity Commission on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Trustees consider that the current policies for making grants deliver public benefit.

Risk management
The Trustees have formally reviewed their operations and believe that risk is appropriately contained in the context of their asset backing, the nature and pattern of their activities and the contractual arrangements associated with them, formal quarterly reporting and suitable compliance with current safety and employment legislation.

The principal risk is that poor investment performance could severely deplete the Charity's reserves and ability to generate sufficient funds to meet needs. This risk is managed by appointing reputable fund managers and review of their performance at Trustees' meetings at which the fund managers are present. The risk of inappropriate expenditure is covered by authorisation procedures and review of detailed management and year-end accounts by Trustees.

Review of activities
The Charity aims to fulfil the objects through grants and donations supporting a range of activities for both serving and former soldiers, supporting regimental commitments and maintaining Regimental property, all of which provide public benefit.

The routine work of the Charity has continued in a manner that is consistent with policy and with previous years. Details of the grants and donations made may be found in note 7 of the financial statements. There are no significant changes or developments to report in 2021. The aims and objectives of the Charity do not change fundamentally from year to year although the Trustees always seek to respond to changes in the needs of serving And past soldiers and of the Regiment.

The success and impact of the Charity's activities are assessed in many ways, including feedback from both the Regimental Lieutenant Colonel, the Commanding Officer of the 1st Battalion and from detailed reports by the Regimental Casualty Officer on Grenadiers and their relatives, many of whom have been helped by the Charity.

Coronavirus
The COVID19 global pandemic, which interrupted much of 2020, continued into 2021 and the UK Government imposed several more national lockdowns. The majority of military and civilian staff continued to work from home in the first half, to reduce the risk of spreading the disease. Nevertheless, the Queen's Company deployed for 3 months to the Falkland Islands. In late Spring 2021 a national vaccination programme commenced in the UK, leading eventually to the end of national lockdowns in July 2021 and the gradual lifting of other restrictions. However, for the second year all Regimental events planned for the first half of 2021 and normally funded by the Charity were cancelled. Nevertheless, welfare has been critical over the last 18 months and the work of the Regimental charities to support our wounded veterans and bereaved families has gone on without pause.

The Colonel's Fund
Following deployment on Op Herrick 6 to Afghanistan in 2007, where the Battalion suffered five Killed in Action and 35 wounded with life changing injuries, it was recognised that there would be an urgent need to raise funds to deal with the multitude of new requests for welfare support by Grenadiers and their families. In response to this The Colonel's Fund, with HRH The Duke of Edinburgh as patron, was established to raise funds to assist those who have been injured on active service and those who might later develop problems (such as complex PTSD) as a result of active service. The provision of care and support is not limited to those affected by their service in Afghanistan, but also from other operations, namely Northern Ireland and Iraq. The Fund also supports the families of those who have been killed on operational deployments.

The care and support of our wounded Guardsmen and the bereaved families is carried out by the Regimental Casualty Officer, Matt Ellmer. During 2021 he actively supported 18 bereaved families and 49 wounded Grenadiers, most with their own families now, including four more new cases taken on during the year. The RCO is the "fixer", mentor, counsellor and friend to our seriously wounded and bereaved. In addition, a separate specialist trauma psychotherapist provides invaluable support to a handful of Grenadiers with very complex injuries and needs.

Income received by the Colonel's Fund during 2021 totalled £418,898, made up mostly of investment income of £292,054, event income of £72,219 and donations of £54,494. Expenditure amounted to £188,879, with welfare and RCO costs totalling £128,000.

The Colonel's Fund is within the restricted Relief in Need Fund.

In October 2021 the Yukon 700 Expedition held a dinner at The Cavalry & Guards Club, raising in excess of £50,000. This expedition will see five of our wounded Guardsmen canoe 700 kms down the uncharted Yukon in the North Western Territories. The expedition is designed to be epic and very challenging and sets off in June 2022 under the leadership of Lt Col Guy Denison-Smith, Major Jon Frith and Captain Ben Stephens.

Investment policy and performance
Cazenove Capital is the appointed investment manager. They manage the Regiment's financial market investments on a total return basis, the target being CPI plus 3%, in order to maintain the real value of the investments over the long term and against inflation. They also meet the drawdown requirements as requested by the Trustees (currently £345,000 per annum). The drawdown ratio is currently 3% and is deemed by the Trustees and Cazenove to be sustainable. Over the year 2021, the portfolio has shown a return of +10.8%, over the same period the benchmark – CPI+3.0% - returned +8.6%. For reference, the FTSE All Share returned 18.3% over 2021.

Investment Manager Commentary
From a stock market perspective, 2021 can be regarded as a positive year; where we saw COVID retreat for the most part allowing businesses to reopen and consumers to spend, resulting in a strong bounce in company profits and global economic growth. As a result, developed market stocks reacted positively with the US leading the way, driven once again by technology stocks (principally Alphabet, Tesla and Microsoft) but also a strong recovery in energy and banking stocks. Conversely, Emerging Markets and Asia had a more difficult year, delivering negative returns, with the Chinese property sector hit particularly hard as developer Evergrande defaulted on its debt pile.

2021 also saw the well documented return of inflation, initially brought on by bottlenecks in global supply chains as economies reopened, as well as the Suez Canal blockage which resulted in an estimated $10bn worth of trade temporarily held up. Consumers bore the brunt of this with household goods prices rising 12%, accommodation 8% and used car prices by 27% over the year. As some of these pressures started to subside, a surge in energy prices has ensured that inflation is now at levels not seen since the early 90s. Against a backdrop of strong growth and higher inflation, it was no surprise to see government bond yields rise (and therefore prices fall) in anticipation of action from Central Banks. 2021 was in fact the worst year for bond investors since 1999.

Since we last reported at the end of December, the portfolio has returned -4.1%, this can be compared to a return from the FTSE All Share of +0.5%. Weaker performance in the first quarter of 2022 has been due to two shocks which dominated the landscape over the quarter — the sharp increase in global interest rate hike expectations and Russia's invasion of Ukraine, both of which weighed heavily on investor sentiment and have negatively affected both the equity and bond market.

Commercial Property
In order to spread risk over a broad range of uncorrelated assets, many years ago the Trustees diversified the Charity's investments into commercial property. This element of the total portfolio represents some 32.5% of the Common investment Fund, i.e., excluding The Colonel's Fund. There are three retail premises, one in each of Sherborne, Tenterden and Wimborne, managed for the Trustees by The Hedley Foundation. As at 31 December 2021, the Trustees commissioned a RICS Red Book valuation of the three properties, producing a total valuation of £1,880,000. The Charity relies upon rental incomes from these to fund some of its activities and grants. Generally, yields are deemed to be satisfactory, with a total maximum rental income forecast to be received in the region of £132,560 in 2022. However, there is a break clause in the Tenterton lease which in a worst-case scenario may see a reduction in the rental income for the year to £118,150.

Property valuations have slightly recovered as confidence has returned to the property market, so again the reduced property valuations in 2020 merely reflected the tricky and uncertain outlook faced by retailers during the pandemic.

In addition to these three properties, within The Colonel's Fund investment portfolio, there is a holding in the Charities Property Fund, valued at £215,739.

Fundraising
The Trustees are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and have considered the implications for their fundraising activities. The Charity relies on voluntary donations to fund a proportion of its activities and it receives these in two main ways: firstly, through the One Day's Pay Scheme, which encourages serving Grenadiers (all ranks) to donate one day's pay per year to the Charity to fund its charitable activities. Such donations are entirely voluntary. The second is through donations to the Charity's funds from individual donors through regular and one-off donations as well as externally organised fundraising events. The Yukon 700 is an example of this. The Charity did not run any specific fundraising events in the year, nor does it engage professional fundraisers, but it gratefully receives donations raised on its behalf. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Financial Review
Income for the year increased from £403,748 to £433,311. The increase of £29,563 comes from a decrease in investment income of £45,211, an increase in donations received of £27,990, together with an increase in trading activity income of £46,784. Expenditure totalled £628,393 producing a deficit of £195,082 (2020: £250,778). After net investment gains of £884,238 (2020: investment gains of £164,742), the Charity's funds increased by £689,156 (2020: decreased by £86,036). The Trustees consider these results to be very pleasing especially given the impact that the COVID pandemic has had on global markets over the past 12 months.

Reserves policy
The Trustees have a reserves policy which uses a combination of balances to achieve their aim which is to reserve up to one year's total incoming resources (excluding the Colonel's Fund) in order to redress any fluctuations in income flow.

Total funds at 31 December 2021 were £11,182,370 (2020: £10,493,214) of which £4,163,539 (2020: £3,856,865) was held in the Relief in Need fund and Colonel's Fund (which are restricted) leaving unrestricted funds of £7,018,831 (2020: £6,636,349) most of which is represented by fixed assets and investments which are held for the long term to provide a return which forms a significant part of the Charity's annual income.

The trustees agree on a draw down rate from investments annually. When necessary additional amounts can be drawn down to fund certain non-recurring items of expenditure. After deducting investments and fixed assets; reserves (excluding amounts held in the Relief in Need fund) amounted to £253,005 (2020: £263,560).

The Colonel's Fund held £2,791,564 at 31 December 2021 (2020: £2,560,284) and is likely to be expended over a relatively long period as described above.

Going Concern
Based on the fact that the Charity continues to manage its cashflow and investments prudently, the Trustees have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term.

Future Plans
The Charity plans to continue to allocate funds to the same heads of expenditure as before. The Charity's ability to maintain and increase the level of grants and donations will depend on the performance of the investment portfolio and on the success of any fundraising efforts, both of which are uncertain in light of the COVID pandemic.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the Charity Commission Scheme. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the trustees

.....
Lieutenant General C R V Walker DSO
05 MAY 2022

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of The Grenadier Guards Charity for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the notes to the financial statements, 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 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.

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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Auditors' responsibilities for the audit of the financial statements
We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 31 May 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GRENADIER GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	£ Unrestricted Funds	£ Restricted Funds	2021 £ Total	2020 £ Total
Income from:					
Donations and legacies	2	46,169	96,853	143,022	115,032
Trading activities	3	10,641	80,229	90,870	44,086
Investments	4	137,515	61,904	199,419	244,630
Total income		194,325	238,986	433,311	403,748
Expenditure on:					
Raising funds	5	79,965	30,917	110,882	94,151
Charitable activities	6	255,058	262,453	517,511	560,375
Total resources expended		335,023	293,370	628,393	654,526
Net expenditure before investment movements		(140,698)	(54,384)	(195,082)	(250,778)
Other recognised gains and losses					
Realised and unrealised gains/ (losses):	13				
on investments		534,449	304,789	839,238	599,742
on property		37,237	7,763	45,000	(435,000)
Net income/(expenditure)		430,988	258,168	689,156	(86,036)
Transfers between funds	14	(48,506)	48,506	-	-
Net movement in funds		382,482	306,674	689,156	(86,036)
Funds balance brought forward		6,636,349	3,856,865	10,493,214	10,579,250
Funds balance carried forward		7,018,831	4,163,539	11,182,370	10,493,214

The notes and information on pages 13 to 26 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	12		691,998		687,169
Investments	13		10,348,800		9,769,587
			11,040,798		10,456,756
Current assets					
Stocks		3,172		3,221	
Sundry debtors		39,513		27,579	
Cash at bank and in hand		160,398		82,980	
		203,083		113,780	
Current liabilities					
Sundry creditors		(61,511)		(77,322)	
Net current assets/(liabilities)			141,572		36,458
Net assets			11,182,370		10,493,214
Funds					
Restricted funds:	14				
Relief in Need			1,371,975		1,296,581
Colonel's Fund			2,791,564		2,560,284
Unrestricted funds			7,018,831		6,636,349
			11,182,370		10,493,214

The notes and information on pages 13 to 26 form part of these financial statements.

Approved by Trustees on 05 May 2022

Lieutenant General C R V Walker DSO
Trustee

Major A J Green
Treasurer

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Net cash (used)/provided by operating activities (see note below)	(419,427)	(515,670)
Cash flows from investing activities		
Investment income	199,419	244,630
Purchase of tangible fixed assets	(7,599)	(2,950)
Proceeds from disposals of fixed assets	-	-
Purchase of investments	(1,531,532)	(2,067,016)
Proceeds on disposal of investment	1,836,557	2,368,963
Net cash provided/(used) by investing activities	496,845	543,627
Change in cash and cash equivalents in the year	**77,418**	**27,957**
Cash and cash equivalents at 1 January	82,980	55,023
Cash and cash equivalents at 31 December	**160,398**	**82,980**

NOTE **Reconciliation of net (expenditure)/income to net cash flow from operating activities**	**2021** **£**	**2020** **£**
Net (expenditure)/income for the reporting period as per the statement of financial activities	689,156	(86,036)
Adjustments for		
Depreciation charges	2,770	3,072
Realised/unrealised (gains)/losses on investments	(839,238)	(599,742)
Unrealised (gains)/losses on property	(45,000)	435,000
Investment income	(199,419)	(244,630)
Decrease in stock	49	60
Decrease/(increase) in debtors	(11,934)	47,058
(Decrease)/increase in creditors	(15,811)	(70,452)
Net cash provided by operating activities	(419,427)	(515,670)

Analysis of cash and cash equivalents

	At 1 January 2021 £	Movement in the year £	At 31 December 2021 £
Cash at bank and in hand	82,980	77,418	160,398

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of the investments which are held at market value. The financial statements have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. Liabilities are recognised when there is a legal or constructive obligation to pay for expenditure.

1.2 Going Concern

At the time of approving the financial statements The Trustees are cautiously optimistic, based on the fact that the Charity continues to manage its cashflow and investments prudently and they have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Voluntary income

Donations under deeds of covenant or gift aid, together with the associated income tax recoverable, and subscriptions are recognised as income when the amounts are receivable. Donated assets are recognised at their market value.

1.4 Investment income

Investment income, including associated recoverable tax credits, is credited to the statement of financial activities when notified as due.

1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Support costs are the costs which relate to the general running of the Charity.

Grants and donations payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

1.6 Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided in order to write off the cost of each asset evenly over its expected useful life at the following rates:-

Furniture, fixtures and equipment	10% to 20% per annum on cost
Band instruments	5% per annum on cost

No depreciation is provided on pictures, silver, medals etc which are maintained to a standard which ensures that any depreciation charge would not be material.

1.7 Investments

Investments are stated at market value at the balance sheet date.

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value at the reporting date. The surplus or deficit on revaluation is recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.9 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted income funds are funds subject to specific restrictions imposed by donors. The purpose and use of the restricted funds is set out in the notes to the financial statements.

1.10 Financial instruments

The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost.

1.11 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates or accounting judgements in 2021 or 2020 except in relation to the investment property valuation.

2. Donations and legacies

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
One Day's Pay Scheme	-	51,313	51,313	46,150
Donations – Colonel's Fund	-	45,540	45,540	21,646
Donations - other	46,169	-	46,169	47,236
	46,169	96,853	143,022	115,032

3. Trading activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Band Fund income	182	-	182	179
Colonel's Fund fundraising	-	80,229	80,229	29,037
Sale of regimental goods	10,459	-	10,459	14,870
	10,641	80,229	90,870	44,086

4. Investment income

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Dividends	39,355	8,135	47,490	75,582
Dividends – Colonel's Fund	-	33,308	33,308	39,399
Rental income	98,147	20,461	118,608	129,635
Deposit interest	13	-	13	14
	137,515	61,904	199,419	244,630

	2021 £	2020 £
Rents receivable:		
10 High Street, Tenterden, Kent	53,167	56,554
7 and 15 High Street, Wimborne, Dorset	50,479	37,167
Land at Middle Green, Langley, Slough, Berkshire	2,650	2,650
Sherborne	10,312	31,264
Other income – wayleave rent/grazing land rent	2,000	2,000
	118,608	129,635

5. Raising funds

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Colonel's Fund fundraising expenses	-	20,607	20,607	3,960
Cost of regimental goods sold	27,982	-	27,982	23,133
Band Fund expenditure	2,530	-	2,530	1,610
Investment management fees	40,982	8,544	49,526	45,091
Rental expenses	8,471	1,766	10,237	20,357
	79,965	30,917	110,882	94,151

6. Charitable activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Grants and donations (note 7)	108,337	189,778	298,115	322,274
Support costs (note 8)	146,721	72,675	219,396	238,101
	255,058	262,453	517,511	560,375

7. Grants and donations

	2021	2021 Total	2020	2020 Total
	£	£	£	£
Unrestricted specific:				
Adventure and individual training:				
Battalion/Company	4,400		100	
Officers' welfare: Battalion messes	10,000		10,000	
Sports, recreation and other activities: Battalion/Company	47,000		47,000	
Welfare grants – serving soldiers:				
Education	1,550		300	
Charitable donations	290		240	
Recruiting and publicity	5,217		3,781	
		68,457		61,421
Unrestricted other grants:				
Queen's Guard subsidy	1,498		1,610	
First Guards Club	-		2,500	
Sergeants' (Past and Present) Club	1,750		1,750	
ABF The Soldiers' Charity	7,500		11,500	
Lieutenant Colonel's Contingency Fund	15,632		11,450	
Penn & Fagan awards	-		-	
Special Events	-		-	
Other grants	13,500		28,500	
		39,880		57,310
Total unrestricted		108,337		118,731
Restricted:				
Welfare grant to Association	30,000		50,004	
Colonel's Fund (including casualty support)	159,778		153,539	
Total restricted		189,778		203,543
		298,115		322,274

8. Support costs

	2021	2021 Total	2020	2020 Total
	£	£	£	£
Administration:				
Printing, postage and stationery	3,735		2,756	
Staff costs	110,776		106,048	
Accounting support, tax and other advice	31,918		26,964	
GDPR project	1,236		3,561	
Computer	9,592		14,242	
Audit and accountancy	19,580		18,990	
Legal and professional fees	-		165	
		176,837		172,726
Regimental property:				
Repairs, maintenance etc	20,219		20,359	
Insurance	5,058		4,350	
Leased vehicle	(555)		5,898	
Valuation of property	7,129		425	
Depreciation	2,770		2,668	
Provision for doubtful debts	-		23,764	
		34,621		57,464
Regimental commitments:				
Grenadier Day	317		-	
Remembrance Day	471		441	
Travelling and entertaining	4,206		2,716	
Presentations	2,944		4,754	
		7,938		7,911
		219,396		238,101

9. Emoluments of employees

	2021 £	2020 £
Wages	140,524	136,359
Social Security	5,172	6,310
Pension Costs	3,431	1,564
	149,127	144,233
Allocated to:		
Grants and donations (note 7)	38,351	38,185
Support costs (note 8)	110,776	106,048
	149,127	144,233

There were 3 (2020: 3) employees during the year whose total emoluments (including MOD contributions) were £149,127 (2020: £144,233). Two of these, the Regimental Adjutant and Treasurer are key management personnel and their total remuneration was £110,776 (2020: £106,048).

One employee earned between £60,000 and £70,000 during the year (2020: One employee between £60,000 and £70,000).

10. Auditors' remuneration

	2021 £	2020 £
Audit fees	15,575	14,450
Accounting support	1,400	2,110
Taxation and other advice	1,605	2,430
	18,580	18,990

11. Operating leases

The Charity had the following commitments under non-cancellable operating leases as at 31 December 2021:

	2021 £	2020 £
Payable in:		
Less than one year	6,025	3,271
Between two and five years	9,540	-
	15,565	3,271

12. Tangible fixed assets

	Pictures, Silver, etc £	Furniture fixtures & equipment £	Band instruments £	Total £
Cost				
At 1 January 2021	679,869	63,628	89,843	833,340
Additions	5,464	2,135	-	7,599
At 31 December 2021	685,333	65,763	89,843	840,939
Depreciation				
At 1 January 2021	-	56,328	89,843	146,171
Charge for the year	-	2,770	-	2,770
At 31 December 2021	-	59,098	89,843	148,941
Net book value				
At 31 December 2021	685,333	6,665	-	691,998
At 31 December 2020	679,869	7,300	-	687,169

Regimental property (excluding Band Fund property) is currently insured for £4,965,584 (2020: £5,039,874).

Band Fund property is currently insured for £Nil (2020: £Nil).

13. Investments

Total investments at market value at the year end are:

	2021	2020
	£	£
Land and Property	1,880,000	1,835,000
Managed Portfolio of quoted investments	5,764,605	5,397,856
Colonel's Fund quoted investments	2,704,195	2,536,731
Total investments held at year end	10,348,800	9,769,587

Freehold interest in land and buildings

	2021	2020
	£	£
10 High Street Tenterden, Kent	770,000	725,000
7 and 15 High Street, Wimborne, Dorset	770,000	740,000
Sherborne	270,000	300,000
Land at Middle Green – Grazing land	70,000	70,000
Total	1,880,000	1,835,000
Market value at 31 December 2020	1,835,000	2,270,000
Costs of additions	-	-
Gain/(Loss) on revaluation	45,000	(435,000)
Market value at 31 December 2021	1,880,000	1,835,000

13. Investments (continued)

Managed Portfolio of quoted investments

	2021		2020	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	1,230,081	1,463,286	1,509,087	1,615,510
Other International	274,799	264,341	70,040	82,912
Equities				
United Kingdom	559,149	690,294	851,521	1,003,993
Other International	2,251,894	3,120,513	1,942,581	2,574,343
Cash				
United Kingdom	226,172	226,172	121,098	121,098
Total Assets	4,542,095	5,764,606	4,494,327	5,397,856
Market value at 31 December 2020		5,397,856		5,182,176
Acquisitions		1,034,501		1,468,905
Disposals		(1,254,452)		(1,693,413)
Investment gains		586,701		440,188
Market value at 31 December 2021		5,764,606		5,397,856

13. **Investments (continued)**

Colonel's Fund quoted investments

	2021		2020	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	530,997	630,629	639,311	684,048
Other International	132,823	138,008	78,155	89,144
Equities				
United Kingdom	237,412	291,974	239,653	257,994
Other International	928,683	1,318,699	904,599	1,234,218
Property				
Charities Property Fund	144,506	215,739	144,506	195,275
Cash				
United Kingdom	109,146	109,146	76,052	76,052
Total Assets	2,083,567	2,704,195	2,082,276	2,536,731
Market value at 31 December 2020		2,536,731		2,454,616
Acquisitions		497,031		598,111
Disposals		(582,104)		(675,550)
Investment gains		252,537		159,554
Market value at 31 December 2021		2,704,195		2,536,731

14. Restricted funds

The Relief in Need fund is to relieve either individually or generally those who are serving or have served in the Grenadier Guards, and their dependents.

The Colonel's Fund is a fund within the Relief in Need Fund. As described in the Trustees' Report its purpose is to assist those who have been injured on active service and their dependents, including those who develop problems later in life as a result of active service. It may also be spent on other purposes within the purposes of the Relief in Need Fund.

	Relief in Need Fund £	Colonel's Fund £	2021 Total £
Balance at 1 January 2021	1,296,581	2,560,284	3,856,865
Income	79,910	159,076	238,986
Expenditure	(112,985)	(180,385)	(293,370)
Gains and Losses	60,015	252,537	312,552
Transfers between funds	48,454	52	48,506
Balance at 31 December 2021	1,371,975	2,791,564	4,163,539

The transfers between unrestricted and restricted funds represent a correction of an allocation between funds made in the prior year which is not considered material to the financial statements.

	Relief in Need Fund £	Colonel's Fund £	2020 Total £
Balance at 1 January 2020	989,407	2,454,616	3,444,023
Income	71,835	90,083	161,918
Expenditure	(114,365)	(167,019)	(281,384)
Gains and Losses	4,461	159,554	164,015
Transfers between funds	345,243	23,050	368,293
Balance at 31 December 2020	1,296,581	2,560,284	3,856,865

15. Net Assets between funds

	Unrestricted £	Restricted £	2021 Total £
Tangible Fixed Assets	691,998	-	691,998
Investments	6,325,834	4,022,966	10,348,800
Net Current Assets /(Liabilities)	999	140,573	141,572
	7,018,831	4,163,539	11,182,370

	Unrestricted £	Restricted £	2020 Total £
Tangible Fixed Assets	687,169	-	687,169
Investments	5,984,384	3,785,203	9,769,587
Net Current Assets /(Liabilities)	(35,204)	71,662	36,458
	6,636,349	3,856,865	10,493,214

16. Transactions with trustees and related party transactions

No Trustee received any remuneration from the Charity during the year for their role as a Trustee. Travel expenses of £nil were paid to trustees (2020: £nil) during the year.

The Charity made a grant of £30,000 (2020: £50,004) in the year to the Grenadier Guards Association (Charity Registration number 287265). All of the Trustees of the Grenadier Guards Charity are also Trustees of the Grenadier Guards Association. The grant was paid during the year and no balance remained outstanding at the year end.

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2020 Total £
Income from:			
Donations and legacies	47,236	67,796	115,032
Trading activities	15,049	29,037	44,086
Investments	179,545	65,085	244,630
Total	241,830	161,918	403,748
Expenditure on:			
Raising funds	74,535	19,616	94,151
Charitable activities	298,607	261,768	560,375
Total resources expended	373,142	281,384	654,526
Net (expenditure)	(131,312)	(119,466)	(250,778)
Other recognised gains and losses			
Realised and unrealised gains/(losses):			
on investments	360,685	239,057	599,742
on property	(359,958)	(75,042)	(435,000)
Net (expenditure)/income	(130,585)	44,549	(86,036)
Transfers between funds	(368,293)	368,293	-
Net movement in funds	(498,878)	412,842	(86,036)

THE GRENADIER GUARDS CHARITY

England & Wales - Charity number 1062257

Accounts

THE GRENADIER GUARDS CHARITY

(Registered No. 1062257)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2020

THE GRENADIER GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Commission Scheme	The Grenadier Guards Charity was formed by a Charity Commission Scheme dated 17 September 2015 which merged the Grenadier Guards Regimental and Battalion Charity, The Grenadier Guards 2nd Battalion Suspended Animation Charity, The Grenadier Guards 3rd Battalion Suspended Animation Charity and The Grenadier Guards Regimental and Battalion Relief Charity. The Scheme took effect on 1 January 2016 following which the assets and liabilities of The Regimental and Battalion Charities of the Grenadier Guards Common Investment Fund were transferred to the new charity and that charity closed.
Ex-officio Trustee	The Regimental Lieutenant Colonel of the Grenadier Guards (Major General C R V Walker DSO)
Co-opted Trustees	Brigadier D J H Maddan Captain C A G Bennett Lieutenant General Sir George Norton KCVO CBE The Rt Hon The Earl of Derby, DL
Election	Replacement Co-opted Trustees are appointed by the Trustees
Regimental Adjutant	Major JPW Gatehouse
Treasurer	Major A J Green
Address	Wellington Barracks Birdcage Walk London SW1E 6HQ
Registered Charity Number	1062257

Bankers	Lloyds TSB Bank Plc Cox's & King's P O Box 1000 Andover BX11 1LT	**Auditors**	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG	**Investment Managers**	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Property Managers	The Hedley Foundation 1 College Hill London EC4R 2RA		P J Smith Associates The Old Place, Lockpath Dorney, Windsor SL4 6QQ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their Report and financial statements for the year which have been prepared in accordance with the Charities Act 2011 and UK generally accepted accounting practice. The information on page 1 forms part of the Trustees' Report.

Objects
The objects of the Charity are:

(1) To promote the efficiency of the Grenadier Guards, by fostering esprit de corps and by such other means as the trustees shall from time to time determine.
(2) To commemorate and remember those members, or former members, of the Grenadier Guards who have lost their lives or suffered injury, or put themselves at risk of loss of life or injury, in service to the public.
(3) To relieve either generally or individually persons who are serving or who have served in the Grenadier Guards or the dependants of such persons who are in conditions of need, hardship or distress.
(4) To advance the education of the public, including members of the Grenadier Guards, in the history, deeds, traditions and role of the Grenadier Guards.

Appointment, induction and training of Trustees
Trustees are selected so that the charity can draw on a wide range of experience and skills. New trustees are briefed by the Regimental Adjutant and provided with copies of accounts and minutes of meetings. Trustees are regularly briefed on relevant matters by the charity's advisors. Trustees are encouraged to partake in any training that they consider would be useful to them and to the Charity.

Meetings
The Trustees meet formally every six months with their advisors inter alia to make policy, approve budgets and review progress. Implementation is achieved by the Regimental Adjutant and the Regimental Treasurer on the authority of the Ex-officio Trustee.

Key management personnel
Key management personnel comprise the Regimental Adjutant and Treasurer. Part of their remuneration is met by the MoD. In addition they are paid remuneration set by the trustees in the light of their responsibilities and performance. The Trustees are also considered to be key management personnel but they are not remunerated.

Grant making policy
In recent years funds have been allocated on a consistent basis to the heads of expenditure detailed in the Statement of Financial Activities and current policy is to appoint expenditure on broadly similar lines in the forthcoming year. The Trustees have referred to the guidance issued by the Charity Commission on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Trustees consider that the current policies for making grants deliver public benefit.

Risk management
The Trustees have formally reviewed their operations and believe that risk is appropriately contained in the context of their asset backing, the nature and pattern of their activities and the contractual arrangements associated with them, formal quarterly reporting and suitable compliance with current safety and employment legislation.

The principal risk is that poor investment performance could severely deplete the Charity's reserves and ability to generate sufficient funds to meet needs. This risk is managed by appointing reputable fund managers and review of their performance at Trustees' meetings at which the fund managers are present. The risk of inappropriate expenditure is covered by authorisation procedures and review of detailed management and year-end accounts by Trustees.

Review of activities
The Charity aims to fulfil the objects through grants and donations supporting a range of activities for both serving and former soldiers, supporting regimental commitments and maintaining Regimental property, all of which provide public benefit.

The routine work of the Charity has continued in a manner that is consistent with policy and with previous years. Details of the grants and donations made may be found in note 7 of the financial statements. There are no significant changes or developments to report in 2020. The aims and objectives of the Charity do not change fundamentally from year to year although the Trustees always seek to respond to changes in the needs of serving and past soldiers and of the Regiment.

The success and impact of the Charity's activities are assessed in many ways, including feedback from both the Regimental Lieutenant Colonel, the Commanding Officer of the 1st Battalion and from detailed reports by the Regimental Casualty Officer on Grenadiers and their relatives, many of whom have been helped by the Charity.

Coronavirus
In early March 2020 the WHO declared that COVID19 was a global pandemic and shortly afterwards the UK Government imposed a national lockdown, recommending that employees in all civilian businesses and Government departments, less key workers, work from home wherever possible, to reduce the risk of spreading the disease. The Regimental Headquarters, along with the majority of other organisations based in Wellington Barracks as well as the wider Regiment, much of it based in Aldershot and which this Headquarters supports, complied with this direction. Staff, less essential service personnel, were sent home and for much of the remainder of 2020, through several more national lockdowns, we adapted to working from home. All planned Regimental events were cancelled, one after another as it became clear that these lockdowns and restrictions on gatherings would continue indefinitely, until a widely available vaccine might be developed. Nevertheless, the routine work carried out within the Headquarters continued without significant interruption, albeit from dispersed locations, and we all learned many of the benefits of remote working with meetings regularly conducted, particularly with the Trustees, via Zoom calls.

In the Spring of 2021 a vaccination programme in the UK commenced, leading eventually to the end of national lockdowns in July 2021. However, again all Regimental events planned for the first half of 2021 had been cancelled or postponed. Nevertheless, welfare has been critical over the last 18 months and the work of the Regimental charities to support our wounded veterans and bereaved families has gone on without pause.

The Colonel's Fund
As a result of the intensity of recent operations, particularly in Afghanistan where the Regiment suffered significant losses, it was recognised that there was an urgent need to raise funds to deal with the multitude of new requests the Regiment faces, not just today but in the years ahead. The Colonel's Fund, which has The Colonel, HRH The Duke of York, formerly HRH The Duke of Edinburgh, as its patron, was established in 2007 to raise funds to assist those who have been injured on active service, those who later develop problems as a result of active service, and the families of those who have been killed should they develop welfare problems. The Colonel's Fund is within the restricted Relief in Need Fund and may also be spent on other purposes within the charitable objects of the Relief in Need Fund.

Investment policy and management
Cazenove Capital are the appointed investment manager. They manage all the Regiment's stock market investments on a total return basis, the target being CPI plus 3%, in order to maintain the real value of the investments over the long term and against inflation They also meet the drawdown requirements as requested by the Trustees (currently £300,000 per annum). The drawdown ratio is currently 3.7%, so sustainable.

The value of the Charity's investment portfolio fell sharply in March/April 2020 as global stock markets reacted nervously to the initial news of the pandemic. Nevertheless, thereafter these investments recovered steadily and,

by the year end, were back in positive territory, closing with a gain of 3.9% after all drawdowns. The Charity manages its cashflow and operations carefully and, without any planned events for 2020 allowed to proceed, there were some savings resulting in a year-end surplus versus budgeted expenditure. In November 2020, when the Trustees met to review the Regiment's planned events and the grants that would be made in 2021, they took a very prudent view on future spending, given that the future was still so uncertain. Amongst other cuts, the grant in 2021 to the Association was reduced from £50,000 to £30,000.

Strong stock market performance has continued. As at 10 November 2021 the value of the investment portfolio of the Regimental Charity is £8,551,113 compared to £7,636,792 on 1 January 2020. The portfolios are managed carefully on a discretionary basis, by an independent, active fund manager who reports to the Trustees on a quarterly basis. The portfolios are managed for total return, so a combination of capital growth and income and drawdowns are sufficient to fund the Charity's liabilities and commitments for the long term. The 5-year growth rate of these portfolios is over 6%.

Commercial Property

In order to spread risk over a broad range of uncorrelated assets, many years ago the Trustees diversified the Charity's investments into commercial property. This element of the total portfolio represents some 30% (2019: 30%).There are three premises, one in each of Sherborne, Tenterden and Wimborne, managed for the Trustees by The Hedley Foundation. The Charity relies upon rental incomes from these to fund some of its activities and grants. Generally, yields are deemed to be satisfactory, although in 2020 there was concern after the tenant of the Sherborne property went into Administration, owing £22,500 in rent arrears. Nevertheless, the lease on the property has now been renewed on favourable terms, so the drop in income in 2020, during the pandemic when High Street commercial premises came under great stress, was only temporary. Looking ahead to 2022 the forecast income from these properties has broadly recovered. Property valuations continue to recover as confidence returns to the property market, so again the reduced property valuations in 2020 appear to reflect the tricky and uncertain outlook faced by retailers during the pandemic. The Trustees remain vigilant about these investment and will keep them under review

In addition, within The Colonel's Fund investment portfolio, there is a holding in the Charities Property Fund, valued at £202,000.

Fundraising

The Trustees are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and have considered the implications for their fundraising activities. The Charity relies on voluntary donations to fund a proportion of its activities and it receives these in two main ways: firstly through the One Day's Pay Scheme, which encourages serving Grenadiers (all ranks) to donate one day's pay per year to the Charity to fund its charitable activities. Such donations are entirely voluntary. The second is through donations to the Charity's funds from individual donors through regular and one off donations as well as externally organised fundraising events. The Charity did not run any specific fundraising events in the year, nor does it engage professional fundraisers, but it gratefully receives donations raised on its behalf. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Financial Review
Income for the year decreased from £504,484 to £403,748. The decrease of £100,736 comes from a fall in investment income of £91,639 and a reduction in donations received of £28,914 together with an increase in trading activity income. Expenditure totalled £654,526 producing a deficit of £250,778 (2019: £202,668). After net investment gains of £164,742 (2019: investment gains of £1,024,200), the Charity's funds decreased by £86,036 (2019: increased by £821,532). The Trustees consider these results to be disappointing, however, understandable given the impact that the COVID pandemic has had on global markets over the past 12 months.

Reserves policy
The Trustees have a reserves policy which uses a combination of balances to achieve their aim which is to reserve up to one year's total incoming resources (excluding the Colonel's Fund) in order to redress any fluctuations in income flow.

Total funds at 31 December 2020 were £10,493,214 (2019: £10,579,250) of which £3,856,865 (2019: £3,444,023) was held in the Relief in Need fund and Colonel's Fund (which are restricted) leaving unrestricted funds of £6,636,349 (2019: £7,135,227) most of which is represented by fixed assets and investments which are held for the long term to provide a return which forms a significant part of the Charity's annual income.

The trustees agree on a draw down rate from investments annually. When necessary additional amounts can be drawn down to fund certain non-recurring items of expenditure. After deducting investments and fixed assets; reserves (excluding amounts held in the Relief in Need fund) amounted to £263,560 (2019: £262,359).

The Colonel's Fund held £2,560,284 at 31 December 2020 (2019: £2,454,616) and is likely to be expended over a relatively long period as described above.

Going Concern
Based on the fact that the Charity continues to manage its cashflow and investments prudently, the Trustees have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term.

Future Plans
The Charity plans to continue to allocate funds to the same heads of expenditure as before. The Charity's ability to maintain and increase the level of grants and donations will depend on the performance of the investment portfolio and on the success of any fundraising efforts, both of which are uncertain in light of the COVID pandemic.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the Charity Commission Scheme. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the trustees

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Major General C R V Walker DSO
18 November 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Grenadier Guards Charity for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet and the notes to the financial statements, 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources 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 Charities Act 2011.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 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.

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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

Auditors' responsibilities for the audit of the financial statements
We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 25 November 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GRENADIER GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	£ Unrestricted Funds	£ Restricted Funds	2020 £ Total	2019 £ Total
Income from:					
Donations and legacies	2	47,236	67,796	115,032	143,946
Trading activities	3	15,049	29,037	44,086	24,269
Investments	4	179,545	65,085	244,630	336,269
Total income		241,830	161,918	403,748	504,484
Expenditure on:					
Raising funds	5	74,535	19,616	94,151	128,419
Charitable activities	6	298,607	261,768	560,375	578,733
Total resources expended		373,142	281,384	654,526	707,152
Net (expenditure)		(131,312)	(119,466)	(250,778)	(202,668)
Other recognised gains and losses					
Realised and unrealised gains/ (losses):	13				
on investments		360,685	239,057	599,742	1,024,200
on property		(359,958)	(75,042)	(435,000)	-
Net (expenditure)/income		(130,585)	44,549	(86,036)	821,532
Transfers between funds	14	(368,293)	368,293	-	-
Net movement in funds		(498,878)	412,842	(86,036)	821,532
Funds balance brought forward		7,135,227	3,444,023	10,579,250	9,757,718
Funds balance carried forward		6,636,349	3,856,865	10,493,214	10,579,250

The notes and information on pages 13 to 26 form part of these financial statements.

THE GRENADIER GUARDS CHARITY

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	12		687,169		687,291
Investments	13		9,769,587		9,906,792
			10,460,999		10,594,083
Current assets					
Stocks		3,221		3,281	
Sundry debtors		27,579		74,637	
Cash at bank and in hand		82,980		55,023	
		113,780		132,941	
Current liabilities					
Sundry creditors		(77,322)		(147,774)	
Net current assets/(liabilities)			36,458		(14,833)
Net assets			10,493,214		10,579,250
Funds					
Restricted funds:	14				
Relief in Need			1,296,581		989,407
Colonel's Fund			2,560,284		2,454,616
Unrestricted funds			6,636,349		7,135,227
			10,493,214		10,579,250

The notes and information on pages 13 to 26 form part of these financial statements.

Approved by Trustees on 18 November 2021.

Major General C R V Walker DSO
Trustee

Major A J Green
Treasurer

	2020 £	2019 £
Net cash (used)/provided by operating activities (see note below)	(515,670)	(540,023)
Cash flows from investing activities		
Investment income	244,630	336,269
Purchase of tangible fixed assets	(2,950)	(11,423)
Proceeds from disposals of fixed assets	-	1,750
Purchase of investments	(2,067,016)	(1,340,344)
Proceeds on disposal of investment	2,368,963	1,579,717
Net cash provided/(used) by investing activities	543,627	565,969
Change in cash and cash equivalents in the year	**27,957**	**25,946**
Cash and cash equivalents at 1 January	55,023	29,077
Cash and cash equivalents at 31 December	**82,980**	**55,023**

NOTE **Reconciliation of net (expenditure)/income to net cash flow from operating activities**	**2020** **£**	**2019** **£**
Net (expenditure)/income for the reporting period as per the statement of financial activities	(86,036)	821,532
Adjustments for		
Depreciation charges	3,072	2,618
Realised/unrealised (gains)/losses on investments	(599,742)	(1,024,200)
Unrealised losses on property	435,000	-
Investment income	(244,630)	(336,269)
Decrease in stock	60	524
Decrease/(increase) in debtors	47,058	(58,715)
(Decrease)/increase in creditors	(70,452)	54,487
Net cash provided by operating activities	(515,670)	(540,023)

Analysis of cash and cash equivalents

	At 1 January 2020 £	Movement in the year £	At 31 December 2020 £
Cash at bank and in hand	55,023	27,957	82,980

1. Accounting policies

1.1 Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of the investments which are held at market value. The financial statements have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. Liabilities are recognised when there is a legal or constructive obligation to pay for expenditure.

1.2 Going Concern

At the time of approving the financial statements The Trustees are cautiously optimistic, based on the fact that the Charity continues to manage its cashflow and investments prudently and they have a reasonable expectation that the Charity has adequate resources to continue with planned expenditure for the long-term. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Voluntary income

Donations under deeds of covenant or gift aid, together with the associated income tax recoverable, and subscriptions are recognised as income when the amounts are receivable. Donated assets are recognised at their market value.

1.4 Investment income

Investment income, including associated recoverable tax credits, is credited to the statement of financial activities when notified as due.

1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Support costs are the costs which relate to the general running of the Charity.

Grants and donations payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

1.6 Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided in order to write off the cost of each asset evenly over its expected useful life at the following rates:-

Furniture, fixtures and equipment	10% to 20% per annum on cost
Band instruments	5% per annum on cost

No depreciation is provided on pictures, silver, medals etc which are maintained to a standard which ensures that any depreciation charge would not be material.

1.7 Investments

Investments are stated at market value at the balance sheet date.

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value at the reporting date. The surplus or deficit on revaluation is recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.9 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted income funds are funds subject to specific restrictions imposed by donors. The purpose and use of the restricted funds is set out in the notes to the financial statements.

1.10 Financial instruments

The Charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost.

1.11 Critical estimates and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised

where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates or accounting judgements in 2020 or 2019 except in relation to the investment property valuation.

2. Donations and legacies

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
One Day's Pay Scheme	-	46,150	46,150	45,081
Donations – Colonel's Fund	-	21,646	21,646	50,972
Donations - other	47,236	-	47,236	47,893
	47,236	67,796	115,032	143,946

3. Trading activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Band Fund income	179	-	179	1,804
Colonel's Fund fundraising	-	29,037	29,037	12,700
Sale of regimental goods	14,870	-	14,870	9,765
	15,049	29,037	44,086	24,269

4. Investment income

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Dividends	49,896	25,686	75,582	101,074
Dividends – Colonel's Fund	-	39,399	39,399	52,105
Rental income	129,635	-	129,635	182,189
Deposit interest	14	-	14	901
	179,545	65,085	244,630	336,269

	2020 £	2019 £
Rents receivable:		
10 High Street, Tenterden, Kent	56,554	68,027
7 and 15 High Street, Wimborne, Dorset	37,167	75,660
Land at Middle Green, Langley, Slough, Berkshire	2,650	2,650
Sherborne	31,264	33,685
Other income – wayleave rent/grazing land rent	2,000	2,167
	129,635	182,189

5. Raising funds

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Colonel's Fund fundraising expenses	-	3,960	3,960	5,620
Cost of regimental goods sold	23,133	-	23,133	19,736
Band Fund expenditure	1,610	-	1,610	3,017
Investment management fees	29,435	15,696	45,091	45,023
Rental expenses	20,357	-	20,357	55,023
	74,535	19,616	94,151	128,419

6. Charitable activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Grants and donations (note 7)	118,731	203,543	322,274	350,481
Support costs (note 8)	179,876	58,225	238,101	228,252
	298,607	261,768	560,375	578,733

7. Grants and donations

	2020 £	2020 Total £	2019 £	2019 Total £
Unrestricted specific:				
Adventure and individual training:				
Battalion/Company	100		800	
Officers' welfare: Battalion messes	10,000		10,000	
Sports, recreation and other activities: Battalion/Company	47,000		41,900	
Welfare grants – serving soldiers:				
Education	300		600	
Charitable donations	240		3,740	
Recruiting and publicity	3,781		3,799	
		61,421		60,839
Unrestricted other grants:				
Queen's Guard subsidy	1,610		1,953	
First Guards Club	2,500		-	
Sergeants' (Past and Present) Club	1,750		-	
ABF The Soldiers' Charity	11,500		8,000	
Lieutenant Colonel's Contingency Fund	11,450		-	
Penn & Fagan awards	-		1,361	
Special Events	-		27,216	
Other grants	28,500		20,079	
		57,310		58,609
Total unrestricted		118,731		119,448
Restricted:				
Welfare grant to Association	50,004		50,004	
Colonel's Fund (including casualty support)	153,539		181,029	
Total restricted		203,543		231,033
		322,274		350,481

8. Support costs

	2020	2020 Total	2019	2019 Total
	£	£	£	£
Administration:				
Printing, postage and stationery	2,756		4,375	
Staff costs	106,048		121,916	
Accounting support, tax and other advice	26,964		19,479	
GDPR project	3,561		1,528	
Miscellaneous	14,242		9,933	
Audit and accountancy	18,990		19,480	
Legal and professional fees	165		1,817	
		172,726		178,528
Regimental property:				
Repairs, maintenance etc	20,359		15,270	
Insurance	4,350		4,198	
Leased vehicle	5,898		5,523	
Valuation of property	425		-	
Depreciation	2,668		2,378	
Provision for doubtful debts	23,764		-	
		57,464		27,369
Regimental commitments:				
Grenadier Day	-		5,950	
Remembrance Day	441		7,030	
Travelling and entertaining	2,716		6,957	
Presentations	4,754		2,418	
		7,911		22,355
		238,101		228,252

9. Emoluments of employees

	2020 £	2019 £
Wages	136,359	150,598
Social Security	6,310	7,418
Pension Costs	1,564	1,551
	144,233	159,567
Allocated to:		
Grants and donations (note 7)	38,185	37,651
Support costs (note 8)	106,048	121,916
	144,233	159,567

There were 3 (2019: 4) employees during the year whose total emoluments (including MOD contributions) were £144,233 (2019: £159,567). Two of these, the Regimental Adjutant and Treasurer are key management personnel and their total remuneration was £106,048 (2019: £121,916).

No employees earned more than £60,000.

10. Auditors' remuneration

	2020 £	2019 £
Audit fees	14,450	13,000
Accounting support	2,110	4,260
Taxation and other advice	2,430	2,220
	18,990	19,480

11. Operating leases

The Charity had the following commitments under non-cancellable operating leases as at 31 December 2020:

	2020 £	2019 £
Payable in:		
Less than one year	3,271	7,104
Between two and five years	-	3,082
	3,271	10,186

12. Tangible fixed assets

	Pictures, Silver, etc £	Furniture fixtures & equipment £	Band instruments £	Total £
Cost				
At 1 January 2020	679,869	60,678	89,843	830,390
Additions	-	2,950	-	2,950
At 31 December 2020	679,869	63,628	89,843	833,340
Depreciation				
At 1 January 2020	-	53,660	89,439	143,099
Charge for the year	-	2,668	404	3,072
At 31 December 2020	-	56,328	89,843	146,171
Net book value				
At 31 December 2020	679,869	7,300	-	687,169
At 31 December 2019	679,869	7,018	404	687,291

Regimental property (excluding Band Fund property) is currently insured for £5,039,874 (2019: £5,039,874).

Band Fund property is currently insured for £Nil (2019: £3,314).

13. Investments

Total investments at market value at the year end are:

	2020 £	2019 £
Land and Property	1,835,000	2,270,000
Managed Portfolio of quoted investments	5,397,856	5,182,176
Colonel's Fund quoted investments	2,536,731	2,454,616
Total investments held at year end	9,769,587	9,906,792

Freehold interest in land and buildings

	2020 £	2019 £
10 High Street Tenterden, Kent	725,000	900,000
7 and 15 High Street, Wimborne, Dorset	740,000	900,000
Sherborne	300,000	400,000
Land at Middle Green – Grazing land	70,000	70,000
Total	1,835,000	2,270,000
Market value at 31 December 2019	2,270,000	2,270,000
Costs of additions	-	-
Revalued in the year	(435,000)	-
Market value at 31 December 2020	1,835,000	2,270,000

13. Investments (continued)

Managed Portfolio of quoted investments

	2020		2019	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	1,509,087	1,615,510	1,589,597	1,814,026
Other International	70,040	82,912	81,401	80,715
Equities				
United Kingdom	851,521	1,003,993	798,599	945,427
Other International	1,942,581	2,574,343	1,852,571	2,254,619
Cash				
United Kingdom	121,098	121,098	87,389	87,389
Total Assets	4,494,327	5,397,856	4,409,557	5,182,176
Market value at 31 December 2019		5,182,176		4,613,773
Acquisitions		1,468,905		935,335
Disposals		(1,693,413)		(1,079,874)
Investment gains		440,188		712,942
Market value at 31 December 2020		5,397,856		5,182,176

13. Investments (continued)

Colonel's Fund quoted investments

	2020		2019	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	639,311	684,048	687,438	782,961
Other International	78,155	89,144	63,974	67,834
Equities				
United Kingdom	239,653	257,994	338,107	398,030
Other International	904,599	1,234,218	754,287	946,608
Property				
Charities Property Fund	144,506	195,275	144,506	202,569
Cash				
United Kingdom	76,052	76,052	56,614	56,614
Total Assets	2,082,276	2,536,731	2,044,926	2,454,616
Market value at 31 December 2019		2,454,616		2,238,192
Acquisitions		598,111		405,009
Disposals		(675,550)		(499,843)
Investment gains		159,554		311,258
Market value at 31 December 2020		2,536,731		2,454,616

14. Restricted funds

The Relief in Need fund is to relieve either individually or generally those who are serving or have served in the Grenadier Guards, and their dependents.

The Colonel's Fund is a fund within the Relief in Need Fund. As described in the Trustees' Report its purpose is to assist those who have been injured on active service and their dependents, including those who develop problems later in life as a result of active service. It may also be spent on other purposes within the purposes of the Relief in Need Fund.

	Relief in Need Fund £	Colonel's Fund £	2020 Total £
Balance at 1 January 2020	989,407	2,454,616	3,444,023
Income	71,835	90,083	161,918
Expenditure	(114,365)	(167,019)	(281,384)
Gains and Losses	4,461	159,554	164,015
Transfers between funds	345,243	23,050	368,293
Balance at 31 December 2020	1,296,581	2,560,284	3,856,865

Transfers between funds represent a recharge of overheads between funds and a reallocation between funds following a review of fund balances.

	Relief in Need Fund £	Colonel's Fund £	2019 Total £
Balance at 1 January 2019	889,871	2,238,192	3,128,063
Income	106,751	103,077	209,828
Expenditure	(62,481)	(197,911)	(260,392)
Gains and Losses	122,990	311,258	434,248
Transfers between funds	(67,724)	-	(67,724)
Balance at 31 December 2019	989,407	2,454,616	3,444,023

15. Net Assets between funds

	Unrestricted £	Restricted £	2020 Total £
Tangible Fixed Assets	687,169	-	687,169
Investments	5,984,384	3,785,203	9,769,587
Net Current Assets /(Liabilities)	(35,204)	71,662	36,458
	6,636,349	3,856,865	10,493,214

	Unrestricted £	Restricted £	2019 Total £
Tangible Fixed Assets	687,291	-	687,291
Investments	6,162,645	3,744,147	9,906,792
Net Current Assets /(Liabilities)	285,291	(300,124)	(14,833)
	7,135,227	3,444,023	10,579,250

16. Transactions with trustees and related party transactions

No Trustee received any remuneration from the Charity during the year for their role as a Trustee. Travel expenses of £nil were paid to trustees (2019: £nil) during the year.

The Charity made a grant of £50,004 (2019: £50,004) in the year to the Grenadier Guards Association (Charity Registration number 287265). All of the Trustees of the Grenadier Guards Charity are also Trustees of the Grenadier Guards Association. The grant was paid during the year and no balance remained outstanding at the year end.

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2019 Total £
Income from:			
Donations and legacies	47,893	96,053	143,946
Trading activities	11,569	12,700	24,269
Investments	235,194	101,075	336,269
Total	294,656	209,828	504,484
Expenditure on:			
Raising funds	105,540	22,879	128,419
Charitable activities	341,220	237,513	578,733
Total resources expended	446,760	260,392	707,152
Net (expenditure)	(152,104)	(50,564)	(202,668)
Other recognised gains and losses			
Realised and unrealised gains/(losses):			
on investments	589,952	434,248	1,024,200
on property	-	-	-
Net (expenditure)	437,848	383,684	821,532
Transfers between funds	67,724	(67,724)	-
Net movement in funds	505,572	315,960	821,532