

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 2 nd Battalion Suspended Animation Charity, The Grenadier Guards 3 rd 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

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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.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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,

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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 C R V Walker DSO

18 November 2021

THE GRENADIER GUARDS CHARITY

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.

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

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.

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

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

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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.

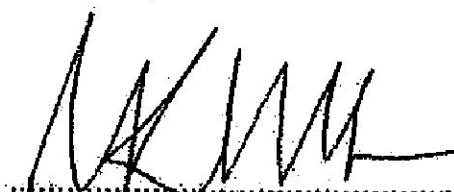
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BALANCE SHEET AS AT 31 DECEMBER 2020

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	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	2020 £	2019 £
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>47,236</u>	<u>67,796</u>	<u>115,032</u>	<u>143,946</u>

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
	<u>15,049</u>	<u>29,037</u>	<u>44,086</u>	<u>24,269</u>

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
	<u>179,545</u>	<u>65,085</u>	<u>244,630</u>	<u>336,269</u>

	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
	<u>129,635</u>	<u>182,189</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>74,535</u>	<u>19,616</u>	<u>94,151</u>	<u>128,419</u>

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
	<u>298,607</u>	<u>261,768</u>	<u>560,375</u>	<u>578,733</u>

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Grants and donations

	2020	2020	2019	2019
	£	Total £	£	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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Support costs

	2020	2020	2019	2019
	£	Total £	£	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
		<u>238,101</u>		<u>228,252</u>

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. Emoluments of employees

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

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
	<u>18,990</u>	<u>19,480</u>

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
	<u>3,271</u>	<u>10,186</u>

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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).

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	<u>4,494,327</u>	<u>5,397,856</u>	<u>4,409,557</u>	<u>5,182,176</u>
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		<u>5,397,856</u>		<u>5,182,176</u>

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	<u>2,082,276</u>	<u>2,536,731</u>	<u>2,044,926</u>	<u>2,454,616</u>
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		<u>2,536,731</u>		<u>2,454,616</u>

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>6,636,349</u>	<u>3,856,865</u>	<u>10,493,214</u>

	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)
	<u>7,135,227</u>	<u>3,444,023</u>	<u>10,579,250</u>

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.

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>294,656</u>	<u>209,828</u>	<u>504,484</u>
Total			
Expenditure on:			
Raising funds	105,540	22,879	128,419
Charitable activities	341,220	237,513	578,733
	<u>446,760</u>	<u>260,392</u>	<u>707,152</u>
Total resources expended			
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	-	-	-
	<u>437,848</u>	<u>383,684</u>	<u>821,532</u>
Net (expenditure)			
Transfers between funds	67,724	(67,724)	-
	<u>505,572</u>	<u>315,960</u>	<u>821,532</u>
Net movement in funds			