

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 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 (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

THE GRENADIER GUARDS CHARITY

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.

THE GRENADIER GUARDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE GRENADIER GUARDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE GRENADIER GUARDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 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 £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.

THE GRENADIER GUARDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees' responsibilities statement

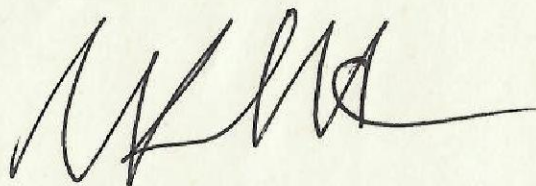
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

THE GRENADIER GUARDS CHARITY

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.

THE GRENADIER GUARDS CHARITY

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

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.

THE GRENADIER GUARDS CHARITY

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

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.

THE GRENADIER GUARDS CHARITY

BALANCE SHEET AS AT 31 DECEMBER 2021

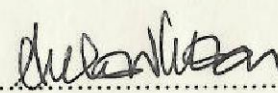
	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	12		691,998		687,169
Investments	13		10,348,800		9,769,587
			<u>11,040,798</u>		<u>10,456,756</u>
Current assets					
Stocks		3,172		3,221	
Sundry debtors		39,513		27,579	
Cash at bank and in hand		<u>160,398</u>		<u>82,980</u>	
		203,083		113,780	
Current liabilities					
Sundry creditors		<u>(61,511)</u>		<u>(77,322)</u>	
Net current assets/(liabilities)			141,572		36,458
Net assets			<u>11,182,370</u>		<u>10,493,214</u>
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
			<u>11,182,370</u>		<u>10,493,214</u>

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

THE GRENADIER GUARDS CHARITY

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	2021 £	2020 £
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	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

THE GRENADIER GUARDS CHARITY

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.

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>46,169</u>	<u>96,853</u>	<u>143,022</u>	<u>115,032</u>

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
	<u>10,641</u>	<u>80,229</u>	<u>90,870</u>	<u>44,086</u>

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
	<u>137,515</u>	<u>61,904</u>	<u>199,419</u>	<u>244,630</u>

	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
	<u>118,608</u>	<u>129,635</u>

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>79,965</u>	<u>30,917</u>	<u>110,882</u>	<u>94,151</u>

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
	<u>255,058</u>	<u>262,453</u>	<u>517,511</u>	<u>560,375</u>

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

7. Grants and donations	2021	2021	2020	2020
	£	Total £	£	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

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

8. Support costs	2021	2021	2020	2020
	£	Total £	£	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

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

9. Emoluments of employees

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

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
	<u>18,580</u>	<u>18,990</u>

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	-
	<u>15,565</u>	<u>3,271</u>

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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).

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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	<u>2,083,567</u>	<u>2,704,195</u>	<u>2,082,276</u>	<u>2,536,731</u>
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		<u>2,704,195</u>		<u>2,536,731</u>

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>7,018,831</u>	<u>4,163,539</u>	<u>11,182,370</u>

	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>

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.

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>241,830</u>	<u>161,918</u>	<u>403,748</u>
Total			
Expenditure on:			
Raising funds	74,535	19,616	94,151
Charitable activities	298,607	261,768	560,375
	<u>373,142</u>	<u>281,384</u>	<u>654,526</u>
Total resources expended			
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)
	<u>(130,585)</u>	<u>44,549</u>	<u>(86,036)</u>
Net (expenditure)/income			
Transfers between funds	<u>(368,293)</u>	<u>368,293</u>	<u>-</u>
Net movement in funds	<u>(498,878)</u>	<u>412,842</u>	<u>(86,036)</u>