

**GRENADIER GUARDS ASSOCIATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# **GRENADIER GUARDS ASSOCIATION**

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# GRENADIER GUARDS ASSOCIATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Lieutenant General C R V Walker DSO  
Lieutenant General Sir George Norton KCVO, CBE  
Brigadier D J H Maddan DL  
Captain C A G Bennett  
The Rt Hon The Earl of Derby, DL  
Colonel R E H Aubrey – Fletcher

**General Secretary  
and Treasurer**

Major A J Green

**Registered Charity  
Number**

287265

**Address**

Wellington Barracks  
Birdcage Walk  
London SW1E 6HQ

**Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London EC4V 4BE

**Solicitors**

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds LS2 3AG

**Bankers**

Lloyds Bank Plc  
Cox's & King's  
P O Box 1000  
Andover  
BX1 1LT

**Investment  
managers**

Cazenove Capital  
Management  
12 Moorgate London  
EC2R 6DA

# **GRENADIER GUARDS ASSOCIATION**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Trustees present their annual report on the affairs of the Association, together with the Accounts and Auditor's Report for the year ended 31 December 2021. The annual report and financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **Objects**

The objects of the Association are:

- To promote the efficiency of the Grenadier Guards and to maintain its history, traditions and esprit de corps.
- To relieve either generally or individually persons who are serving or who have served in the Regiment and their dependants who are in conditions of need, hardship and distress.

### **Meetings**

Trustees detailed in these accounts have ultimate legal responsibility for the administration of the Association. The running of the charity is delegated to the Executive Committee who meet formally every six months inter alia to make policy, approve budgets and review progress.

### **Management**

The Association Rules and by-laws for Branches were revised in 1983, again in 1999 again in 2014 and again in 2019 being approved at the Annual General Meeting on 23 March 2019. The Charity Commission were made aware of said changes, however, it was not necessary to re-file the amended Rules with The Charity Commission given the changes were deemed to be minor. The recent revision updated Membership, Subscriptions and the Days Pay Scheme. The latter revisions resulted in the appointment of the Regimental Trustees and the President of the Association as Trustees of the Association. An Executive Committee of 18 members is appointed for the management, control and general administration of the Association's affairs. The Association Rules specify that the two Life Vice President members are nominated by the Executive Committee and elected at the General Meeting; they hold office for three years. Other members of the Executive Committee are elected annually at the General Meeting.

The Executive Committee in turn appoints members to the Finance Sub-Committee. These appointments are ratified by the Trustees.

Management of the thirty-one branches of the Association is governed by the by-laws in the governing document.

The day to day running of the Central Fund is administered by the General Secretary and Treasurer, with instructions being issued by the Executive and Finance Sub-Committees.

### **Policies**

In recent years funds have been allocated on a consistent basis to the heads of expenditure detailed in the Statement of Financial Activities on page 10 of these accounts, with a special emphasis on the provision of supplementary allowances, grants at Christmas to those of state retirement age, and individual grants to those members of all ages who are facing hardship and distress. Policy is to allocate expenditure on broadly similar lines in the forthcoming year.

In this connection, the Trustees, recognising the importance of consistent support without undue fluctuation, have a policy of (a) transferring such bequests as they receive to their investment portfolio to produce increased income in future years, and (b) bearing in mind the requirement of each of the branches to hold cash funds for their own local use, reserving up to £200,000. The Trustees are currently holding reserves in excess of that amount.

# GRENADIER GUARDS ASSOCIATION

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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Cazenove Capital Management are managing the portfolio on a total return basis with a view to maximising the overall return in the longer term. Here follows their most recent commentary for the 12 month period to 31<sup>st</sup> December 2021:

**Valuation.** *The value of the Association portfolio was £2,264,615 as at 31<sup>st</sup> December 2021. This compares with a value of £2,213,206 as at 30<sup>th</sup> September 2021 and £2,190,924 as at 30<sup>th</sup> July 2021 (the last reported valuations). Not including distributions of £45,000 over 12 months, the portfolio is up £215,208 over 12 months.*

**Income.** *The annual requirement from the portfolio is £45,000, which is distributed quarterly.*

**Performance.** *Since we last reported at the end of September, the portfolio has returned +3.1%, this can be compared to a return from the FTSE All Share of +4.2%. Weaker performance this quarter has again been due to continued volatility in China, which the portfolios are exposed to, with concerns over regulatory intervention, economic growth and the ongoing real estate crisis all weighing on investor sentiment. Over 2021, however, the portfolio has shown a pleasing return of +10.4%.*

### **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.*

*Looking to the year ahead, while valuations remain high, in an environment of strong economic growth, structurally higher inflation and comparatively low interest rates, we still believe equities are the most attractive asset class. Within equities, both economically sensitive sectors and businesses with strong franchises and pricing power look more attractive. This, of course, is reliant on Omicron passing through without the need for further lockdowns. Inflation is likely to remain elevated for the first half of the year before settling down in the second half. Central banks have already started to act, with the Bank of England recently raising interest rates in December and we expect a further 4 rises in 2022. Bond investors will continue to find life challenging and, therefore, we are forced to look further afield for protection against inflation, namely through commodities and real assets.*

### **Risk management**

The Trustees have assessed the major risks to which the Association is exposed, in particular those related to the operation and finance of the Association, and are satisfied that appropriate action has been taken, and systems established, to mitigate the exposure to the major risks.

The key risks facing the charity are steep falls in stock market valuations and lower sums received by way of donations and legacies, the latter two are of course, completely out of our control, however, with the assistance of Cazenove's active portfolio management it is expected that modest drawdowns will be maintained, irrespective of short-term volatility or falling markets.

# **GRENADIER GUARDS ASSOCIATION**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Review of activities**

2021 was another year in which the activities of the Association as a whole were affected by the Coronavirus pandemic, but to a slightly lesser degree than in 2020. Staff at Regimental Headquarters were again able to maintain satisfactory levels of support mixing office and home working in line with Government guidelines. Effective links were maintained with the Army Benevolent Fund, Royal British Legion and Soldiers, Sailors, Airman's Families Association enabling the provision of welfare assistance to Grenadiers, either serving or retired. 47 separate grants were made as a result.

Our Branches began the year operating at levels similar to the majority of 2020 with the level of social group and individual activity reduced to very little. Lunches, dinners, outings and visits across the country being the main activities lost. Branches again worked hard to maintain contact with their members and monitor their welfare by all other means possible especially online, by phone and with newsletters. Given the continuing practical challenges posed by the pandemic, Branches continued working on their own initiative to make welfare interventions on behalf of retired Grenadiers identified as being in need. In the latter part of the year with restrictions easing, it was pleasing to see more regular and normal levels of Branch activity returning.

Our two large centrally organised events, Regimental Remembrance Day (RRD) planned for May and Grenadier Day (our Regimental families' open day) for July were both cancelled. RRD was however marked with a recorded wreath laying at the Guards Memorial, readings and prayers and was again made available online.

The Finance and Executive Committees met twice in the year in person or online during April and October. A delayed AGM was held in London in September and all Minutes were published thereafter. Our President reported to the Regimental Trustees and Regimental Council on two occasions.

A total of £34,240 was provided from Headquarters funds for the benefit of members during 2021 in the form of supplementary allowances, grants at Christmas to those of state retirement age and individual grants to those members of all ages who faced hardship and distress.

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The charity does not undertake any direct forms of voluntary fundraising from the general public. The charity has received no complaints in relation to fundraising.

### **Future Plans**

The future plans of the Association remain to maintain and support, for as long as practicable, our Branch structure in line with our Objects. Sadly, in 2021 we lost the Shropshire Branch due to a dwindling and ageing membership. We continue where possible to enhance the support we consider appropriate to our Virtual Groups and have for the past few years included representation from such groups at Executive Committee Meetings. We hope that a parade at Windsor to mark the 80<sup>th</sup> anniversary of Her Majesty the Queen becoming a Grenadier involving all elements of the Regiment will take place on 21<sup>st</sup> April 2022.

RRD for 2022 is being planned for 15<sup>th</sup> May in London and Grenadier Day for 16<sup>th</sup> July at Aldershot with the 1st Battalion. We also very much look forward to the resumption of more familiar levels of Branch activity when the situation finally allows.

The Battlefield Tour to France and Holland previously cancelled twice, will now take place between 12<sup>th</sup> - 16<sup>th</sup> September 2022.

After eleven highly successful years in post, our General Secretary will retire with effect from 28<sup>th</sup> February 2022. The Civil Service selection process is underway, but it is unlikely that a successor will be in place before May 2022. Trustees are satisfied that robust arrangements are in place to maintain the key outputs of the post in the interim.

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# GRENADIER GUARDS ASSOCIATION

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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The Association's expenditure exceeded income in the year ended 31 December 2021 by £42,965. Donations and subscriptions receivable increased by £10,352. Investment income was £22,923, a decrease of £5,854 compared with 2020 (£28,777). Expenditure on welfare grants decreased by £3,556. The Trustees continue to keep these matters under review.

The increase in net expenditure before gains for the year of £39,163 is in the main due to an increase in income from Branch Events of £27,181, offset by a £20,000 reduction in the grant for Regimental Funds, a decrease of £4,127 in shop sales and reduced investment income of £5,854. Expenditure on Branch Events increased by £40,393 with most Branches holding an Annual Dinner COVID restrictions having been eased late 2021.

### Post Year-end events

The Trustees are mindful of the developing tragedy in Ukraine, resulting from the invasion in late February by Russian forces. Although this has no direct impact on the Charity, the event is having a dramatic effect on global stock markets, in particular on commodity prices which have become far more volatile. The Trustees also were notified in early March of the closure of the Essex Branch and, in due course, the winding down of its accounts which will result in a small balance being transferred back to the Association account.

### Trustees' Responsibilities Statement

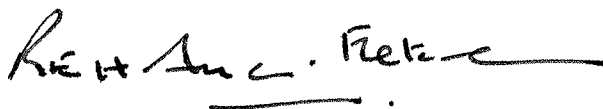
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 (FRS 102);
- 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;
- 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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



.....  
Colonel R E H Aubrey - Fletcher  
Trustee

15 March 2022

# **GRENADIER GUARDS ASSOCIATION**

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

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### **Opinion**

We have audited the financial statements of Grenadier Guards Association for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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.



# **GRENADIER GUARDS ASSOCIATION**

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

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### **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 set out on page 6, 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 and general secretary, 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 the general secretary 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.

## GRENADIER GUARDS ASSOCIATION

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

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#### 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](http://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 auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors  
Date: 14 April 2022

71 Queen Victoria Street  
London  
EC4V 4BE

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

# GRENADIER GUARDS ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

Unrestricted funds	Note	2021 £	2020 £
<b>Income from:</b>			
Donations and subscriptions		91,812	81,460
Legacies		1,000	600
Investment income		22,923	28,777
Sales of goods		18,199	22,326
Other income		-	-
<b>Total income</b>		133,934	133,163
<b>Expenditure on:</b>			
Raising funds	2	28,409	32,131
Charitable activities	3	148,490	104,834
<b>Total expenditure</b>		(176,899)	(136,965)
<b>Net (expenditure)/income for the year before investment gains/(losses)</b>		(42,965)	(3,802)
<b>Other recognised gains and losses</b>			
Net gains/(losses) on investments		207,769	141,287
<b>Net movement in funds</b>		164,804	137,485
Balances brought forward		2,484,698	2,347,213
<b>Balances carried forward</b>		2,649,502	2,484,698

All funds are unrestricted in both year and relate to continuing activities.

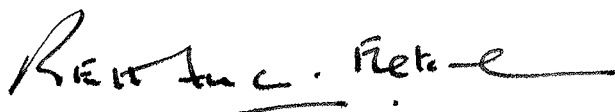
The notes on pages 12 to 16 form part of these accounts.

# GRENADIER GUARDS ASSOCIATION

## BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	£	2021	£	£	2020	£
<b>Fixed assets</b>							
Tangible assets	4		3,931			3,940	
Investments	5		2,271,914			2,071,706	
			<u>2,275,845</u>			<u>2,075,646</u>	
<b>Current assets</b>							
Stocks		35,367			36,270		
Debtors		3,225			2,905		
Cash at bank and in hand		364,486			387,208		
		<u>403,078</u>			<u>426,383</u>		
<b>Current liabilities</b>							
Creditors	6	(29,421)			(17,331)		
<b>Net current assets</b>			<u>373,657</u>			<u>409,052</u>	
<b>Total assets less current liabilities</b>			<u>2,649,502</u>			<u>2,484,698</u>	
<b>Funds</b>							
Unrestricted			<u>2,649,502</u>			<u>2,484,698</u>	

Approved by the Trustees on 15 March 2022



Colonel R E H Aubrey - Fletcher  
Trustee

The notes on pages 12 to 16 form part of these accounts.

# **GRENADE GUARDS ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts (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 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 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 fair value.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

- Office and display equipment – 20% per annum on cost

#### **1.4 Investments**

Investments are stated at market value. Income thereon together with related recoverable tax credits are taken into account as and when dividends and interest become receivable.

#### **1.5 Stocks**

Stock is valued at the lower of cost and net realisable value and represent goods held for sale by the charity.

# **GRENADIER GUARDS ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1.6 Income**

Income is recognised in the period in which the charity is entitled to receipt, it is more likely than not that economic benefit will pass to the charity and the amount can be measured with reasonable certainty.

#### **1.6.1 Legacies**

Legacies are accounted for at the earlier of receipt of the legacy or the point at which the amount to be received from the estate has been notified to the charity. In the event that legacies are settled after the accounting year end they are included in the accounts provided that probate has been granted and that the charity was certain of the amounts to be distributed.

### **1.7 Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Overheads are all treated as support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Association. Provisions for grants are made when the intention to make a grant has been communicated to the recipient. The Charity had no employees during the year.

### **1.8 Funds**

All funds of the Charity are unrestricted. Unrestricted funds comprise of the accumulated surpluses and deficits of unrestricted incoming revenues over resources expended, which are available for use in furtherance of the general objectives of the charity.

### **1.9 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. For debt instruments this is calculated using the effective interest rate method.

### **1.10 Critical estimate 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 were no significant estimates or areas of judgement.

# GRENADIER GUARDS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Cost of raising funds

	2021 £	2020 £
Cost of goods sold	12,563	18,501
Investment management fees	15,846	13,630
	<u>28,409</u>	<u>32,131</u>

### 3 Charitable activities

	2021 £	2020 £
Welfare grants	50,588	56,545
Association events	46,224	5,359
Support costs	51,678	42,930
	<u>148,490</u>	<u>104,834</u>

#### Auditor's remuneration

The auditor's remuneration constituted an audit fee of £6,775 (2020: £6,300).

### 4 Tangible fixed assets

	Office & display equipment £
<b>Cost</b>	
At 1 January 2021	12,501
Additions	465
<b>At 31 December 2021</b>	<u>12,966</u>
<b>Depreciation</b>	
At 1 January 2021	8,561
Charge for the year	474
<b>At 31 December 2021</b>	<u>9,035</u>
<b>Net book value</b>	
At 31 December 2021	<u>3,931</u>
At 31 December 2020	<u>3,940</u>

# GRENADIER GUARDS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Fixed assets investments

	2021 £	2020 £
<b>Market value</b>		
At 1 January 2021	2,015,747	1,875,846
Additions	413,821	568,595
Disposals	(447,622)	(569,961)
Net investment gains/(losses)	207,769	141,287
At 31 December 2021	2,189,715	2,015,747
Cash	82,199	55,959
Total investments as at 31 December 2021	2,271,914	2,071,706

	2021		2020	
	Cost	Market value	Cost	Market value
	£	£	£	£
<b>Fixed Interest</b>				
United Kingdom	218,984	232,470	227,412	246,282
<b>Equities</b>				
United Kingdom	216,796	267,655	223,309	242,122
North America	255,480	434,115	272,611	400,838
Continental Europe	45,819	69,552	47,728	61,125
Far East	81,572	99,853	99,641	132,567
Emerging Markets	135,680	185,166	153,076	209,874
Global	347,496	433,801	241,036	293,458
<b>Portfolio Funds</b>				
Portfolio Funds	-	-	-	-
<b>Hedge Funds</b>				
Other International	386,765	459,804	394,288	422,182
<b>Cash</b>				
United Kingdom	82,199	82,199	55,959	55,959
Other investments	7,299	7,299	7,299	7,299
<b>Total</b>	1,778,090	2,271,914	1,722,359	2,071,706



# **GRENADIER GUARDS ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **6 Creditors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accruals	21,636	17,331

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### **7 Transactions with trustees and related party transactions**

No Trustee received any remuneration from the charity during the year for the role as a Trustee. Travel expenses of £76 were reimbursed to 1 trustee during the year (2020: £Nil to no trustees).

The charity had no other related party transactions in the period.

# GRENADIER GUARDS ASSOCIATION

## DETAILED INCOME - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
<b>Non-investment income</b>				
Sales of Association goods	18,199		22,326	
Other Income	-		-	
		18,199		22,326
<b>Income from investments</b>				
Investment income gross	22,871		28,669	
Deposit interest	52		108	
		22,923		28,777
<b>Donations and subscriptions</b>				
Welfare grants from regimental funds	30,000		50,004	
Covenants and gift aid	3,080		3,271	
Refund of tax on donations	770		818	
Non-covenanted or gift aid donations	8,407		11,785	
Subscriptions	430		1,320	
Christmas draw	17,889		10,122	
Christmas gifts	210		295	
Branch events	31,026		3,845	
<b>Recurring</b>	91,812		81,460	
Legacies	1,000		600	
<b>Non-recurring</b>	1,000		600	
		92,812		82,060
<b>Total income</b>		133,934		133,163
Recurring income		132,934		132,563
Non-recurring income		1,000		600
		133,934		133,163

This page does not form part of the financial statements on which the auditors have reported.

# GRENADIER GUARDS ASSOCIATION

## DETAILED EXPENDITURE - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
<b>Cost of raising funds</b>				
Costs of goods sold	12,563		18,501	
Investment management fees	15,846		13,630	
		28,409		32,131
<b>Charitable activities</b>				
<b>Grants and donations:</b>				
Charitable allowances paid	5,115		5,620	
Christmas gifts	5,817		5,950	
Welfare grants	32,085		35,641	
Welfare expenses	3,590		1,753	
	46,607		48,964	
Donations, wreaths and crosses	3,981		7,581	
		50,588		56,545
<b>Association events:</b>				
Grenadier Day expenses	318		791	
Regimental Remembrance Day	470		-	
Branch dinners official expenses	349		-	
Annual dinner and dance	26,286		-	
Presentations	204		135	
Other	18,597		4,433	
		46,224		5,359
Carried forward		125,221		94,035

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## GRENADIER GUARDS ASSOCIATION

### DETAILED EXPENDITURE - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2021

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	2021		2020	
	£	£	£	£
Brought forward		125,221		94,035
<b>Other expenditure</b>				
<b>Support costs:</b>				
AGM, Finance and Central Committee	5,976		1,804	
General administrative costs in				
Branches	550		608	
Honoraria, pension and travelling	11,065		13,029	
Insurance	903		824	
Repairs, renewals and maintenance	543		867	
Postage	2,520		2,187	
Printing, stationery and office expenses	9,216		9,770	
Legal costs	-		-	
Audit and accountancy	19,442		12,464	
Bank charges	354		370	
Depreciation of fixed assets	1,109		1,007	
		51,678		42,930
<b>Total recurring expenditure</b>		176,899		136,965

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