

THE GRENADIER GUARDS CHARITY

(Registered No. 1062257)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2022

THE GRENADIER GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Commission Scheme	The Grenadier Guards Charity was formed by a Charity Commission Scheme dated 17 September 2015 which merged the Grenadier Guards Regimental and Battalion Charity, The Grenadier Guards 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 J M H Bowder OBE)		
Co-opted Trustees	Brigadier D J H Maddan, DL Captain C A G Bennett Lieutenant General Sir George Norton KCVO CBE Lieutenant General Sir Charles Walker KCB DSO The Rt Hon The Earl of Derby, DL		
Election	Replacement Co-opted Trustees are appointed by the Trustees		
Regimental Adjutant	Major JPW Gatehouse		
Treasurer	Lieutenant Colonel J A Keeley MBE		
Address	Wellington Barracks Birdcage Walk London SW1E 6HQ		
Registered Charity Number	1062257		
Bankers	Lloyds TSB Bank Plc Cox's & King's P O Box 1000 Andover BX11 1LT	Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG	Investment Managers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Property Managers	The Hedley Foundation 1 College Hill London EC4R 2RA		P J Smith Associates The Old Place, Lockpath Dorney, Windsor SL4 6QQ

THE GRENADIER GUARDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Objects

The objects of the Charity are:

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

Appointment, induction and training of Trustees

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

Meetings

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

Key management personnel

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

Grant making policy

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

Risk management

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

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

THE GRENADIER GUARDS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of activities

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

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

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

Coronavirus

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

The Colonel's Fund

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

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

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

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

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Investment policy and performance

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

Cazenove's Investment Manager Commentary

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

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

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

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

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

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

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

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

Commercial Property

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

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

Fundraising

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

Financial Review

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves policy

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

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

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

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

Going Concern

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

Future Plans

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees' responsibilities statement

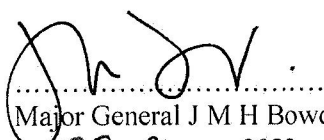
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

On behalf of the trustees


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Major General J M H Bowder OBE
22 May 2023

THE GRENADIER GUARDS CHARITY

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

Opinion

We have audited the financial statements of The Grenadier Guards Charity for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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

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 2022

Audit response to risks identified:

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

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

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: *30 May 2023*

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

THE GRENADIER GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

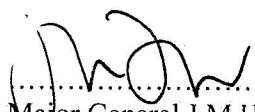
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BALANCE SHEET AS AT 31 DECEMBER 2022

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

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

Approved by Trustees on 22 May 2023


Major General J M H Bowder OBE
Trustee


Lieutenant Colonel J A Keeley MBE
Treasurer

THE GRENADIER GUARDS CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1.6 Tangible fixed assets and depreciation

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

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

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

1.7 Investments

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

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

1.8 Stocks

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

1.9 Funds

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

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

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

1.10 Financial instruments

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

1.11 Critical estimates and judgements and key sources of estimation uncertainty

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

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Donations and legacies

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

3. Trading activities

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

4. Investment income

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

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Raising funds

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

6. Charitable activities

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Grants and donations

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Emoluments of employees

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

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

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

10. Auditors' remuneration

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

11. Operating leases

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

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Tangible fixed assets

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

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

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Investments

Total investments at market value at the year end are:

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

Freehold interest in land and buildings

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Investments (continued)

Managed Portfolio of quoted investments

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Investments (continued)

Colonel's Fund quoted investments

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. Restricted funds

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

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

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

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

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

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Net Assets between funds

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

	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>

16. Transactions with trustees and related party transactions

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

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

THE GRENADIER GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Income from:			
Donations and legacies	46,169	96,853	143,022
Trading activities	10,641	80,229	90,870
Investments	137,515	61,904	199,419
	<u>194,325</u>	<u>238,986</u>	<u>433,311</u>
Total			
Expenditure on:			
Raising funds	79,965	30,917	110,882
Charitable activities	255,058	262,453	517,511
	<u>335,023</u>	<u>293,370</u>	<u>628,393</u>
Total resources expended			
	<u>335,023</u>	<u>293,370</u>	<u>628,393</u>
Net (expenditure)	(140,698)	(54,384)	(195,082)
Other recognised gains and losses			
Realised and unrealised gains/(losses):			
on investments	534,449	304,789	839,238
on property	37,237	7,763	45,000
	<u>571,686</u>	<u>312,552</u>	<u>884,238</u>
Net (expenditure)/income	430,988	258,168	689,156
Transfers between funds	(48,506)	48,506	-
	<u>(48,506)</u>	<u>48,506</u>	<u>-</u>
Net movement in funds	<u>382,482</u>	<u>306,674</u>	<u>689,156</u>