

GRENADIER GUARDS ASSOCIATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

GRENADIER GUARDS ASSOCIATION

CONTENTS

	Page
Legal and Administrative information	2
Report of the Trustees	3 – 6
Independent auditors' report	7 – 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 – 16
Detailed income	17
Detailed expenditure	18 – 19

GRENADIER GUARDS ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Major General J M H Bowder OBE
Lieutenant General Sir C R V Walker KCB 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**

Lieutenant Colonel J A Keeley MBE

**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 2022

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 2022. 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 twenty-nine 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 2022

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 31st December 2022:

Valuation. *The value of the Association portfolio was £2,006,997 as at 31st December 2022. Not including distributions over 12 months, the portfolio is down £222,618 over 12 months.*

Income. *The annual requirement from the portfolio is £65,000, which is distributed quarterly.*

Performance. *Over 2022, the portfolio has returned -9.9%, 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.*

Commentary. *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/META (formerly Facebook) fell over 50% in USD terms. In contrast, the energy sector rose by more than 50% over the same period. These moves largely explain why the US stock market underperformed Europe and the FTSE 100.

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

As we enter 2023, the global economic outlook remains very challenging. Businesses, consumers and investors seem to have adjusted to the idea a recession is coming. We all know recessions can be very nasty indeed; some 200,000 lay-offs by US technology companies in 2022 have perhaps given us a sense of the pain to come. From an investment perspective however, these periods can of course present great opportunities.

Timing is important, 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 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 over the weekend 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.

GRENADIER GUARDS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Review of activities

Following a couple of years of curtailed activities due to the Coronavirus Pandemic, Regimental activity has increased to normal levels throughout 2022. Close links to the Army Benevolent Fund, Royal British Legion and Soldiers, Sailors, Airman's Families Association enabled staff at Regimental Headquarters to provide welfare assistance to both serving and retired Grenadiers, and their dependants. Eighty-one separate grants were made during the year.

Association Branches have been able to operate with social group and individual activity as it was before Covid. Lunches, dinners, outings and visits across the country being the main activities that have taken place at Branch level throughout the year.

Our two large centrally organised events, Regimental Remembrance Day (RRD) in May and Grenadier Day (our Regimental families' open day) in July were both able to take place this year for the first time in three years. An Association Battlefield Tour to France and Holland, which had previously been cancelled twice, took place between 12th - 16th September 2022.

The Finance and Executive Committees met twice in the year, first in June, which was later than normal due to the handover of the Regimental Treasurer/General Secretary, and then in October. An AGM was held in London in July, again slightly later than normal due to the handover of the Regimental Treasurer, all Minutes were published thereafter. Our President reported to the Regimental Trustees and Regimental Council on two occasions during the year.

A total of £50,703 was provided from Headquarters funds for the benefit of members during 2022 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.

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 2022 we lost the Essex Branch due to a dwindling and ageing membership, unfortunately there are similarly plans to close the Kingston and the Lincoln Branches during 2023. We continue where possible to enhance the support we consider appropriate to social activities coordinated on-line through the use of social media (through so-called Virtual Groups), for the past few years representation from such groups has been included at Executive Committee Meetings. As Branches close, with the attendant loss of their Welfare Officers, work is actively underway to establish how we can best retain a network of individuals able to provide initial welfare support and advice to our retired members across the country. Steps are also being taken to improve the presence and effectiveness of Association Headquarters on-line, to this end a retired Grenadier has been appointed as Communications Officer.

A presentation of a new Royal Standard to the Regiment by HM The King is planned to take place on 27th Apr at Buckingham Palace prior to the King's Coronation on 6 May. RRD for 2023 is being planned for 21st May in London and Grenadier Day for 8th July at Aldershot with the 1st Battalion. Additionally routine Branch activity (lunches/dinners etc) will continue throughout the year.

GRENADIER GUARDS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Association's expenditure exceeded income in the year ended 31 December 2022 by £61,211. Donations and subscriptions receivable increased by £45,026. Investment income was £29,123, an increase of £6,200 compared with 2021 (£22,923). Expenditure on welfare grants increased by £10,306. The Trustees continue to keep these matters under review.

The increase in net expenditure before gains for the year of £18,246 is in the main due to an increase in Donations & Legacies of £87,309, offset by an increase in the cost of Branch Events of £85,559 plus increases in Welfare Grants of £14,466 and Support Costs of £12,370. Expenditure on Branch Events increased due to all Branches now holding an Annual Dinner COVID restrictions having been eased late 2021.

Trustees' Responsibilities Statement

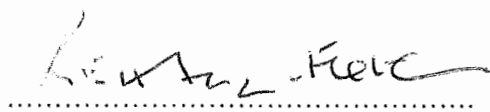
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

25 March 2023

GRENADIER GUARDS ASSOCIATION

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

Opinion

We have audited the financial statements of Grenadier Guards Association for the year ended 31 December 2022 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 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.

GRENADIER GUARDS ASSOCIATION

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 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.

**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.

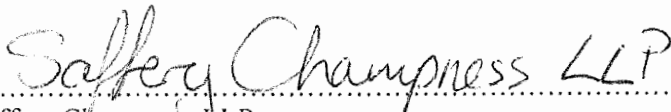
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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 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: 31 March 2023

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 2022

Unrestricted funds	Note	2022 £	2021 £
Income from:			
Donations and subscriptions		136,838	91,812
Legacies		43,283	1,000
Investment income		29,123	22,923
Sales of goods		24,353	18,199
Other income		-	-
Total income		233,597	133,934
Expenditure on:			
Raising funds	2	33,923	28,409
Charitable activities	3	260,885	148,490
Total expenditure		(294,808)	(176,899)
Net (expenditure)/income for the year before investment (losses)/gains		(61,211)	(42,965)
Other recognised (losses) and gains			
Net (losses)/gain on investments		(236,190)	207,769
Net (expenditure)/income movement in funds		(297,401)	164,804
Balances brought forward		2,649,502	2,484,698
Balances carried forward		2,352,101	2,649,502

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

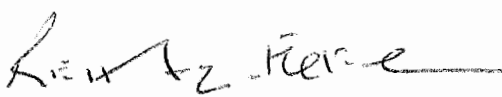
The notes on pages 12 to 16 form part of these accounts.

GRENADIER GUARDS ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	4	3,593	3,931
Investments	5	2,014,368	2,271,914
		<u>2,017,961</u>	<u>2,275,845</u>
Current assets			
Stocks		39,459	35,367
Debtors		3,489	3,225
Cash at bank and in hand		314,860	364,486
		<u>357,808</u>	<u>403,078</u>
Current liabilities			
Creditors	6	(23,668)	(29,421)
Net current assets		<u>334,140</u>	<u>373,657</u>
Total assets less current liabilities		<u>2,352,101</u>	<u>2,649,502</u>
Funds			
Unrestricted		<u>2,352,101</u>	<u>2,649,502</u>

Approved by the Trustees on 25 March 2023


Colonel R E H Aubrey - Fletcher
Trustee

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

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

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.

GRENADE GUARDS ASSOCIATION

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

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 2022

2 Cost of raising funds

	2022 £	2021 £
Cost of goods sold	19,120	12,563
Investment management fees	14,803	15,846
	<u>33,923</u>	<u>28,409</u>

3 Charitable activities

	2022 £	2021 £
Welfare grants	65,054	50,588
Association events	131,783	46,224
Support costs	64,048	51,678
	<u>260,885</u>	<u>148,490</u>

Auditor's remuneration

The auditor's remuneration constituted an audit fee of £11,000 (2021: £6,775).

4 Tangible fixed assets

	Office & display equipment £
Cost	
At 1 January 2022	12,966
Additions	133
At 31 December 2022	<u>13,099</u>
Depreciation	
At 1 January 2022	9,035
Charge for the year	471
At 31 December 2022	<u>9,506</u>
Net book value	
At 31 December 2022	<u>3,593</u>
At 31 December 2021	<u>3,931</u>

GRENADIER GUARDS ASSOCIATION

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

5 Fixed assets investments

	2022		2021	
	£		£	
Market value				
At 1 January 2022		2,189,715		2,015,747
Additions		664,775		413,821
Disposals		(756,974)		(447,622)
Net investment (losses)/gains		(236,190)		207,769
At 31 December 2022		1,861,326		2,189,715
Cash		153,042		82,199
Total investments as at 31 December 2022		2,014,368		2,271,914
	2022		2021	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	288,786	267,795	218,984	232,470
Equities				
United Kingdom	86,725	95,049	216,796	267,655
North America	426,021	544,623	255,480	434,115
Continental Europe	-	-	45,819	69,552
Far East	81,391	88,732	81,572	99,853
Emerging Markets	118,892	129,226	135,680	185,166
Global	335,068	385,409	347,496	433,801
Portfolio Funds				
Portfolio Funds	-	-	-	-
Hedge Funds				
Other International	429,362	443,122	386,765	459,801
Cash				
United Kingdom	53,042	53,042	82,199	82,199
Other investments	7,370	7,370	7,299	7,299
Total	1,826,657	2,014,368	1,778,090	2,271,914

GRENADIER GUARDS ASSOCIATION

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

6 Creditors

	2022 £	2021 £
Accruals	23,668	21,636

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 £105 were reimbursed to 1 trustee during the year (2021: £76 to 1 trustee).

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

GRENADIER GUARDS ASSOCIATION

DETAILED INCOME - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£	£	£	£
Non-investment income				
Sales of Association goods	24,353		18,199	
Other Income	-		-	
		24,353		18,199
Income from investments				
Investment income gross	28,963		22,871	
Deposit interest	160		52	
		29,123		22,923
Donations and subscriptions				
Welfare grants from regimental funds	30,000		30,000	
Covenants and gift aid	2,968		3,080	
Refund of tax on donations	744		770	
Non-covenanted or gift aid donations	16,755		8,407	
Subscriptions	1,337		430	
Christmas draw	19,706		17,889	
Christmas gifts	-		210	
Branch events	65,328		31,026	
Recurring	136,838		91,812	
Legacies	43,283		1,000	
Non-recurring	43,283		1,000	
		180,121		92,812
Total income		233,597		133,934
Recurring income		190,314		132,934
Non-recurring income		43,283		1,000
		233,597		133,934

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 2022

	2022		2021	
	£	£	£	£
Cost of raising funds				
Costs of goods sold	19,120		12,563	
Investment management fees	14,803		15,846	
		33,923		28,409
Charitable activities				
Grants and donations:				
Charitable allowances paid	4,623		5,115	
Christmas gifts	6,973		5,817	
Welfare grants	42,391		32,085	
Welfare expenses	2,696		3,590	
	56,683		46,607	
Donations, wreaths and crosses	8,371		3,981	
		65,054		50,588
Association events:				
Grenadier Day expenses	10,922		318	
Regimental Remembrance Day	13,259		470	
Branch dinners official expenses	2,547		349	
Annual dinner and dance	73,655		26,286	
Presentations	45		204	
Other	31,355		18,597	
		131,783		46,224
Carried forward		230,760		125,221

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 2022

	2022		2021	
	£	£	£	£
Brought forward		230,760		125,221
Other expenditure				
Support costs:				
AGM, Finance and Central Committee	8,940		5,976	
General administrative costs in				
Branches	550		550	
Honoraria, pension and travelling	14,875		11,065	
Insurance	1,028		903	
Repairs, renewals and maintenance	1,210		543	
Postage	1,054		2,520	
Printing, stationery and office expenses	13,651		9,216	
Legal costs	-		-	
Audit and accountancy	20,407		19,442	
Bank charges	1,177		354	
Depreciation of fixed assets	1,156		1,109	
		64,048		51,678
Total recurring expenditure		294,808		176,899

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