

GRENADIER GUARDS ASSOCIATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

GRENADEER GUARDS ASSOCIATION

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GRENADIER GUARDS ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Major General J M H Bowder OBE Lieutenant General Sir Roly 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 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 2023

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 2023. 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).

When reviewing the aims of the charity, and in planning future activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have regard to public benefit guidance published by the Charity Commission.

Objects

The objects and main activities of the Association to further the charities purposes for the public benefit 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-six 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 11 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 2023

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 2023:

Valuation.

The value of the Association portfolio was £2,127,719 as at 31st December 2023. This compares with a value of £2,014,368 as at 31st December 2022. Not including distributions over 12 months, the portfolio is up £118,352 over 12 months.

Income.

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

Performance.

Over 2023, the portfolio returned +5.8%, over the same period the benchmark, CPI+3.0%, returned +7.1%.

Commentary.

At the start of 2022, prior to the invasion of Ukraine, we reduced risk within portfolios in favour of holding more defensive assets. This served portfolios well in 2022 but was more of a headwind through the first half of 2023 when the global economy and stock markets performed better than we had anticipated. As economic conditions improved however, we steadily increased risk again, focussing on adding to equities. As a result, portfolios were positioned well for the rally we saw over the final three months of the year.

Much of the strength seen in the global economy came from the US, driven by consumers spending surplus savings built up throughout the pandemic. Broadly speaking, companies have been able to pass through cost increases directly to customers without damaging demand. This has been most pronounced in some of the largest companies in the market, namely Amazon, Meta, Alphabet, Apple, Tesla and Microsoft, where we saw a very strong rebound in stock prices after sharp falls in 2022. This was also fuelled, in part, by the excitement around Artificial Intelligence (AI) where chip manufacturer Nvidia emerged as a market leader. These stocks combined led the world equity index to a return of just over 15% over 2023.

The equities held within your portfolio lagged those of the world equity index. The principal headwind was holding a lower allocation to the narrow set of tech stocks listed above. Instead, portfolios have had more exposure to defensive companies as well as thematic funds investing into sectors with structural tailwinds such as healthcare and the energy transition. Valuations in these areas of market look compelling and we expect a broadening out of returns in 2024, providing a better backdrop for our active fund managers. This started to take place in the final quarter of the year.

Outside of equities, we have been active in both the bond and alternatives allocation. More recent additions to equities have been funded by reducing exposure to commodities, including gold. We still believe gold can act as a valuable hedge against shocks, however, it has performed far better than we would have expected in a rising interest rate environment and looks vulnerable at current levels (near to a record high).

The bond market has been through a turbulent period since the pandemic with interest rates falling to near zero before rising at the fastest rate in history. This led to a very sharp fall in bond prices over 2022 and the first half of 2023. For example, the UK Government Bond index fell by a staggering 26.5% over the period. We had been concerned about this for some time and therefore worked to ensure portfolios were protected from the worst of the falls. Over the second half of 2023 we finally became positive on bonds again, taking the view interest rates rises were largely priced in by the market. This position helped in the final quarter of the year with bond markets enjoying one of their strongest periods on record across November and December.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Outlook.

To guide our transition to a more positive stance on equities, we have been monitoring four key indicators. The most important of these is a peak in interest rates which is typically supportive for stock markets. Inflation continues to fall, with the latest US readings at the lowest level in over two years and US wage increases, a key driver of inflation, appear to have at least plateaued as unemployment slowly ticks up.

Other indicators are less clear cut. Company profit expectations for 2024 look relatively optimistic. Equity valuations and market sentiment also look less supportive. Both are currently elevated, which could be a signal of excessive optimism in markets in the short term. Against this backdrop, we would not be surprised to see volatility in markets over the first quarter of 2024.

There are of course other risks, not least geopolitics, with 50 countries and two billion people expected to go to the polls this year. For the first time since 1992, the US and UK will be holding elections in the same year (assuming the UK government does not hold out for an election in January 2025). Along with India's election, these will be the first major votes held in the age of AI. Politicians, regulators, and investors will all be closely monitoring its impact.

A UK election probably won't alter the trajectory of global markets, but it will have significant implications for UK financial markets and could usher in changes to personal taxation. A new government's room for manoeuvre looks severely limited. The recent Autumn Statement made much of the UK's "fiscal headroom" – and used it to fund two large tax cuts. However, it was far less frank about the fact that this headroom assumes minimal increases in public spending over the coming years. Given the state of many of the UK's public services, this is likely to lead to further battles over tax and spending – and potentially further volatility in UK markets.

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 increased to normal levels throughout 2022, this has also been the case throughout 2023 which has seen a rise in Branch activity with lunches, dinners, outings and visits across the country being the main activities that have taken place at Branch level throughout the year.

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. A total of £54,981 was provided from Headquarters funds for the benefit of members during 2023 in the form of supplementary allowances and grants at Christmas to those of State Retirement age, and individual grants to those members of all ages who faced hardship and distress. It should be noted that this is a rise from 2022 and likely to reflect the current financial situation across the country.

Our two large centrally organised events, Regimental Remembrance Day (RRD) in May and Grenadier Day (our Regimental families' open day) in July both took place during 2023. Additionally, a number of bespoke events centred around the Coronation took place with Association members in attendance. An example being the Presentation of a new Royal Standard which took place in Buckingham Palace garden, prior to the Coronation, in the presence of The King, with Association members present.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Finance and Executive Committees met twice in the year first in March then again in September. An AGM was held in London in October, all Minutes were published thereafter. Our President reported to the Regimental Trustees and Regimental Council on two occasions during the year, in May and December.

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 2023 we lost the Kingston, Lincoln and Medway Branch's due to a dwindling and ageing membership, unfortunately there are similarly plans to close the Wolverhampton Branch during 2024.

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. Support to such Virtual Groups has been complemented by a concerted effort to enhance the visibility of the Association to the serving members of the Regiment. New Draft arriving from initial training are routinely briefed and the General Secretary similarly participated in an All Ranks of Briefing Day held by the Battalion. Likewise, greater use is being made of The Gazette (the annual Regimental Journal) to highlight the work of the Association and demonstrate how its Objects are being achieved.

The incorporation of Ypres Company, The London Guards Regiment, into the Regiment has led to a proposed change to the Rules of the Association allowing Reserve Army Grenadiers to be eligible to the same welfare support as their Regular counterparts, which will be voted on at the next AGM on 6 April 2024. A similar proposed change reflects the addition of female Grenadiers to the ranks of the Regiment.

As Branches close, with the attendant loss of their Welfare Officers, work is actively underway to establish how we can best establish a network of individuals able to provide initial welfare support and advice to our retired members across the country. The activation of a RHQ Communications Officer working for the Association in an Honorary role is proving to be a great asset not only in greatly improved delivery and coordination of information via social media but also the delivery of welfare support to those members that are in areas of the country without a Branch to call upon.

Regimental Remembrance Day for 2024 is being planned for the 19th May in London and Grenadier Day for 6th July at Aldershot. Members will also be able to attend a Freedom of the City of Manchester Parade, with two days of related activities, to take place in September. Additionally routine Branch activity (lunches/dinners etc) will continue throughout the year.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The Association's expenditure exceeded income in the year ended 31 December 2023 by £49,949. Donations and subscriptions receivable decreased by (£5,730). Investment income was £37,210, an increase of £8,087 compared with £6,200 in 2022. Expenditure on welfare grants increased by (£23,349). The Trustees continue to keep these matters under review.

The decrease in net expenditure before gains for the year of £11,262 is in the main due to an increase in Donations & Legacies of £26,507, as well as a decrease in the cost of Branch Events of £13,852 offset partially by increases in Welfare Grants of £23,349 and Support Costs of £12,497.

Trustees' Responsibilities Statement

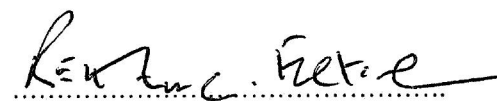
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

20 March 2024

GRENADIER GUARDS ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Grenadier Guards Association for the year ended 31 December 2023 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 2023 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 2023

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 7, 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 2023

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 LLP

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Saffery LLP

Chartered Accountants

Statutory Auditors

Date: *27 March 2024*

71 Queen Victoria Street

London

EC4V 4BE

Saffery 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 2023

Unrestricted funds	Note	2023 £	2022 £
Income from:			
Donations and subscriptions		131,108	136,838
Legacies		75,520	43,283
Investment income		37,210	29,123
Sales of goods		28,513	24,353
Total income		272,351	233,597
Expenditure on:			
Raising funds	2	39,421	33,923
Charitable activities	3	282,879	260,885
Total expenditure		(322,300)	(294,808)
Net (expenditure) for the year before investment (losses)/gains		(49,949)	(61,211)
Other recognised (losses) and gains			
Net gain/(losses) on investments		97,413	(236,190)
Net movement in funds		47,464	(297,401)
Balances brought forward		2,352,101	2,649,502
Balances carried forward		2,399,565	2,352,101

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

The notes on pages 13 to 17 form part of these accounts.

GRENADIER GUARDS ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	£	2023	£	£	2022	£
Fixed assets							
Tangible assets	4		3,680			3,593	
Investments	5		2,127,719			2,014,368	
			<u>2,131,399</u>			<u>2,017,961</u>	
Current assets							
Stocks		37,795		39,459			
Debtors		7,406		3,489			
Cash at bank and in hand		244,995		314,860			
		<u>290,196</u>		<u>357,808</u>			
Current liabilities							
Creditors	6	(22,030)		(23,668)			
Net current assets			<u>268,166</u>			<u>334,140</u>	
Total assets less current liabilities			<u>2,399,565</u>			<u>2,352,101</u>	
Funds							
Unrestricted			<u>2,399,565</u>			<u>2,352,101</u>	

Approved by the Trustees on 20 March 2024



Colonel R E H Aubrey - Fletcher
Trustee

The notes on pages 13 to 17 form part of these accounts.

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 £1.

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 with a single item value above £1,000 are capitalised at cost. Tangible fixed assets costing less than £1,000 are expensed in the year of purchase.

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 estimated selling price less costs to complete and sell and represent goods held for sale by the charity.

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 and support costs are allocated to charitable activities expenditure.

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 2023

2 Cost of raising funds

	2023 £	2022 £
Cost of goods sold	24,763	19,120
Investment management fees	14,658	14,803
	<u>39,421</u>	<u>33,923</u>

3 Charitable activities

	2023 £	2022 £
Welfare grants	88,403	65,054
Association events	117,931	131,783
Support costs	76,545	64,048
	<u>282,879</u>	<u>260,885</u>

Auditor's remuneration

The auditor's remuneration constituted an audit fee of £11,440 (2022: £11,000). This figure is net of VAT whereas, all other items of expenditure are inclusive of VAT.

4 Tangible fixed assets

	Office & display equipment £
Cost	
At 1 January 2023	13,099
Additions	714
At 31 December 2023	<u>13,813</u>
Depreciation	
At 1 January 2023	9,506
Charge for the year	627
At 31 December 2023	<u>10,133</u>
Net book value	
At 31 December 2023	<u>3,680</u>
At 31 December 2022	<u>3,593</u>

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5 Fixed assets investments

	2023 £	2022 £
Market value		
At 1 January 2022	1,861,326	2,189,715
Additions	831,680	664,775
Disposals	(749,514)	(756,974)
Net investment (losses)/gains	97,413	(236,190)
At 31 December 2023	2,040,905	1,861,326
Cash	86,814	153,042
Total investments as at 31 December 2023	2,127,719	2,014,368

	2023		2022	
	Cost	Market value	Cost	Market value
	£	£	£	£
Fixed Interest				
United Kingdom	234,839	240,552	288,786	267,795
Emerging Markets				
Emerging Markets	38,660	41,650	-	-
Equities				
United Kingdom	47,953	48,104	86,725	95,049
North America	387,031	550,259	426,021	544,623
Continental Europe	12,112	12,176	-	-
Far East	108,700	112,483	81,391	88,732
Emerging Markets	73,162	66,992	118,892	129,226
Global	493,841	548,513	335,068	385,409
Portfolio Funds				
Portfolio Funds	11,815	12,327	-	-
Hedge Funds				
Other International	395,807	400,155	429,362	443,122
Cash				
United Kingdom	86,814	86,814	53,042	53,042
Other investments	7,694	7,694	7,370	7,370
Total	1,898,428	2,127,719	1,826,657	2,014,368

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6 Creditors

	2023	2022
	£	£
Accruals	22,030	23,668

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 £0 were reimbursed to 0 trustee during the year (2022: £105 to 1 trustee).

The charity received funding from The Grenadier Guards Charity (Registered charity number 1062257) in the form of an annual grant in the sum of £30,000.

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

GRENADIER GUARDS ASSOCIATION

DETAILED INCOME - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Non-investment income				
Sales of Association goods	28,513		24,353	
		<u>28,513</u>		<u>24,353</u>
Income from investments				
Investment income gross	35,909		28,963	
Deposit interest	<u>1,301</u>		<u>160</u>	
		37,210		29,123
Donations and subscriptions				
Welfare grants from regimental funds	30,000		30,000	
Covenants and gift aid	2,803		2,968	
Refund of tax on donations	436		744	
Non-covenanted or gift aid donations	11,470		16,755	
Subscriptions	1,313		1,337	
Christmas draw	21,866		19,706	
Branch events	<u>63,220</u>		<u>65,328</u>	
Recurring	<u>131,108</u>		<u>136,838</u>	
Legacies	<u>75,520</u>		<u>43,283</u>	
Non-recurring	<u>75,520</u>		<u>43,283</u>	
		206,628		180,121
Total income		<u>272,351</u>		<u>233,597</u>
Recurring income		196,831		190,314
Non-recurring income		<u>75,520</u>		<u>43,283</u>
		<u>272,351</u>		<u>233,597</u>

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 2023

	2023		2022	
	£	£	£	£
Cost of raising funds				
Costs of goods sold	24,763		19,120	
Investment management fees	14,658		14,803	
		39,421		33,923
Charitable activities				
Grants and donations:				
Charitable allowances paid	4,300		4,623	
Christmas gifts	6,788		6,973	
Welfare grants	69,887		42,391	
Welfare expenses	2,709		2,696	
	83,684		56,683	
Donations, wreaths and crosses	4,719		8,371	
		88,403		65,054
Association events:				
Grenadier Day expenses	10,634		10,922	
Regimental Remembrance Day	12,319		13,259	
Branch dinners official expenses	2,668		2,547	
Annual dinner and dance	76,021		73,655	
Presentations	799		45	
Other	15,490		31,355	
		117,931		131,783
Carried forward		245,755		237,760

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GRENADIER GUARDS ASSOCIATION

DETAILED EXPENDITURE - UNAUDITED FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Brought forward		245,755		230,760
Other expenditure				
Support costs:				
AGM, Finance and Central Committee	6,882		8,940	
General administrative costs in				
Branches	550		550	
Honoraria, pension and travelling	18,595		14,875	
Insurance	1,080		1,028	
Repairs, renewals and maintenance	708		1,210	
Postage	3,420		1,054	
Printing, stationery and office expenses	18,855		13,651	
Legal costs	954		-	
Audit and accountancy	21,666		20,407	
Bank charges	1,008		1,177	
Virtual Networking	2,200		-	
Depreciation of fixed assets	627		1,156	
		76,545		64,048
Total recurring expenditure		322,300		294,808

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