

GRENADIER GUARDS ASSOCIATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

GRENADIER GUARDS ASSOCIATION

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GRENADIER GUARDS ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Major General J M H Bowder OBE
General Sir Roly Walker KCB DSO ADC Gen
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

**General Secretary
and Treasurer**

Lieutenant Colonel J A Keeley MBE

**Registered Charity
Number**

287265

Address

Wellington Barracks
Birdcage Walk
London SW1E 6HQ

Independent Examiner

Cara Turtington FCA DChA
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 2024

The Trustees present their annual report on the affairs of the Association, together with the Accounts and Independent Examiner's Report for the year ended 31 December 2024. 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, 1999, 2014, 2019 and again in 2024 being approved at the Annual General Meeting on 20th April 2024. 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 2023 it was decided upon, to allow grants to be made to not only support Association Branch activity but also the activity of General Members who are holding Regimental reunions.

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.

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Cazenove Capital Management are managing the portfolio on a total return basis with a view to maximising the overall return in the longer term. Here follows their most recent commentary for the 12 month period to 31st December 2024:

Valuation. The value of the Association's portfolio was £2,263,160 at 31st December 2024. This compares with a value of £2,127,719 at 31st December 2023. Not including distributions, over 12 months the portfolio is up £207,343 (+10%) over 12 months.

Income. The annual requirement from the portfolio is £76,000, which is distributed quarterly.

Performance. Over 2024 to date, the portfolio has returned +10%, over the same period the benchmark, CPI+3.0%, returned +5.6%.

Commentary

Equities enjoyed a strong 2024, with global equity markets increasing by 20% as measured by the MSCI All Country World Index. Positive returns were driven by encouraging economic fundamentals, including a gradual decrease in inflation, the first interest rate cuts since 2020, and robust global growth.

While headline global equity returns were very strong, this did mask some dispersion in underlying markets. A high proportion of returns continue to be generated by the so-called 'Magnificent 7' tech stocks in the US which were up 67% alone, with Nvidia nearly tripling in value over the year. The broader US market was further buoyed by Trump's election victory in anticipation of stronger growth, lower taxes and reduced regulation.

Equities outside of the US delivered more subdued growth with the MSCI All Country World ex USA rising just 7.9% over 2024. Europe lagged, with its two largest economies, France and Germany, facing economic stagnation. The latter continues to face headwinds from a flagging manufacturing sector. Outside of Europe, emerging markets again underperformed developed markets but there were the first signs of a recovery in China following fresh stimulus from the government.

Outside of equities, government bonds faced challenges and posted negative returns as central banks delivered fewer interest rate cuts than markets anticipated. This led to a rise in bond yields and therefore a fall in bond prices. Within portfolios, we remain wary of the risks a resurgence of inflation would pose and therefore favour bonds with short maturities. This stood portfolios in good stead last year.

Looking ahead, we anticipate that the global economy will continue to grow at around 2.5-3% over the next couple of years. Although this aligns with the performance seen in 2023 and 2024, we expect notable shifts at the country level and stronger growth in the US may be tempered by slower growth in other regions. President Trump's tax cuts and regulatory changes are likely to further stimulate US growth in 2025 and 2026. However, this could also heighten inflationary pressures, particularly from potential tariffs and immigration policies, making the interest rate outlook more uncertain. Furthermore, the prospect of an all-out trade war looms large and conflicts in Ukraine and Middle East remain ongoing.

Given these dynamics, whilst we are optimistic about equities in 2025, we are also conscious of the increasing downside risks and are taking this opportunity to slightly reduce our equity allocation, securing profits after the strong performance of the asset class. Diversification should also help to mitigate some of these risks. In multi-asset portfolios, bonds should provide some protection against risks to growth, while gold and other commodities help to manage the risk of inflation and elevated geopolitical tensions.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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, activity continued to grow throughout 2023 and 2024 was a busy year 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.

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 £38,126.41 was provided from Headquarters funds for the benefit of members during 2024 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 2024. Additionally, a number of bespoke events took place with Association members in attendance. An example being numerous reunions around the country.

The Finance and Executive Committees met twice in the year first in March then again in September. An AGM was held in London in April, all Minutes were published thereafter. The President reported to the Regimental Trustees and Regimental Council on two occasions during the year, in May and December. Our President changed over in April 2024 with Lt Col G R Denison-Smith taking over from Colonel R E H Aubrey Fletcher after ten years loyal and dedicated service to the Regimental Association, this was ratified on the April AGM.

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 Wolverhampton Branch's due to a dwindling and ageing membership, unfortunately this is sadly expected to be a continuing trend in future years.

We continue where possible to enhance the support we consider appropriate to social activities coordinated on-line through the use of social media through groups that are not traditional geographically based groupings. For the past few years representation from such groups has been included at Executive Committee Meetings. Support to such groupings 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 Briefing Day held by the Battalion. Likewise, greater use is being made of The Regimental Website, Social Media and the Grenadier 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, this was ratified on the April 2024 AGM.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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 an 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 2025 is being planned for the 18th May in London and Grenadier Day for 28th June at Aldershot. Additionally routine Branch activity (lunches/dinners etc) will continue throughout the year.

Financial review

The Association's income exceeded expenditure in the year ended 31 December 2024 by £154,402. Donations and subscriptions receivable increased by £9,878. Investment income was £42,084, an increase of £4,874 compared with £8,087 in 2023. Expenditure on welfare grants decreased by £25,218. The Trustees continue to keep these matters under review.

The decrease in net expenditure before gains for the year of £20,457 is in the main due to a decrease in Donations & Legacies of £23,792, as well as decreases in the cost of Branch Events of £21,059, as well as Welfare Grants and Christmas Gifts of £30,932.

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



Captain C A G Bennett
Trustee

13 MAR 2025

GRENADIER GUARDS ASSOCIATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

I report to the trustees on my examination of the accounts of the Grenadier Guards Association (the Charity) for the year ended 31 December 2024.

Respective Responsibilities of trustees and examiner

As the charity trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Cara Turlington FCA DChA
Saffery LLP



26 March 2025

71 Queen Victoria Street
London
EC4V 4BE

GRENADIER GUARDS ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

Unrestricted funds	Note	2024 £	2023 £
Income from:			
Donations and subscriptions		140,986	131,108
Legacies		40,500	75,520
Investment income		42,084	37,210
Sales of goods		28,432	28,513
Total income		252,002	272,351
Expenditure on:			
Raising funds	2	44,250	39,421
Charitable activities	3	237,244	282,879
Total expenditure		(281,494)	(322,300)
Net (expenditure) for the year before investment (losses)/gains		(29,492)	(49,949)
Other recognised (losses) and gains			
Net gain/(losses) on investments		183,894	97,413
Net movement in funds		154,402	47,464
Balances brought forward		2,399,565	2,352,101
Balances carried forward		2,553,967	2,399,565

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

The notes on pages 10 to 14 form part of these accounts.

GRENADIER GUARDS ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2024

	Note	£	2024	£	£	2023	£
Fixed assets							
Tangible assets	4		1,305			3,680	
Investments	5		2,263,160			2,127,719	
			<u>2,264,465</u>			<u>2,131,399</u>	
Current assets							
Stocks		35,596		37,795			
Debtors		2,474		7,406			
Cash at bank and in hand		268,018		244,995			
		<u>306,088</u>		<u>290,196</u>			
Current liabilities							
Creditors	6	(16,586)		(22,030)			
Net current assets			<u>289,502</u>			<u>268,166</u>	
Total assets less current liabilities			<u>2,553,967</u>			<u>2,399,565</u>	
Funds							
Unrestricted			<u>2,553,967</u>			<u>2,399,565</u>	

Approved by the Trustees on 13 MAR 2025


Captain C A G Bennett
Trustee

The notes on pages 10 to 14 form part of these accounts.

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024

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 2024

2	Cost of raising funds	2024	2023
		£	£
	Cost of goods sold	28,508	24,763
	Investment management fees	15,742	14,658
		<u>44,250</u>	<u>39,421</u>
3	Charitable activities	2024	2023
		£	£
	Welfare grants	63,185	88,403
	Association events	96,872	117,931
	Support costs	77,187	76,545
		<u>237,244</u>	<u>282,879</u>

Auditor's remuneration

The Independent Examination in 2024 attracted a fee of £5,500, whereas, the full audit in 2023 attracted a fee of £11,440. Both these figures are net of VAT whereas, all other items of expenditure are inclusive of VAT.

4	Tangible fixed assets	Office & display equipment
		£
	Cost	
	At 1 January 2024	13,813
	Additions	999
	Disposals	(6,402)
	At 31 December 2024	<u>8,410</u>
	Depreciation	
	At 1 January 2024	10,133
	Charge for the year	1,214
	Disposals	(4,242)
	At 31 December 2024	<u>7,105</u>
	Net book value	
	At 31 December 2024	<u>1,305</u>
	At 31 December 2023	<u>3,680</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5 Fixed assets investments

	2024 £	2023 £
Market value		
At 1 January 2024	2,040,905	1,861,326
Additions	641,104	831,680
Disposals	(667,842)	(749,514)
Net investment (losses)/gains	183,893	97,413
At 31 December 2024	2,198,060	2,040,905
Cash	65,100	86,814
Total investments as at 31 December 2024	2,263,160	2,127,719

	2024		2023	
	Cost £	Market value £	Cost £	Market value £
Fixed Interest				
United Kingdom	241,368	245,804	234,839	240,552
Emerging Markets				
Emerging Markets	11,815	13,008	38,660	41,650
Equities				
United Kingdom	47,953	52,611	47,953	48,104
North America	598,434	788,535	387,031	550,259
Continental Europe	58,610	57,326	12,112	12,176
Far East	159,022	174,631	108,700	112,483
Emerging Markets	74,793	67,599	73,162	66,992
Global	403,824	473,770	493,841	548,513
Portfolio Funds				
Portfolio Funds	-	-	11,815	12,327
Hedge Funds				
Other International	326,547	324,776	395,807	400,155
Cash				
United Kingdom	65,100	65,100	86,814	86,814
Other investments	-	-	7,694	7,694
Total	1,987,466	2,263,160	1,898,428	2,127,719

GRENADIER GUARDS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

6 Creditors

	2024 £	2023 £
Accruals	16,586	22,030

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 (2023: £0 to 0 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.